Nation Printers and Publishers Limited

DT
448.2
.K46
N385
1996

Report and Accounts 1996 • Ripoti na Hesabu ya Pesa 1996

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Front cover

1. *The new printing press, Mombasa Road.*
2. *President Moi opens the new press in the presence of His Highness The Aga Khan.*
3. *The chairman makes his address.*
4. *A childrens' choir entertains the guests.*

Picha za mbele

1. *Kiwanda kipya cha uchapishaji katika Mombasa Road.*
2. *Rais Moi akifungua kiwanda hiki kipya akiwemo Mtukufu Aga Khan.*
3. *Mwenyekiti akitoa hotuba.*
4. *Kwaya ya watoto ikitumbuiza wageni.*

Back cover

1. *His Highness The Aga Khan presents long service awards.*
2. *The Nation Centre, Kimathi Street.*
3. *His Highness The Aga Khan studies the Nation Internet site.*

Picha za nyuma

1. *Mtukufu Aga Khan akikabidhi vyeti vya utumishi wa muda mrefu.*
2. *Nation Centre, Kimathi Street.*
3. *Mtukufu Aga Khan akichunguza jinsi kifaa cha Nation Internet kinavyofanya kazi.*

Nation Media group --- Periodicals
2 Media group --- Kenya -- Periodicals

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Mission Statement and Annual Highlights 1996

Mission statement
To be the most successful media group in East Africa.

Annual highlights 1996
Total revenue increased by 23% to Kshs. 1.9 billion.

New printing plant brought on stream on time and within budget.

Operating profit before interest improved by 21% to Kshs. 357.4 million.

The outstanding $33\frac{1}{3}$% of Nation Carriers Limited acquired from Akamba Public Road Services Limited.

The group's interest in Industrial Promotion Building Limited increased from 16.4% to 20%.

41.7% interest in Kenya Litho Limited sold for an extraordinary profit of Kshs. 48.0 million.

Profit attributable to shareholders increased by 6% to Kshs. 206.9 million.

Recommended dividend total of 55%, an increase of 22% over 1995.

Proposed one for two bonus share issue.

Wito la Kundi na Matukio Muhimu 1996

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Wito la kundi
Kuwa kundi la kufaulu zaidi la habari katika Afrika Mashariki.

Matukio muhimu ya 1996
Mapato kwa jumla yaliongezeka kwa asilimia 23% hadi Kshs. 1.9 bilioni.

Mitambo mipya ya uchapishaji yaletwa na kufunguliwa katika wakati na bajeti iliyokadiriwa.

Faida ya kibiashara kabla ya riba inaongezeka kwa asilimia 21% hadi Kshs. 357.4 milioni.

Hisa asilimia $33\frac{1}{3}$% ya Nation Carriers Limited zanunuliwa kutoka kwa Akamba Public Road Services Limited.

Hisa za kundi katika Industrial Promotion Building Limited zaongezeka kutoka asilimia 16.4% hadi asilimia 20%.

Hisa asilimia 41.7% katika Kenya Litho Limited ziliuzwa kwa faida ya ajabu ya Kshs. 48.0 milioni.

Faida kwa wenye hisa iliongezeka kwa asilimia 6% hadi Kshs. 206.9 milioni.

Mgawo uliopendekezwa wa faida wafikia jumla ya asilimia 55%, ongezeko la asilimia 22% juu ya 1995.

Toleo lililopendekezwa la hisa mbili za bakshishi kwa kila hisa moja inayohifadhiwa.

Notice of Annual General Meeting

Notice is hereby given that the thirty fourth Annual General Meeting of the shareholders of Nation Printers and Publishers Limited will be held at the Hotel Inter-Continental, Nairobi, on Thursday, 12 June, 1997 at 3.00 p.m. for the following purposes:–

Ordinary business

1 To receive the accounts for the year ended 31st December, 1996 and the chairman's, directors' and auditors' reports thereon.

2 To confirm the payment of the interim dividend of 12.5% and to approve the payment of a final dividend of 42.5% on the ordinary share capital in respect of the year ended 31st December, 1996.

Special business

3 To resolve that it is desirable to capitalize the share premium account amounting to Kshs. 1,327,220 together with part of the revenue reserves of the company amounting to Kshs. 28,383,305 and that the same be applied in paying up in full at par 5,942,105 shares of Kshs. 5.00 each in the capital of the company, such shares to be allotted and distributed as fully paid up to the shareholders who are registered at the close of business on 30th May 1997 in the proportion of one such new share for every two existing shares held by such member respectively (fraction of a share to be disregarded) and further that such shares shall rank pari passu with the existing shares except that they shall not qualify for the payment of the final dividend for the year 1996 declared by this meeting and the directors are hereby authorised to give effect to this resolution.

Ordinary business

4 To authorise the directors to fix the remuneration of the auditors, Messrs Coopers & Lybrand.

5 To elect and re-elect the following directors:
In accordance with Article 96 of the Articles of Association, Mr. R. C. Henry being eligible, offers himself for re-election.

In accordance with Article 110 of the Articles of Association, Mr. H. H. O. Awori, Mr. A. Poonawala and Mr. W. Robinson retire by rotation and, being eligible, offer themselves for re-election.

6 To transact any other competent business.

By order of the Board
S. G. Ogutha
Secretary 10th April, 1997

Note:
A member entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf. Such proxy need not be a member of the company. To be valid, proxy forms must be deposited at the company not less than 48 hours before the appointed time of the meeting.

Tangazo la Mkutano Mkuu wa kila Mwaka

Notisi inatolewa hapa kwamba Mkutano mkuu wa kila mwaka wa thelathini na nne wa wanachama wa Nation Printers and Publishers Limited utafanywa hoteli ya Inter-Continental, Nairobi, Alhamisi, Juni 12, 1997, saa tisa alasiri, kwa shughuli zifuatazo:–

Shughuli za kawaida

1 Kupokea na kujadili hesabu za mwaka uliomalizika Desemba 31, 1996 na ripoti za mwenyekiti, wakurugenzi na wakaguzi wa hesabu.

2 Kuthibitisha ulipaji wa mgawo wa muda wa faida wa asilimia 12.5 na kuidhinisha malipo ya mwisho ya mgawo wa faida wa asilimia 42.5 kuhusu mtaji wa hisa za kawaida kuhusiana na mwaka uliomalizika Desemba 31, 1996.

Shughuli maalum

3 Kuamua kwamba inafaa kutumia kiasi cha Kshs. 1,327,220 za akaunti kuu ya hisa pamoja na akiba ya mapato ya kampuni cha jumla ya Kshs. 28,383,305 na pesa hizo pia zitumiwe kulipa hisa 5,942,015 za Kshs. 5.00 kila moja katika rasilmali ya kampuni, na hisa kama hizo zitolewe na kugawanywa kama zilizolipwa na wenye hisa ambao walikuwa wameandikishwa wakati wa kufunga biashara mnamo Mei 30, 1997 kulingana na ulipaji na hisa moja kama hiyo kwa kila hisa mbili zilizoko alizo nazo mwanachama kama huyo (kifungu cha hisa kutotiwa maanani) na zaidi ni kwamba hisa kama hizo zitaenda sambamba na zile zilizoko ila tu kwamba hazitaweza kulipwa wakati wa mgawo wa mwisho wa mwaka 1996 unapotangazwa na mkutano huu nao wakurugenzi wanaidhinishwa kukubaliana na pendekezo hili.

Shughuli za kawaida

4 Kutoa idhini kwa wakurugenzi waamue marupurupu ya wakaguzi wa hesabu, Messrs Coopers & Lybrand.

5 Kuwachagua na kuchagua tena wakurugenzi wafuatao:
Kulingana na kifungu cha 96 cha Kanuni za Kampuni, Bw. R. C. Henry, kwa sababu anaweza kugombea uchaguzi, anajitolea kusimama kuchaguliwa tena kama mkurugenzi.

Kulingana na kifungu cha 110 cha Kanuni za Kampuni, Bw. H. O. Awori, Bw. A. Poonawala na Bw. W. Robinson wanastaafu kwa zamu na lakini kwa sababu wanaweza kugombea uchaguzi, wanaweza kusimama kuchaguliwa tena.

6 Kujadili mambo mengine yo yote yatakayostahili.

Kwa amri ya Halmashauri
S. G. Ogutha
Katibu Aprili 10, 1997

Muhimu:–
Mwanachama mwenye haki ya kuhudhuria na kupiga kura anaweza kumteua Mwakilishi (proxy) kuhudhuria mkutano na kupiga kura kwa niaba yake. Mwakilishi huyo si lazima awe mwanachama wa kampuni. Ili zitumike kihalali, Fomu za uwakilishi (proxy forms) zinapaswa kupelekwa katika afisi ilikoandikishwa kampuni masaa 48 kabla ya muda uliotengwa wa mkutano.

Chairman's Statement

Group performance

The last year was one of significant progress for your group. The Kenyan economy remained buoyant throughout the first half of the year. However, this was not sustained in the second half during which economic growth was substantially less than the 5% recorded in the first six months.

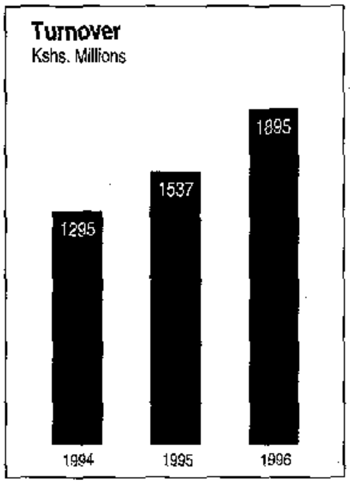
Last year I referred in my report to progress following the Board's decision to replace the group's ageing printing plant. Work on the new press at our Mombasa Road site started in December 1995 and within twelve months the plant was in full production. Commissioning the German firm Koening and Bauer-Albert AG, we have installed presses capable of running at 60,000 copies per hour.

Not only was this major project achieved within the very tight timetable established, it was also achieved within the original budget of Kshs. 750 million. We now have a world class printing facility which is among the most advanced anywhere in Africa. Our investment, one of the largest by any private sector company in Kenya, enables us significantly to enhance the quality, size and colour content of all our publications.

The inauguration of the new Nation press took place in March in the presence of His Excellency the President of Kenya; and the principal shareholder, His Highness the Aga Khan together with many other distinguished guests. The success of the occasion was a testimony to the hard work and determination of all those involved.

The strong cash flow generated by the group in recent years meant that more than half the cost of the new press was internally generated with the balance borrowed by means of medium term bank loans. Despite the consequent sharp increase in loan interest payable, I am delighted to report that the group has again achieved record results.

Overall group revenue improved by 23% to Kshs. 1,895.7 million (Kshs. 1,538.0 million in 1995). Again, Nation Newspapers Limited was the main engine behind the group's performance with operating profit moving ahead by 25%. Group operating profit at Kshs. 357.4 million (Kshs. 294.7 million) was 21% ahead of 1995. However, group profit before taxation and extraordinary items at Kshs. 262.1 million (Kshs. 296.9 million) was Kshs. 34.8 million lower than last year, due to the sharp increase in interest paid as a result of the investment in the new press. Despite the additional interest costs of Kshs. 79 million, profit attributable to shareholders, after extraordinary items, at Kshs. 206.6 million (Kshs. 195. 1 million) was 6% ahead of the previous year.



A historic meeting of President Clinton with Middle East leaders in Washington

Rais Clinton na viongozi Wakuu wa Mashariki ya Kati

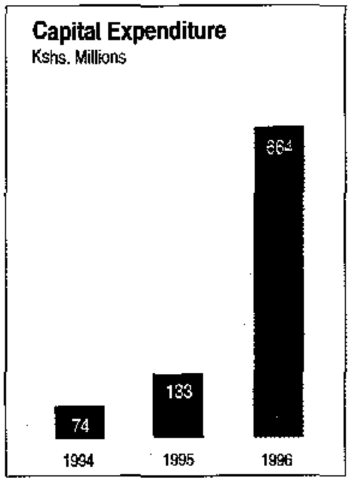
Nation Newspapers Limited

The group's principal subsidiary company again achieved record turnover and profitability in 1996. The cover prices of the *Daily Nation* and *Sunday Nation* were increased by Kshs 5 in March 1996. This was the first increase for two years and was actually below the rate of inflation for that period. The normal initial fall in sales of both titles following the increase was small and had been fully recovered by the year end. Both of the company's Swahili papers *Taifa*

Kenya's Harambee Stars draw with Nigeria's Super Eagles in World Cup qualifiers

Harambee Stars ya Kenya ilienda sare 1-1 na Super Eagles ya Nigeria kwenye mechi ya maondoano ya Kombe la Dunia

Leo and *Taifa Jumapili* witnessed useful gains in circulation during the year. At the same time, the company's regional weekly paper The *EastAfrican*, started in 1994, saw a strong increase in circulation as the paper firmly established itself throughout Kenya, Uganda and Tanzania as the required quality business newspaper for East Africa. Not only did the *EastAfrican* achieve its editorial circulation and advertising objectives, it also moved into profit during the year. This was a major achievement for such an ambitious concept. The newspaper has continued to receive wide acclaim not only throughout the region but even further afield.



