ANNUAL REPORT AND ACCOUNTS

1990

The Jubilee Insurance Company Limited

INCORPORATED IN KENYA • ESTABLISHED 1937

54 YEARS OF SERVICE

1990
ANNUAL REPORT AND ACCOUNTS

CONTENTS

NOTICE OF THE FIFTY THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty-Third Annual General Meeting of the shareholders will be held at the Nairobi Serena Hotel, Kenyatta Avenue, Nairobi, on 28th June, 1991 at 10.00 a.m. to transact the following:

[redacted]

1 To consider and, if thought fit, to adopt the Accounts for the year ended 31st December, 1990 and the Report of the Directors and the Report of the Auditors thereon.

2 To confirm the payment of the interim dividend of 15% made on 14th January, 1991, and approve the payment of a final dividend of 20% on the issued and paid-up capital of the Company on or about 14th July, 1991 to Shareholders registered on 30th June, 1991. The payment of the interim and the final dividends to non-resident Shareholders is subject to Exchange Control approval.

3 To elect Directors who retire by rotation and being eligible, they offer themselves for re-election : (i) Mr. Joseph M. Mugwe
(ii) Mr. Sadrudin H. Tejpar

4 To fix the Directors' remuneration.

5 To appoint Messrs Kassim-Lakha Abdulla & Co., as auditors of the company for the ensuing year in place of Messrs Coopers & Lybrand. In this connection, special notice is hereby given pursuant to section 160 of the Companies Act (Cap. 486) that a Resolution will be proposed that Messrs Kassim-Lakha Abdulla & Co., Certified Public Accountants be appointed Auditors of the Company until the conclusion of the next Annual General Meeting in place of the retiring Auditors, Messrs Coopers & Lybrand, also Certified Public Accountants.

6 To transact any other business proper to be transacted at such Ordinary Meeting.

[redacted]

To consider and, if thought fit, to approve the following Resolution which will be proposed as an Ordinary Resolution:

1 "RESOLVED that it is desirable in pursuance of Article 128 of the Articles of Association of the Company to capitalise the Share Premium Account and/or a part of the Retained Profits to the total sum of KShs. 25,000,000 and accordingly that such sum be capitalised and that subject to the Treasury and Exchange Control approvals the Directors be and are hereby authorised and directed to appropriate such sum to the holders of ordinary shares held by them respectively and to apply such sum on behalf of such holders in paying up in full at par 5,000,000 ordinary shares of unissued shares in the capital of the Company, such shares to be allotted and distributed, credited as fully paid up to and amongst such holders in the proportion of ONE NEW ORDINARY SHARE FOR EVERY TWO ORDINARY SHARES held on 30th June, 1991 upon the terms that such new shares when issued shall not rank for the dividend in respect of the year ended 31st December, 1990 but shall rank, in all other respect, pari passu with existing ordinary shares of the Company and the Directors be and are hereby authorised to generally do all acts and things required to give effect to this Resolution and deal with fractions in such manner as they should think fit subject always to the Articles of Association of the Company."

2 Special Notice has been received by the Company pursuant to the Companies Act (Cap. 486) that the following resolution be proposed in accordance with Section 186(5) of the Companies Act (Cap. 486) for the consideration of the shareholders.

"RESOLVED that Mr. A. H. Rashid who has already attained the age of 70 years, be and is hereby re-elected as a director of the Company."

By Order of the Board
Fred Nzuve
Company Secretary

P.O Box 30376,
Nairobi, Kenya
20th May, 1991

COMPANY DETAILS

[redacted]

Authorised Capital .. Shs 100,000,000
Issued Capital .... Shs 50,000,000
Paid Up Capital .... Shs 50,000,000
Reserves .... Shs 300,744,996

[redacted]

Jubilee Insurance House
Wabera Street
P.O Box 30376
Telephone: 340343
Telefax: 216882
Telex: 22199
Nairobi, Kenya

[redacted]

Mombasa:
Jubilee Insurance Building
P.O Box 90220
Telephone: 316745, 316746 & 314019
Mombasa, Kenya

Kisumu:
Jubilee Insurance House
Opposite Clock Tower
Oginga Odinga Road
P.O. Box 378
Telephone: 42235 & 42250
Kisumu, Kenya

Kampala:
IPS Building
14 Obote Avenue
Kampala, Uganda

[redacted]

9, Corderie Street
P.O Box 301
Telephone: 23113
Port Louis, Mauritius

[redacted]

Hymans, Robertson & Co., London

[redacted]

Coopers & Lybrand., Nairobi

[redacted]

Ngenye Kariuki & Co., Nairobi

[redacted]

Standard Chartered Bank Kenya Limited
Standard Chartered Bank Uganda Limited
Bank of Baroda Uganda
Trade Bank Limited
Barclays Bank PLC, Mauritius
National Bank of Commerce Tanzania

BOARD OF DIRECTORS

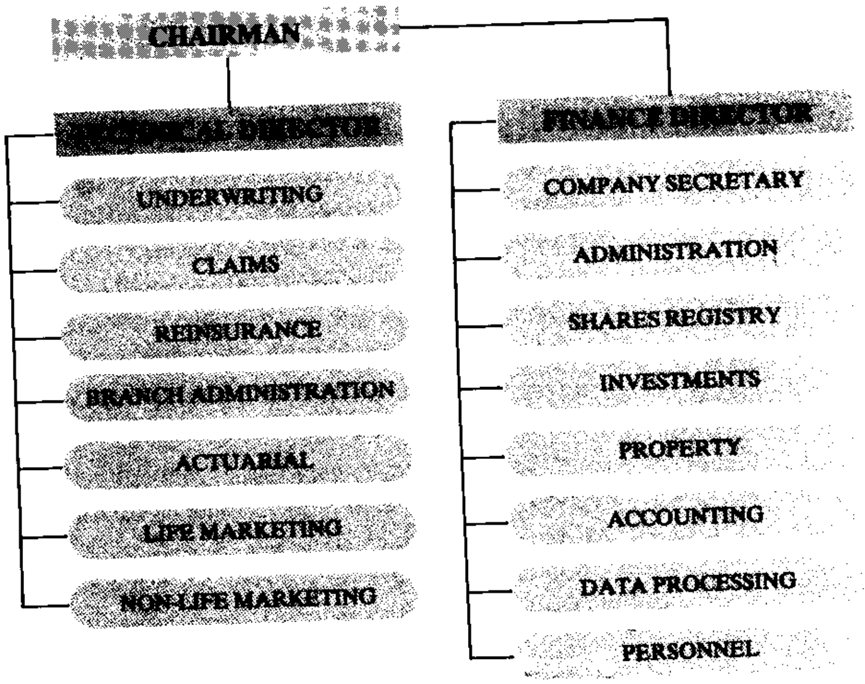
CHAIRMAN Abdul M. Jaffer (U.S.A)

BOARD OF DIRECTORS

Abdul Karim C. Popat (Kenyan)
Zaherally K. Ahamed (Kenyan) - Resigned 10.8.90
Amirali H. Rashid (Kenyan)
Lutaf Maherali (Kenyan)
Sir Hamid Moollan Q.C. (Mauritian)
William B. Robinson (Australian)
Sadrudin H. Tejpar (Kenyan)
Joseph M. Mugwe (Kenyan)
Amin M. Datoo (Technical) (Kenyan)
Shiraz T. N. Adam (Finance) (Kenyan)

COMPANY MANAGEMENT

Seated : Abdul M. Jaffer, Chairman
Standing : (Left) Shiraz T. N. Adam, Finance Director
(Right) Amin M. Datoo, Technical Director



Dear Shareholders,

Your Company achieved an important milestone in 1990 as it reached the K.Shs.1 billion mark in corporate assets. Your Board of Directors, following successful performance in the year under review, have decided to recommend an increase in the Share Capital from the present Shs.50 million to Shs.75 million by offering a **Bonus issue of 1 for 2 shares,** which is the highest increase in capitalisation achieved in any single year in the Company's history. Both these make your Company one of the most successful companies on the Nairobi Stock Exchange and in the insurance marketplace in Kenya.

THE INSURANCE INDUSTRY

The Insurance Act, 1984

In our Statement in the Annual Report for 1989 we commented on the need to amend the existing regulatory legislation having regard to the knowledge and experience gained in the past four years. The Insurance Industry, including your Company, have submitted many important and practical recommendations on the pertinent amendments. At this writing, we await, with some anxiety, the provisions of the revised Insurance Amendment Bill yet to be tabled in the Parliament and we hope that the Authorities have given due recognition to the comments so thoughtfully submitted by the Association of Kenya Insurers in order that the amended Act is not only an effective regulatory code but offers scope for the private sector to operate with greater discretion, initiative and responsibility.

