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Company Profile

Bamburi Portland Cement Company Limited manufactures cement at its wholly owned plant situated 12 kilometers north of Mombasa on the Kenyan Coast. The facility, which has a capacity of 1.2 million tons per annum, is the second largest cement factory in sub-Saharan Africa. The company is one of the largest manufacturing export earners in Kenya and exported 53% of its production in 1994.

The company is mainly foreign owned and is indirectly controlled by Lafarge Coppee of France and Blue Circle PLC of the U.K. The former, which is the second largest cement group in the world, provides technical and management assistance to the company in association with its subsidiary, Cementia Holding A.G. of Zurich.

Bamburi has invested in various locally incorporated companies whose activities are indirectly related to its own.

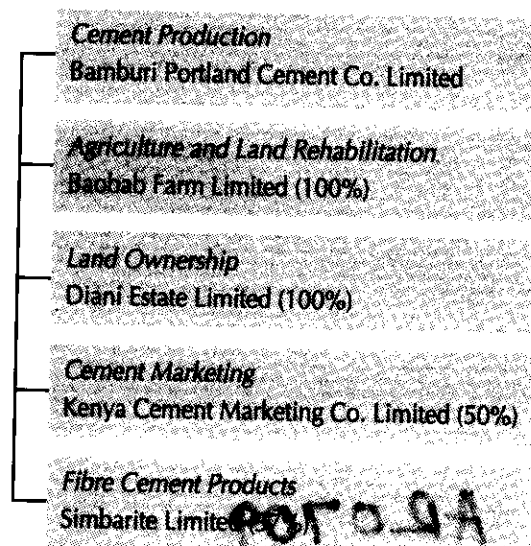
Baobab Farm Limited, whose main activity is

the rehabilitation of Bamburi's used quarries, is a wholly owned subsidiary of the company. Baobab Farm Limited also manages a nature park and conducts various farming activities, including forestry and aquaculture, in the rehabilitated quarries.

Simbarite Limited, in which the company has a 37% holding, manufactures various fibre cement products, particularly roofing sheets.

Diani Estate Limited, is a non-trading wholly owned subsidiary of the company which owns valuable coral land approximately 10 kilometres South of Mombasa Island.

Kenya Cement Marketing Company Limited, in which the company owns 50% of the equity, was engaged in the marketing of cement. In the last quarter of 1994 the marketing company ceased to trade following the decision of its shareholders, both cement manufacturers, to deal directly with their respective distributors.



Financial Highlights

	1994 K£000	1993 K£000	% Change
Operating Results			
Turnover	205,336	179,001	+15
Operating profit before interest, exchange differences and tax	40,000	24,533	+47
Profit before tax	35,000	33,168	-23
Funds generated by trading operations	41,196	48,418	-15
Financial Position			
Working Capital - inventories and debtors minus creditors	58,006	67,211	-14
Shareholders' equity	200,896	197,642	
Ordinary Share Performance (KShs/Share)			
Earnings	2.5	4.5	-44
Dividends	1.6	1.0	+60
Net asset value	49.8	49.0	+2
Mid-market price at 31st December	65.0	56.0	+16
Financial Statistics			
Operating margin	17.5%	13.7%	
Return on shareholders funds	5.0%	9.0%	
Dividend cover (times)	1.6	4.5	

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Chairman's Statement



1994 was an eventful year for Bamburi.

Although the Government made impressive progress with the introduction of economic reforms, it was still too early to see positive results in the form of renewed confidence by both Kenyan and foreign investors.

Consequently, the construction and building sectors remained in recession for the second year running with cement consumption down 13% and at the lowest level since 1986.

The business community also had to cope with the problems which developed following the strong appreciation of the Kenya Shilling throughout the year following its sharp decline the year before.

Results

The large fluctuations in the value of the Kenya Shilling had a material impact on our results in both 1993 and 1994 with the former enjoying large exchange gains and the latter suffering substantial exchange losses. The impact of these non-trading losses was so great that it obscured the

substantial improvement that has been achieved in the company's profitability in the past year from its normal trading activities. This was despite the sharp fall in domestic sales. We were fortunate to have been able to find export markets for most of the surplus production arising from this drop in domestic demand.

It is possible that in the long run there could be more changes in the value of the Kenya shilling against the major international currencies. Provided this takes place in an orderly and gradual manner then the expectation should be that the wild fluctuations in non-trading gains and losses, which incidentally have affected many Kenyan companies over the last two years, will be a thing of the past.