For all our publications advertising remained strong throughout the year with excellent growth in revenue and volume despite significant ratecard increases early in the year. As a result the *Nations* and *Taifas* again saw useful increases in their advertising market share. The results are a tribute to both the readers' and advertisers' perceptions of the high quality of the company's English and Swahili publications.

The increased circulation and advertising revenues were the main contributors to the company's improved turnover of Kshs. 1,877.7 million, an increase of Kshs. 384.7 million (26%) over 1995.

Newsprint prices which had increased sharply in 1995, were virtually static during the first half of the year before falling steadily in the second half and, as a result, for the year as a whole, the increase was held to Kshs. 78.0 million (16% above 1995). However, other costs increased by more than 30% as a result of the company's commitment to the quality of its publications and maintaining remuneration levels commensurate with comparable Kenyan companies.

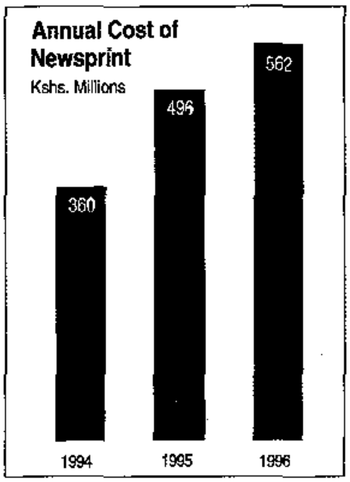
The overall level of increase in costs also reflected historic high levels of inflation. However, with inflation currently lower than for a very long time, future increases in costs are expected to be substantially lower than in 1996 as a result of vigorous cost controls and, to date, only modest increases in raw material costs.

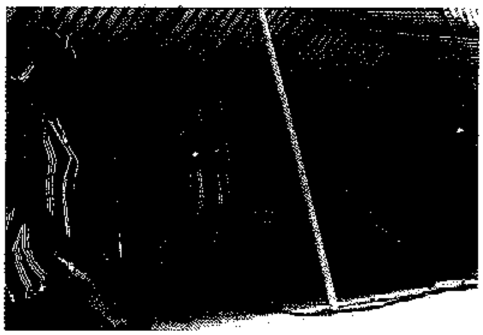
A major and continuing goal again in the past year has been quality improvement. Editorial workshops with specific aims related to quality and policy objectives have instilled an increased level of awareness in our staff.

With the new press now in operation, the opportunity has been taken to review the company's colour policy. The Board has decided to pursue a careful programme of improved colour quality and steadily increased usage throughout our publications all linked to further significant pre-press investment. The majority of our pictures are now taken using colour film and appropriate use of colour will be gradually reflected over the coming months.

A further significant development during the year was the transition from cut-and-paste page make-up to electronic full page make-up. This was facilitated by new investment in the editorial and advertising departments where staff have now taken over the tasks traditionally done by pre-press staff. This has enabled us to derive maximum gains in terms of cleaner products and improved deadlines.

The *EastAfrican* entered its second year enjoying steadily growing circulation and





The Lydia Achieng' Abura group performs at a music extravaganza in Nairobi

Waimbaji wa kundi la Lydia Achieng' Abura wakitumbuiza kwenye tafrija ya muziki mjini Nairobi

advertising and with its position now firmly secured in the regional newspaper market. Circulation rose rapidly and by its peak in the last quarter of 1996 had increased by almost 70% since the start of the year. The *EastAfrican's* core readership, consists of the business and professional communities in the three countries and much of the advertising is business-to-business, further evidence of how the publication is perceived in the market as an effective medium for reaching investors, traders, professionals and decision makers across East Africa and elsewhere. As further evidence of this expansion additional distributors have been appointed in Harare and Johannesburg.

In recent months the company has initiated a number of developments to consolidate its presence on the World-Wide Web, with the aim of being the leading source on the Internet for African news and information, which fits well with our aim of being the leading media group in East Africa. The *Nation* Internet edition has also been expanded to include the Nairobi stock market as well as foreign stock exchange reports and is regularly consulted in countries as dispersed as Norway and the United States.

Nation Marketing and Publishing Limited

Last year I reported that, as a result of the poor performance of Nation Marketing and Publishing Limited, its activities were being reviewed. As a result of this review your Board decided to cease the company's activities in certain areas. Nevertheless, as the economy and tourism improve, prospects for related publications should reappear. The company will therefore be looking at the possibility of reviving at least some of the titles through collaborative agreements with the aim of enhancing profitability in the future.

Nation Carriers Limited

At the end of 1996, which was the second year that Nation Carriers Limited had been under the group's direct management, Nation Printers and Publishers acquired the outstanding 33 $^1/_3$% from Akamba Public Road Services Limited, making Nation Carriers Limited a 100% group subsidiary.

During the year the company performed outstandingly well in coping with the demands on the vehicle fleet from increased circulation and pagination. Despite the appalling and deteriorating road conditions throughout most of the country, deadlines were generally met and there was a reduction in accidents and breakdowns. However, this was again achieved at a very high cost in terms of vehicle renewal and maintenance, with the average life of the majority of the company's vehicles now less than three years.

We are confident that the encouraging trends of this subsidiary over the past two years will not only be maintained but improved on. The Board has approved plans to relocate the company in 1997 adjacent to Nation Newspapers new printing plant at the group's Mombasa Road site to ensure increased future efficiencies.

Industrial Promotion Building Limited

As previously reported, when Industrial Promotion Building Limited (IPB) acquired Diamond Trust Properties Kenya in 1994, the Nation groups's interest in IPB fell from the 20% it had held since 1988 to 16.4%. At the end of 1996, IPB had a rights issue and, with the new press investment complete, Nation Printers and Publishers took the opportunity not only to take up its rights, but to acquire the additional shares necessary to increase its holding to 20% and thereby restore IPB to associated company status.

IPB owns the Nation Centre and the prestigious Nairobi city

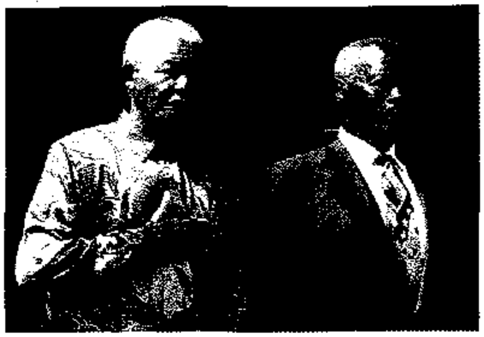
Chechens celebrate the fifth anniversary of the "declaration of Chechen Independence" from Rusia

Wakazi wa Chechen wakisherekea mwaka wa tano wa "kufangaza Uhuru wa Chechen" kutoka kwa Warusi

centre IPS building amongst other properties. The company which has recently acquired a prime development site in Mombasa, has seen its trading performance continue to improve.

Kenya Litho Limited

Last year I reported that the funding requirements for the re-equipment of Kenya Litho Limited would make increasing demands on the company's cash resources during the coming years. In the light of this and the very significant demands faced by Nation Newspapers Limited for the new printing plant, your Board decided to sell its 41.7% holding in order to concentrate resources on the group's principal activities. I am pleased to report an extraordinary gain on disposal of Kshs. 48.0 million.



President Mandela with President Moi ahead of the Great Lakes Crisis Region Conference

Rais Mandela na Rais Moi walipohudhuria mkutano wa Eneo la Mataifa ya Africa ya Kati

Broadcasting

In past years the Chairman's report has referred to the group's aspirations to diversify into both radio and television broadcasting throughout the East African region.

Much work has been done by your management, more particularly so in the past year, to identify and develop the necessary strategy. It is again disappointing to have to report that to date no visible progress has been made in achieving licences in Kenya, although renewed applications have been made for both radio and television licences.

It is now six years since, in line with the government's commitment to freeing the airwaves, the Nation group applied for broadcast licences. It would be dishonest to pretend that your Board is not disappointed by the lack of a positive response to date, particularly as the group has continued to demonstrate a level of professionalism as a media organisation which we believe is unmatched by any of our competitors throughout the region.

Throughout the world, media organisations such as ours increasingly view themselves as being involved in the broad communications industry and have thus been participating actively in the explosion in both terrestrial and satellite broadcasting as well as the more recent development of the Internet.

In this same connection a recent event which can be expected to have far reaching implications for the media as a whole has been the publication of the *National Communications Bill* in the context of the restructuring of the Kenya Posts and Telecommunications Corporation. The bill, drafted for the purpose of among other things determining an appropriate framework for broadcast frequency allocations, appears also to have some

An emotional display by Kenyatta University students following the death of a student.

Wanafunzi wenye hasira wa Chuo Kikuu cha Kenyatta, wakiandamana kulaani kifo cha mwenzao

bearing on the licensing and operation of broadcasting stations and also of Internet websites. This would render the work of the PressTask Force, until now holding a mandate to make recommendations in such matters, irrelevant. It remains to be seen how the Kenyan Parliament will respond to the draft bill when it is tabled for discussion.

Clearly, radio and television are deeply significant for a community like East Africa as it strives to rebuild a once vibrant co-operation across its borders. In the absence of licences in Kenya, the Nation group is continuing vigorously to pursue opportunities in the more liberalised broadcasting markets of Tanzania and Uganda. Your Board remains confident that the group's efforts, in line with the world-wide trends to which I have referred, to enter the broadcasting markets of East Africa is the right strategy for the longer term, although it is clear that with relatively undeveloped advertising markets in both Tanzania and Uganda any major financial benefit has to be seen as a long term goal rather than a short term benefit.

World famous photojournalist Mohamed Amin, a victim of the hijacked Ethiopian Airliner disaster

Mpiga picha maarufu ulimwenguni, Mohamed Amin, aliyefariki kwenye ndege iliyotekwa nyara ya Ethiopian Airlines

Dividend proposal and bonus issue

Profit after taxation attributable to shareholders increased by 6% to Kshs. 206.9 million (Kshs. 195.1 million in 1995). An interim dividend of 12.5% (12.5%) was paid in October 1996 and taking account of the group's continued strong trading position and in view of the high dividend cover in recent years, the Board recommends a final dividend of 42.5% (32.5%). This brings the total for 1996 to 55% compared to 45% previously, an overall increase of 22%.

In addition to the increased dividend, your Board recommends for your approval a bonus issue of one fully paid-up share for every two shares held in the issued and paid-up share capital of the group. This bonus issue will be subject to the approval of the necessary authorities. Therefore these bonus shares will not qualify for the final dividend in respect of 1996.

The proposed increased final dividend and bonus issue reflect the directors' continuing confidence in the future of your company.

Future prospects

The severe drought conditions experienced at the start of the year have contributed to a significant reduction in the rate of growth of the economy. However, the strength in depth of all the group's publications has meant that despite the depressed economic background the group has made a promising start to 1997.

As mentioned earlier, the group is poised and ready for expansion into broadcasting throughout the region and is also actively pursuing a number of opportunities in the print media both within and outside Kenya.

In an election year, provided that the present stable exchange rate and subdued levels of inflation are maintained, your company expects to look forward to an excellent demand for its publications and as liberalisation continues we anticipate further positive developments in the year ahead.

Directors and staff

During the year the Group Finance Director Mr. Stuart Martin retired after six years valuable service with the company. His sound advice will be much missed by the Board and his colleagues. His successor, Mr. Richard Henry, joined the Board in December 1996. He brings valuable experience having previously worked in Kenya and having been Finance Director and Company Secretary of the Press Association in the United Kingdom for the last twelve years.

Finally, I would like to take this opportunity to thank our Managing Director, Mr. Wilfred Kiboro and our other executive directors as well as the managers and staff for their dedication and outstanding hard work, reflected in the excellent results achieved, in what was a demanding year. And, I should also like to pay tribute, to the members of the Board who as Chairmen or Members of specially created committees, such as the Finance and Audit Committee, the Editorial Committee and the Strategic Planning Committee, have devoted a great deal of time and provided valuable inputs at a time of considerable expansion and development for the group. In this environment, our executives and staff have responded to the challenges and opportunities with energy and enthusiasm. This dedication will enable us to continue to drive forward the company's future development.

B M Gecaga

DR. B. M. GECAGA
Chairman

Matokeo ya kundi hili

Mwaka jana ulikuwa mojawapo wenye ufanisi mkubwa kwa kundi hili lako. Uchumi wa Kenya ulibakia tumainifu katika kipindi cha kwanza cha mwaka huo. Hata hivyo, hii haikufanikishwa katika kipindi cha pili ambapo ufanisi wa kiuchumi uliteremka sana chini ya asilmia 5% iliyonakilishwa katika miezi sita ya kwanza.