We, at the Jubilee, have strong viewpoints on several matters which are under focus for inclusion in the Insurance Amendment Bill and we have communicated our recommendations, with rationale, to the parties concerned.

FINANCIAL PERFORMANCE

Our Non-Life net written premium grew by 10% but as a result of stricter approach to underwriting of business, we are able to report improved technical results as shown in the Non-Life Revenue accounts.

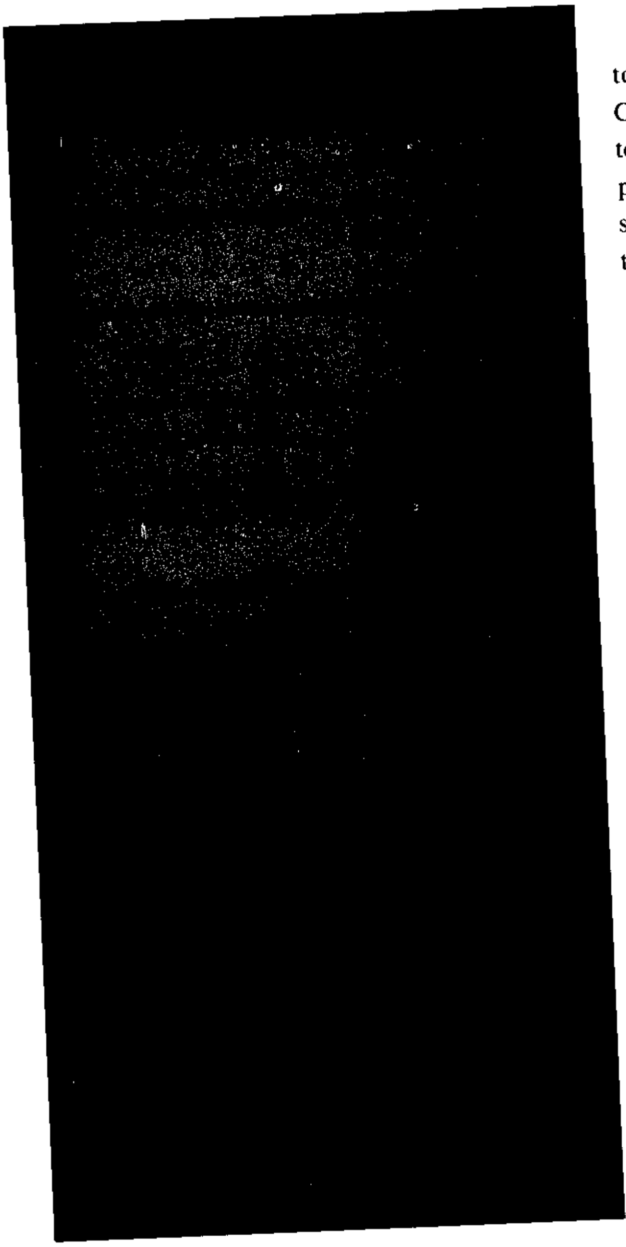
The net premiums in the Life branch grew by 22.9% and the Life Fund at year-end grew from Shs.336.2 mil to Shs.381.4 mil.

The Company's total net investment income, in both Non-Life and Life divisions, grew by 19.9% and amounted to Shs.81.0 mil in 1990.

The final result is that **the Company's pre-tax profit increased from Shs.49.9 mil in 1989 to Shs.63.6 mil in 1990 and the after-tax profit increased from Shs.32.6 mil in 1989 to Shs.44.5 mil in 1990, an increase of 36.3%.**

The Shareholders' Funds comprising the Paid Up Capital and free Reserves (distributable and undistributable) totalled Shs.350.7 mil as at 31st December, 1990 which represents Shs.35.07 per share and a strong security for all our Policyholders who entrust their risks to us.

Despite difficult and uncertain economic conditions which prevailed in the second-half of 1990 arising out of the Gulf Crisis, the Jubilee has achieved strong results. We are gratified that this success is able to be shared by our 5850 Shareholders.



More importantly, however, the Board of Directors have proposed that we increase the Paid-Up Capital of your Company from the present Shs.50 mil to Shs.75 mil by a Bonus Issue of shares in the proportion of 1 bonus share for every 2 shares held, subject to permission from the appropriate Authorities.

LIFE BUSINESS AND BONUS FOR LIFE WITH-PROFITS POLICYHOLDERS

Our renewed efforts to strengthen Life operations have produced rewarding results. We believe we have one of the most dynamic agency forces in the country and we continue to expand this force to be able to penetrate into all important centres in Kenya.

Based on actuarial scrutiny for the year 1990 and on the advice of our Actuary, we have for the year under review, **an increase in the Reversionary Bonus payable to Life With-Profits Policyholders to 5% (presently 4.75%)** which is one of the most attractive distributions offered in the Kenyan market.

I am glad to announce that this year we have also decided to declare a **Terminal Bonus** on all policies which become claims by maturity or death (after 1st June, 1991, but before the next valuation results are declared), after having been in force for more than 15 years. This terminal bonus is in addition to the usual reversionary bonus and is in recognition of the fact that these policyholders leave (their association with) the Jubilee's Life Fund after having contributed to its stability over a long period.

DIVIDENDS AND BONUS ISSUE

Your Board of Directors have decided to recommend that we maintain the dividend rate of 35% which involves a distribution of Shs.17.5 mil.

For Deposit Administration contracts, we announce a net return of 17.5% which we believe is most rewarding and indicates our ability to obtain optimum results thereby encouraging much greater volume of new Group Life and Pensions business.

The Jubilee welcomes the recent amendments to the tax legislation regarding reliefs on contributions to registered retirement benefit schemes even though the reliefs are on the low side. We have now embarked on reviewing our existing product lines in this area. We hope that the tax authorities will continually review the extent of reliefs allowed to recognise the inflation level.

NEW BRANCH OFFICES

We established a Life Marketing office in Machakos which has proven to be a great success.

At this writing, we are in the process of setting up branch offices in Eldoret and Westlands, Nairobi, to deal with both Life and Non-Life business and we have no doubt that these offices will also be successful.

JUBILEE'S FUTURE OUTLOOK

The principles of market economy are well entrenched in Kenya, thereby ensuring the growth of private sector.

We are convinced that under the wise counsel and guidance of our leader in Kenya, His Excellency The President Daniel Arap Moi, the various important announced programs of privatisation of parastatals, further liberalisation of trade and economy, effective functioning of Export Promotion Zone and the like, will take definite shape, thereby creating opportunities for private sector to perform with even greater vigour and initiative to the betterment of Kenya and to respond to Kenya's fundamental and ever increasing problem of unemployment.

The Jubilee expects to perform at a satisfactory level in the current year, thereby continuing to protect, and hopefully add to the value of your investment in the Company's stock.

CONCLUSION

We are grateful to our producers and to our staff for their excellent performance which has enabled us to achieve record results in 1990.

We also wish to acknowledge and thank the Commissioner of Insurance for the co-operative and enabling role being played by his office in the ongoing development of the Insurance Industry in Kenya.

I wish to record our profound gratitude to Mr. Zaher K. Ahamed who, after sixteen years of active service as a Director, retired from the Board of Directors mid-1990. Whilst regretting the loss of his future active contribution to the affairs of your Company, we congratulate him warmly on his major appointment as Chairman of Diamond Trust of Kenya and we take the opportunity to wish him well in his new responsibilities.

Your Board of Directors are committed to provide wise and dynamic leadership to the Company and, on your behalf, I thank them for their continued efforts to safeguard the interest of the Shareholders and Policy-holders.

Abdul M. Jaffer

Abdul M. Jaffer
Chairman

Nairobi, Kenya
20th May, 1991

TAARIFA YA MWENYEKITI

Wapendwa Wenyehisa,

Kampuni yenu ilifikia kiwango cha maana cha Shilingi billioni moja ikiwa ni jumla ya mali ya kampuni.

Halmashauri ya Wakurugenzi, kufuatia mafanikio ya mwaka uliopita, inapendekeza kuongezwa kwa rasilmali ya wenyehisa kutoka Shs. 50 millioni hadi Shs. 75 millioni kwa kupeana bakshishi ya **hisa moja kwa kila hisa mbili.** Hii itakuwa ndiyo nyongeza kubwa zaidi ya rasilmali ya hisa kwa mwaka mmoja katika historia ya kampuni. Haya yanafanya kampuni yenu kuwa mojawapo ya zile zilizositawi zaidi katika soko ya hisa ya Nairobi na kwa uwanda wa bima nchini Kenya.