Although our profits for 1994 are lower than the year before the underlying trend saw an improvement and the outlook for 1995 is favourable. Consequently, the Board has proposed both a one for one bonus issue and a higher dividend payout.

Prospects

With inflation and interest rates coming down and donor support resumed there is a real prospect of renewed growth in the Kenyan economy. This should translate into increased building activity and greater demand for cement which we are already beginning to see. The same is largely true for Uganda where our sales increased substantially in 1994.

The liberalised economic environment creates new challenges for Bamburi which will force us to increase the pace of our efforts to improve efficiency and reduce production costs. This will mean that our

Chairman's Statement

capital and major maintenance expenditure levels will be high for the next few years but our competitive position will improve correspondingly.

The greatest threat that I see both to the potential for our economy to forge ahead and for Bamburi to realise its full production capability is the state of the country's infrastructure and, in particular the power situation. Unless urgent action is taken to increase total generating capacity in the near future and increase the availability of existing installed capacity then I foresee major power shortages over the next few years. The capital cost of Bamburi becoming self sufficient in power would be extremely high and our costs of cement production would increase substantially. We are looking at various schemes which could reduce our total dependence on the national grid if this should prove necessary.

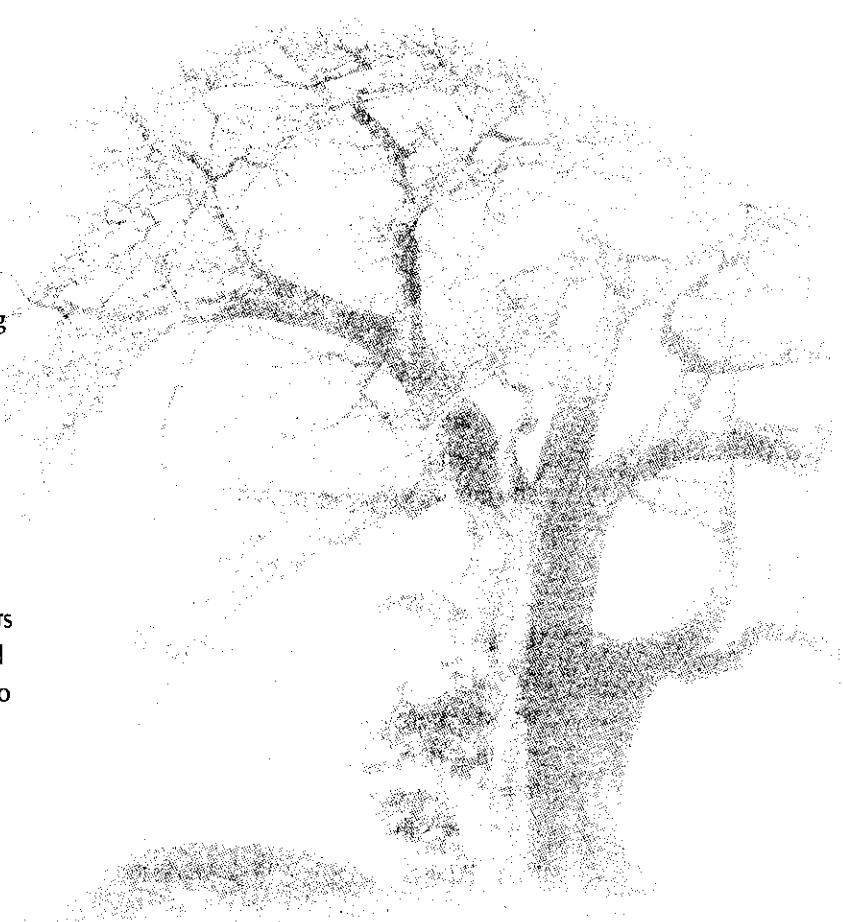
Appreciation

At the end of December, Mr. Brenneisen retired as Managing Director after forty years service with the Company. We are indebted to Mr. Brenneisen for his unstinting efforts to bring the Company through a very difficult period ten years ago to the successful position which it occupies today. We wish him a well deserved and happy retirement.

Finally, on behalf of the shareholders and the Board, I would like to thank the management and staff of Bamburi for their excellent efforts and achievements in 1994.



T.C.J. Ramtu



Review of Operations

Summary	1994 KE000	1993 KE000	% Change
Turnover	205,536	179,001	+15
Operating Costs	(169,497)	(154,468)	+10
Operating Profit	36,039	24,533	+47
Operating Profit Margin	17.5%	13.7%	
Exchange (losses)/gains and net interest expense	(10,651)	8,635	
Profit before tax	25,388	33,168	

The underlying 1994 trading results of the company, as measured by the operating profit, showed an improvement of 47% over the previous year. This was achieved through a 15% increase in turnover against only a 10% increase in costs.