Mwaka jana, niligusia kwenye ripoti yangu kuhusu ustawi kufuatia uamuzi wa Halmashauri wa kubadilisha mitambo iliyozeeka ya uchapishaji ya kundi hili. Kazi ya uwekaji wa mitambo mipya ya uchapishaji katika kiwanda chetu kilichoko Mombasa Road ilianzishwa mnamo Desemba 1995 na kukamilika katika muda wa miezi 12 na kuanza kutumika kwa uchapishaji. Kupitia kampuni ya Kijerumani, Koenig & Bauer-Albert AG, tuliweka mitambo ya kuweza kuchapisha nakili 60,000 za magazeti kwa saa.

Mpango huu kabambe sio tu kukamilika katika muda uliowekwa, lakini pia kulingana na bajeti ya Kshs. 750 milioni iliyokadiriwa mwanzoni. Sasa, tunajivunia mitambo mipya ya uchapishaji ambayo pia ndiyo ya kisasa zaidi kupatikana po pote katika Afrika. Rasilmali yetu, mojawapo wa kubwa zaidi kuwekwa na kampuni yo yote ya sekta ya kibinafsi nchini Kenya, inatuwezesha kuimarisha uchapishaji bora na hata utumizi wa picha za rangi kwa magazeti yetu yote.

Kuanzishwa rasmi kwa mitambo mipya ya uchapishaji ya Nation mnamo Machi, ilihudhuriwa na Mheshimiwa Rais wa Kenya, mwenye hisa zaidi Muadhama Aga Khan pamoja na wageni wengine mashuhuri. Kufaulu kwa sherehe hiyo kulikuwa thibitisho la juhudi kubwa na bidii ya wale wote waliohusika.

Mapato imara na matumizi ya pesa taslimu yaliyozingatiwa na kundi hili katika miaka ya hivi karibuni yalimaanisha kwamba zaidi ya nusu ya gharama ya mitambo hiyo mipya ya uchapishaji, zilipatikana humu na kiasi kilichobakia kupitia kwa mikopo ya muda wa kadiri ya banki. Licha ya ongezeko lililofuatia la malipo ya juu kwa riba ya mikopo, nina furaha kueleza kwamba kundi hili limepata tena matokeo mazuri katika hesabu zake.

Mapato kwa jumla ya kundi hili yaliimarika kwa asilimia 23% hadi Kshs. 1,895.7 milioni (kulinganishwa na Kshs. 1,538.0 milioni mnamo 1995). Kwa mara nyingine tena, Nation Newspapers Limited ndiyo ilikuwa ndio nguzo muhimu katika matokeo ya kundi hili ikiwa faida yake ya kibiashara ikiongezeka kwa asilimia 25%. Faida ya kibiashara ya kundi hili ya Kshs. 357.4 milioni (Kshs. 294.7 milioni) ilikuwa asilimia 21% zaidi ya mwaka 1995. Hata hivyo, faida ya kundi hili kabla ya kodi na matumizi maalumu ya Kshs. 262.1 milioni (Kshs. 296.9 milioni) ilikuwa Kshs. 34.8 milioni chini ya mwaka jana, kutokana na ongezeko la malipo ya juu kwa riba kutokana na rasilmali iliyowekwa katika mitambo mipya ya uchapishaji. Licha ya kuongezeka kwa gharama za faida kwa mkopo kiasi cha Kshs. 79 milioni, faida kwa wenye hisa, baada ya matumizi maalumu, ilikuwa Kshs. 206.6 milioni (Kshs. 195.1 milioni) na ambayo ilikuwa asilimia 6% juu ya mwaka uliotangulia.

Nation Newspapers Limited

Kampuni hii yenu muhimu ya magazeti ilipata tena matokeo mazuri na kuweka rekodi mnamo 1996. Bei za magazeti, *Daily Nation* na *Sunday Nation*, ziliongezwa kwa Kshs. 5 mnamo Machi 1996. Hii ilikuwa mara ya kwanza bei hizo kuongezwa kwa muda wa miaka miwili na zilikuwa chini ya kiwango cha gharama za maisha kwa kipindi hicho. Mauzo yao yaliteremka mwanzoni kufuatia ongezeko hilo la bei, ingawaje yalisawazika kamili kufikia mwishoni mwa mwaka. Magazeti yote mawili ya Kiswahili ya kampuni hii, *Taifa Leo* na *Taifa Jumapili*, pia yalishuhudia mafanikio ya maana katika ongezeko la uuzaji katika mwaka huo.

Wakati huo huo, gazeti la kila wiki la kampuni hii katika kanda hili, *The EastAfrican* lililoanzishwa mnamo 1994, lilishuhudia ongezeko imara katika uuzaji huku gazeti hilo likijikuza mathubuti kote nchini

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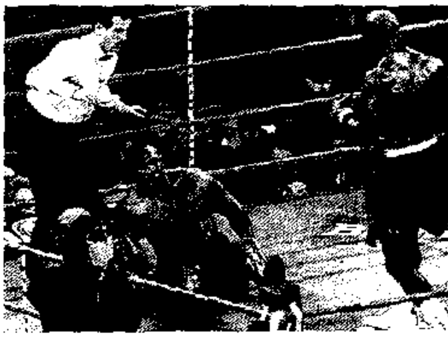

Evander Holyfield, Mike Tyson fight in Las Vegas America

Pigano kati ya Evander Holyfield na Mike Tyson mjini Las Vegas, Amerika

Ripoti ya Mwenyekiti
inaendelea

Kenya, Uganda na Tanzania kama gazeti bora muhimu linalohitajika sana la habari za biashara katika Afrika Mashariki. *The EastAfrican* haikutimiza tu shabaha zake katika uuzaji zaidi na matangazo, lakini pia liliimarika katika kuleta faida katika mwaka huo. Hii ilikuwa mafanikio makubwa sana kwa gazeti lenye upeo mkubwa kama huo. *Gazeti hili linaendelea kusifika sana si tu kote katika kanda hili lakini pia kwingineko. Katika magazeti yetu yote, matangazo* yalibakia *imara kote* katika mwaka huo huku kukiwa na ufanisi bora wa kufana wa mapato na vipimo vya matangazo licha ya nyongeza kubwa sana za kiwango cha ada ya malipo ya matangazo mapema mwaka huo. Kutokana na hali hiyo, magazeti ya *Nation* na *Taifa* yalishuhudia tena nyongeza za maana katika mgawo wao wa mauzo. Matokeo hayo yanatokana na imani wa wasomaji na watangazi katika hali ya juu ya ubora ya magazeti ya Kiingereza na Kiswahili ya kampuni hii.

Mapato yaliyotokana na ongezeko *la* uuzaji na matangazo *katika magazeti haya ndiyo yalikuwa chanzo kikuu cha mapato yaliyoimarika ya kampuni hii ya Kshs.* 1,877.7 milioni, ongezeko la Kshs. 384.7 milioni (asilimia 26%) juu ya mwaka 1995.

Bei za makaratasi ya uchapishaji zilizoongezeka sana kuwa ghali mnamo 1995, na kudumika katika kipindi cha kwanza cha mwaka huo kabla kuteremka taratibu katika kipindi cha pili. Na kutokana na hali hiyo, kwa mwaka huo wote kwa jumla, ongezeko hilo lilihifadhika kwa, Kshs. 78.0 milioni (asilimia 16% juu ya 1995). Hata hivyo, gharama nyingine ziliongezeka kwa zaidi ya asilimia 30% kutokana na msimamo wa kampuni wa kusisitiza ubora wa magazeti yake na kudumisha viwango vya mishahara na malimbikizo kufikia makampuni ya kuifananisha nayo nchini Kenya.

Kiwango cha juu kwa jumla cha *ongezeko la gharama pia kilinakilisha viwango vya juu kihistoria vya gharama.* Hata hivyo huku gharama wakati huu ikiwa chini kuliko ilivyokuwa kwa muda mrefu sana, nyongeza zijazo katika gharama zinatazamiwa kuwa chini kwa wastani kuliko mnamo 1996 kutokana na usimamizi mkali wa matumizi na, kufikia sasa, nyongeza nafuu pekee katika bei za vifaa vya kiasili vya kazi.

Shabaha moja inayoendelea tena tangu mwaka uliopita imekuwa katika kutilia mkazo zaidi uimarishaji ubora. maongozi na maadili zimesaidia sana katika kuwapa wafanya kazi wetu warsha za habari zenye shabaha mahsusi kuhusiana na ubora, kiwango kilichoongezeka cha kupevuka.

Huku mitambo yetu mipya ya uchapishaji ikifanya kazi, *fursa imechukuliwa kuchunguza upya maendeleo* yaliyofikiwa *na kampuni katika maongozi ya picha za rangi.* Halmashauri imeamua kuzingatia mpango makini wa picha zilizoimarishwa za rangi na kuongeza utumiaji wao taratibu kote katika magazeti yetu, zikiambatana na uwekaji rasilimali wa vifaa vya uchapishaji katika miezi za siku za usoni. Baadhi ya picha zetu sasa zinachukuliwa kwa kutumia filamu za rangi, hatua nyingine kubwa ya maendeleo.

Katika mwaka huo pia, kulikuwa na mabadiliko katika kuanza kutumia mitambo ya kisasa kupanga kurasa za magazeti badala ya mtindo wa ukataji safu za habari na makala na kupachika kurasani kama ilivyokuwa zamani. Hii ilitokana na rasilmali mpya zilizowekwa katika idara za habari na matangazo ambapo wafanya kazi *wanajitayarishia wenyewe kurasa kupitia kwa mitambo ya kompyuta na kuchukua jukumu* la zamani la watayarishaji kurasa za magazeti kwa mikono kabla ya uchapishaji. Hii imetuwezesha kujipatia faida kamili kuambatana na bidhaa safi zaidi na ukamilishaji kazi mapema.

The EastAfrican iliingia mwaka wake wa pili ikifurahia taratibu ongezeko la uuzaji na matangazo na katika hali yake sasa imejikuza imara katika soko la magazeti katika kanda hili. Mauzo yake yaliendelea kuongezeka haraka hivi kwamba katika miezi mitatu ya mwisho ya 1996 yakaongezeka kwa karibu asilimia 70% kuanzia tangu mwanzoni mwa mwaka. Baadhi ya wasomaji shupavu wa *The EastAfrican* wanapatikana *miongoni mwa wafanya biashara na wataalamu katika nchi hizo tatu* ilhali baadhi ya matangazo ni ya kibiashara ambapo, ni thibitisho jingine la jinsi gazeti hili linavyothaminika sokoni kama chombo mathubuti cha kuwafikia wenye rasilmali, wafanya biashara, wataalamu na walio mamlakani kote katika Afrika Mashariki na kwingineko. Kama thibitisho zaidi la upanuzi, wagawaji zaidi wa gazeti hilo waliteuliwa majuzi mjini Harare nchini Zimbabwe na Johannesburg katika Afrika Kusini.

Katika miezi ya hivi karibuni kampuni imeanzisha maendeleo kadha ili kuithibitisha kuwapo kwetu katika ulimwengu wa mawasiliano ya kompyuta katika takwimu na habari kwa lengo la kuongoza katika mawasiliano hayo (*Internet*) katika Afrika, ambayo yanalingana kamili na lengo la kuwa kundi linaloongoza la vyombo vya habari katika Afrika Mashariki. Makala ya *Nation ya Internet* yamepanuliwa sasa kushirikisha soko la hisa la Nairobi pamoja na habari za biashara ya hisa za kigeni na hutegemewa mara kwa mara na nchi zilizotawanyika mbali kama vile Norway na Marekani.

Nation Marketing and Publishing Limited

Mwaka jana nilieleza kwamba, kutokana na matokeo mabaya ya Nation Marketing and Publishing Limited, shughuli zake zilikuwa zichunguzwe upya. Kutokana na uchunguzi huo Halmashauri yenu iliamua kusimamisha shughuli za kampuni hii katika sehemu nyingi. Hata hivyo, huku uchumi na utalii unapoimarika, kuna matumaini ya kuchapisha tena daftari zake nyingine na jarida. Kampuni hii, kwa hivyo, itachunguza uwezekano wa kufufua angalau bidhaa zake kupitia mikataba ya ushirikiano kwa lengo la kuimarisha zaidi faida zao katika siku za usoni.

Nation Carriers Limited

Mwishoni mwa 1996, mwaka wa pili ambapo Nation Carriers Limited ilikuwa ikisimamiwa moja kwa moja na kundi hili, Nation Printers and Publishers ilijipatia hisa liliyosalia ya kampuni hii ya asilimia $33^1/_3$ % kutoka kwa Akamba Public Road Services Limited, na kufanya Nation Carriers Limited kumilikiwa kwa asilimia 100% na kundi hili kama kampuni yake ndogo.

Katika mwaka huo, kampuni hiyo lilifanya vyema sana katika kutosheleza mahitaji ya magari ya kusafirisha magazeti kutokana na ongezeko la uuzaji wa magazeti na uchapishaji wa kurasa nyingi. Licha ya hali za kusikitisha na kuharibika kwa barabara katika kila sehemu nchini, magazeti kwa jumla yaliwasili mapema wakati yalipotarajiwa huku visa vya ajali na kuharibika magari vikipunguka kwa jumla. Hata hivyo, hii ilitimizwa kwa gharama kubwa za ukarabati na usimamizi wa magari huku baadhi ya magari ya kampuni hii yakitimika kwa chini ya miaka mitatu.