SHUGHULI ZA BIMA

Sheria ya Bima 1984

Katika taarifa ya mwenyekiti ya mwaka 1989, tulitaja umuhimu wa kubadilisha sheria iliyomo kutegemea maarifa tuliyoyapata miaka minne iliyopita. Makampuni ya bima ikiwemo kampuni yenu yamepeana mapendekezo muhimu na ya kufaa kuhusu kubadilisha kwa sheria hii. Wakati wa kuandika ripoti hii, tunangojea kwa hamu masharti mapya ya sheria ya bima ambayo bado yataandaliwa Bungeni. Tunatazamia kuwa serikali itatia maanani maoni ambayo yamependekezwa na Shirika la wenyebima wa Kenya ili kuhakikisha kwamba sheria iliyobadilishwa sio ya masharti tu, bali inawezesha makampuni ya kibinafsi kuendesha biashara zao kwa makini na jukumu.

Kwa upande wa Jubilee, tunayo maoni kamilifu kuhusu mambo kadha kuhusu kubadilishwa kwa Sheria ya Bima na tayari tumeyapeleka kwa wale wanaohusika.

MATOKEO YA KIFEDHA

Mapato ya bima zisizo za maisha yalipanda kwa asilimia 10 kutokana na maarifa yetu ya kujukumu na kulingana na ripoti yetu ya hesabu ya mapato inaonyesha usitawi.

Mapato ya bima za maisha yalipanda kwa asilimia 22.9 na akiba ya bima za maisha ikapanda kutoka Shs. 336.2 millioni hadi Shs. 381.4 millioni.
Kwa jumla, mapato ya akiba ya kampuni, kwa aina zote za bima yalipanda kwa asilimia 19.9 na kufikia Shs. 81 millioni mwakani 1990.

Matokeo ya mwisho ni kwamba **faida ya kampuni kabla ya kulipa kodi iliongezeka kutoka Shs. 49.9 millioni mwakani 1989 hadi Shs. 63.6 millioni mwakani 1990. Faida baada ya kodi iliongezeka kutoka Shs. 32.6 millioni mwakani 1989 hadi Shs. 44.5 millioni mwakani 1990 ambayo ni nyongeza ya asilimia 36.3.**

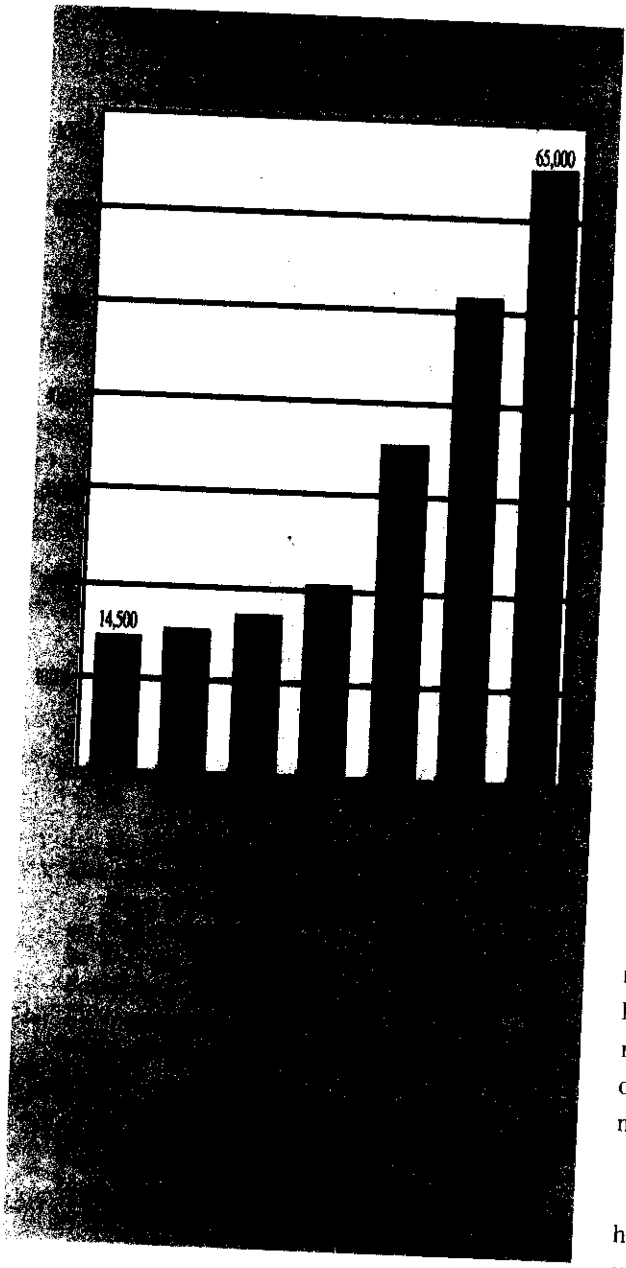
Rasilmali za wenyehisa zilizolipwa na zile zilizotengwa zilifikia jumla ya Shs. 350.7 millioni kufikia Decemba 31, 1990 ambayo yathaminisha hisa moja kuwa Shs. 35.07. Hii ni dhamana thabiti kwa wenyebima waliojukumu na kampuni yetu.

Ingawa msimu wa pili wa mwaka wa 1990 ulikuwa na matatizo na mashaka mengi ya kiuchumi ambayo yaliletwa na mzozo wa Ghuba la Uajemi, kampuni ya Jubilee iliwahi kuwa na matokeo mema. Tunaridhika kuwa faida hii itagawanywa kwa wenyehisa wetu ambao ni 5850.

MGAO WA FAIDA NA BAKSHISHI YA HISA

Halmashauri ya Wakurugenzi imeamua kudumisha mgao wa faida wa asilimia 35 ambao utamaanisha mgao wa Shs. 17.5 millioni.

Jambo la muhimu zaidi ni kuwa, Halmashauri ya Wakurugenzi imependekeza kuongezwa kwa rasilmali zilizolipiwa za kampuni kutoka Shs. 50



Millioni hadi Shs. 75 millioni kwa kutoa bakshishi ya hisa moja kwa kila hisa mbili. Hii itategemea kupatiwa kibali kinachohitajika kutoka kwa Serikali.

BIMA YA MAISHA NA MALIPO YA BAKSHISHI KWA WENYEBIMA ZA MAISHA

Bidii yetu ya kudumisha biashara ya bima za maisha imeleta matokeo ya kuridhisha. Tunaamini ya kwamba, tunacho kikosi cha kuuza bima ambacho ndicho imara zaidi nchini na tunaendelea kukipanua zaidi ili kupenya sehemu zote muhimu nchini Kenya.

Kulingana na ukaguzi wa usahibu wa bima wa mwaka 1990 na kulingana na shauri la msahibu wetu wa bima, mwaka huu tunayo **nyongeza bakshishi ya Bima za Maisha za Faida kutoka asilimia 4.75 hadi asilimia 5** ambayo ni mojawapo ya zile bora zaidi nchini Kenya.

Ninayo furaha kutangaza kwamba mwaka huu tumeamua kupeana **Bakshishi ya Mwishoni** kwa bima zote ambazo zitakuwa za kudai kwa minajili ya kukomaa au kutokana na kifo (baada ya Juni 1, 1991 lakini kabla ya matokeo ya ukaguzi ujao kutangazwa) ikiwa bima hizi zilikuwa zinalipiwa kwa muda wa zaidi ya miaka kumi na mitano. Bakshishi hii ya mwishoni itakuwa ni pamoja na bakshishi ya kawaida na ni ya kutambua kwamba, wenyebima hawa wanatoka kwa uhusiano wao na Jubilee baada ya mchango wao wa kuimarisha rasilmali ya Bima ya Maisha kwa muda mrefu.

Kuhusu Mikataba ya Akiba ya Urithi tunatangaza mapato ya asilimia 17.5 ambayo tunaamini ni ya kuridhisha na inaonyesha uwezo wetu wa kudumisha matokeo ya kiwango cha juu huku ikithibitisha ongezeko la biashara ya Bima za Kijumla za Maisha na Ujira wa Kustaafu.

Kampuni ya Jubilee inapongeza mabadiliko ya hivi majuzi ya sheria za kodi kuhusu kufariji mipango ya Ujira wa kustaafu ambayo imeandikishwa ingawaje faraja iliyomo ni haba.