However the turbulence in the exchange rate of the Kenya currency against the major world currencies during 1993 and 1994 meant that in 1993 the company benefited from large exchange gains whilst in 1994 the reverse was the case. The effect was that the year's pretax profit was well down on the previous year despite the substantial improvement in the underlying operating results.

SALES AND REVENUE

Domestic per capita cement consumption declined to 33 kilos in 1994 against a previous peak of 47 kilos in 1992. Total domestic cement demand dropped by 13%

in 1994 to 848,000 tons of which the company's share was 541,000 tons compared to 670,000 tons in 1993. This reduction in total demand followed a 15% drop in 1993.

The sharp reduction in the company's domestic sales volume left more tonnage available for export. With the assistance of its main export customer, Marine Cement Ltd., the company was able to place part of the surplus tonnage into the bulk export market. The balance fed the Ugandan market where sales volumes increased by 225% to 130,000 tons in 1994.

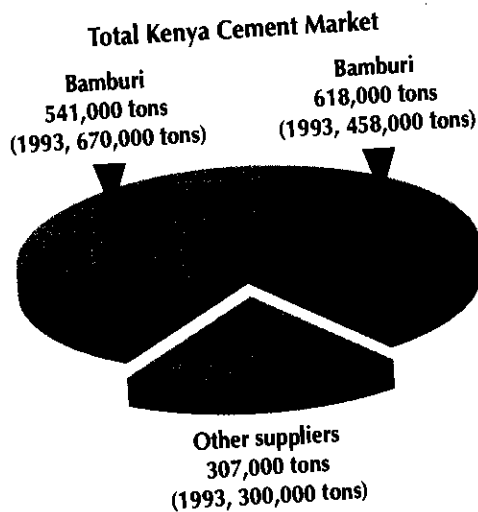
Average domestic cement prices in 1994 were up on the year earlier largely because prices rose towards the end of 1993 and the full effect of these was not felt until 1994. There were no price increase announcements during the year. But in the latter part of 1994 Bamburi was compelled to reduce its prices to match the reduction in

Review of Operations

the cost of imported cement as the Kenya currency continued to gain in strength.

The company was only able to increase its export prices marginally in dollar terms because of increasing international competition in its traditional export markets.

The net result of all these factors was that the company's total sales volumes for the year were a marginal 3% ahead of 1993 and turnover increased by 15% to K£206 million.



- Domestic
- Exports

PRODUCTION

Cement production for the year rose by 3% to 1,157,000 tons. Production would have been slightly higher had output not been restricted in the middle of the year when domestic sales dropped dramatically over a short period and before the company was able to secure additional export commitments. Bamburi also experienced a record 187 power interruptions in 1994 with a resulting loss of 55,000 tons of cement production.

OPERATING COSTS

Bamburi is the largest consumer of electricity in the country. The 62% increase in electricity tariffs during the year was therefore a major blow to the company's efforts to contain production costs. The cost of other local inputs also increased substantially because of the relatively high, but reducing, level of inflation during the year. However, the cost of imported inputs dropped in Kenya currency terms. And the company was able to take advantage of liberalised import procedures to contain the increase in the cost of production to only 10% over 1993.

FINANCIAL COSTS

Foreign exchange losses of K£ 8.7 million arose, principally because of the appreciation of the Kenya currency during 1994 and the effect this had on the conversion of the company's foreign currency net assets. These assets will be used to finance the company's large capital and major maintenance programme in 1995.

TAX

The tax charge for the year has increased marginally, despite the reduction in profits. This is because depreciation on revalued assets, which is not tax deductible, is a greater proportion of the lower profit figure. Also, some unrealised exchange gains from the previous year became realised and taxable in 1994, and the Government introduced a 2.5% corporate drought levy.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of the Ordinary Shareholders of Bamburi Portland Cement Company Limited will be held at the Registered Office of the Company at Bamburi, Mombasa, on Monday, 24th April, 1995 at 12.00 noon for the following purposes:

1. To confirm the minutes of the 43rd Annual General Meeting.
2. To receive the Chairman's Statement.
3. To receive the Report of the Directors and the Audited Accounts for the year ended 31st December, 1994.
4. To reconsider and if thought appropriate, pass the proposed resolutions set out on page 9 increasing the authorised share capital of the Company and authorising a Bonus Issue of one ordinary share for every one ordinary share held.
5. To declare dividends.
6. To approve Directors' fees for 1995.
7. To authorise the Directors to fix the remuneration of the auditors for 1995.
8. a) To consider the re-election of Directors retiring by rotation, who, being eligible, offer themselves for re-election: Messrs K.W. George, J.C. Hillenmeyer, J. Kimanthi, A.J. Jackson.
b) To elect Messrs. F. Barrow, J.M. Shiganga, and B.K. Kipkulei, who were appointed Directors after the last Annual General Meeting.
c) To re-elect Mr. Brenneisen, who having retired as Managing Director on 31st December 1994 was appointed a non-executive Director.
d) To re-elect Mr. T.C.J. Ramtu who is over the age of 70, as a Director.
9. To transact any other competent business.