Tuna imani kwamba mielekeo hii ya kutia moyo ya kampuni hii ndogo katika miaka miwili iliyopita hautadumishwa tu lakini pia kuimarishwa zaidi. Halmashauri imeidhinisha mnamo 1997 mipango ya kuhamisha kampuni hii hadi karibu na kiwanda kipya cha uchapishaji cha Nation Newspapers katika Mombasa Road ili kuhakikisha uthabiti zaidi katika siku za usoni.

Industrial Promotion Building Limited

Kama ilivyoelezwa awali, wakati Industrial Promotion Building (IPB) ilipojipatia mali za Diamond Trust nchini Kenya mnamo 1994, hisa za Kundi la Nation katika IPB ziliteremka kutoka asilimia 20% iliyohifadhi tangu 1988 hadi asilimia 16.4% mwaka jana. Mwishoni mwa

A Zairean family flees ethnic fighting in his strife-torn country

Mwananchi wa Zaire na jamaa yake wakikimbilia usalama kuepuka vita vilivyokuwa vikiendelea nchini mwao

1996, IPB ilitangaza toleo maalumu la hisa pamoja na, kukamilika kwa rasilmali ya mitambo hiyo mipya ya uchapishaji, Nation Printers and Publishers ilitumia nafasi hiyo sio tu kujipatia hisa hizo, lakini pia kujipatia hisa zaidi muhimu zinazohitajika kuiongezea hisa zake hadi kufikia asilimia 20% na hivyo kuhifadhi IPB katika hadhi ya kampuni shirikishi.

IPB inamiliki jumba la kisasa la fahari la Nation Centre katikati ya jiji la Nairobi na IPS Building miongoni mwa mali nyinginezo za kibiashara. Kampuni hii ambayo majuzi imejinunulia ploti nyingine ya kustawisha katika sehemu muhimu sana katika Mombasa, imeshuhudia matokeo yake ya kibiashara yakiendelea kuimarika.

Kenya Litho Limited

Mwaka jana niliripoti kwamba mahitaji ya kifedha ya kuiimarisha tena Kenya Litho Limited yangeongeza gharama zaidi kwa mapato ya kampuni kwa miaka ijayo. Kutokana na

jambo hilo na mahitaji yale muhimu kutoka kwa Nation Newspapers Limited ya kiwanda chake kipya cha uchapishaji, Halmashauri yako iliamua kuuza asilimia 41.7% ya hisa zake ili iweze kuzingatia mapato yake kwa shughuli hizo za kampuni kuu. Nina furaha kuripoti kwamba kulikuwepo na ongezeko lisilo la kawaida baada ya matumizi ya Kshs. 48.0 milioni.

Utangazaji

Katika miaka iliyopita, ripoti ya Mwenyekiti imekuwa ikitaja juhudi zinazofanywa na kundi hili kuanzisha rasilmali zaidi katika shughuli za radio na televisheni kote katika kanda la Afrika Mashariki.

Wajibu mkubwa umetimizwa na wasimamizi wenu, hasa zaidi katika mwaka mmoja uliopita, kutambua na kutimiza lengo hilo. Ni jambo la kuvunja moyo tena kulazimika kueleza kwamba hadi sasa, hakuna mafanikio yo yote yameonekana katika kupata leseni nchini Kenya, ingawaje maombi yo yote yameonekana katika kupata leseni nchini Kenya, ingawaje maombi mapya ya leseni za radio na televisheni yamewasilishwa.

Sasa ni miaka sita tangu, kuambatana na maongozi ambayo Serikali ya kufungua huru masafa ya utangazaji, Kundi la Nation limeomba leseni hizo za utangazaji. Itakuwa vibaya kujidanganya kwamba Halmashauri yenu haikuvunjika moyo kwamba hadi sasa hatujapata majibu ya kufaa, hasa kundi hili linapoendelea kuthibitisha ustadi, kama shirika la habari, ambao tunaamini hauna kifani kutoka kwa washindani wo wote wetu kote katika kanda hili.

Kote ulimwenguni, mashirika ya habari kama vile yetu, yanaendelea kujiona kama yanajishugulisha na shughuli zilizopanuka za mawasiliano - na kwa hivyo, yamekuwa yakishiriki kwa dhati katika utangazaji wa kawaida na wa kupitia mitambo ya *satellite* pamoja na mawasiliano ya kisasa ya *internet*.

Katika hatamu hii, hatua ya hivi karibuni ambayo inatazamiwa kuwa na madhara zaidi kwa vyombo vya habari kwa jumla ni uchapishaji wa Mswada wa Kitaifa wa Mawasiliano *(National Communications Bill)* kwa lengo la kuimarisha Shirika la Posta na Simu la Kenya. Mswada huo umetayarishwa, kwa miongoni mwa shabaha nyingine, kuamua maongozi ya kufaa ya kufungua huru masafa ya utangazaji, unaelekea pia kuwa na uhusiano katika utoaji leseni na shughuli za vituo vya utangazaji na huduma za mawasiliano za *internet*. Hii inapasa kuzima jukumu la Kamati ya Uchunguzi wa Sheria za Uandishi wa Habari nchini, ambayo hadi sasa imekuwa na kibali cha kutoa mapendekezo katika maswala kama haya, kuwa bure. Bado inangojewa kuonekana jinsi Bunge la Kenya litakavyopokea mswada huo wakati utakapowasilishwa mbele yake kujadiliwa.

Kama ilivyo, ni wazi kwamba radio na televisheni ni muhimu sana kwa jamii kama vile ya Afrika Mashariki kwa sababu zitasaidia kujenga upya ushirikiano unaohitajika sana wa kuvuka mipakani. Bila kupata leseni nchini Kenya, Kundi la Nation linaendelea kuchunguza zaidi nafasi nyingine kama hizo katika masafa yaliyofunguliwa huru ya utangazaji nchini Tanzania na Uganda. Halmashauri yenu bado ina imani kwamba juhudi za kundi hili, kuambatana na mielekeo ya sasa ya ulimwengu ambayo tayari nimeeleza, za kuingia katika masafa ya utangazaji katika Afrika Masharika ni mbinu muhimu sana kwa manufaa ya baadaye, ingawaje ni wazi kwamba kutokana na masoko ya utangazaji ambayo hayajastawishwa nchini Tanzania na Uganda, faida yo yote kubwa ya kifedha ni lazima ionekane katika upeo wa muda mrefu badala ya faida ya muda mfupi.

Pendekezo la Mgawo wa Faida na Toleo Maalumu la Hisa

Faida kabla ya kodi iliyowekewa wenyehisa iliongezeka kwa asilimia 6% hadi Kshs. 206.9 milioni (kuliganishwa na Kshs. 195.1 milioni mnamo 1995). Mgawo wa muda wa faida wa asilimia 12.5% (12.5%) ulilipwa mnamo Oktoba 1996 na kwa kutilia maanani hali imara ya kibiashara ya kundi hili. Na kutokana na thamani ya juu ya hisa katika miaka ya hivi karibuni, Halmashauri hii inapendekeza malipo ya mwisho ya mgawo wa faida ya asilimia 42.5% (32.5%). Hii inafanya jumla ya mgawo wa faida kwa mwaka huo kuwa asilimia 55% ikilinganishwa na asilimia 45% mnamo 1996, ongezeko la jumla ya asilimia 22%.

Pamoja na mgawo wa faida ulioongezeka, halmashauri yenu inapendekeza ili mkubali toleo maalumu la hisa za bakshishi la hisa moja iliyolipiwa kamili kwa kila hisa mbili zinazohifadhiwa

Rare treat for Street Children at State House, Nairobi, hosted by President Moi

Sherehe isiyo ya kawaida iliyoandaliwa Machokoraa katika Ikulu ya Nairobi na Rais Moi

katika mtaji wa hisa za bakshishi na zilizolipiwa kamili za kundi hili. Toleo hili maalumu la hisa za bakshishi litategemea kibali cha maafisa wanaohusika. Hivyo, hisa hizi za bakshishi hazitahesabika katika mgawo wa mwisho wa faida kuambatana na 1996. Mgawo wa mwisho uliopendekezwa wa kuongezeka pamoja na toleo maalumu la hisa za bakshishi zinathibitisha imani inayoendelea ya wakurugenzi wenu katika hali ya baadaye ya kampuni yenu.

Matumaini ya baadaye

Ukame mbaya ulioshuhudiwa mwanzoni mwa mwaka huo ulichangia katika kupunguza sana kiwango cha ufanisi wa uchumi. Hata hivyo, kutokana na umaarifu na sifa za magazeti yote ya kundi hili, kuna maana kwamba licha ya msingi wa kiuchumi ulielezwa, kundi hili limeanza mwaka 1997 kwa matumaini.

Kama nilivyotaja awali, kundi hili limejiandaa barabara na lipo tayari kutekeleza mpango wake wa upanuzi katika rasilmali ya utangazaji kote katika kanda hili la Afrika Mashariki na linafuatilia kwa dhati nafasi nyingine kadha mpya katika uchapishaji nchini Kenya na nje.

Katika mwaka wa uchaguzi, mradi tu kiwango cha sasa thabiti cha ubadilishaji wa pesa za kigeni pamoja na viwango vya nafuu vya gharama za maisha zimedumishwa, kampuni yenu inatazamia kuona mahitaji yanayoongezeka ya magazeti yake na huku uchumi ukiendelea kufunguliwa huru zaidi, tunatumainia maendeleo zaidi ya manufaa katika mwaka unaoendelea.

Wakurugenzi na wafanya kazi

Katika mwaka huo, Mkurugenzi wa Fedha wa Kundi, Bw Stuart Martin, alistaafu baada ya utumishi wa kujivunia wa miaka sita na kampuni hii. Mawaidha yake ya busara yatakoswa sana na Halmashauri hii pamoja na wenzake. Mrithi wake, Bw Richard Henry, alijiunga na Halmashauri hii mnamo Desemba 1996. Analeta maarifa ya kuthamanika akiwa amewahi awali kufanya kazi nchini Kenya na kuwahi pia kuwa Mkurugenzi wa Fedha na Katibu wa Press Association nchini Uingereza kwa kipindi cha miaka 12 iliyopita.

Mwisho, napenda kuchukua nafasi hii kumshukuru Mkurugenzi Mkuu wetu, Bw Wilfred Kiboro, pamoja na wakurungenzi wetu wengine kwa kujitolea kazini kwa bidii na dhati, kama ilivyodhihirika katika matokeo bora ya kufana yaliyopatikana, katika mwaka ambao mara nyingi ulikuwa na shughuli nyingi. Na, ninapenda pia kuwapongeza, wanachama wa Halmashauri, ambao kama Wenyeviti ama Wanachama wa kamati zilizoundwa maalumu, kama vile Kamati ya Ukaguzi wa Fedha, Kamati ya Uhariri na Kamati ya Uratibu wa Mipango, wametumia muda wao mwingi sana na kutoa miongozo ya kuthaminika sana wakati wa upanuzi mkubwa na maendeleo ya kundi. Katika mazingira haya, warasimu wetu na wafanya kazi wamejitolea kwa juhudi na motisha kutekeleza kikamilifu wajibu wao. Imani hii imetuwezesha kuendelea kuimarisha zaidi maendeleo yajayo ya kampuni hii.

DR. B. M. GECAGA
Mwenyekiti

Board of Directors

Halmashauri ya Wakurugenzi

Dr. B. M. Gecaga, C.B.S.

W. D. Kiboro

H. H. O. Awori

A. Bekah

R. C. Henry

L. Huebner

F. O. Okello

A. Poonawala

W. Robinson

J. D. M. Silvester

G. M. Wilkinson

Board of Directors

Halmashauri ya Wakurugenzi

Chairman (Kenyan)	**Dr. B. M. Gecaga, C.B.S.**	*Mwenyekiti (Mkenya)*
Chief executive / managing (Kenyan)	**W. D. Kiboro**	*Mrasimu mkuu/Msimamizi (Mkenya)*
(Kenyan)	**H. H. O. Awori**	*(Mkenya)*
(Kenyan)	**A. Bekah**	*(Mkenya)*
(British)	**R. C. Henry**	*(Mwingereza)*
(American)	**L. Huebner**	*(Mmarekani)*
(Kenyan)	**F. O. Okello**	*(Mkenya)*
(French)	**A. Poonawala**	*(Mfaransa)*
(Australian)	**W. Robinson**	*(Mwa—Australia)*
(Kenyan)	**J. D. M. Silvester**	*(Mkenya)*
(Irish)	**G. M. Wilkinson**	*(Mwa—Irish)*

Secretary	**S. G. Ogutha, CPA(K), CPS(K)**	*Katibu*
Registered office	**Nation Centre Kimathi Street Nairobi**	*Afisi Ilikoandikishwa*
Auditors	**Coopers & Lybrand Queensway House Kaunda Street Nairobi**	*Wakaguzi wa Hesabu*
Bankers	**Standard Chartered Bank Kenya Limited Stanbank House Moi Avenue Nairobi**	*Banki*
Solicitors	**Hamilton, Harrison & Mathews ICEA Building Kenyatta Avenue Nairobi**	*Wakili*
Subsidiary companies	**Nation Newspapers Limited Nation Marketing & Publishing Limited Nation Carriers Limited**	*Makampuni Madogo*
Associated company	**Industrial Promotion Building Limited**	*Kampuni iliyoshirikishwa*

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Directors' Report

The directors have pleasure in presenting their report and the audited accounts for the year ended 31st December, 1996.