Tayari tumeanza kuchunguza hali ya bima tunazotoa kwa wakati huu na tunatumaini kuwa Idara ya Ushuru itazidi kuchungua hali ya fariji inayokubaliwa kuambatana na hali ya uchumi.

OFISI MPYA ZA MATAWI

Tulianzisha ofisi ya Bima za Maisha mjini Machakos ambayo imefaulu sana. Wakati wa kutayarisha taarifa hii, tuko katika hali ya kuanzisha ofisi za matawi mjini Eldoret na Westlands hapa Nairobi ambazo zitatoa huduma za aina zote za bima na tuna hakika kwamba ofisi hizi hazina budi kufaulu pia.

HALI YA BAADAYE

Kanuni za uchumi zinahifadhiwa vyema nchini Kenya na hii inahakikisha usitawi wa kiuchumi wa makampuni ya kibinafsi.

Tuna hakika kuwa, chini ya uongozi wa busara na hekima wa Mtukufu Rais Daniel Arap Moi, mipango muhimu iliyotangazwa ya kufanya mashirika kadha ya Serikali kuwa mali ya washirika binafsi, kuzidisha uhuru wa kufanya biashara, kuanzisha kikamilifu mipango ya utoaji wa bidhaa za kuuzwa nchi za kigeni na kadhalika yatakuwa ni chanzo cha kupatia biashara za kibinafsi nafasi ya kufanya kazi kwa bidii na makini zaidi huku zikijihusisha kupunguza shida iliyongumu nchini Kenya ya upungufu wa kazi.

Kampuni ya Jubilee inatumaini kucndelea kulinda na ikiwezekana kuongeza thamani ya rasilmali yenu kwa kampuni.

MWISHO

Tunayo shukrani kwa wawakilishi na wafanyi kazi wetu kwa kazi ya hali ya juu ambayo imetuwezesha kuwa na matokeo mema ya mwaka 1990.

Tunayo shukrani pia kwa Kamishina wa Bima kwa ushauri wake na hali ya kuwezesha ambayo afisi yake inapatia uwanda wa bima nchini Kenya.

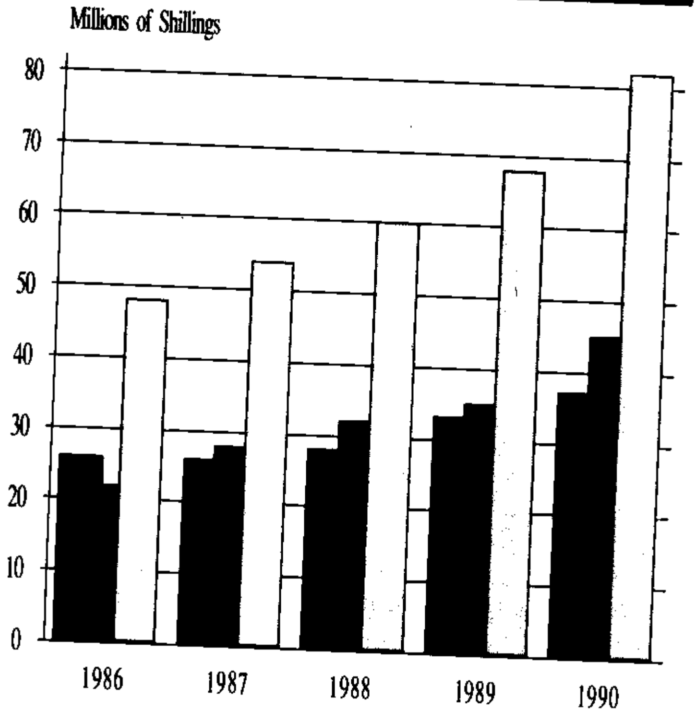
Ningependa kutoa shukrani zangu kwa Bw. Zaher K. Ahamed ambaye alistaafu kutoka Halmashauri ya Wakurugenzi mwakani 1990 baada ya kutumika kama Mkurugenzi kwa muda wa miaka 16. Ingawaje tutakosa mawaidha yake kuhusu maendeleo ya kampuni, tunampongeza kwa kuteuliwa kuwa Mwenyekiti wa Diamond Trust of Kenya na tunamtakia kila na heri kwa kazi yake mpya.

Halmashauri ya Wakurugenzi imejitolea kuendelea kupatia kampuni yenu uongozi wa busara na kwa niaba yenu, ninawashukuru kwa kazi yao nzuri ya kulinda rasilmali za Wenyehisa na Wenyebima.

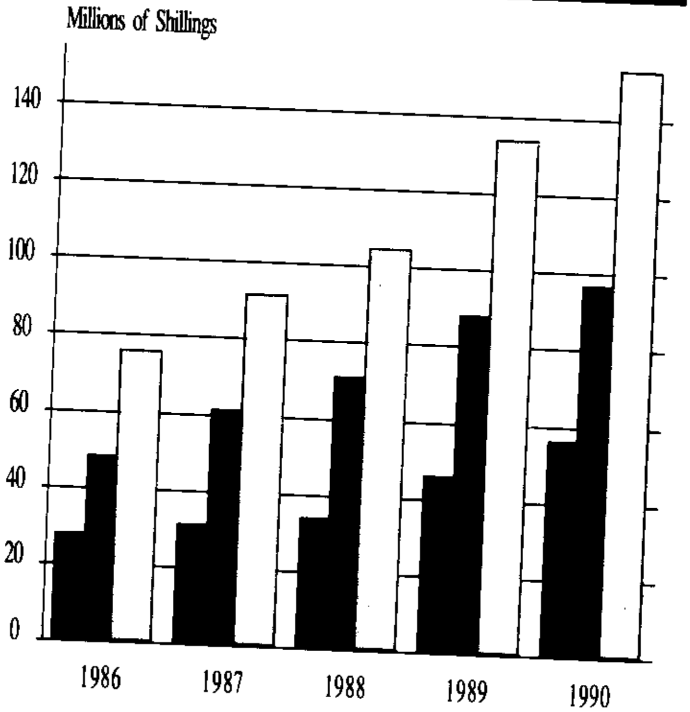
Abdul M. Jaffer
MWENYEKITI

Nairobi, Kenya
20 Mei, 1991

TOTAL INVESTMENT INCOME

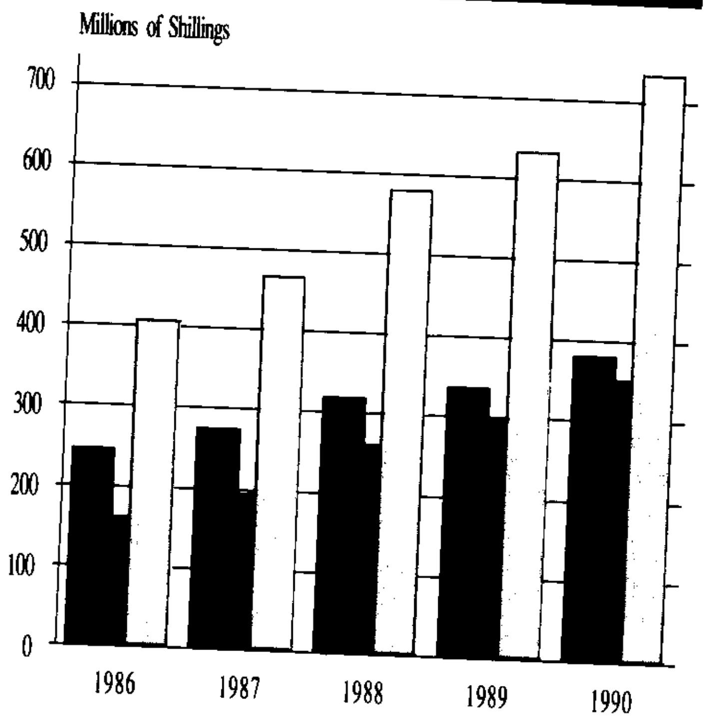


PREMIUM INCOME

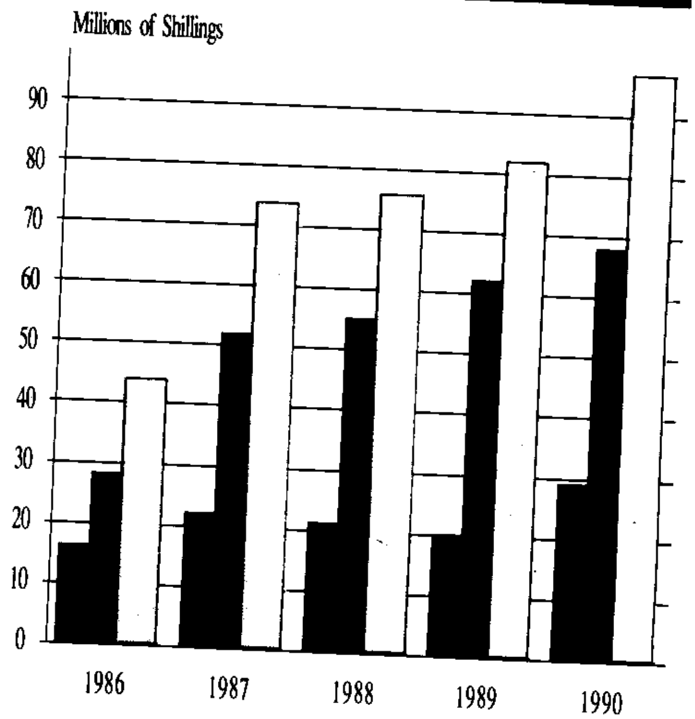


LONG-TERM SHORT-TERM TOTAL

TOTAL NET ASSETS



CLAIMS INCURRED



REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report and the audited accounts for the year ended 31st December, 1990.

