



OLYMPIA
— Capital —
HOLDINGS LIMITED
(FORMERLY: DUNLOP KENYA LIMITED)

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FINANCIAL STATEMENTS

31ST DECEMBER 2004

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1 Olympia Capital Holdings Limited - Annual Report
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OLYMPIA Capital

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2004

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. C. W. Obura - Chairman

M. M. W. Matu - Managing Director

P. N. Ndeti
(Resigned 28th Feb. 2005)

M. Kunyiha

S. A. Lakhani

E. M. Wamae

SECRETARY

Lina Kantaria
Certified Public Secretary
Nairobi

REGISTRARS

Barclays Advisory & Registrar Services Limited
P. O. Box 30120,
Nairobi – 00100.

REGISTERED OFFICE

L. R. No. 209/5532,
Off Nanyuki Road,
Industrial Area,
P. O. Box 30102,
Nairobi – 00100.

AUDITORS

Grant Thornton
Corner of Brookside Drive and
Brookside Garden, Westlands,
P.O. Box 410, Sarit Centre,
Nairobi – 00606.

ADVOCATES

Wainaina Ileri & Co.
Bruce House, Standard Street,
P. O. Box 42706,
Nairobi – 00100.

BANKERS

Standard Chartered Bank Kenya Limited
Barclays Bank of Kenya Limited
Southern Credit Banking Corporation Limited
First National Bank of Botswana Limited
Standard Chartered Bank of Botswana Limited
First National Bank Limited – South Africa

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-Fifth Annual General Meeting of the Company will be held at the Nairobi Club on Friday, 5th August 2005 at 12.00 noon for the following purposes:

ORDINARY BUSINESS

1. To approve the minutes of the Thirty-Fourth Annual Meeting held on 5th August 2004.
2. To receive, consider and adopt the audited financial statements for the financial year ended 31st December 2004 and the directors' and auditors' reports thereon.
3. To note that the directors do not recommend payment of a dividend for the financial year ended 31st December 2004.
4. To re-elect a director:
 - (i) In accordance with Article 99 of the Company's Articles of Association, Mr. S. Lakhani retires by rotation and being eligible, offers himself for re-election.
5. To note that Grant Thornton, Certified Public Accountants will continue in office as Auditors under section 159 (2) of the Companies Act (Cap. 486) and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS

6. "That the directors' fees shall be Kshs. 600,000 for the financial year ended 31st December 2004."

BY ORDER OF THE BOARD
LINA KANTARIA
COMPANY SECRETARY

Note:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the company.
2. In the case of a member being a corporation this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. Proxies must be in the hands of the secretary not later than 48 hours before the meeting.

CORPORATE GOVERNANCE STATEMENT

The board is accountable to the company's shareholders for good governance and the statement set out below describes how the principles identified in the Capital Markets Act – Corporate Governance Guidelines are applied by the group.

DIRECTORS

The main board consists of a Chairman, Dr. CW Obura and five directors, five who are non-executive directors and one executive director. Michael Matu is the Chief Executive.

The group has four subsidiary boards, each of which comprises the Chief Executive and at least one non-executive main board member and two non-executive members.

OTHER BOARD INFORMATION

The key functions of the Chairman are to conduct board meetings and meetings of shareholders and to ensure that all directors are properly briefed in order to take a full and constructive part in board discussions. The Chief Executive is required to develop and lead business strategies and processes to enable the group's business to meet the requirements of its shareholders.

BOARD APPOINTMENTS

Appointments to the board of executive and non-executive directors are considered by the main board.

RE-ELECTION OF DIRECTORS

Any director appointed during the year is required, under the provisions of the company's articles of association, to retire and seek re-election by shareholders at the next annual general meeting. The articles also require that one third of the directors retire by rotation each year and seek re-election at the annual general meeting. The directors required to retire will be those in the office longest since their previous re-election and this will usually mean that each director retires at least every three years, although there is no absolute requirement to this effect. In order to comply with the Corporate Governance Guidelines, but avoid the expense of amending the company's articles to deal with this single point, the board has resolved that each director will retire at least once every three years, even if this is not strictly required by application of the provisions of the articles.

BOARD COMMITTEES

It has been decided that owing to the investment holding nature of the company, where operational details are handled by the subsidiary boards of the company, the functions of the audit committee, remuneration committee and nomination committee be handled by the main board, however the function of internal auditor in Kenya has been outsourced to AAM Resources Limited.

CORPORATE GOVERNANCE STATEMENT (Cont.)

MAJOR SHAREHOLDERS

The top ten major shareholders, based on the company's share register as at 31 December 2004 were as follows:

Name of Shareholder	Number of Shares Held	Percentage (%) Shareholding
Dunlop Properties Limited	3,799,900	38.00
Manrik Holdings Limited	1,685,180	16.85
Croxley Properties Limited	816,844	8.17
Karen Enterprises Limited	692,830	6.93
Eluid Matu Wamae	200,000	2.00
Scottlink Limited	173,900	1.77
Jagden Kristians	165,700	1.66
Kenya Nominees Limited	121,000	1.21
Kirtesh Premchand Shah	107,375	1.07
Velji Dharamshi Shah	96,250	0.96

DISTRIBUTION OF SHAREHOLDERS

	Number of Shares Held	Number of Shareholders	Percentage (%) Shares Held
Less than 500	58,837	225	0.59
501 – 5,000	738,388	355	7.38
5,001 – 10,000	305,020	41	3.05
10,001 – 100,000	1,135,026	51	11.35
100,001 – 1,000,000	2,277,649	7	22.78
above 1,000,000	5,485,080	2	54.85
	<u>10,000,000</u>	<u>681</u>	<u>100.00</u>

CHAIRMAN'S STATEMENT

The year ended 31st December 2004 shows an improvement in the financial position of the company. The turnover increased marginally by 6% from Ksh 274 million to Ksh 292 million. This growth in turnover was achieved on the back of a difficult trading environment in Botswana with it having been an election year and a general downturn in the construction industry in that country.