Group results
The results of the group for the year are as set out in full in the profit and loss account on page 20.

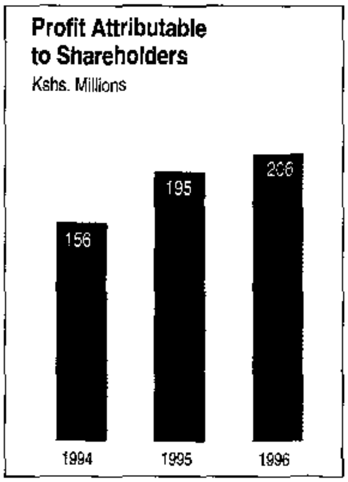
Dividends
The directors recommend the payment of a final dividend of 42.5 % on the issued share capital at 31st December, 1996, which, together with the interim dividend of 12.5% paid on the 30th October, 1996, makes a total of 55% in respect of the year ended 31st December, 1996.

Directors
The present Board of directors is as set out on page 3. Mr. R. C. Henry was appointed to the Board on December 5, 1996. All the other directors have been directors throughout the year. Mr. R. C. Henry, retires in accordance with Article 96 while Mr. H. H. O. Awori, Mr. A. Poonawala and Mr. W. Robinson retire by rotation in accordance with Article 110. Being eligible, they offer themselves for re-election.

Auditors
Coopers & Lybrand will continue in office in accordance with Section 159(2) of the Companies Act (Cap 486).

Approved by the Board,
S.G. Ogutha
Secretary

10th April, 1997



Taarifa ya Wakurugenzi

Wakurugenzi wana furaha kutoa ripoti yao pamoja na hesabu zilizokaguliwa kuhusu mwaka uliomalizika Desemba 31, 1996.

Matokeo ya kundi:
Matokeo ya kundi kuhusu mwaka huo ni kama yalivyoonyeshwa kikamilifu katika taarifa ya hesabu ya faida na hasara kwenye ukurasa wa 21.

Migawo ya faida:
Wakurugenzi wanapendekeza malipo ya mwisho ya mgawo wa asilimia 42.5 kuhusu hisa zilizotolewa za mtaji kufikia Desemba 31, 1996, ambao, pamoja na mgawo wa muda wa faida wa asilimia 12.5% uliolipwa Oktoba 30, 1996, unajumlisha mgawo kuhusu mwaka uliomalizika Desemba 31, 1996 kuwa asilimia 55.

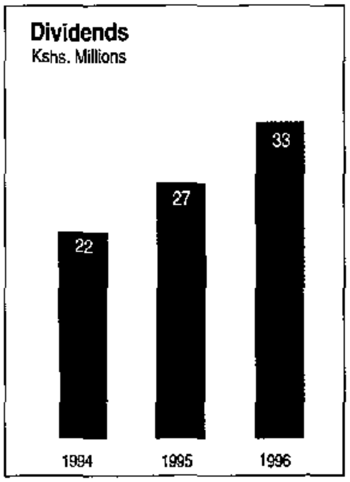
Wakurugenzi:
Halmashauri ya sasa ya Wakurugenzi ni kama ilivyoelezwa katika ukurasa wa 3. Bw. R.C. Henry aliteuliwa katika Halmashauri ya Wakurugenzi mnamo Desemba 5, 1996. Wakurugenzi wengine wote walioelezwa hapo walikuwapo mwaka wote.

Bw. R.C. Henry anastaafu kulingana na kifungu cha 96 ilhali Bw H. H. Awori, Bw A. Poonawala na Bw. W. Robinson wanastaafu kwa zamu kulingana na kifungu cha 110. Wote, kwa sababu wanaweza kuchaguliwa, wamejitolea tena kuchaguliwa wakurugenzi.

Wakaguzi wa hesabu:
Kampuni ya Coopers and Lybrand itaendelea kukagua hesabu za kundi kulingana na kifungu cha 159(2) cha Sheria ya Kampuni (Ukurasa wa 486).

Kwa amri ya Halmashauri,
S. G. Ogutha
Katibu

Aprili 10, 1997



Report of the Auditors to the Shareholders

We have audited the accounts set out on pages 20 to 37. The accounts of the company on page 22 are in agreement with the books of account. We obtained the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Respective responsibilities of directors and auditors

Under the provisions of the Companies Act, the directors are responsible for the preparation of accounts which give a true and fair view of the company's state of affairs and its profit or loss. Our responsibility is to express an independent opinion on the accounts based on our audit and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Kenyan Auditing Standards. These standards require that we plan and perform our audit to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes an examination on a test basis, of evidence supporting the amounts and disclosures in the accounts. 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 accounts.

Opinion

In our opinion proper books of account have been kept and the accounts give a true and fair view of the state of affairs of the company and the group at 31st December, 1996 and of the profit and cash flows of the group for the year then ended and comply with the Companies Act (Cap. 486).

Coopers & Lybrand

COOPERS & LYBRAND
Certified Public Accountants of Kenya

10th Aprili, 1997

Taarifa ya Wakaguzi wa Hesabu kwa Wanachama

Tumekagua hesabu zilizoko kurasa za 21 hadi 38. Hesabu hizo za kampuni katika ukurasa 23 ziko sambamba na vitabu vya uhasibu. Tulipata maelezo yote na ufafanuzi ambao kwa kadiri tunavyojua na kuamini yalikuwa ni muhimu kwa madhumuni ya ukaguzi wetu.

Wajibu wa wakurugenzi na wakaguzi wa hesabu wanaohusika.
Chini ya Maafikiano ya Sheria za Kampuni, Wakurugenzi wana wajibu wa kutayarisha hesabu ambazo zinatoa maoni ya kweli na sawasawa ya hali ya mashauri ya Kampuni na faida yake ama hasara. Jukumu letu ni kutoa huru maoni yasiyo na mapendeleo katika hesabu kutegemea ukaguzi wetu wa hesabu na kuwapa taarifa ya maoni yetu.

Msingi wa maoni
Tulifanya ukaguzi wa hesabu kulingana na Viwango vya Ukaguzi vya nchini. Viwango hivi vinahitaji tupange na kutekeleza ukaguzi wetu ili tupate uhakikisho kwamba hesabu haina dosari. Ukaguzi wa hesabu hujumlisha, kwa msingi wa kubainisha, thibitisho la kiasi cha fedha kinachofichuliwa kwenye taarifa ya ukaguzi. Vile vile, huwa na makadirio ya maongozi ya kanuni za hesabu yanayotumika pamoja na makisio muhimu yaliyofanywa na Wakurugenzi, na hali kadhalika makadirio ya uwasilishaji taarifa kwa jumla.

Maoni
Kwa maoni yetu, vitabu vya hesabu vimewekwa sahihi na hesabu zenyewe ukweli na usawa wa shuguli za kampuni na kundi kufikia Desemba 31, 1996, na faida na mapato na matumizi ya pesa taslimu za kundi kwa mwaka huo uliomalizika pamoja na kuambatana na Sheria za Makampuni (Kifungu 486).

Coopers & Lybrand

COOPERS & LYBRAND
Wakaguzi wa Hesabu Waliothibitishwa nchini Kenya

10th April, 1997

Group Profit and Loss Account

Group profit and loss account for the year ended 31st December, 1996

	Note	1996 Kshs'000	1995 Kshs'000
Turnover		**1,895,749**	1,537,963
Operating profit before interest	2	**357,439**	294,726
Share of results of associated company	8	-	18,838
Profit before interest		**357,439**	313,564
Interest payable		**(95,298)**	(16,694)
Profit before taxation		**262,141**	296,870
Taxation	4	**(103,572)**	(101,644)
Profit after taxation		**158,569**	195,226
Minority interest		**311**	(123)
Profit before extraordinary item		**158,880**	195,103
Extraordinary item	8	**47,990**	-
Profit attributable to shareholders	5	**206,870**	195,103
Dividends	6	**(32,681)**	(26,740)
Retained profit for the year		**174,189**	168,363
Earnings per share before extraordinary item - shs.	1	**13.37**	16.42
Earnings per share after extraordinary item - shs.		**17.40**	16.42

	1996 Kshs'000	1995 Kshs'000
Statement of retained earnings		
At 1st January, 1996	**558,951**	374,233
Transfer from capital reserve	**12,059**	16,355
Transfer of associated company reserves	**(36,903)**	-
Retained profit for the year		
The company	**158,952**	95,224
Subsidiary companies	**15,237**	67,640
Associated companies	-	5,499
	174,189	168,363
At 31st December, 1996	**708,296**	558,951

Report of the auditors - page 18
The notes on pages 26 to 36 form part of these accounts.

Hesabu ya Faida na Hasara ya Kundi

Hesabu ya faida na hasara ya kundi kwa mwaka uliomalizika Desemba 31, 1996

	Maelezo	Mwaka 1996 Kshs'000	Mwaka 1995 Kshs'000
Mapato		**1,895,749**	1,537,963
Faida ya kibiashara kabla ya riba	2	**357,439**	294,726
Mgawo wa matokeo wa kampuni shirikishi	8	-	18,838
Faida kabla ya riba		**357,439**	313,564
Riba ya kulipishwa		**(95,298)**	(16,694)
Faida kabla ya kodi		**262,141**	296,870
Kodi	4	**(103,572)**	(101,644)
Faida baada ya kodi		**158,569**	195,226
Faida ya wenyehisa wakuu wachache		**311**	(123)
Faida kabla ya matumizi maalumu		**158,880**	195,103
Matumizi maalumu	8	**47,990**	-
Faida kwa wenye hisa	5	**206,870**	195,103
Migawo ya faida	6	**(32,681)**	(26,740)
Faida iliyowekwa akiba kwa mwaka huo		**174,189**	168,363
Mapato kwa kila hisa - shs.	1	**13.37**	16.42
Mapato baada ya hisa - shs.		**17.40**	16.42

Taarifa ya mapato yaliyowekwa akiba		
Kufikia Januari 1, 1996	**558,951**	374,233
Uhamishi kutoka akiba ya mtaji uliotengwa	**12,059**	16,355
Uhamishi wa akiba za kampuni shirikishi	**(36,903)**	-
Faida iliyowekwa akiba mwaka huo		
Kampuni	**158,952**	95,224
Makampuni madogo	**15,237**	67,640
Makampuni yaliyoshirikishwa	-	5,499
	174,189	168,363
Faida Kufikia Desemba 31, 1996	**708,296**	558,951

Taarifa ya wakaguzi wa vitabu vya fedha – ukurasa wa 19
Maelezo yaliyo kwenye kurasa za 27 hadi 37 ni sehemu ya hesabu hizi.

Balance Sheets

Balance sheet as at 31st December, 1996

		Group		Company	
	Note	**1996 Kshs'000**	1995 Kshs'000	**1996 Kshs'000**	1995 Kshs'000
Fixed assets					
Tangible assets	7	**1,037,212**	463,113	**149,206**	172,291
Prepayment on capital works		**-**	87,235	**-**	-
Subsidiary companies		**-**	-	**20,797**	18,297
Associated companies	8	**159,705**	134,962	**94,601**	10,000
Investment		**-**	117,952	**-**	52,650
		1,196,917	803,262	**264,604**	253,238
Current assets					
Stocks and work in progress	9	**94,327**	137,718	**-**	-
Debtors		**351,225**	280,692	**11,855**	10,103
Due from subsidiaries		**-**	-	**380,735**	264,856
Bank balances and cash		**171,666**	32,546	**1,280**	22,664
Due from associate company		**-**	7,117	**-**	7,117
		617,218	458,073	**393,870**	304,740
Creditors					
Amounts falling due within one year	10	**336,745**	272,355	**63,682**	63,764
Net current assets		**280,473**	185,718	**330,188**	240,976
Creditors					
Amounts falling due after more than one year					
Finance leases	11	**4,827**	6,602	**-**	-
Long-term loans	12	**366,313**	24,686	**26,313**	24,686
Provision for liabilities and charges					
Deferred taxation	13	**102,340**	-	**-**	-
		473,480	31,288	**26,313**	24,686
Net assets		**1,003,910**	957,692	**568,479**	469,528
Capital and reserves					
Called up share capital	14	**59,421**	59,421	**59,421**	59,421
Share premium account		**1,327**	1,327	**1,327**	1,327
Capital reserve	15	**234,466**	334,731	**119,938**	139,701
Retained profits		**708,296**	558,951	**387,793**	269,079
Shareholders interests		**1,003,510**	954,430	**568,479**	469,528
Minority interests		**400**	3,262	**-**	-
		1,003,910	957,692	**568,479**	469,528

B. M. Gecaga, director   R. C. Henry, director

The accounts were approved by the board of directors on 10th April,1997.
Report of the auditors – page 18.
The notes on pages 26 to 36 form part of these accounts.