By Order of the Board

J.K. Ngunjiri
Secretary

28th February, 1995

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy, who need not be a member of the Company, to attend and vote in his or her stead. Proxy forms must be lodged at the registered office of the Company, P.O. Box 90202, Mombasa not less than 48 hours before the time of the meeting. A form of Proxy is provided separately with this report.

Resolutions to be considered at the 44th Annual General Meeting

1. Special Resolution - Increase in Share Capital

That the authorised share capital of the Company be increased from K£ 21,100,000 to K£ 41,300,000 by the creation of an additional 80,800,000 ordinary shares of K.Shs. 5.00 each ranking pari passu as regards dividends and in all other respects with the existing 84,000,000 ordinary shares of the Company.

2. Ordinary Resolution - Capitalisation of Reserves

That subject to the necessary consents being obtained from the Central Bank of Kenya, Capital Markets Authority, and the Treasury, in accordance with articles 129 and 130 of the Company's Articles of Association and upon the recommendation of the Board it is desirable to capitalise the sum of K£ 20,161,450 being part of the sum standing to the credit of the profit and loss account, at 31st December 1994 and accordingly, that such sum be capitalised and the Board of Directors be and is hereby authorised and directed to appropriate the said sum to the members registered on 12th May, 1995 as holders of ordinary shares in the company in the proportion in which such sum would have been divided amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf in paying up in full at par 80,645,800 unissued ordinary shares of K.Shs. 5.00 each of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion of one new ordinary share for every one ordinary share held by them respectively, such fully paid shares to rank equally with the existing issued ordinary shares for all dividends declared after the passing of this resolution and the shares so distributed shall be treated for all purposes as an increase of the amount of the capital of the Company held by each such shareholder and not as income, and that the Directors be and are hereby authorised to attend to all matters required to give effect to this resolution with full power to make such provision for sale of fractions or otherwise as they think fit.

Directorate & Administration

EXECUTIVE DIRECTORS

R. BRENNEISEN, (M.B.S.), Managing Director - Retired on 31st December 1994
G.C.D. GROOM, Finance Director - Appointed Managing Director on 1st January 1995
P.H. HUBER, Works Director - Retired on 30th May 1994
F. BARROW, Works Director - Appointed on 1st June 1994
J. KIMANTHI, Personnel Director
J.M. SHIGANGA, Finance Director - Appointed on 1st January 1995

NON EXECUTIVE DIRECTORS

T.C.J. RAMTU, (E.B.S.), Chairman
I.L. ROBERTS, Vice-Chairman - Retired on 26 April 1994
S.M. BATES
A.J. JACKSON, (C.B.E), alternate P.D. Marrian
K.W. GEORGE, alternate P. Overment
J.C. HILLENMEYER
S.W. KARANJA
J.C. KULEI
DR. W. KOINANGE - Retired on 12 May 1994
B.K. KIPKULEI, (E.B.S.), - Appointed on 12 May 1994,
alternate G.M. Mitine

SECRETARY

J.K. NGUNJIRI

REGISTERED OFFICE

P.O. Box 90202, Mombasa

REGISTRARS

Chunga Associates, P.O. Box 41968, Nairobi

AUDITORS

Price Waterhouse, P.O. Box 81824, Mombasa

BANKERS

Barclays Bank of Kenya Limited, Nkrumah Road Branch, P.O. Box 90182, Mombasa

ABN-AMRO Bank, Nkrumah Road, P.O. Box 90202, Mombasa

Citibank N.A., Nyerere Avenue, P.O. Box 83615, Mombasa

Report of the Directors

Bamburi Portland Cement Company Limited is the parent company of a group of companies which are incorporated in Kenya. The parent company is primarily engaged in the manufacture and sale of cement whilst the activities of its subsidiaries and associates are described in the Company Profile.