Despite the 6% increase in the top line, management managed to reduce the cost of goods sold by 2% from Ksh 189m to Ksh 185m. This was a result of better utilization of plant and more efficient manufacturing in both Kenya and Botswana. The combined effect of an increase in top line and reduction in cost of good sold had a marked effect on the gross profit which increased by an impressive 24.6% from Ksh 86m to Ksh 107m.

The combined effect of a 52% increase in other operating income to Ksh 9.1m and an increase of 14.8% in expenses to Ksh 71m resulted in an impressive increase in operating profit of 50% from Ksh 30m to Ksh 45m.. A reduction in finance costs and minority interest coupled with a marginal increase in taxation resulted in a 150% increase in profit attributable to shareholders from Ksh 9.2m to Ksh 23m.

Earnings per share increased from Ksh 0.92 to Ksh 2.3 which at a trading price of Ksh 15.5 per share on the Nairobi Stock Exchange, it represents a PE (price earnings) ratio of only 6.7.

Kenya:

The Kenyan manufacturing unit performed well during the year under review. We further enhanced the management in this unit and with planned improvement in plant and equipment in 2005, we expect an improvement in the performance of the unit although the significant effect of the new plant will be seen as from 2006.

Our advances to the Avon group, which have been sitting in the books for sometime now, were converted into a 27.5% shareholding in Avon Rubber Company Kenya Limited (ARCKL), which is now a property development company. The balance of 72.5% will be purchased in the course of 2005 and subject to an application to the CMA. An arrangement between the two companies has allowed us to recruit head office staff who will run the operations of both companies. This acquisition will significantly enhance our balance sheet to enable us to raise required funds to finance our expansion plans in the future.

We expect a least one further acquisition in Kenya in the course of 2005 to further enhance the contribution of Kenyan businesses to the company's performance.

Botswana:

During the year under review the Botswana business performed well. As was mentioned in the last Chairman's report, as of 9th February 2005, our subsidiary was listed on the venture capital board of the Botswana Stock Exchange. The offer was 80% oversubscribed.

CHAIRMAN'S STATEMENT (Cont.)

From an initial investment of Ksh 10m in Botswana in 2001, our investment is now worth approximately Ksh 110m at the current trading price of 0.85 Pula per share, which results in a per share value in our company of Ksh 11. This shows that the local market only values our entire local operations at only Ksh 45 million or Ksh 4.5 per share.

The board is concerned that the disposal value of the group is significantly higher than the current trading price on the Nairobi Stock Exchange, while we have achieved full value on the Botswana Stock Exchange.

We are aggressively seeking acquisition targets in the Southern African region and our challenge here locally will be to ensure that we retain a position of control with each new capital raising exercise in Botswana to fund acquisitions.

South Africa:

The Botswana operating company sold their South African subsidiary prior to the listing, we no longer have a subsidiary in this country and operate all South African business from Botswana. We are however seeking manufacturing acquisitions in this country.

Board:

We would like to thank Mr. Paul Ndeti for his eight years of service to the board. He resigned from the board in February 2005. We promoted our Botswana general manager to the position of Managing Director of our Botswana operating company and Chief Operations Officer and board member of the listed Botswana company. Our Chief executive also serves as the Chief Executive of the Listed Botswana Company.

May I take this opportunity to thank the board and management for their dedication during the year.

Dr. C. W. Obura
Chairman

Nairobi
3rd May 2005

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31st December, 2004.

PRINCIPAL ACTIVITY

The principal activities of the group are the manufacture and sale of floor tiles and adhesives.

GROUP RESULTS

The results for the year are set out on page 11.

DIVIDEND

The directors do not recommend the payment of a dividend.

DIRECTORATE

The directors who held office during the year are shown on page one.

In accordance with Article 99 of the Company's Articles of Association, Mr. Lakhani retires by rotation and, being eligible, offers himself for re-election.

AUDITORS

The Auditors, Grant Thornton will continue in office in accordance with section 159(2) of the Companies Act (Cap 486).

By order of the Board

Lina Kantaria
SECRETARY
NAIROBI
3rd May 2005

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group as at the end of the financial year and of the operating results of the group for that year. The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the company and are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, and comply with the International Financial Reporting Standards and Companies Act. The directors are of the opinion that the accounts give a true and fair view of the state of the financial affairs of the company and of the group and its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company and its continuing subsidiaries will not remain a going concern for at least the next twelve months from the date of this statement.

Dr. C.W. Obura.
DIRECTOR
NAIROBI

M. M. W. Matu.
DIRECTOR

REPORT OF THE AUDITORS TO THE MEMBERS OF DUNLOP KENYA LIMITED

We have audited the financial statements on pages 11 to 31. The balance sheet of the group and the company is in agreement with the books of account.

Respective responsibilities of directors and auditors

As stated on page 9, the directors are responsible for the preparation of financial statements, which give a true and fair view of the state of affairs of the group and the company and its results. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements.

We have obtained all the information and explanations that to the best of our knowledge and belief were necessary to provide a reasonable basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2 to the financial statements, which gives disclosures concerning the going concern basis of the financial statements of the group.