PRINCIPAL ACTIVITIES

The principal activities of the Company during 1990 were the transaction of all classes of Insurance Business.

RESULTS

The results for the year and the appropriation thereof are set out in the profit and loss account on page 16.

DIVIDENDS

An interim dividend of 15% on the paid up share capital of Shs. 50 million was paid on 14th January, 1991. The Directors recommend the payment of the final dividend of 20%. The payment of interim and final dividends in respect of non-resident shareholders is subject to Exchange Control approval.

BONUS

Subject to the necessary consents being obtained, the Directors recommend that the share premium account and/or a part of the retained profits to the total value of Shs. 25 million be capitalised and be applied towards the issue to the Members of bonus shares in the proportion of one new ordinary share for every two ordinary shares held. The bonus issue will not be eligible for the 1990 dividend.

GENERAL RESERVES

The Directors have, in accordance with Article 125 of the Company's Articles of Association, transferred KShs.20 million from the General Reserves to the Unappropriated Profits.

DIRECTORS

The names of the Directors who served during the year are set out on page 5. In accordance with Article 85 of the Company's Articles of Association the following Directors retire by rotation:

Mr. Joseph M. Mugwe
Mr. Sadrudin H. Tejpar

Messrs Joseph M. Mugwe and Sadrudin H. Tejpar, being eligible, offer themselves for re-election.Mr. Zaherally K. Ahamed resigned from the Board on 10th August, 1990.

AUDITORS

A resolution will be proposed at the Annual General Meeting to appoint Messrs Kassim-Lakha Abdulla & Co., Certified Public Accountants, as Auditors of the Company in place of the retiring Auditors, Messrs Coopers & Lybrand, also Certified Public Accountants, in accordance with the provision of Section 160 of the Companies Act (Cap 486), at a remuneration to be fixed by the Directors.

STAFF

The Directors wish to thank the Management, members of staff, producers and representatives both in Kenya and overseas, for services rendered during the year.

On behalf of the Board
Abdul Karim C. Popat
Director

Nairobi, Kenya
20th May, 1991

RIPOTI YA WAKURUGENZI

Wakurugenzi wana furaha kukabidhi ripoti za hesabu zilizokaguliwa za pesa kwa mwaka uliomalizika Desemba 31, 1990.

SHUGHULI MUHIMU

Shughuli muhimu za kampuni mnamo 1990 zilikuwa biashara ya aina zote za huduma za bima.

MATOKEO

Matokeo ya mwaka huo yameonyeshwa katika taarifa iliyoambatanishwa hapa ya hesabu ya faida na hasara.

MIGAO YA FAIDA

Mgao wa muda wa faida ya asilimia 15 kutokana na rasilmali iliyolipiwa ya shs. 50,000,000/= ulilipwa Januari 14, 1991. Wakurugenzi wanapendekeza malipo ya mwisho ya mgao wa faida ya asilimia 20. Malipo ya mgao wa faida ya muda na ya mwisho kwa wenyehisa wa kigeni yatategemea kibali cha ubadilishaji fedha za kigeni.

WAKURUGENZI

Majina ya wakurugenzi waliotumika mnamo mwaka huo yameonyeshwa katika ukurasa wa 5. Kuambatana na Nakala 85 ya Nakala za ushirika wa kampuni, Wakurugenzi wafuatao wanastaafu kwa kubadilishana:-

Bwana Joseph M. Mugwe
Bwana Sadrudin H. Tejpar

Mabwana Joseph M. Mugwe na Sadrudin H. Tejpar kwa kuwa wanastahili wanajitolea kuchaguliwa tena. Bw. Zaherali K. Ahamed alijiuzulu kutoka Halmashauri ya Wakurugenzi mnamo tarehe 10 Augasti 1990.

TOLEO LA BAKSHISHI

Kutegemea kupatikana kwa idhini zinazohitajika, wakurugenzi wanapendekeza kwamba akiba ya faida ya hisa na/ama sehemu ya faida zilizohifadhiwa kufika thamani ya Shs. 25,000,000/= ziidhiminishwe na kutumiwa katika kuwapa wenyehisa bakshishi ya hisa kwa wastani wa hisa moja mpya ya kawaida kwa kila hisa mbili za kawaida zilizonunuliwa. Toleo la bakshishi halitahesabiwa kama sehemu ya mgao wa mwisho wa mwaka 1990.

AKIBA ZA KAWAIDA

Wakurugenzi wanapendekeza kwamba kuambatana na Nakala 125 ya Nakala za ushirika wa kampuni kiasi cha Shs. 20,000,000/= kihamishwe kutoka Akiba za kawaida hadi akiba zilizohifadhiwa.

WAKAGUZI WA HESABU

Azimio litapendekezwa kwenye Mkutano Mkuu wa Mwaka, kuwateua wakaguzi wa hesabu, Kassim-Lakha Adbulla & Co., kuwa wakaguzi wa hesabu za Kampuni badala ya wakaguzi wa hesabu, Coopers & Lybrand wanaostaafu, kulingana na Nakala 160 ya Sheria za Makampuni (Cap. 486) kwa ada itakayoamuliwa na Wakurugenzi.

WAFANYAKAZI

Wakurugenzi wanapenda kuwashukuru wasimamizi, wafanya kazi, na wawakilishi kote nchini Kenya na ng'ambo kwa huduma walizotoa katika mwaka huo.

Kwa amri ya halmashauri
Abdul Karim C. Popat
Mkurugenzi

Nairobi, Kenya
25th May, 1991

The Jubilee Insurance Company Limited

Incorporated in Kenya. Established 1937

Proxy

I/We ....

of ....

being a member/members of The Jubilee Insurance Company Limited, hereby appoint ....

....

of ....

and failing him, ...

of ....

and failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 28th day of June, 1991 at 10.00 a.m. and at any adjournment thereof.

As witnessed my/our hand this .... day of .... 1991.

....
Member

Important Notes:

1. If you are unable to attend this meeting personally, this Form of Proxy should be completed and returned to The Company Secretary, P.O.Box 30376, Nairobi, so as 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 executed under Seal or under the hand of an Officer or Attorney duly authorised in writing in that behalf.

The Jubilee Insurance Company Limited

Incorporated in Kenya. Established 1937

Uwakilishi

Mimi/Sisi ....

wa ....

kama mwanachama/wanachama wa The Jubilee Insurance Company Limited, nateua/twateua ....

....

wa ....

na akikosa, ...

wa ....

na akikosa, Mwenyekiti wa mkutano kama mwakilishi wangu/wetu kupigia kura na kwa niaba yangu/yetu katika Mkutano Mkuu wa Mwaka wa Kampuni utakaofanywa Juni 28, 1991 saa Nne asubuhi na wakati wo wote ambapo utaahirishwa.

Ni thibitisho langu/letu ....siku hii ya ....1991.

....

Mwanachama

Maelezo Muhimu:

1. Ikiwa hauwezi kuhudhuria mkutano huu binafsi, Fomu hii ya Uwakilishi inapasa kujazwa na kurudishiwa Katibu wa Kampuni, S.L.P. 30376, Nairobi, ili kumfikia katika muda wa masaa 48 kabla ya wakati uliopangiwa mkutano kufanywa.
2. Mtu aliyeteuliwa kuwa mwakilishi hapasi kuwa mwanachama wa Kampuni hii.
3. Kama mteuaji ni Shirika, Fomu hii ya Uwakilishi ni lazima itumwe chini ya muhuri ama wakala ya Afisa ama wakili aliyedhinishwa sawasawa na barua kwa ajili hiyo.