PROFIT AND DIVIDENDS

Net profit attributable to shareholders for the year to 31 December 1994 decreased by 44% from K£18 million to K£10.1 million. This is after transferring K£ 345,000 from the Revaluation Reserve in respect of revalued assets sold during the year.

An interim dividend of 7.5% was paid on 3rd February 1995. The directors have resolved to recommend to the shareholders to increase the issued and fully paid share capital from 80,645,800 ordinary shares of KSh. 5 each to 161,291,600 ordinary shares of KSh. 5 each by issuing bonus shares in the ratio 1:1 from the sum standing to the credit of the profit and loss account and subsequently to declare a final dividend of 12.5% per ordinary share on the increased share capital. If approved at the annual general meeting the bonus shares and final dividend will be distributed and paid on or about 30th June 1995 to ordinary shareholders registered at the close of business on 12th May 1995. Profit retained for the year amounts to K£3.6 million.

DIRECTORATE

The names of the directors who held office during the year and present directors are set out on page 10.

ANNUAL GENERAL MEETING

The annual general meeting will be held at the registered office of the company on

Monday 24th April at 12 noon.

The resolutions to be considered at the annual general meeting are shown on page 9 whilst the notice of the meeting is on page 8.

AUDITORS

Price Waterhouse are willing to continue in office in accordance with section 159(2) of the Companies Act.

By order of the Board

J.K. Ngunjiri
Company Secretary

7 March 1995

Report of the Auditors

TO THE MEMBERS OF BAMBURI PORTLAND
CEMENT COMPANY LIMITED

We have audited the accounts set out on pages 13 to 21 and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. The accounts are in agreement with the books of account.

In our opinion proper books of account have been kept and the accounts give a true and fair view of the state of the company's financial affairs at 31st December, 1994 and of its profit and source and application of funds for the year then ended and comply with the Companies Act.

PRICE WATERHOUSE

Certified Public Accountants

Mombasa

7th March, 1995

Profit & Loss Account

FOR THE YEAR ENDED 31ST DECEMBER, 1994

	Notes	1994 KES000	1993 KES000
Turnover		205,596	179,001
Profit before tax	1	25,268	33,168
Tax	2	15,562	15,169
Profit after tax		9,806	17,999
Transfer from revaluation reserves	3	945	-
Profit attributable to shareholders		10,751	17,999
Dividends on ordinary shares	4	(6,552)	(4,032)
Retained profit		4,199	13,967
		KShs.	KShs.
Earnings per share	5	2.52	4.46

Balance Sheet

AS AT 31ST DECEMBER 1994

	Notes	1994 K£000	1993 K£000
Capital employed			
Ordinary share capital	6	20,161	20,161
Capital redemption reserve fund	7	100	100
Share premium account	7	682	682
Revaluation reserve	7	159,117	159,462
Profit and loss account	7	20,836	17,237
Total shareholders' funds		200,896	197,642
Fixed assets			
Investments	9	859	444
		134,700	144,951
		135,559	145,395
Current assets			
Inventories	10	59,980	68,883
Debtors		23,568	23,461
Deposits, bank and cash balances		16,817	4,332
		100,365	96,676
Current liabilities			
Bank overdraft	11	2,487	8,844
Creditors		25,462	25,133
Tax		499	6,402
Dividend		6,580	4,050
		35,028	44,429
Net current assets		65,337	52,247
		200,896	197,642

The accounts on pages 13 to 21 were approved by the Board of Directors on 7 March 1995 and signed on its behalf by R. Brenneisen - Director and G.C.D. Groom - Director

Statement of Source & Application of Funds

FOR THE YEAR ENDED 31ST DECEMBER 1994

	1993 K£000
Source of funds	
Profit before tax	33,168
Adjustment for items not involving the movement of funds:	
Depreciation	15,300
Profit on sale of fixed assets	(50)
	48,418
Funds generated from trading operations	48,418
Funds from other sources:	
Proceeds from sale of fixed assets	51
	48,469
Application of funds	
Tax paid	18,698
Dividend paid	2,004
Purchase of fixed assets	3,808
Purchase of investments	-
Repayment of loans	2,856
Increase in working capital	21,103
	48,469
Analysis of increase in working capital	
Inventories	33,712
Debtors	3,427
Creditors	(4,637)
Net liquid funds	(11,399)
	21,103