Opinion

In our opinion, proper books of account have been kept and the financial statements, which are in agreement therewith, comply with the International Financial Reporting Standards and the Companies Act (Cap. 486) and give a true and fair view of the state of affairs of the group and the company at 31 December, 2004 and of the results and cash flows of the group for the year ended on that date.

GRANT THORNTON
Certified Public Accountants

NAIROBI
3rd May 2005

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 Shs. '000	2003 Shs. '000
Sales		291,887	274,450
Cost of Sales		(184,824)	(188,535)
Gross Profit		107,063	85,915
Other Operating Income		9,136	5,990
Selling and Distribution		(2,859)	(2,459)
Administrative		(64,017)	(55,814)
Other Operating Expenses		(3,904)	(3,377)
Operating Profit	4	45,419	30,255
Finance Cost	5	3,287	4,895
Profit before Tax and Minority Interest		48,706	35,150
Taxation	6	(9,376)	(8,237)
Net Profit before Minority Interest		39,330	26,913
Minority Interest	7	(16,409)	(17,680)
Profit Attributable to Shareholders		22,921	9,233
Earnings Per Share	8	2.29	0.92

BALANCE SHEETS AS AT THE YEAR ENDED 31 DECEMBER 2004

	Note	Group		Company	
		2004 Shs. '000	2003 Sh '000	2004 Sh '000	2003 Sh '000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	9	85,013	68,288	27,433	28,085
Prepaid Operating Lease Rental	10	10,458	9,925	503	515
Investments	11	-	-	22,637	21,495
Goodwill	12	12,501	9,983	-	-
		<u>107,972</u>	<u>88,196</u>	<u>50,573</u>	<u>50,095</u>
Current Assets	13	203,031	177,384	72,707	74,850
		<u>311,003</u>	<u>265,580</u>	<u>123,280</u>	<u>124,945</u>
TOTAL ASSETS		<u><u>311,003</u></u>	<u><u>265,580</u></u>	<u><u>123,280</u></u>	<u><u>124,945</u></u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	14	50,000	50,000	50,000	50,000
Reserves		87,121	45,240	41,114	42,257
		<u>137,121</u>	<u>95,240</u>	<u>91,114</u>	<u>92,257</u>
Shareholders' Interest					
Minority Interest		61,342	39,939	-	-
Non Current Liabilities					
Deferred Tax	15	12,911	12,021	7,833	8,026
Borrowings	16	8,483	20,308	-	-
		<u>21,394</u>	<u>32,329</u>	<u>7,833</u>	<u>8,026</u>
Current Liabilities	17	91,146	98,072	24,333	24,662
		<u>311,003</u>	<u>265,580</u>	<u>123,280</u>	<u>124,945</u>
TOTAL EQUITY AND LIABILITIES		<u><u>311,003</u></u>	<u><u>265,580</u></u>	<u><u>123,280</u></u>	<u><u>124,945</u></u>

The financial statements on pages 11 to 31 were approved by the Board of Directors on 3rd May 2005 and signed on its behalf by:

Dr. C.W. Obura.
DIRECTOR

M. M. W. Matu.
DIRECTOR

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Share Capital Total Shs. '000	Share Premium Shs. '000	Translation Reserve Shs. '000	Property Revaluation Reserve Shs. '000	Revenue Reserve Shs. '000	Shs. '000
At 1 January 2003 – as originally stated	50,000	-	642	15,663	13,060	79,365
Underprovision of Deferred Tax in Earlier years	-	-	(842)	-	-	(842)
At 1 January 2003 – as re-stated	50,000	-	642	14,821	13,060	78,523
Revaluation in the year	-	-	-	6,757	-	6,757
Deferred Tax on Revaluation	-	-	-	(2,027)	-	(2,027)
Transfer of Excess Depreciation-	-	-	-	(509)	509	-
Deferred Tax on Transfer	-	-	-	153	(153)	-
Translation Adjustment	-	-	4,821	-	-	4,821
Minority Interest Share of Net Revaluation Surplus	-	-	-	-	-	-
Net Profit for the Year	-	-	-	(2,067)	-	(2,067)
At 31 December 2003	50,000	-	5,463	17,128	9,233	95,240
At 1 January 2004 – as originally stated	50,000	-	5,463	17,970	22,649	96,082
Underprovision of Deferred Tax in Earlier years-	-	-	-	(842)	-	(842)
At 1 January 2004 – as restated	50,000	-	5,463	17,128	22,649	95,240
Surplus arising from changes in shareholding in subsidiary	-	-	-	-	7,516	7,516
Increase in Minority Shareholding	-	-	-	(280)	(2,357)	(2,637)
Revaluation in the Year	-	-	-	12,641	-	12,641
Deferred Tax on Revaluation	-	-	-	(3,160)	-	(3,160)
Transfer of Excess Depreciation	-	-	-	(1,124)	1,124	-
Deferred Tax on Transfer	-	-	-	308	(308)	-
Translation Adjustment	-	-	319	154	-	473
Minority Interest Share of Net Revaluation Surplus	-	-	-	-	-	-
Net Profit of the Year	-	-	-	(4,171)	-	(4,171)
Issue of shares by capitalisation of Shareholders' loan	-	-	-	-	22,921	22,921
6% in Kalahari Floor Tiles Proprietary Limited	-	9,455	-	-	-	9,455
Share Issue Expenses	-	13,163	-	-	-	13,163
Minority Share	-	(7,801)	-	-	-	(7,801)
At 31 December 2004	50,000	8,298	5,782	21,496	51,545	137,121