Hesabu ya Fedha

Hesabu ya fedha Desemba 31, 1996

		Kundi		Kampuni	
	Maelezo	**1996 Kshs'000**	1995 Kshs'000	**1996 Kshs'000**	1995 Kshs'000
Mali za kudumu					
Mali dhahiri	7	**1,037,212**	463,113	**149,206**	172,291
Malipo kwa kazi kuu zilizofanywa		-	87,235	-	-
Makampuni madogo		-	-	**20,797**	18,297
Makampuni ya kushirikishwa	8	**159,705**	134,962	**94,601**	10,000
Rasilimali		-	117,952	-	52,650
		1,196,917	803,262	**264,604**	253,238
Mali za Muda					
Bidhaa na kazi zinazoendelea	9	**94,327**	137,718	-	-
Wanaodaiwa		**351,225**	280,692	**11,855**	10,103
Kutoka kwa makampuni madogo		-	-	**380,735**	264,856
Akiba za banki na pesa taslimu		**171,666**	32,546	**1,280**	22,664
Kutoka kwa kampuni shirikishi		-	7,117	-	7,117
		617,218	458,073	**393,870**	304,740
Wadai					
Pesa zinazohitajika kulipwa katika muda wa mwaka mmoja	10	**336,745**	272,355	**63,682**	63,764
Thamani kamili ya mali za sasa		**280,473**	185,718	**330,188**	240,976
Wadai					
Pesa zinazohitajika kulipwa baada ya muda wa zaidi ya mwaka mmoja					
Mikopo ya fedha	11	**4,827**	6,602	[illegible]	[illegible]
Mikopo ya muda mrefu	12	**366,313**	24,686	**26,313**	24,686
Malipo ya madeni na ada					
Kodi iliyotengwa	13	**102,340**	-	-	-
		473,480	31,288	**26,313**	24,686
Thamani kamili ya mali		**1,003,910**	957,692	**568,479**	469,528
Mtaji na akiba					
Mtaji wa hisa uliounganishwa	14	**59,421**	59,421	**59,421**	59,421
Akiba ya malipo ya hisa		**1,327**	1,327	**1,327**	1,327
Akiba ya mtaji	15	**234,466**	334,731	**119,938**	139,701
Faida zilizohifadhiwa		**708,296**	558,951	**387,793**	269,079
Malipo ya wenyehisa		**1,003,510**	954,430	**568,479**	469,528
Wenyehisa wachache		**400**	3,262	-	-
		1,003,910	957,692	**568,479**	469,528

CMA-LIBRARY

B. M. Gecaga, mkurugenzi R. C. Henry, mkurugenzi

Hesabu ziliidhinishwa na halmashauri ya wakurugenzi mnamo, Aprili 10, 1997.
Taarifa ya wakaguzi wa vitabu vya fedha – ukurasa wa 19.
Maelezo yaliyo kwenye kurasa za 27 hadi 37 ni sehemu ya hesabu hizi.

Group Cash Flow Statement

Group cash flow statement for the year ended 31st December, 1996

	Note	1996 Kshs'000	1995 Kshs'000
Cash flow from operating activities			
Net profit before taxation		**262,141**	278,032
Adjusted for			
Depreciation		**81,354**	68,350
Interest paid		**95,298**	16,694
Profit on sale of fixed assets		**(12,236)**	(8,032)
Operating profit before working capital changes		**426,557**	355,044
Decrease/(increase) in stocks		**43,391**	(46,278)
(Increase) in debtors		**(70,533)**	(15,083)
Increase in creditors		**97,634**	7,315
Cash generated from operations		**497,049**	300,998
Taxation paid		**(21,229)**	(128,390)
Net cash from operating activities		**475,820**	172,608
Return on investments and servicing of finance			
Dividends paid		**(26,091)**	(22,679)
Dividends received		**7,117**	6,534
Interest paid		**(95,298)**	(16,694)
Net cash from investments and servicing of finance		**(114,272)**	(32,839)
Investment activities			
Purchase of fixed assets		**(557,700)**	(120,661)
Purchase of fixed asset investments		**(41,951)**	-
Prepayments on capital works		**-**	(87,235)
Proceeds on sales of fixed assets		**21,452**	18,600
Proceeds on sales of fixed investments		**57,990**	-
Loan repayment		**-**	10,000
Finance lease repayments		**(9,147)**	(4,317)
Purchase of shares in subsidiary		**(2,500)**	-
Net cash from investing activities		**(531,856)**	(183,613)
Financing activities			
Loan repayment		**(8,687)**	(30,498)
New long-term loans		**340,000**	30,000
Net cash from financing activities		**331,313**	(498)
Net movement in liquid funds		**161,005**	(44,342)
Cash and cash equivalents at 1st January	17	**(9,864)**	34,478
Cash and cash equivalents at 31st December	17	**151,141**	(9,864)

Report of the auditors – page 18.
The notes on pages 26 to 36 form part of these accounts.

Mapato na Matumizi ya Fedha

Taarifa ya mapato na matumizi ya fedha ya mwaka uliomalizika Desemba 31, 1996

	Maelezo	1996 Kshs'000	1995 Kshs'000
Mapato na matumizi kutokana na shughuli za kibiashara			
Faida kamili kabla ya kodi		**262,141**	278,032
Urekebishaji kwa:			
Mapunguzo ya thamani ya mali		**81,354**	68,350
Riba iliyolipwa		**95,298**	16,694
Faida kutokana na uuzaji wa mali za kudumu		**(12,236)**	(8,032)
Faida ya kibiashara kabla ya mtaji wa kazi kubadilika		**426,557**	355,044
Mapunguzo/(ongezeko) katika akiba		**43,391**	(46,278)
(Ongezeko) katika wanaodaiwa		**(70,533)**	(15,083)
Ongezeko/(Mapunguzo) katika wanaotudai		**97,634**	7,315
Pesa taslimu kutokana na shughuli		**497,049**	300,998
Kodi iliyolipwa		**(21,229)**	(128,390)
Pesa taslimu kamili kutokana na shughuli za kibiashara		**475,820**	172,608
Mapato katika rasilmali na malipo ya kifedha			
Migawo ya faida iliyolipwa		**(26,091)**	(22,679)
Migawo ya faida iliyopokewa		**7,117**	6,534
Riba iliyolipwa		**(95,298)**	(16,694)
Pesa taslimu kutoka kwa rasilmali na malipo ya kifedha		**(114,272)**	(32,839)
Shughuli za rasilmali			
Ununuzi wa mali za kudumu		**(557,700)**	(120,661)
Ununuzi wa rasilmali za mali zakudumu		**(41,951)**	-
Malipo kwa kazi kuu zilizofanywa		**-**	(87,235)
Mapato kutokana na uuzaji wa mali za kudumu		**21,452**	18,600
Mapato kutokana na uuzaji rasilmali za mali za kudumu		**57,990**	-
Malipo ya Mikopo		**-**	10,000
Malipo ya mikopo ya kifedha		**(9,147)**	(4,317)
Ununuzi wa hisa katika kampuni ndogo		**(2,500)**	-
Pesa taslimu kutokana na shughuli zilizowekwa rasilmali		**(531,856)**	(183,613)
Shughuli za kugharamiwa			
Malipo ya mikopo		**(8,687)**	(30,498)
Mikopo mipya ya muda mrefu		**340,000**	30,000
Pesa taslimu kutokana na shughuli za kugharamiwa		**331,313**	(498)
Uhamishaji kamili wa pesa taslimu katika matumizi		**161,005**	(44,342)
Pesa taslimu na thamani yao kufikia Januari 1	17	**(9,864)**	34,478
Pesa taslimu na thamani yao kufikia Desemba 31	17	**151,141**	(9,864)

Taarifa ya wakaguzi wa vitabu vya fedha – ukurasa wa 19.
Maelezo yaliyo kwenye kurasa za 27 hadi 37 ni sehemu ya hesabu hizi.

Notes to the Accounts

1 Accounting policies

The accounts are prepared in accordance with the historical cost convention, including the revaluation of certain of the group's fixed assets. The following is a summary of the more important accounting policies used.

(a) Basis of consolidation

The group accounts consolidate the accounts of the company and its subsidiaries which are made up to a date co-terminous with the financial year of the company.

(b) Turnover

Turnover comprises the amount invoiced for goods and services supplied during the year.

(c) Associated companies

An associated company is a company, not being a subsidiary company, in which a long-term and substantial investment has been made and in which the company or the group exercises significant influence.

The group's share of profits of its associated company is included in the consolidated profit and loss account, and the group's share of post-acquisition retained profits and reserves is added to the cost of the investment in the consolidated balance sheet. These amounts are taken from the latest audited accounts of the company concerned made up to 31st December, 1996.

(d) Earnings per share

Earnings per ordinary share of KShs 5.00 each are based on the consolidated profit of the group after taxation, and minority interest, but before extraordinary items and is calculated on the issued capital of 11,884,210 ordinary shares.

(e) Fixed assets and depreciation

(i) Valuation of fixed assets

Land, buildings and major items of plant and machinery are professionally revalued on a regular basis. These revaluations are incorporated in the accounts by crediting revaluation surpluses to capital reserve. Transfers are made to retained profits to the extent to which depreciation provisions reduce the revaluation surplus, and to eliminate amounts attributable to disposals of fixed assets. These transfers are calculated on an individual asset basis.

(ii) Depreciation

This is calculated to write off the cost or valuation of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose are:-

Freehold buildings	2.5%
Plant and machinery	6.7%-25%
Furniture and equipment	12.5-20%
Motor vehicles	25-50%

Freehold land is not depreciated

Leasehold land and buildings are amortised over the period of the lease or 40 years whichever is the shorter.

(iii) Finance leases

Assets acquired under finance lease hire arrangements are included in fixed assets, capitalised at the date of the agreement and the capital element of the leasing commitments is shown as obligations under finance leases.

The interest element of each instalment is charged against profit at the time the instalment falls due.

Maelezo Juu ya Hesabu

1 **Utaratibu wa hesabu**
Hesabu hizi zimetayarishwa kulingana na utaratibu rasmi unaozingatia gharama zilivyokuwa bila ya marekebisho ya bei, na unatilia maanani marekebisho ya thamani za baadhi ya mali za kudumu za kundi. Yafuatayo ni maelezo mafupi ya mambo muhimu yaliyozingatiwa katika kutayarisha hesabu hizi.

(a) Msingi wa muungano
Hesabu za kundi zinashirikisha hesabu za Kampuni na Makampuni yake madogo ambazo zimetayarishwa hadi tarehe inayomalizika sawa na mwaka wa kifedha wa Kampuni.

(b) Mapato
Mapato yanahusiana na kiasi cha pesa kilichodaiwa kwa bidhaa na huduma zilizotolewa katika mwaka huo.

(c) Makampuni shirikishi
Kampuni shirikishi ni kampuni ambayo si kampuni ndogo ya kundi, ambapo rasilmali kubwa ya muda mrefu imewekwa na ambapo kampuni ama kundi ina mamlaka katika usimamizi.

Fungu la faida za kundi katika kampuni yake shirikishi limeunganishwa katika hesabu ya faida na hasara zilizoshirikishwa, na fungu la kundi la faida zilizowekwa akiba na akiba baada ya ununuzi zimeongezewa gharama za rasilmali katika taarifa iliyoshirikishwa ya hesabu ya matumizi na mapato. Pesa hizo zimetolewa kutoka kwa hesabu mpya zilizokaguliwa ya kampuni inayohusika kuunganisha hadi Desemba 31, 1996.

(d) Mapato ya kila hisa
Mapato ya kila hisa ya kawaida ya KShs 5.00 kila moja yanategemea faida iliyoshirikishwa ya kundi baada ya kodi, matumizi maalumu na faida ya wenyehisa wakuu wachache, kuhesabiwa kwa mtaji uliotolewa mwishoni mwa mwaka wa hisa 11,884,210 za kawaida.

(e) Mali ya kudumu na mapunguzo ya thamani

(i) Makadirio ya thamani ya mali za kudumu.
Thamani ya ardhi, majengo na bidhaa muhimu za kiwanda na mashini hukadiriwa upya kistadi mara kwa mara. Makadirio haya mapya ya thamani hushirikishwa katika hesabu kwa kuongezea thamani ya juu ya mazidio katika akiba ya mtaji. Mahamisho hufanyiwa faida zilizohifadhiwa kwa kiwango ambacho mapunguzo ya thamani huteremsha thamani ya mazidio iliyokadiriwa upya, na kuondoa kiasi cha pesa kilichotokana na uuzaji wa mali za kudumu. Mahamisho haya yanahesabiwa kutegemea thamani ya kila mali.