Accounting Policies

- 1. Accounting Basis**
The accounts are prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets and the computation of related depreciation.
- 2. Group Accounts**
The accounts of the subsidiaries are not consolidated. In the opinion of the directors, consolidation would be of no real value to members of the company because the amounts involved, in relation to those of the company, are insignificant. Dividends from subsidiaries are taken into income when received. Investments in subsidiaries are stated at cost.
- 3. Associates**
An associate is a company, other than a subsidiary, over which the company exercises a measure of influence including representation on the board of directors and in which it owns 20% or more of the issued equity voting rights. Dividends from associates are taken into income when received. Investments in associates are stated at cost.
- 4. Turnover**
Turnover represents the net ex-works value of goods supplied to customers and is accounted for when those goods are despatched.
- 5. 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 are dealt with in the profit and loss account in the year in which they arise.
- 6. Inventories**
Inventories are stated at the lower of cost and estimated net realisable value. Cost includes direct costs and appropriate overheads.
- 7. Tangible Fixed Assets**
Revalued fixed assets are stated at their depreciated modern equivalent asset values as at the date of revaluation. The surplus arising from the revaluation is credited to a revaluation reserve. Acquisitions since revaluation are stated at cost.
- 8. Depreciation**
Depreciation is charged from the date of valuation or subsequent purchase by equal annual instalments over the estimated remaining useful lives of the assets at the following rates:

<i>Freehold land</i>	-	<i>Nil</i>
<i>Leasehold land</i>	-	<i>Period of lease</i>
<i>Buildings, plant and machinery</i>	-	<i>2.5% - 10%</i>
<i>Equipment and mobile plant</i>	-	<i>10% - 33.3%</i>
- 9. Deferred Tax**
Provision is made for deferred tax when it is considered that tax reductions, resulting principally from the excess of wear and tear allowances over the corresponding charge for depreciation, will reverse in the foreseeable future. Deferred tax arising on the revaluation of fixed assets is only provided if, in the opinion of the directors, the assets are likely to be disposed of in the foreseeable future.

Notes to the Accounts

	1993
	<u>K£000</u>
1. PROFIT BEFORE TAX	
The operating profit before tax is arrived at after charging:	
Directors' emoluments:	
Fees	53
Remuneration for management services	619
Auditors' remuneration	94
Depreciation	15,300
Interest payable	875
Exchange losses/(gains) - on net assets	(10,287)
on loans and debentures	2,460
and crediting:	
Interest receivable	1,683

2. TAX

The company's effective tax rate for the year of 61% (1993 - 46%) is higher than the statutory rate of 37.5% (1993 - 35%) mainly because additional depreciation arising from the revaluation of fixed assets is not tax deductible and because some of the exchange gains arising in 1993 have been taxed in 1994.

A deferred tax liability as at 31st December 1994 of K£900,000 (1993 - K£1.9 million) has not been recognised in the accounts because the directors consider that the liability will not crystallize in the foreseeable future.

3. TRANSFER FROM REVALUATION RESERVE

The decrease in the revaluation reserve represents the transfer of K£ 345,000 to the profit & loss account in respect of revaluation surplus realised on the disposal of revalued fixed assets.

4. DIVIDENDS

Ordinary shares:	
Interim declared on 29.11.94	1,512
Final proposed on 7.3.95	2,520
	4,032

Payment of the dividends is subject to withholding tax at the rate of 10%.

Notes to the Accounts

5. EARNINGS PER SHARE

Earnings per share has been calculated based on the profit after tax attributable to shareholders of K£ 10,151,000 (1993 - K£ 17,999,000) divided by 80,645,800 being the number of ordinary shares in issue at 31st December 1994.

6. SHARE CAPITAL

	1994 K£000	1993 K£000
Authorised:		
84,000,000 Ordinary Shares of KShs. 5 each	21,000	21,000
100,000 7% Cumulative Redeemable Preference Shares of KShs. 20 each	100	100
	21,100	21,100
Issued and fully paid:		
80,645,800 Ordinary Shares of KShs. 5 each	20,161	20,161

7. RESERVES

	Capital redemption reserve fund K£000	Share premium account K£000	Revaluation K£000	Profit and loss account K£000
At 31 December 1993	100	682	159,462	17,237
Retained profit for the year	-	-	-	3,599
Transfers	-	-	(345)	-
As 31 December 1994	100	682	159,117	20,836

Notes to the Accounts

8. FIXED ASSETS

	Land and residential buildings <u>KE000</u>	Plant and machinery <u>KE000</u>	Office equipment & mobile plant <u>KE000</u>	Total <u>KE000</u>
Cost or Valuation				
1st January, 1994	17,850	135,569	15,823	169,242
Additions		3,314	2,368	5,682
Disposals			(584)	(584)
31st December, 1994	17,850	138,883	17,607	174,340
COMPRISING				
Cost	3,250	3,983	8,848	16,081
Valuation	14,600	134,900	8,759	158,259
	17,850	138,883	17,607	174,340
Depreciation				
1st January, 1994	1,450	15,450	7,591	24,491
Charge for the year	1,200	10,290	4,370	15,860
On disposals	-	-	(511)	(511)
At 31st December, 1994	2,650	25,740	11,250	39,640
Net Book Value				
31st December, 1994	15,200	113,143	6,357	134,700
31st December, 1993	16,400	120,119	8,432	144,951

If the company's fixed assets were sold at their revalued amounts a tax liability of £39 million would arise which has not been provided for in the accounts.