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Share Capital Shs. '000	Translation Reserve Shs. '000	Property Revaluation Reserve Shs. '000	Revenue Reserve Shs. '000	Total Shs. '000
At 1 January 2003	50,000	-	15,663	28,329	93,992
Underprovision of Deferred Tax	-	-	(842)	-	(842)
Transfer of Excess Depreciation	-	-	(509)	509	-
Deferred Tax on Transfer	-	-	153	(153)	-
Net Loss for the Year	-	-	-	(893)	(893)
At 31 December 2003	<u>50,000</u>	<u>-</u>	<u>14,465</u>	<u>27,792</u>	<u>92,257</u>
At 1 January 2004	50,000	-	14,465	27,792	92,257
Transfer of Excess Depreciation	-	-	(550)	550	-
Deferred Tax on Transfer	-	-	165	(165)	-
Net Loss for the Year	-	-	-	(1,143)	(1,143)
At 31 December 2004	<u>50,000</u>	<u>-</u>	<u>14,080</u>	<u>27,034</u>	<u>91,114</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 Shs. '000	2003 Shs. '000
Operating Activities			
Cash Generated from Operations	18	37,981	49,629
Interest Received		2,876	1,580
Interest Paid		(3,471)	(3,939)
Tax paid		(10,280)	(1,607)
Dividends Paid to Minority Shareholders		(338)	(549)
Net Cash Generated from Operating Activities		26,768	45,114
Investing Activities			
Proceeds from Disposal of Property, Plant and Equipment		2,368	96
Purchase of Plant and Equipment		(12,364)	(11,939)
Net Cash used in Investing Activities		(10,026)	(10,970)
Financing Activities			
Loan Received		1,767	-
Loan Repayments		(6,613)	(17,419)
Net Cash Generated in Financing Activities		(4,846)	(17,419)
Net Increase/(Decrease) in Cash and Cash Equivalents		11,896	16,725
At the Start of the Year		34,655	14,755
Effects of Exchange Rate Changes		1,874	3,175
At the End of the Year	19	48,425	34,655

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**1 SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements are presented in Kenya Shillings (Shs.), rounded to the nearest thousand and prepared under the historical cost convention as adjusted by revaluation of certain items of property, plant and equipment.

The preparation of financial statements in conformity with generally accepted accountancy principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors best knowledge of current events and actions, actual results ultimately may differ from those estimates.

1.2 Consolidation

Subsidiary undertakings, which are those companies in which the group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the group and consolidation ceases from the date of disposal.

The income statements of subsidiaries are translated at average exchange rates for the year and balance sheets at the year end rates. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. A list of the group's subsidiaries is set out in note 11.

1.3 Revenue Recognition

Sales are recognised upon delivery of products to external parties and are stated net of VAT, where applicable, and of discounts. Interest and rental income are recognised when received.

1.4 Inventories

Inventories are stated at lower of cost and net realisable value. Cost comprises purchase price and other costs incurred to bring the inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business. Specific provision is made for obsolete, slow moving and defective inventories.

1.5 Cash and Cash Equivalent

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank, net of bank overdrafts. In the balance sheet, bank overdrafts are included under borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

1.6 Financial Instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company has become a party to the contractual provisions of the instrument.

1.7 Trade and Other Debtors

Trade and other receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year end. Bad debts are written off when all reasonable steps to recover them have failed.

1.8 Property, Plant and Equipment

Items of property, plant and equipment are stated at the purchase price or valuation less accumulated depreciation.

Increases in the carrying amounts arising on revaluations are carried to a revaluation reserve. Decreases that offset previous increase of the same assets are charged against the revaluation reserve; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation reserve to revenue reserves.

Depreciation is calculated on the straight line basis to write off the cost of the assets over their estimated useful lives as follows:

	Rates per annum %
Buildings	2.0 - 2.5
Plant and Machinery	7.5 - 20.0
Furniture, Fittings and Equipment	20.0
Motor Vehicles	20.0

The normal policy is to provide for depreciation for the full year on additions during the year and depreciation is not provided when the assets are disposed.

1.9 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill arising on consolidation is amortised over a 5 year period.

1.10 Foreign Currencies

Transactions during the year are converted into Kenya Shillings (Sh) at exchange rates ruling at the transaction dates. Assets and liabilities which are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at the balance sheet date. Resulting exchange differences are recognised in the profit and loss account for the year to which they relate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)**1.11 Taxation**

Tax on the operating results for the year comprises both, current tax payable and change in deferred tax. Current tax is provided on the results for the year as shown in the financial statements adjusted in accordance with the tax legislation.

Deferred tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Current enacted tax rates are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.12 Leasehold Land

Under IAS 17 on Leases, cost of acquiring leasehold land are treated as prepaid operating lease rentals and amortised over the lease period.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at their fair value on the inception of the lease and depreciated over the estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rental payments in respect of operating leases are charged to the profit and loss account.

1.14 Trade Payables

Trade payables are stated at their nominal value.

1.15 Retirement Benefit

The company contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). The company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of Shs. 200 per month per employee.

The company also operates an optional defined contribution pension scheme for its employees. It is funded by payments from both the employees and the company.

The company's obligations to the retirement benefit schemes are recognised in the profit and loss account as they fall due.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)**

1.16 Provision for Liabilities and Charges

Employee entitlements to annual leave and gratuity where applicable are recognised when they accrue to employees.