We have audited the accounts set out on pages 16 to 27. The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain of the Company's assets, and are in agreement with the books which have been properly kept. We obtained the information and explainations we required.

In our opinion, the accounts give a true and fair view of the state of affairs of the company as at 31st December, 1990 and of its profit and source and application of funds for the year ended and comply with the Companies Act (Cap 486).

Coopers & Lybrand
Certified Public Accountants of Kenya

Nairobi, Kenya

20 MAY 1991

20 MAY 1991

	Note	1990 Shs	1989 Shs
INCOME			
Profit transferred from Revenue Accounts		**2,601,065**	2,025,743
Profit transferred from Life Fund	7	**16,610,587**	14,079,797
Investment Income		**44,513,135**	34,855,324
Total Income		**63,724,787**	50,960,864
OUTGO			
Management Expenses / (Income) not charged to other accounts		**(2,034,179)**	(844,125)
Depreciation		**1,605,272**	1,714,245
Bad Debts		**541,000**	186,699
Total Outgo		**112,093**	1,056,819
Profit before taxation	9	**63,612,694**	49,904,045
Provision for taxation	10	**19,115,019**	17,258,371
Profit after taxation		**44,497,675**	32,645,674
Dividends - proposed 35% (1989 - 35%)		**17,500,000**	17,500,000
Retained profit		**26,997,675**	15,145,674
APPROPRIATION			
Unappropriated profit brought forward		**42,651,462**	47,505,788
Retained profit		**26,997,675**	15,145,674
Total amount of profit available for appropriation		**69,649,137**	62,651,462
Transfer from General Reserve	3	**20,000,000**	—
Bonus Issue	3	**—**	20,000,000
Unappropriated profit carried forward		**89,649,137**	42,651,462
Earnings per share	12	**4.45**	3.26

Report of the auditors - page 15

The notes on pages 23 to 27 form part of these accounts

Class of Insurance Business	Note	Statutory Funds Ordinary Life Shs	Super-Annuation Shs	General Fund Shs	1990 Shs	1989 Shs
Net Premium		37,318,828	19,160,884	—	**56,479,712**	45,970,404
Claims paid and outstanding						
- Death		(2,386,407)	(735,820)	—	**(3,122,227)**	(1,185,613)
- Maturity		(11,266,746)	(369,168)	—	**(11,635,914)**	(10,985,267)
Total Claims		(13,653,153)	(1,104,988)	—	**(14,758,141)**	(12,170,880)
Surrenders (including surrender of bonus)		(4,923,453)	(8,847,764)	—	**(13,771,217)**	(7,586,543)
Commissions		(3,184,940)	(37,917)	—	**(3,222,857)**	(2,066,395)
Total Claims, Surrenders and Commissions		(21,761,546)	(9,990,669)	—	**(31,752,215)**	(21,823,818)
Expenses of Management		(16,019,059)	(5,173,710)	—	**(21,192,769)**	(20,778,119)
Profit on exchange		1,278,587	—	840,594	**2,119,181**	902,625
		(14,740,472)	(5,173,710)	840,594	**(19,073,588)**	(19,875,494)
Investment income		17,694,415	11,552,845	11,633,016	**40,880,276**	36,512,290
Investment expenses		(2,208,447)	(713,267)	(1,451,922)	**(4,373,636)**	(3,792,460)
Net investment income		15,485,968	10,839,578	10,181,094	**36,506,640**	32,719,830
Provision for taxation	10	—	(1,639,758)	(3,211,277)	**(4,851,035)**	(4,201,687)
Increase in Funds	8	16,302,778	13,196,325	7,810,411	**37,309,514**	32,789,235
Increase/(Decrease) in market value of Investments		14,774,702	—	9,713,481	**24,488,183**	(295,947)
Transfer to Profit and Loss Account	7	(2,452,820)	(308,210)	(13,849,557)	**(16,610,587)**	(14,079,797)
Funds at the beginning of the year	4	165,344,719	49,847,773	120,971,683	**336,164,175**	317,750,684
Funds at the end of the year		193,969,379	62,735,888	124,646,018	**381,351,285**	336,164,175

Report of the auditors - page 15
The notes on pages 23 to 27 form part of these accounts

Class of insurance business	Engineering Shs	Fire-Domestic Shs	Fire-Industrial Shs	Liability Shs
Net premiums written	918,401	5,856,225	10,497,115	1,588,944
Unearned premiums brought forward	192,544	2,289,899	4,357,323	579,022
Unearned premiums carried forward	410,170	2,807,392	4,951,302	774,335
Net earned premiums	700,775	5,338,732	9,903,136	1,393,631
Claims paid	125,708	2,325,184	2,563,165	355,754
Amount of claims outstanding at the end of the year	620,871	569,592	7,294,795	4,321,970
Amount of claims outstanding at the beginning of the year	822,964	485,951	6,519,959	3,513,447
Total claims incurred	(76,385)	2,408,825	3,338,001	1,164,277
Commissions	(265,015)	(28,721)	(4,715,394)	44,384
Expenses of management	521,109	1,037,436	4,923,273	347,675
Total expenses	256,094	1,008,715	207,879	392,059
Balance being underwriting profit/(loss)	521,066	1,921,192	6,357,256	(162,705)

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The notes on pages 23 to 27 form part of these accounts

Marine Shs	Motor Shs	Motor Pool Shs	Personal Accident Shs	Theft Shs	Workmen's Compensation Shs	Misce-llaneous Shs	**1990 Total Shs**	1989 Total Shs
3,061,366	47,762,936	3,389,508	6,178,742	5,763,542	10,458,736	1,343,174	**96,818,689**	88,033,571
1,962,956	14,181,050	5,085,684	3,145,521	2,410,870	4,417,400	1,157,547	**39,779,816**	31,820,309
1,783,126	26,077,520	312,716	2,538,454	2,879,080	5,139,063	598,066	**48,271,224**	39,779,816
3,241,196	35,866,466	8,162,476	6,785,809	5,295,332	9,737,073	1,902,655	**88,327,281**	80,074,064
1,427,355	22,824,980	4,245,402	6,625,977	3,412,681	2,378,895	1,929,289	**48,214,390**	48,706,983
3,320,505	34,994,900	46,424,390	1,095,873	2,363,622	9,256,742	17,260,922	**127,524,182**	108,050,557
3,280,569	30,779,295	39,718,876	1,568,646	2,714,796	7,736,531	10,909,523	**108,050,557**	94,570,306
1,467,291	27,040,585	10,950,916	6,153,204	3,061,507	3,899,106	8,280,688	**67,688,015**	62,187,234
(599,923)	2,924,284	(2,427,491)	(526,175)	(1,300,753)	1,740,992	(5,935)	**(5,159,747)**	(4,765,990)
1,361,075	8,977,382	443,293	1,486,611	1,692,270	2,095,452	312,372	**23,197,948**	20,627,077
761,152	11,901,666	(1,984,198)	960,436	391,517	3,836,444	306,437	**18,038,201**	15,861,087
1,012,753	(3,075,785)	(804,242)	(327,831)	1,842,308	2,001,523	(6,684,470)	**2,601,065**	2,025,743

	Note	Short-Term Business Shs	Long-Term Business Shs	**1990 Shs**	1989 Shs
Share Capital Authorised and Issued					
Nominal Share Capital	2	100,000,000	—	**100,000,000**	100,000,000
Less:Nominal value of unissued shares		(50,000,000)	—	**(50,000,000)**	(50,000,000)
Nominal value of issued shares		50,000,000	—	**50,000,000**	50,000,000
Share Capital Issued and fully paid	2	50,000,000	—	**50,000,000**	50,000,000
Reserves					
Capital	3	204,506,383	—	**204,506,383**	177,361,707
Revenue Reserve					
General	3	—	—	—	20,000,000
Unappropriated Profit	3	89,649,137	—	**89,649,137**	42,651,462
Share premium		6,589,476	—	**6,589,476**	6,589,476
Life Funds					
Statutory Fund	4	—	256,705,267	**256,705,267**	215,192,492
General Fund		—	124,646,018	**124,646,018**	120,971,683
Total Reserves and Life Funds		300,744,996	381,351,285	**682,096,281**	582,766,820
Total of Paid-up Capital and Reserves/ Life Funds		350,744,996	381,351,285	**732,096,281**	632,766,820
Represented by:					
ASSETS					
Fixed Assets	5				
Motor Vehicles		2,811,882	2,811,882	**5,623,764**	5,654,530
Less accumulated depreciation		1,912,494	1,912,494	**3,824,988**	2,871,128
		899,388	899,388	**1,798,776**	2,783,402
Computer Equipment		4,395,656	4,395,656	**8,791,312**	8,369,814
Less accumulated depreciation		3,926,496	3,926,496	**7,852,992**	6,834,722
		469,160	469,160	**938,320**	1,535,092
Furniture,Fixtures,Fittings & Office Equipment		5,688,661	5,688,661	**11,377,322**	9,986,244
Less accumulated depreciation		3,493,204	3,493,204	**6,986,408**	5,850,300
		2,195,457	2,195,457	**4,390,914**	4,135,944
Total Fixed Assets		3,564,005	3,564,005	**7,128,010**	8,454,438
Investments in Kenya					
(i) Securities issued by Government of Kenya		104,479,448	95,750,552	**200,230,000**	200,230,000
		104,479,448	95,750,552	**200,230,000**	200,230,000