(ii) Mapunguzo ya thamani
Haya yanahesabiwa ili kufutilia mbali vitabuni gharama ama thamani ya mali za kudumu kwa msingi wa waziwazi kwa muda unaotarajiwa mali zinazohusika kutumika. Viwango vya mwaka vinavyotumiwa kwa shabaha hii ni:-

Majumba yanayokodishwa	2.5%
Kiwanda na mashini	6.7%-25%
Fanicha na mitambo	12.5%-20%
Magari	25%-50%

Ardhi isiyokodishwa haipunguziki thamani
Ardhi na majumba zinazokodishwa hupunguzwa thamani kwa muda zinazokodishwa ama miaka 40 ama mojawapo muda wo wote ulio mfupi.

(iii) Mikopo ya fedha
Mali za kudumu zilizopatikana chini ya matayarisho ya ukopaji huongezwa juu ya mtaji mnamo tarehe ya mkataba, ya makubaliano ya fedha zitakazotolewa katika fungu la faida mapato na matumizi ya fedha.
Fungu la faida la kila malipo hutozwa faida wakati kila malipo ya pole pole yanapotimia.

(f) Stocks and work in progress
Stocks and work–in–progress are stated at the lower of cost or net realisable value. In general, cost is determined on a first in, first out basis and includes transport and handling costs; in the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Provision is made for obsolete, slow moving and defective stocks.

(g) Deferred taxation
Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise in the forseeable future.

(h) Foreign exchange
Assets and liabilities expressed in foreign currencies are converted at the rates of exchange ruling at the year end. Realised differences and unrealised losses on exchange are reflected in the profit and loss account, and any unrealised gains are carried forward until realised.

		1996 Kshs'000	1995 Kshs'000
2	**Operating profit**		
	This is stated after charging		
	Depreciation	**81,354**	68,350
	Auditors remuneration (The company Kshs 300,000 (1995 Kshs 226,000))	**1,500**	1,408
3	**Directors emoluments**		
	The emoluments of the directors are as follows		
	Directors fees	**3,770**	1,360
	Executive directors remuneration	**19,801**	48,425
		23,571	49,785
4	**Taxation on the profit for the year**		
	Income tax @ 35%	**1,232**	99,572
	Deferred taxation	**102,340**	-
	Share of associated company taxation	**-**	7,339
	Over provision for prior year	**-**	(5,267)
		103,572	101,644
5	**Profit attributable to shareholders**		
	Profit dealt with in the accounts of Nation Printers and Publishers Limited	**151,634**	101,964
6	**Dividends**		
	Interim paid 12.5% (1995 12.5%)	**7,428**	7,428
	Final proposed 42.5% (1995 32.5%)	**25,253**	19,312
		32,681	26,740

(f) Bidhaa na kazi zinazoendelea

Bidhaa na kazi zinazoendelea huwekwa thamani iliyo chini zaidi kati ya gharama za bidhaa ama kazi hizo na thamani inayotarajiwa kupatikana zitakapouzwa. Kwa jumla, gharama zinakadiriwa kwa kuchukulia kwamba kinachonunuliwa mwanzo kinatumiwa mbele na gharama zenyewe ni pamoja na gharama za uchukuzi na usimamizi. Kuhusu bidhaa tulizotengeneza pamoja na gharama nyingenezo zinazohusika na uzalishaji bidhaa zilizokadiriwa thamani kulingana na kiwango cha kawaida cha uzalishaji bidhaa. Kumetengwa kando thamani ya bidhaa ambazo hazitumiki tena, hazinunuliwi na zilizoharibika.

(g) Kodi iliyotengwa

Hii inahesabiwa kulingana na kima cha kodi iliyotengwa kwa kutumia mbinu ya kuhesabu madeni, kwa tofauti zote za muda wa thamani kufikia kiwango ambacho pengine deni ama rasilmali zitabadilika katika siku za usoni.

(h) Fedha za Kigeni

Rasilmali na madeni zilizo katika pesa za kigeni hubadilishwa kwa kiwango cha thamani ya ubadilishaji wa pesa za kigeni kinachotumika mwisho wa mwaka. Faida ama hasara zinazotokana na rasilmali ama ulipaji wa madeni hayo zinaonyeshwa katika hesabu ya faida na hasara ambapo faida inayotokana na rasilmali ama madeni ambayo hayajalipwa haijadhihirika haitiliwi maanani mpaka itakapodhihirika.

		1996 Kshs'000	1995 Kshs'000
2	**Faida kutokana na shughuli za kibiashara**		
	Hii inaonyeshwa baada ya kutoa:		
	Mapunguzo ya thamani ya mali	**81,354**	68,350
	Riba inayolipishwa		
	Malipo ya wakaguzi (kampuni Kshs 300,000 (1995 Kshs 226,000))	**1,500**	1,408
3	**Marupurupu ya wakurugenzi**		
	Marupurupu ya wakurugenzi ni kama ifuatavyo		
	Ada za wakurugenzi	**3,770**	1,360
	Malipo ya wakurugenzi warasimu	**19,801**	48,425
		23,571	49,785
4	**Kodi kutokana na faida kwa mwaka**		
	Kodi ya mapato kwa asilimia 35%	**1,232**	99,572
	Kodi iliyotengwa	**102,340**	-
	Mgawo wa kodi wa kampuni shirikishi	-	7,339
	Urekebishaji ziada ya mwaka uliotangulia	-	(5,267)
		103,572	101,644
5	**Faida ya kulipa wenye hisa**		
	Faida inayoonyeshwa katika vitabu vya		
	Nation Printers and Publishers Limited	**151,634**	101,964
6	**Migawo ya faida**		
	Malipo ya mwanzo asilimia 12.5% (1995-asilimia 12.5%)	**7,428**	7,428
	Malipo ya mwisho yaliyopendekezwa		
	Asilimia 42.5% (1995-asilimia 32.5%)	**25,253**	19,312
		32,681	26,740

	Land and buildings freehold	*leasehold*	*Plant and equipment*	*Motor vehicles*	*Total*
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
7 Fixed assets					
Group					
Cost or valuation					
At 1st January 1996	81,000	108,500	276,807	109,064	575,371
Additions	-	150,354	496,657	17,857	664,868
Revaluation	-	-	(150)	(111)	(261)
Disposals	-	-	(35)	(30,667)	(30,702)
At 31st December, 1996	**81,000**	**258,854**	**773,279**	**96,143**	**1,209,276**
Depreciation					
At 1st January, 1996	-	-	63,120	49,138	112,258
Provided during the year	787	4,092	50,263	26,212	81,354
Write - back on revaluation	-	-	(30)	(33)	(63)
Adjustments for disposals	-	-	(34)	(21,451)	(21,485)
At 31st December, 1996	**787**	**4,092**	**113,319**	**53,866**	**172,064**
Net book value					
At 31st December, 1996	**80,213**	**254,762**	**659,960**	**42,277**	**1,037,212**
At 31st December, 1995	81,000	108,500	213,687	59,926	463,113
Company					
Cost or valuation					
At 1st January, 1996	81,000	78,500	5,743	17,686	182,929
Additions	-	-	113	1,348	1,461
Disposals	-	-	-	(1,414)	(1,414)
Transfers out	-	(17,000)	-	-	(17,000)
At 31st December, 1996	**81,000**	**61,500**	**5,856**	**17,620**	**165,976**
Depreciation					
At 1st January, 1996	-	-	4,305	6,333	10,638
Provided during the year	787	3,342	333	3,439	7,901
Adjustments for disposals	-	-	-	(1,344)	(1,344)
Transfers out	-	(425)	-	-	(425)
At 31st December, 1996	**787**	**2,917**	**4,638**	**8,428**	**16,770**
Net book value					
At 31st December, 1996	**80,213**	**58,583**	**1,218**	**9,192**	**149,206**
At 31st December, 1995	81,000	78,500	1,438	11,353	172,291

		Ardhi na majumba *yanayo milikiwa*	*yaliyo kodishwa*	*Viwanda fanicha na mashini*	*Magari*	*Jumla*
		Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
7	**Mali za kudumu**					
	Gharama ama thamani mnamo Januari 1, 1996	81,000	108,500	276,807	109,064	575,371
	Maongezo	-	150,354	496,657	17,857	664,868
	Ukadiriaji upya	-	-	(150)	(111)	(261)
	Mauzo	-	-	(35)	(30,667)	(30,702)
	Mnamo Desemba 31, 1996	**81,000**	**258,854**	**773,279**	**96,143**	**1,209,276**
	Mapunguzo					
	Mnamo Januari 1, 1996	-	-	63,120	49,138	112,258
	Uliotolewa mwaka huo	787	4,092	50,263	26,212	81,354
	Makadirio kiasi kisichohitajika	-	-	(30)	(33)	(63)
	Marekebisho ya mauzo	-	-	(34)	(21,451)	(21,485)
	Mnamo Desemba 31, 1996	**787**	**4,092**	**113,319**	**53,866**	**172,064**
	Thamani kamili vitabuni					
	Mnamo Desemba 31, 1996	**80,213**	**254,762**	**659,960**	**42,277**	**1,037,212**
	Mnamo Desemba 31, 1995	81,000	108,500	213,687	59,926	463,113
	Kampuni					
	Gharama ama ukadiriaji thamani Mnamo Januari 1, 1996	81,000	78,500	5,743	17,686	182,929
	Maongezo	-	-	113	1,348	1,461
	Mauzo	-	-	-	(1,414)	(1,414)
	Kuhamisha mali	-	(17,000)	-	-	(17,000)
	Mnamo Desemba 31, 1996	**81,000**	**61,500**	**5,856**	**17,620**	**165,976**
	Mapunguzo ya thamani					
	Mnamo Januari 1, 1996	-	-	4,305	6,333	10,638
	Uliotolewa mwaka huo	787	3,342	333	3,439	7,901
	Marekebisho ya mauzo	-	-	-	(1,344)	(1,344)
	Kuhamisha mali	-	(425)	-	-	(425)
	Mnamo Desemba 31, 1996	**787**	**2,917**	**4,638**	**8,428**	**16,770**
	Thamani kamili vitabuni					
	Mnamo Desemba 31, 1996	**80,213**	**58,583**	**1,218**	**9,192**	**149,206**
	Mnamo Desemba 31, 1995	81,000	78,500	1,438	11,353	172,291

Note 7 continued
The properties and the major items of plant of the group were revalued at 31 December 1995 in accordance with a valuation carried out by Lloyd Masika, registered valuers, at that date. The basis for the properties was open market value with existing use. The basis of valuation for the plant was depreciated replacement cost except for the old presses where the basis was disposable value. Assets acquired under finance lease arrangements are capitalised at the date of the agreement. The interest element of each instalment is charged against profit at the time each instalment falls due.

8 Associated company

(a) Industrial Promotion Building Limited

The company became an associated company with effect from 30th December 1996 and has been accounted for on that basis.

(b) Kenya Litho Limited

The investment was sold during the year and the profit on sale has been shown as an extra ordinary item in the profit and loss account. The comparative figures shown below relate to Kenya Litho.

	1996 Kshs'000	1995 Kshs'000
The group's interest in its associated company is as follows		
Group		
Shares at cost — unquoted	**94,601**	*10,000*
The group's share of post-acquisition retained profits and reserves	**65,104**	124,962
	159,705	134,962
Company		
Shares at cost — unquoted	**94,601**	10,000

9 Stocks

	1996 Kshs'000	1995 Kshs'000
Raw materials	**71,465**	98,818
Engineering	**4,042**	11,631
Other	**18,820**	27,269
	94,327	137,718

	Group		**Company**	
	1996 Kshs'000	1995 Kshs'000	**1996 Kshs'000**	1995 Kshs'000
10 *Creditors*				
Amount falling due within one year				
Bank overdrafts	**20,525**	42,410	**20,283**	15,703
Finance Leases	**7,709**	5,661	**-**	-
Creditors	**285,108**	187,474	**9,318**	30,182
Due to subsidiaries	-	-	***9,618***	-
Taxation	**(2,499)**	17,498	**(1,439)**	(1,433)
Dividends payable	**25,902**	19,312	**25,902**	19,312
	336,745	272,355	**63,682**	63,764

Bank overdrafts and credit facilities up to Kshs. 160,000,000, excluding inter-company indebtedness, are secured by debentures over certain assets of the company and a subsidiary company.

7–Inaendelea
Mali na bidhaa kuu za kiwanda za kundi zilifanyiwa upya makadirio kufikia Desemba 31, 1995, kuambatana na ukadiriaji uliofanywa na Lloyd Masika, wakadiriaji waliyosajilishwa, kufikia tarehe hiyo. Msingi wa ukadiriaji mali hizo ulikuwa thamani ya masoko ya wazi pamajo na utumizi na mabadiliko ya mapunguzo ya thamani. Msingi wa ukadiriaji wa kiwanda uliambatana na mapunguzo ya gharama za ubadilishaji isipokuwa tu kwa mashini na mitambo ya uchapishaji ya zamani ambapo msingi ulikuwa thamani ya mauzo.