1.17 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2 FINANCIAL SUPPORT

As at 31 December 2004, the current liabilities of Dunlop Industries Limited, a wholly owned subsidiary of Olympia Capital Holdings Limited, exceeded its current assets by Shs. 19,505,629/- (2003: Shs. 32,885,000/-) and it had a shareholders' deficit of Shs. 27,615,699/- (2003: Shs. 28,833,000/-) due to trading losses incurred in previous years.

Satisfactory liquidity levels are dependent on improved operations and/or injection of additional capital. The holding company has given its commitment to continue supporting the subsidiary to improve its operations and financial position and has undertaken to provide the necessary financial support to enable it to pay its liabilities as they fall due.

In view of the above, the directors consider it appropriate to consolidate the financial statements of Dunlop Industries Limited in these group financial statements on a going concern basis.

3 SEGMENTAL INFORMATION

Business Segments

The directors regard all group activities as relating to the manufacture and sale of floor tiles and adhesives. Primary segmental reporting is therefore not considered to be of any real value to the financial statement users.

Secondary Reporting - Geographical Segments

	2004	2003
	Shs. '000	Shs. '000
The group's revenues are derived from sales in the following markets:		
Kenya	44,390	43,036
Botswana	247,497	188,463
South Africa	-	42,951
	<u>291,887</u>	<u>274,450</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

	2004	2003
	Shs. '000	Sh'000
4 OPERATING PROFIT		
This is stated after charging:		
Directors' Emoluments: Fees	120	600
Directors' Emoluments: Others	3,337	2,100
Auditors' Remuneration	1,224	1,828
Bad Debts	4,411	2,558
Amortisation of Goodwill	3,483	3,036
Amortisation and Depreciation	8,368	5,959
	<u> </u>	<u> </u>
And after crediting:		
Profit on Sale of Property, Plant and Equipment	72	563
	<u> </u>	<u> </u>
	2004	2003
	Shs. '000	Sh'000
5 FINANCE COST		
Interest Receivable on:		
Sale of Property	-	664
Other	2,876	916
	<u> </u>	<u> </u>
	2,876	1,580
Interest Payable on:		
Bank Loans	(2,148)	(2,709)
Bank Overdrafts	(384)	(447)
Finance Leases	(846)	(673)
Others	(93)	(110)
	<u> </u>	<u> </u>
	(3,471)	(3,939)
Net Exchange Gain	3,882	7,245
	<u> </u>	<u> </u>
	3,287	4,895
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

	2004 Shs. '000	2003 Shs. '000
6 TAXATION		
On Profit for the Year	10,100	2,517
Deferred Taxation	(724)	5,720
	<u>9,376</u>	<u>8,237</u>

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

Accounting Profit before Taxation	48,706	35,150
Tax Calculated at Current Tax Rate of 30%	<u>14,612</u>	<u>10,545</u>
Tax Effect of Expenses not deductible for Tax purposes	7,424	1,540
Tax Effect of non-taxable Income	(5,316)	(58)
Deferred Tax on Tax Losses not Recognised	(2,658)	(1,492)
Prior Years' Deferred Tax Overprovision		-
Effects of different Tax Rates in other countries	(4,686)	(2,298)
Tax Charge	<u>9,376</u>	<u>8,237</u>

	2004 Shs. '000	2003 Shs. '000
7 MINORITY INTEREST		
At 1 January		
Dividends Paid	39,939	17,124
Share of Revaluation Surplus		(549)
Translation Adjustment	4,171	2,067
Share of Share Premium	(817)	3,617
Write off of Minority Interest on Increase in investment in Kalahari Floor Tiles (Proprietary) Limited	6,519	
Increase in Minority (Pre-Acquisition Reserves)	(7,516)	
Share of Profit for the year	2,637	-
At 31 December	<u>16,409</u>	<u>17,680</u>
	<u>61,342</u>	<u>39,939</u>

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the number of ordinary shares in issue during the year.

	2004 Shs. '000	2003 Shs. '000
Net Profit Attributable to Shareholders	22,921	9,233
Number of Ordinary Shares	10,000	10,000
Earnings per Share	<u>2.29</u>	<u>0.92</u>

The diluted earning per share is the same as basic earning per share as there were no potentially dilative shares outstanding at 31 December 2004 and 31 December 2003.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003
(Cont.)

9 PROPERTY, PLANT AND EQUIPMENT

9.1 Group

	Buildings Shs. '000	Plant and Machinery Shs. '000	Furniture Fittings and Equipment Shs. '000	Motor Vehicles Shs. '000	Total Shs. '000
COST AND VALUATION					
At 1 January 2003	52,983	116,932	15,915	6,140	191,970
Additions	515	4,693	597	6,589	12,394
Disposals	(673)	(584)	(409)	(2,482)	(4,148)
Revaluations	12,641	-	-	-	12,641
Translation Adjustment	1,208	6,193	623	518	8,542
At 31 December 2004	<u>66,674</u>	<u>127,234</u>	<u>16,726</u>	<u>10,765</u>	<u>221,399</u>
DEPRECIATION					
At 1 January 2004	4,675	104,647	11,338	3,022	123,682
Charge for the Year	1,545	3,071	1,283	2,458	8,357
Disposals	(214)	(209)	(188)	(1,242)	(1,853)
Translation Adjustments	92	5,481	432	195	6,200
At 31 December 2004	<u>6,098</u>	<u>112,990</u>	<u>12,865</u>	<u>4,433</u>	<u>136,386</u>
NET BOOK VALUE					
At 31 December 2004	<u>60,576</u>	<u>14,244</u>	<u>3,861</u>	<u>6,332</u>	<u>85,013</u>
At 31 December 2003	<u>48,308</u>	<u>12,285</u>	<u>4,577</u>	<u>3,118</u>	<u>68,288</u>

Included above are assets with an original cost of Shs. 13,156,903/- (2003: Shs. 9,750,847/-), which were fully depreciated. The notional depreciation of the assets would have been Shs. 2,576,489/- (2003: Shs. 1,931,519/-).