Notes to the Accounts

9. INVESTMENTS

	1994 % of holding	1993 % of holding	1994 <u>K£000</u>	1993 <u>K£000</u>
Baobab Farm Limited	100	100	321	321
Diani Estate Limited	100	100	-	-
Simbarite Limited	37	22	536	121
Kenya Cement Marketing Limited	50	50	-	-
Portland Mines Limited	50	50	-	-
East African Portland Cement Company Limited	-	-	2	2
			<u>859</u>	<u>444</u>

The investment in East African Portland Cement Company Limited is listed on the Nairobi Stock Exchange. The market value of this investment on 31 December 1994 was £24,732. All other investments in subsidiaries and associate companies are unlisted.

The unaudited accounts of the subsidiaries and associates for the year ended 31st December, 1994 disclose the following:

	1994 <u>K£000</u>	Audited 1993 <u>K£000</u>
Profit after tax	383	357
Accumulated profits	1,304	921
Net assets	2,964	2,581

10. INVENTORIES

	1994 <u>K£000</u>	1993 <u>K£000</u>
Consumables and spare parts	45,498	43,000
Raw materials and work in progress	5,742	11,568
Fuel and packaging	6,717	12,099
Finished goods	2,023	2,216
	<u>59,980</u>	<u>68,883</u>

Based on past experience it is likely that not more than 50% by value of consumables and spare parts, which include items held for emergency use, will be used within 12 months of the balance sheet date.

Notes to the Accounts

11. BANK OVERDRAFT

The bank overdraft is secured by a debenture over the book debt and inventories of the company.

12. CAPITAL COMMITMENTS

Capital expenditure both authorised and committed at 31st December, 1994 amounted to K£9,025,000 (1993 - K£2,409,000).

13. CONTINGENT LIABILITIES

There are contingent liabilities in respect of guarantees totalling K£136,000 (1993 - K£209,000).

14. RELATED PARTY TRANSACTIONS

	Sales volume		Owed by related companies	
	1993	%	1993	<u>K£000</u>
Associates and subsidiary	41			3,986
Associates of one of the shareholders	36			8,630
	<u>77</u>			<u>12,616</u>

In the normal course of business the company sells cement to its subsidiary and associates, and to an associate of one of its shareholders.

The company receives technical assistance from another associate of one of the shareholders, which is paid for under a 5 year agreement.

15. CURRENCY

The accounts are presented in Kenya currency. The symbol K£ represents twenty Kenya shillings (KShs.).

16. HOLDING COMPANY

The company's holding company is Bamcem Holding Limited which is incorporated in the Channel Islands.

17. INCORPORATION

The company is incorporated in Kenya under the Companies Act.