Mali iliyopatikana chini ya mpango wa kukodisha imeorodheshwa kuanzia tarehe ya kuafikiana. Riba ya kila malipo ilitozwa wakati wa kulipa.

8 Kampuni shirikishi

(a) Industrial Promotion Building Limited

Kutokana na toleo la hisa za Industrial Promotion Building Limited mnamo 1996 hisa za kundi hili katika kampuni hiyo ziliongezeka kutoka Asilimia 16.4% hadi Asilimia 20%. Kampuni hii, kwa hivyo inashughulikiwa tena kama kampuni shirikishi kuanzia Desemba 30, 1996.

(b) Kenya Litho Limited

Rasilmali hii iliuzwa katika mwaka huo na faida kutokana na uuzaji wake imeonyeshwa kama pato maalumu katika maelezo ya hesabu ya faida na hasara. Hesabu zinazolinganishwa hapa chini zinahusiana na Kenya Litho.

	1996 KShs'000	1995 KShs'000
Maslahi ya kundi katika kampuni hii shirikishi ni kama ifuatavyo		
Kundi		
Hisa kwa thamani (haikunukuliwa)	**94,601**	10,000
Mgawo wa kundi wa faida na akiba zilizotengwa baada ya ununuzi	**65,104**	124,962
	159,705	134,962
Kampuni		
Hisa kwa thamani – (haikunukuliwa)	**94,601**	10,000

9 Bidhaa

	1996	1995
Vifaa vya kazi	**71,465**	98,818
Uhandisi	**4,042**	11,631
Nyiginezo	**18,820**	27,269
	94,327	137,718

10 Madeni

	Kundi		**Kampuni**	
	1996 Kshs'000	1995 Kshs'000	**1996 Kshs'000**	1995 Kshs'000
Kiasi kinachostahili kulipwa kwa mwaka				
Mikopo ya muda ya banki	**20,525**	42,410	**20,283**	15,703
Fedha za muda	**7,709**	5,661	**-**	-
Wadaiwa	**285,108**	187,474	**9,318**	30,182
Zitakazotozwa	**-**	-	**9,618**	-
Kodi	**(2,499)**	17,498	**(1,439)**	(1,433)
Mgawo wa kulipwa	**25,902**	19,312	**25,902**	19,312
	336,745	272,355	**63,682**	63,764

Mikopo na ukopaji wa hadi KShs 160,000,000 zinapatikana kupitia kwa hati za ukopaji za dhamama za rasilmali nyingine za kampuni na kampuni moja ndogo, kwa kutenga madeni ya kikampuni.

	1996 Kshs'000	1995 Kshs'000
11 Finance leases		
Group		
Liabilities under finance leases	**12,536**	12,263
Less amounts due within twelve months	**(7,709)**	(5,661)
	4,827	6,602

12 Long-term loans		
Group		
Loans with financial institutions	**366,313**	35,000
Less repayments due within twelve months	**-**	(10,314)
	366,313	24,686

The loans with financial institutions are secured by floating charges over the assets of Nation Printers and Publishers Limited and Nation Newspapers Limited.

Company		
Bank loan (covered by overall bank security – see note 10)	**26,313**	35,000
Less repayments due within twelve months	**-**	(10,314)
	26,313	24,686

13 Provision for deferred taxation		
Theeffect of timing differences due to		
- excess of capital allowances over depreciation	**129,166**	-
- tax losses	**(26,826)**	-
	102,340	-

14 Called up share capital		
Authorised		
30,000,000 ordinary shares of Kshs 5 each	**150,000**	150,000
Issued and fully paid		
11,884,210 ordinary shares of Kshs 5 each	**59,421**	59,421

	1996 Kshs'000	1995 Kshs'000
11 Mikopo ya fedha ya mali za kudumu		
Kundi		
Madeni kutokana na mikopo ya fedha ya mali za kudumu	**12,536**	12,263
Bila kiasi kinachotarajiwa katika muda wa miezi 12	**(7,709)**	(5,661)
	4,827	6,602
12 Mikopo ya muda mrefu		
Kundi		
Mikopo katika mashirika ya kifedha (imewekewa dhamana kamili ya banki) - soma namba 10 katika maelezo)	**366,313**	35,000
Bila ulipaji unaotazamiwa katika muda wa miezi 12	**-**	(10,314)
	366,313	24,686

Mikopo iliyoko katika vituo kadha vya kifedha yanadhaminiwa kutokana na malipo ya mali za Nation Printers and Publishers Limited na Nation Newspapers Limited.

	1996 Kshs'000	1995 Kshs'000
Kampuni		
Mkopo wa banki (umewekewa dhamana kamili ya banki – soma namba 10 katika maelezo)	**26,313**	35,000
Bila ulipaji uliotazamiwa katika muda wa miezi 12	**-**	(10,314)
	26,313	24,686
13 Fungu la kodi iliyowekwa akiba		
Matokeo ya tofauti za kutokana na muda za		
- mazidio ya alowensi za mtaji	**129,166**	
- hasara zilizotokea	**(26,826)**	
	102,340	-
14 Mtaji wa hisa zilizokusanywa		
Hisa 30,000,000 za kawaida Zilizoidhinishwa za Kshs. 5 kila moja	**150,000**	150,000
Hisa 11,884,210 za kawaida zilizotolewa na kulipiwa kamili za Kshs. 5 kila moja	**59,421**	59,421

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		1996 Kshs'000	1995 Kshs'000
15	**Capital reserve**		
	Group		
	At 1st January	**334,731**	266,995
	Transfer to retained earnings		
	- amounts no longer required following depreciation of revalued assets	**(9,909)**	(16,355)
	- on sale of a revalued asset	**(2,150)**	-
	Revaluation of fixed assets - surplus over net book value	**-**	84,091
	Share of associated company reserves	**(88,206)**	-
	At 31st December	**234,466**	334,731
	Company		
	At 1st January	**139,701**	70,813
	Transfer to retained earnings		
	amounts no longer required following depreciation of revalued assets	**(17,613)**	(5,233)
	on sale of a revalued asset	**(2,150)**	-
	Revaluation of fixed assets - surplus over net book value	**-**	74,121
	At 31st December	**119,938**	139,701
16	**Capital commitments**		
	Future commitments were as follows		
	- approved by the Board but not contracted for	**88,500**	95,223
	- contracted for but not provided for in the accounts	**40,000**	463,380
		128,500	558,603
17	**Cash and cash equivalents**		
	Cash and cash equivalents included in the cash flow statement comprise the following		
	- cash and bank balances	**171,666**	32,546
	- bank overdraft	**(20,525)**	(42,410)
		151,141	(9,864)

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		1996 Kshs'000	1995 Kshs'000
15	**Mtaji uliowekwa akiba**		
	Kundi		
	Mnamo Januari 1	**334,731**	266,995
	Uhamishi kwa mapato yaliyowekwa akiba		
	- kiasi kisichohitajika baada ya mapunguzo ya mali za kudumu zilizokadiriwa upya thamani	**(9,909)**	(16,355)
	- kwa uuzaji wa mali ya kudumu iliyokadiriwa upya thamani	**(2,150)**	-
	Ukadiriaji upya thamani ya mali za kudumu		
	- ziada kwa thamani kamili vitabuni	**-**	84,091
	Mgawo wa akiba zilizotengwa za kampuni shirikishi	**(88,206)**	-
	Mnamo Desemba 31	**234,466**	334,731
	Kampuni		
	Mnamo Januari 1	**139,701**	70,813
	Uhamishi wa mapato yaliyowekwa akiba		
	- kiasi kisichohitajika baada ya mapunguzo ya mali za kudumu zilizokadiriwa upya thamani kwa uuzaji wa mali ya kudumu	**(17,613)**	(5,233)
	- iliyokadiriwa upya thamani	**(2,150)**	-
	Ukadiriaji upya thamani ya mali za kudumu		
	- ziada kwa thamani kamili vitabuni	**-**	74,121
	Mnamo Desemba 31	**119,938**	139,701

16	**Mipango ya maendeleo ya mtaji**		
	Mipango iliyoamuliwa kutekelezwa katika siku za usoni nikama ifuatavyo		
	- iliyoidhinishwa na Halmashauri lakini haijatolewa kandarasi	**88,500**	95,223
	- iliyotolewa kandarasi lakini haikuelezwa katika taarifa ya hesabu	**40,000**	463,380
		128,500	558,603

17	**Pesa taslimu na thamani sawa**		
	Pesa taslimu na thamani sawa katika taarifa ya mapato na matumizi ni pamoja na kama ifuatavyo		
	- pesa taslimu na akiba zilizobaki katika banki	**171,666**	32,546
	- deni la banki	**(20,525)**	(42,410)
		151,141	(9,864)

Taarifa ya wakaguzi wa vitabu vya fedha - ukurasa wa 19.

Five Year Financial Summary for the year ended 31st December

	1996 Kshs (m)	1995 Kshs (m)	1994 Kshs (m)	1993 Kshs (m)	1992 Kshs (m)
Results					
Turnover	1,895.7	1,537.9	1,295.8	956.7	843.9
Profit before taxation	262.1	296.9	251.6	105.8	83.2
Profit attributable to ordinary shareholders	206.9	195.1	156.9	61.1	38.3
Net assets					
Fixed assets	1,196.9	803.3	580.6	516.1	452.7
Net current assets	280.4	185.7	163.0	77.8	(42.1)
Long term creditors	(371.1)	(31.3)	(38.3)	(61.8)	(3.4)
Provisions	(102.3)	-	-	-	-
	1,003.9	957.7	705.3	532.1	407.2
Profit before tax as a percentage of turnover	13.8%	19.3%	19.4%	11.1%	9.9%
Earnings per share (Kshs)	17.40	16.42	13.21	5.14	3.22
Dividends per share (Kshs)	2.75	2.25	1.80	1.60	1.44
Dividend cover (times)	6.33	7.30	7.34	3.21	2.24

Taarifa fupi ya Kifedha ya Miaka Mitano iliyomalizika Desemba 31

	1996 Kshs (m)	1995 Kshs (m)	1994 Kshs (m)	1993 Kshs (m)	1992 Kshs (m)
Matokeo					
Mapato	1,895.7	1,537.9	1,295.8	956.7	843.9
Faida kabla ya kodi	262.1	296.9	251.6	105.8	83.2
Faida kwa wenye hisa wa kawaida	206.9	195.1	156.9	61.1	38.3
Mali kamili					
Mali za kudumu	1,196.9	803.3	580.6	516.1	452.7
Mali zilizoko sasa	280.4	185.7	163.0	77.8	(42.1)
Wadai wa muda mrefu	(371.1)	(31.3)	(38.3)	(61.8)	(3.4)
Malipo	(102.3)	-	-	-	-
	1,003.9	957.7	705.3	532.1	407.2
Faida kabla ya kodi kama asilimia ya mapato	13.8%	19.3%	19.4%	11.1%	9.9%
Mapato kwa kila hisa (Kshs)	17.40	16.42	13.21	5.14	3.22
Migawo kwa kila hisa (Kshs)	2.75	2.25	1.80	1.60	1.44
Migawo ya ujumla (kuzidia)	6.33	7.30	7.34	3.21	2.24

Proxy Form

I/we ....

.... being a member/members of Nation

Printers and Publishers Limited, hereby appoint ....

of ....

and failing him .... 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 5th June 1997 at 3.00 p.m. and at any adjournment thereof.

As witness my hand this ....

Signature ....

Important notes:

1. If you are unable to attend this meeting personally this form of proxy should be completed and returned to the Secretary, Nation Printers and Publishers Limited, P.O. Box 49010, Nairobi, to reach him 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 form of proxy must be under seal or under the hand of an officer or attoney duly authorised in writing.

Fomu ya Uwakilishi

Mimi/sisi ....

.... kama mwanachama/wanachama wa Nation Printers and Publishers

Limited, nateua/tunateua ....

wa ....

na akikosa yeye ....
mwenyekiti wa mkutano kama mwakilishi/wawakilishi wangu/wetu kunipigia kura/kutupigia kura na kwa niaba yangu/yetu kwenye mkutano wa kila mwaka wa kampuni utakaofanywa mnamo Juni 5, 1996, saa tisa alasiri na wakati wa ahirisho lo lote litakalotokea baadaye.

Kama shahidi siku hii ....

Sahihi ....

1. Iwapo hutaweza kuhudhuria mkutano huu wewe mwenyewe binafsi fomu hii ya kura ya uwakilishi (proxy) lazima ijazwe kwa ukamilifu na kurudishwa kwa katibu, Nation Printers and Publishers Limited. P.O. Box 49010, Nairobi, imfikie kabla ya masaa 48 kabla ya muda wa kufanya mkutano kuwadia.
2. Mtu anayeteuliwa kuwa mwakilishi si lazima awe mwanachama wa kampuni.
3. Ikiwa mteuaji ni shirika, fomu hii ya proxy lazima ifungwe kwa lakiri (seal) au ipitie mikononi mwa afisa au wakili mwenye kibali cha maandishi.