Included in motor vehicle are vehicles with an original cost of Shs. 300,000/- (2003: Shs. 300,000/-) whose registration documents are in the names of related companies.

Included above are capitalised finance leases with a net book value of Shs. 6,488,000/- (2003: Shs. 3,830,000/-).

A subsidiary, Kalahari Floor Tiles (Proprietary) Limited, had its leasehold land and buildings valued by Roscoe Bonna Valuers, Independent Property Valuers in Botswana, on 22 January 2004, representing open market value. The revaluation surplus on buildings net of deferred tax was credited to revaluation reserve in shareholders' equity.

CMA-LIBRARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

9.2 Company

	Buildings Shs. '000
COST AND VALUATION	
At 1 January 2004 and at 31 December 2004	31,921
DEPRECIATION	
At 1 January 2004	
Charge for the Year	3,836
	652
At 31 December 2004	4,488
NET BOOK VALUE	
At 31 December 2004	27,433
At 31 December 2003	28,085

If leasehold buildings were stated on the historical cost basis, the amounts would be as follows:

	Group		Company	
	2004 Shs. '000	2003 Shs. '000	2004 Shs. '000	2003 Shs. '000
Cost	17,455	16,939	5,119	5,119
Accumulated Depreciation	(3,714)	(3,146)	(2,358)	(2,256)
Net Book Value	<u>13,741</u>	<u>13,793</u>	<u>2,761</u>	<u>2,863</u>

10 PREPAID OPERATING LEASE RENTAL

	Group		Company	
	2003 Shs. '000	2002 Shs. '000	2003 Shs. '000	2002 Shs. '000
Net Book Value At 1 January	9,925	8,271	515	527
Translation Adjustment	545	1,666	-	-
	<u>10,470</u>	<u>9,937</u>	<u>515</u>	<u>527</u>
Amortisation for the Year	12	12	12	12
Net Book Value At 31 December	<u>10,458</u>	<u>9,925</u>	<u>503</u>	<u>515</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

	2004 Shs. '000	2003 Shs. '000
11 INVESTMENT IN SUBSIDIARY COMPANIES		
Unquoted investments:		
Dunlop Industries Limited – 100% Equity Interest:		
Shareholding at cost	500	500
Amount Due on Current account	11,996	10,854
	12,496	11,354
	12,496	11,354
Olympia Capital Corporation Limited: [Formerly – Yeti Holdings (Proprietary) Limited]		
Shareholding at cost	9,491	8
Amount Due on Current account	650	650
Funds Paid awaiting allotment of shares	-	9,483
	10,141	10,141
	22,637	21,495

The details of the subsidiary companies are as follows:

Company	Share Capital	County of Incorporation	Principal Activity
Dunlop Industries Limited	Shs. 500,000	Kenya	Manufacture and sale of Vinylex floor tiles and adhesives
Olympia Capital Corporation (Proprietary) Limited	Pula 135,660	Botswana	Investment Holding Company
Kalahari Floor Tiles (Proprietary) Limited	Pula 15,336,320	Botswana	Manufacture and sale of vinylex floor tiles and adhesives
Gaborone Enterprises (Proprietary) Limited	Pula 450,000	Botswana	Investment Property

(i) **Olympia Capital Corporation Limited**

The Company now holds a 56% equity interest in Olympia Capital Corporation Limited, whose shareholding changed on 8th November 2004 as follows:-

- 119 ordinary shares of Pula 1 each were issued at a share premium of Pula 10,243 per share towards funds paid by existing shareholders and awaiting share allocation, in the shareholding ratio in existence.

- A further 71 ordinary shares of Pula 1 each were issued at a share premium of Pula 10,243 in order to acquire the remaining 6% minority interest in Kalahari Floor Tiles (Proprietary) Limited, which (then as a result) became a 100% owned subsidiary.
- Thereafter, 134,470 ordinary shares of Pula 1 were issued as bonus shares to its existing shareholders in the ration of their pre bonus shareholding.
- Each ordinary share of Pula 1 each was sub-divided into 100 ordinary shares of Pula 0.01 each by way of a share split.

As detailed in note 22, this subsidiary offered for sale by way of an initial public offering approximately 5.1% of its ordinary share capital. This was successfully taken up post the balance sheet date.

(ii) Kalahari Floor Tiles (Proprietary) Limited

As detailed above, this now becomes a fully owned subsidiary of Olympia Capital Corporation Limited.

(iii) Gaborone Enterprises (Proprietary) Limited

This remains a fully owned subsidiary of Kalahari Floor Tiles (Proprietary) Limited.

(iv) Plasrik (SA (Proprietary) Limited

Kalahari Floor Tiles (Proprietary) Limited disposed of its 100% shareholding in this company during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

(Cont.)