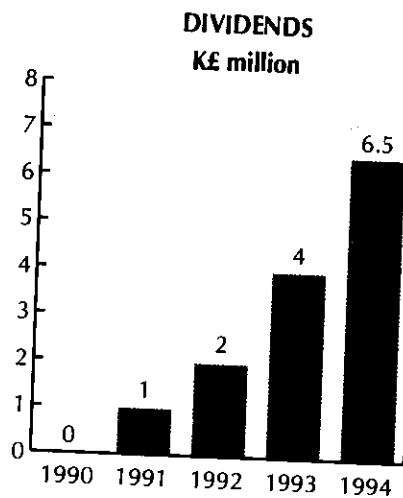
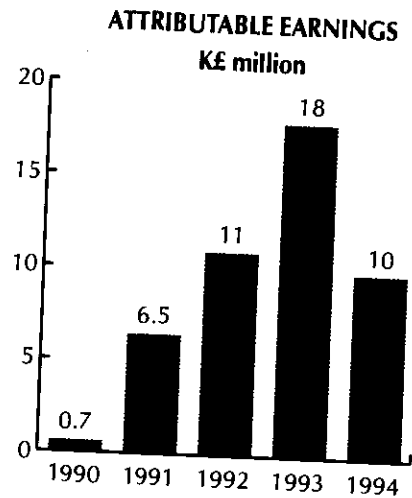
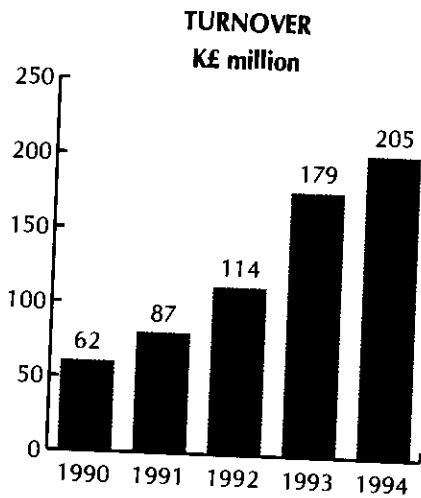
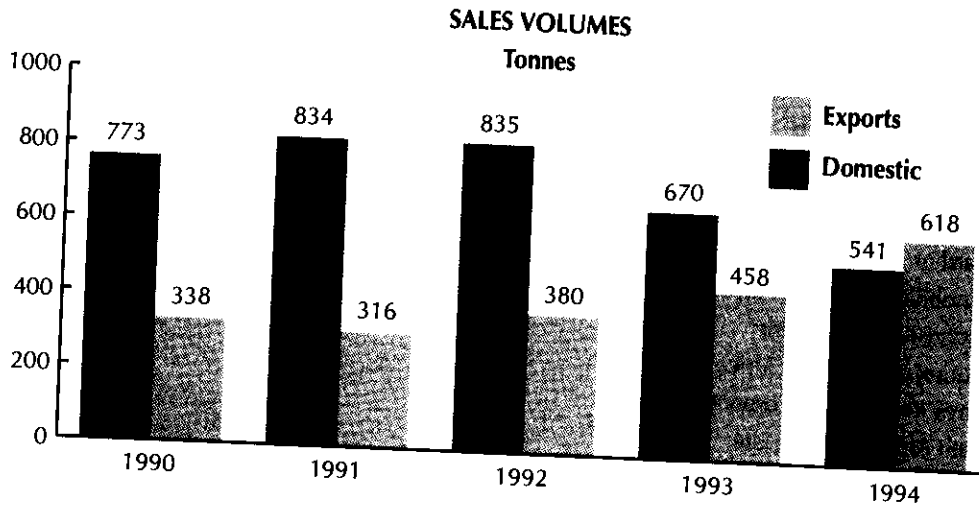
Five Year Financial Review

	1990	1991	1992	1993	1994
	<u>K£000</u>	<u>K£000</u>	<u>K£000</u>	<u>K£000</u>	<u>K£000</u>
Profit and dividends					
Profit before tax	3,916	9,818	22,617	33,168	25,388
Tax	3,198	3,371	11,573	15,169	15,582
Profit after tax	718	6,447	11,044	17,999	9,806
Capital employed					
Ordinary capital	10,079	10,079	10,080	20,161	20,161
Reserves	49,552	58,673	173,595	177,481	180,735
Ordinary shareholders' funds	59,631	68,752	183,675	197,642	200,896
Deferred tax	1,356	-	-	-	-
Debentures and loans	2,769	1,654	-	-	-
	63,756	70,406	183,675	197,642	200,896
Represented by					
Fixed assets	52,890	54,334	156,444	144,951	134,700
Interest in subsidiaries	308	321	321	321	321
Investments	121	121	123	123	538
Net current assets	10,437	15,630	26,787	52,247	65,337
	63,756	70,406	183,675	197,642	200,896

Ordinary share performance

	K.Shs.	K.Shs.	K.Shs.	K.Shs.	K.Shs.
Dividends per KShs. 5 ordinary share	-	0.50	1.00	1.00	1.63
Earnings per KShs. 5 ordinary share	0.18	1.60	2.74	4.46	2.52
Net assets per KShs. 5 ordinary share	15.81	17.46	45.60	49.01	49.80

Five Year Financial Review



Shareholder Information

Major shareholders with shareholding greater than 0.5%

Shareholder	No of shares	% of issued share capital
Bamcem Holdings Ltd	59,089,332	73.0
Board of Trustees, NSSF	12,736,484	16.0
Baloobhai Chotabhai Patel	1,569,648	2.0
Barclaytrust Investment	986,841	1.2
Insurance Co. of East Africa	660,000	0.8
Kenya Reinsurance Corporation	607,944	0.8
South African Mutual Life	463,410	0.6
Others	4,532,141	5.6
Total	80,645,800	100