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Report of the auditors - page 15
The notes on pages 23 to 27 form part of these accounts

The accounts were approved by the Board on 17th May, 1991

Abdul M. Jaffer
Director

Abdul Karim C. Popat
Director

	Note	Short-Term Business Shs	Long-Term Business Shs	1990 Shs	1989 Shs
(ii) Other					
Ordinary Shares(Quoted on the Kenyan Stock-Exchange)		17,701,630	51,175,410	**68,877,040**	66,820,897
Ordinary Shares (Unquoted)		38,919,584	—	**38,919,584**	38,406,584
Preference Shares(Quoted on the Kenyan Stock-Exchange)		—	353,181	**353,181**	487,031
Loans Secured by mortgages on real property		60,197,115	43,489,427	**103,686,542**	118,416,292
Other Secured loans		25,154,863	7,657,083	**32,811,946**	—
Loans on life insurance policies within their surrender value		—	34,092,904	**34,092,904**	30,746,539
Deposits-Non-Bank financial institutions		36,481,882	1,418,118	**37,900,000**	21,850,000
Land and Buildings	6	218,868,075	152,000,000	**370,868,075**	319,868,076
Total Other Investments		397,323,149	290,186,123	**687,509,272**	596,595,419
Investments outside Kenya		38,114,126	12,788,919	**50,903,045**	41,601,785
Total Investments		539,916,723	398,725,594	**938,642,317**	838,427,204
Current Assets					
Cash		11,800,515	2,772,102	**14,572,617**	8,940,556
Amounts retained and due under reinsurance contracts		20,968,097	1,319,567	**22,287,664**	18,777,259
Amounts due from bodies engaged in insurance business		600,552	—	**600,552**	623,852
Premiums outstanding		55,036,308	1,077,924	**56,114,232**	31,710,308
Sundry debtors		11,895,390	4,753,403	**16,648,793**	16,978,315
Total Current Assets		100,300,862	9,922,996	**110,223,858**	77,030,290
Total Assets		643,781,590	412,212,595	**1,055,994,185**	923,911,932
LIABILITIES					
Underwriting Provisions					
Unearned premium provision		48,271,224	—	**48,271,224**	39,779,816
Outstanding claims provision		127,524,182	8,497,128	**136,021,310**	115,015,109
Total Underwriting Provisions		175,795,406	8,497,128	**184,292,534**	154,794,925
Current Liabilities					
Provisions					
taxation		11,642,430	4,026,896	**15,669,326**	13,897,091
dividends		38,122,115	—	**38,122,115**	27,100,237
Bank overdraft and bank loans		8,243,125	18,930	**8,262,055**	11,280,239
Amounts due to reinsurers(not being related bodies)		33,984,015	658,063	**34,642,078**	35,056,547
Other-Due to Agents		4,898,604	1,407,662	**6,306,266**	3,404,766
Sundry creditors		20,350,899	16,252,631	**36,603,530**	45,611,307
Total Current Liabilities		117,241,188	22,364,182	**139,605,370**	136,350,187
Total Liabilities		293,036,594	30,861,310	**323,897,904**	291,145,112
		350,744,996	381,351,285	**732,096,281**	632,766,820

	1990 Shs	1989 Shs
SOURCE OF FUNDS		
Profit before taxation	**63,612,694**	49,904,045
Adjustments in respect of :		
Profit on sale of fixed assets	**(25,250)**	(220,656)
Premiums and claims reserves	**27,965,033**	21,439,758
Depreciation	**1,605,272**	1,714,245
Total generated from operations	**93,157,749**	72,837,392
Funds from other sources		
Decrease in balances due from debtors	**—**	1,715,018
Proceeds from sale of fixed assets	**101,980**	241,700
Increase in creditors	**2,268,855**	7,028,693
	95,528,584	81,822,803
APPLICATION OF FUNDS		
Tax paid	**(18,863,829)**	(14,617,848)
Dividends paid	**(6,478,122)**	(11,662,692)
Fixed assets purchased	**(1,018,788)**	(2,669,856)
Increase in balances due from debtors	**(25,445,818)**	—
	43,722,027	52,872,407
Increase/(Decrease) in Investments and Net Liquid Funds		
Increase in investments outside Kenya	**6,207,567**	2,541,148
Increase in Government securities	**—**	25,155,827
Increase in Mortgages and loans	**7,138,389**	16,034,539
Increase in freehold and leasehold properties	**2,092,790**	7,080,104
Increase in stocks and shares	**—**	11,665,926
Increase/(Decrease) in bank and cash balances	**28,283,281**	(9,605,137)
	43,722,027	52,872,407

Report of the auditors - page 15
The notes on pages 23 to 27 form part of these accounts

1. Principal Accounting Policies

The following is a summary of the more important accounting policies used:

(a) *Underwriting results*

(i) Short-term business

The short-term insurance underwriting results are determined after taking into account, inter alia, unearned premiums, outstanding claims and where applicable, portfolio transfers.

Unearned premiums represent that portion of the premiums written in periods up to the accounting date which are attributable to subsequent accounting periods and are determined as follows :-

Direct Business:

All Classes: on the 24th's basis.

Reinsurance treaties: as contained in the treaty contracts.

Outstanding claims represent claims arising from incidents occurring prior to the accounting date and are computed on the basis of the best information available at the time the records for the year are closed.

(ii) Long-term business

Actuarial investigation

In accordance with Section 57 of the Insurance Act 1984, the Board of Directors may, at their discretion, cause every year an investigation by an Actuary to be made into the financial condition in respect of the long-term business of the company but, in any event, such investigation shall take place at least every three years, in accordance with the provision of the said Act.

Surpluses arising are allocated by the directors with the advice of the Actuary and in accordance with the Articles of Association to policyholders' bonuses and to the profit and loss account. Any balance remaining is carried forward in the fund.

Premium income

Premiums shown in the Life Revenue account are accounted for on a basis which approximates to a pre-debit method of accounting as adjusted for estimated lapses.

(b) *Investment income*

Investment income which is net of management expenses, comprises interest and rent receivable for the year and dividends which are accounted for when declared. Rent is stated after deducting charges and expenses related to the properties concerned.

(c) *Sale of investments*

(i) Profits or losses resulting from the sale of investments are credited or charged to the profit and loss account in the year in which the sale takes place, after releasing such amounts as are reflected in the capital reserve account relating to such investments.

(ii) Any surplus over cost which arises as a result of transfer of assets between short-term and long-term business is taken to Capital reserve in case of short-term business and to the relevant life fund in case of long-term business.

(d) *Expenses and commission*

Expenses and commission are allocated to the relevant revenue accounts as incurred in the management of each class of business. Commission is shown net of commission received in respect of reinsurance business ceded. Certain expenses of the short-term business being depreciation, provision for doubtful debts and directors' fees are not allocated but are charged directly to the profit and loss account.

(e) *Investments in Kenya*

(i) Investments in the balance sheet of both long and short-term business are generally stated at the following values:-

• Securities issued by the Government of Kenya - at redemption values. Any unearned interest or discount is included under creditors and credited to income over the period of the issue.

• Ordinary Shares (Quoted on the Kenyan Stock Exchange) - at market values.

• Ordinary Shares (Unquoted) - at the lower of cost or directors' valuation.

• Preference Shares (Quoted on the Kenyan Stock Exchange) - at market values.