			2004 Shs. '000	2003 Shs. '000
12	GOODWILL			
	Kalahari Floor Tiles (Proprietary) Limited			
	At 1 January		9,983	11,652
	On Acquisition during the Year		5,305	
	Translation Adjustment		696	1,367
	Amortisation for the Year		(3,483)	(3,036)
	At 31 December		<u>12,501</u>	<u>9,983</u>
			=====	=====
		Group	2004	2003
			Shs. '000	Shs. '000
		Company	2004	2003
			Shs. '000	Shs. '000
13	CURRENT ASSETS			
13.1	Inventories		37,245	30,346
13.2	Debtors		115,488	109,773
	Cash and Bank Balances		50,298	37,265
			<u>203,031</u>	<u>177,384</u>
			=====	=====
13.1	INVENTORIES			
	Raw Materials		14,265	12,864
	Finished Goods		14,757	11,133
	Consumables		8,223	6,349
			<u>37,245</u>	<u>30,346</u>
			=====	=====
13.2	DEBTORS			
	Trade		35,912	25,871
	Other Receivables		5,806	12,113
	Due from Related Parties (Note 20)		71,907	70,495
	Due from Directors		1,863	1,294
			<u>115,488</u>	<u>109,773</u>
			=====	=====
14	SHARE CAPITAL			
	Authorised			
	40,000,000 Ordinary Shares of Shs. 5/- each		200,000	200,000
			=====	=====
	Issued and Fully Paid			
	10,000,000 Ordinary Shares of Shs. 5/- each		50,000	50,000
			=====	=====

During the year, the subsidiary company, Olympia Capital Corporation Limited recovered a further goodwill of Kshs. 5,305,000/- on acquisition of the minority interest (6%) in Kalahari Floor Tiles (Proprietary) Limited. The subsidiary company's directors have resolved to write this off in such a manner so as to amortize each tranche of goodwill over a period of 55 years from the date of transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

15 DEFERRED TAXATION

Deferred Tax is calculated on temporary differences under the liability method using a principal tax rate of 30% (2003: 30%). The movement in the deferred tax account is as follows:

	Group		Company	
	2004 Shs. '000	2003 Shs. '000	2004 Shs. '000	2003 Shs. '000
At 1 January	11,179	2,369	7,184	7,352
Underprovision of Deferred Tax	842	842	842	842
As restated	12,021	3,211	8,026	8,194
Income Statement Charge/(Credit) (Note 6)	(724)	5,720	(193)	(15)
Revaluation Reserve	2,660	1,874	-	(153)
Translation Adjustment	(1,046)	1,216	-	-
At 31 December	<u>12,911</u>	<u>12,021</u>	<u>7,833</u>	<u>8,026</u>
Tax Losses not Recognised	<u>8,168</u>	<u>17,027</u>	<u>5,847</u>	<u>4,897</u>

Deferred tax assets and liabilities, deferred tax (credit)/charge in the income statement and deferred tax charge/(credit) in equity are attributable to the following items:

Losses	(2,518)	(5,174)	(1,754)	(1,469)
Accelerated Tax Depreciation	539	739	432	625
Revaluation Surplus	12,088	9,428	7,401	6,559
Leave Pay Provisions	(79)	(93)	-	-
Unrealised Exchange Gains	261	797	-	-
Translation Adjustment	170	1,216	-	-
	<u>10,461</u>	<u>6,913</u>	<u>6,079</u>	<u>5,715</u>
Tax Losses not Recognised	<u>2,450</u>	<u>5,108</u>	<u>1,754</u>	<u>1,469</u>
Deferred Tax Liability	<u>12,911</u>	<u>12,021</u>	<u>7,833</u>	<u>7,184</u>

A portion of the deferred tax asset attributable to tax losses has not been recognised. This is in line with IAS 12 which requires that deferred tax assets relating to the unused tax losses carried forward be recognised only to the extent that it is probable that future taxable profit will be available against which the unutilised tax losses can be used.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

(Cont.)

	Group		Company	
	2004 Shs. '000	2003 Shs. '000	2004 Shs. '000	2003 Shs. '000
16 BORROWINGS				
Loans:				
Standard Chartered Bank Botswana Ltd.	5,979	4,628	-	-
Rikett Asia Limited	7,317	15,281	-	-
	<u>13,296</u>	<u>19,909</u>	<u>-</u>	<u>-</u>
Bank Overdrafts	1,873	2,610	152	28
Finance Leases	5,317	3,550	-	-
	<u>20,486</u>	<u>26,069</u>	<u>152</u>	<u>28</u>
Total Borrowings				
Current	<u>(12,003)</u>	<u>(5,761)</u>	<u>(152)</u>	<u>(28)</u>
Non-Current	<u>8,483</u>	<u>20,308</u>	<u>-</u>	<u>-</u>

Analysis of Borrowings by Currency

	Kenya Shillings		Botswana Pula	
	2004 Shs. '000	2003 Shs. '000	2004 Pula '000	2003 Pula '000
Loans	-	-	735	1,164
Bank Overdrafts	1,873	2,610	-	-
Finance Leases	-	-	294	207
	<u>1,873</u>	<u>2,610</u>	<u>1,029</u>	<u>1,371</u>

Details of Securities for Loans and Overdrafts:

The loan from Standard Chartered Bank Botswana Limited is secured by a mortgage bond over lots 51, 52 and 53 Mogodishane for Shs. 13,575,000.

21% of Kalahari Floor Tiles (Proprietary) Limited have been pledged to Rikett Asia Limited as security.

The loan and overdraft facilities from Standard Chartered Bank Kenya Limited are secured by a debenture for Shs. 15,700,000 over the assets of Dunlop Industries Limited and is supported by a legal charge of the same amount over L.R. No. 209/5532, Industrial Area Nairobi in the name of Olympia Capital Holdings Limited and a guarantee by the latter for Shs. 15,700,000.