• Loans secured by mortgages on real property - at redemption values.
• Loans on life insurance policies within their surrender values - at redemption values.
• Land and Buildings - at revalued amounts based on professional valuations carried out at intervals of not more than five years except in the event of any material change in the intervening period when the properties are revalued at the time at the discretion of the directors. Additions in the intervening period are included at cost.

(ii) Unrealised gains arising from the aggregate valuation within each of the seven classes of investments set out above are credited to the Capital Reserve in respect of short-term business and to the Life Fund in respect of long-term business. Unrealised losses are charged firstly against any accumulated unrealised gains for that class of investment and then any excess loss is charged to the profit and loss account for short-term business or the life revenue account for long-term business.

(f) *Investments Outside Kenya*

All Investments outside Kenya are stated at cost translated to Kenya Shillings at the rates of exchange ruling at the year end except for:

• Quoted shares at market values.
• Leasehold properties situated in Uganda - these were revalued by professional independent valuers at 31st December, 1981 on the basis of open market value and translated to Kenya Shillings at the exchange rates then prevailing. No update to the 1981 valuation has been reflected in these accounts as no meaningful valuation for these properties is available in view of the circumstances currently prevailing in that country. In the opinion of the directors, the properties are worth at least the amounts at which they are included in these accounts.

(g) *Fixed Assets*

Fixed assets are stated at cost less depreciation which is calculated to write off the cost on a straight line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose are:

	%
Motor vehicles	20
Computer equipment	25
Furniture, Fixtures, Fittings and Office Equipment	10

(h) *Foreign currencies*

Assets and liabilities expressed in foreign currencies are translated to Kenya shillings at the rates of exchange ruling at the year end. Differences arising on translation are charged to the profit and loss account in respect of short-term business and to the life revenue account in respect of long-term business.

(i) *Deferred taxation*

Provision is made at the rate ruling at the year end for any deferred taxation liability arising, except in respect of taxation arising on timing differences which can reasonably be expected to be deferred for the foreseeable future.

2. Share Capital

	1990 Shs	1989 Shs
Ordinary shares of Shs.5 each		
Authorised	**100,000,000**	100,000,000
Issued and fully paid	**50,000,000**	50,000,000

3. Reserves

(i) Capital Reserves:	**1990 Shs**	1989 Shs
1st January	**177,361,707**	157,564,640
Surplus on revaluation of properties	**23,907,208**	17,431,776
Increase in market value of stocks and shares	**3,237,468**	2,365,291
31st December	**204,506,383**	177,361,707

(ii) Revenue Reserves:

	General Reserve Shs	Unappropriated Profits Shs	**1990 Total Shs**	1989 Total Shs
1st January	20,000,000	42,651,462	**62,651,462**	67,505,788
Retained Profit for the year	—	26,997,675	**26,997,675**	15,145,674
Issue of Bonus shares	—	—	—	(20,000,000)
Transfer to unappropriated profits	(20,000,000)	20,000,000	—	—
31st December	—	89,649,137	**89,649,137**	62,651,462

4. Statutory Funds

Statutory funds were established on 1st January, 1988 by the Company in respect of its long term insurance business as required under section 45 of the Insurance Act, 1984. Income arising from the investment of the assets of the statutory funds is carried to and forms part of that fund.

5. Fixed Assets

	Computer Equipment Shs	Motor Vehicle Shs	Furniture, Fixtures, Fittings & Office Equipment Shs	Total Shs
Cost:				
1st January 1990	8,369,814	5,654,530	9,986,244	24,010,588
Additions	421,498	225,000	1,391,078	2,037,576
Disposals	—	(255,766)	—	(255,766)
31st December 1990	**8,791,312**	**5,623,764**	**11,377,322**	**25,792,398**
Depreciation:				
1st January 1990	6,834,722	2,871,128	5,850,300	15,556,150
Charge for the year	1,018,270	1,056,166	1,136,108	3,210,544
Disposals	—	(102,306)	—	(102,306)
31st December 1990	**7,852,992**	**3,824,988**	**6,986,408**	**18,664,388**
Net book value:				
31st December 1990	938,320	1,798,776	4,390,914	7,128,010
31st December 1989	**1,535,092**	**2,783,402**	**4,135,944**	**8,454,438**

No depreciation has been charged in arriving at the results for the year in respect of certain fixed assets which originally cost Shs.8,901,000 and are still in use but fully depreciated. If depreciation had been charged during the year on the cost of these assets at normal rates it would have amounted to Shs.1,954,000.

6. Land and Buildings

The valuation of freehold and leasehold properties situated in Kenya was carried out by professional independent valuers at 31st December 1990. The basis of the valuation was market value.

7. Transfer from Life Revenue Account to Profit And Loss Account

An actuarial valuation of the life fund was carried out by the company's Actuary as at 31 December 1990. For the purpose of the valuation, the Life Fund has been segregated into a Kenyan and a non-Kenyan Fund and the shareholder's profit of Shs.16,610,587 shown in the life revenue account is the amount recommended by the Actuary to be transferred to profit and loss account. This is made up of a surplus on the Kenyan Fund of Shs.15,346,180 and a surplus on the non-Kenyan Fund of Shs.1,264,407. The transfer of the surplus on the non-Kenyan Fund has been made by a transfer of corresponding non-Kenyan assets of that value.

8. Life Revenue Account

	1990 Shs	1989 Shs
The surplus is stated after charging:		
Depreciation	**1,605,272**	1,714,244
Auditors' remuneration	**385,928**	375,202
and after crediting:		
Income from:		
Government securities	**13,399,576**	9,316,974
Quoted Shares	**4,332,099**	3,908 199
Net rent from properties	**10,217,349**	9,874,276

9. Profit Before Taxation

	1990 Shs	1989 Shs
The profit is stated after charging:		
Depreciation	**1,605,272**	1,714,245
Auditors' remuneration	**385,928**	375,202
and after crediting:		
Income from:		
Government securities	**17,553,081**	15,863,277
Unquoted Shares	**936,825**	690,786
Quoted Shares	**811,958**	1,281,084
Net rent from properties	**10,671,047**	6,028,182

10. Taxation

	Short-term Business Shs	Long-term Business Shs	**1990 Total Shs**	1989 Total Shs
On the operating profits/surplus for the year	19,115,019	4,851,035	**23,966,054**	21,460,058

11. Emoluments of Directors and Pensions paid to past Directors

	1990 As Directors Shs	For Management Shs	1989 As Directors Shs	For Management Shs
Emoluments	170,000	1,724,720	117,000	522,820
Pensions	72,000	49,784	68,000	—
	242,000	1,774,504	185,000	522,820

12. Earnings per Share

Earnings per ordinary share of Shs.5 each are calculated by reference to the profit available for distribution on 10 million shares.

13. Assets outside Kenya

The Company has net assets outside Kenya amounting to Shs.57,885,883 (1989:40,725,671), some of which are deposited under local laws as security to policyholders in the countries concerned. Most of these assets, if realised, cannot be remitted to Kenya without the approval of the Exchange Control Authority of the countries concerned.

14. Mortgage and Loans

Amount approved by the Directors but not advanced at 31st December

	1990 Shs	1989 Shs
Long-term business	7,345,674	6,818,000
Short-term business	14,630,000	38,445,000
	21,975,674	45,263,000

15. Nil Balances

Those Balance Sheet items appearing on Form INS 54-5 of the 3rd Schedule of the Insurance Regulations 1986 not included in the Accounts have nil balances.

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COMPANY REVIEW - 1980 to 1990

Kenya Shillings Million

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shareholders Fund	59	67	101	106	122	156	162	194	262	297	351
Life Fund	122	132	163	173	185	223	245	274	318	336	381
Total Assets	262	286	363	397	442	512	548	640	827	924	1056
Total Investment Income	22	27	32	38	41	45	48	53	60	68	81
Pre-tax Profit [illegible]	12	17	17	18	20	28	30	32	41	50	64
After-tax Profit	7	10	10	10	11	19	22	24	29	33	44
• Dividends to Shareholders	2.1	2.8	5.6	5.6	7.0	7.0	7.0	10.5	10.5	17.5	17.5
Dividend Cover - Ratio	3.16	3.66	1.86	1.87	1.58	2.76	3.11	2.26	2.80	1.87	2.54
•• Earnings Per Shs. 5 Share-Adjusted [illegible]	0.66	1.02	1.04	1.05	1.11	1.93	2.18	2.37	2.94	3.26	4.45

Note

- • *The Dividend Shareholders of Shs. 7 million in 1986 does not include the Golden Jubilee Special Dividend of shs. 7 million.*
- •• *Earnings per share has been calculated on 10 million shares for the years 1980 to 1990.*