Finance leases are secured on the assets leased and are repayable over a period of 29 to 60 months in equal monthly instalments of Shs. 323,7002 (Pula 17,884) and carries an interest rate varying between prime rate plus 1% to 3% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

	Group		Company	
	2004 Shs. '000	2003 Shs. '000	2004 Shs. '000	2003 Shs. '000
17 CURRENT LIABILITIES				
17.1 Creditors				
Borrowings	67,295	80,282	16,718	17,171
Dividends Payable	12,003	5,762	152	28
Taxation	5,851	5,851	5,851	5,851
	5,997	6,177	1,612	1,612
	<u>91,146</u>	<u>98,072</u>	<u>24,333</u>	<u>24,662</u>
17.1 CREDITORS				
Trade	27,656	35,646	-	-
Other Payable	26,245	23,219	6,362	6,681
Due to Directors	3,284	12,107	1,793	1,780
Due to Related Parties (Note 20)	10,110	9,310	8,563	8,710
	<u>67,295</u>	<u>80,282</u>	<u>16,718</u>	<u>17,171</u>
	<u><u>91,146</u></u>	<u><u>98,072</u></u>	<u><u>24,333</u></u>	<u><u>24,662</u></u>
18 NOTES TO THE CASH FLOW STATEMENT			2004 Shs. '000	2003 Shs. '000
Reconciliation of Operating Profit to Cash Generated from Operations:				
Operating Profit			45,419	30,255
Adjustments For:				
Amortisation and Depreciation			8,368	5,971
Amortisation of Goodwill			3,483	3,036
Profit on Sale of Property, Plant and Equipment			(72)	(563)
Loss on Disposal of Investment			-	-
Net Exchange Gain			3,892	5,795
Exchange Revaluation Written Back			-	-
Operating Loss Before Working Capital Changes			<u>61,090</u>	<u>44,494</u>
Movement in Inventories			(6,899)	(8,133)
Movement in Debtors			(5,715)	3,391
Movement in Creditors			12,987	9,877
Cash Generated From Operations			<u>61,464</u>	<u>49,629</u>
			<u><u>61,464</u></u>	<u><u>49,629</u></u>
19 CASH AND CASH EQUIVALENT			2004 Shs. '000	2003 Shs. '000
Cash and Bank Balances			50,298	37,265
Bank Overdraft			(1,873)	(2,610)
			<u>48,425</u>	<u>34,655</u>
			<u><u>48,425</u></u>	<u><u>34,655</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

	2004	2003
	Shs. '000	Shs. '000
20 RELATED PARTY TRANSACTIONS		

The Following transactions were carried out on arms length basis with related parties:

i) Royalties payable to Dunlop UK	624	600
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	Group		Company	
	2004	2003	2004	2003
	Shs. '000	Shs. '000	Shs. '000	Shs. '000
20.1 Due to Related Parties				
Arco Industries Limited	105	265	105	265
Avon Financial Services Limited	177	257	177	257
Avon Marketing Services Limited	140	330	140	330
Avon Rubber Company Limited	1,337	707	1,013	706
Croxley Properties Limited	706	730	706	730
Dunlop UK	7,645	7,021	6,422	6,422
Kalahari Floor Tiles (Proprietary) Limited		-		-
	<u>10,110</u>	<u>9,310</u>	<u>8,563</u>	<u>8,710</u>
20.2 Due to Directors	<u>3,284</u>	<u>12,107</u>	<u>1,793</u>	<u>1,780</u>
20.3 Due from Directors	<u>1,863</u>	<u>1,294</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)

	Group		Company	
	2004 Shs. '000	2003 Shs. '000	2004 Shs. '000	2003 Shs. '000
20.4 Due from Related Parties				
Arco Industries Limited	602	598	-	-
Avon Financial Services Limited	380	101	-	-
Avon Rubber Company Limited	-	35	-	-
Dunvon Tanzania Limited	120	120	-	-
Dunlop Properties Limited	125	-	125	-
Maniple Limited	53,725	53,725	53,725	53,725
Mount Kenya Investment Limited	5,798	5,798	5,798	5,798
Accrued Interest Receivable	10,119	10,119	10,119	10,119
Kalahari Floor Tiles Limited	1,038	-	1,038	1,038
	<u>71,907</u>	<u>70,496</u>	<u>70,805</u>	<u>70,680</u>

A related party for the purpose of these financial statements is a company, which directly or indirectly has common ownership with Dunlop Kenya Limited. The amounts due from and due to related parties are in respect of transactions arising in the normal course of business.

	2004 Shs. '000	2003 Shs. '000
21 STAFF COSTS		
Wages and Salaries	24,438	16,732
Social Security Cost (NSSF)		87
Pension and Retirement Benefits		3,537
Gratuity		-
	<u>24,438</u>	<u>20,359</u>
Average number of persons employed by the group during the year was:	<u>107</u>	<u>100</u>

OLYMPIA CAPITAL HOLDINGS LIMITED (FORMERLY: DUNLOP KENYA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(Cont.)**

22 CONTINGENT LIABILITIES

The company's subsidiary, Olympia Capital Corporation Limited offered 734,000 ordinary shares of Pula .01 each by way of an initial public offering ("IPO") on the Botswana Stock Exchange at an issue price of Pula .08, representing 5.4% of the share capital prior to the IPO. The IPO of the shares closed on 31st January 2005.

By the closing date of 31st January 2005, the IPO was oversubscribed by 73.28%.

23 COUNTRY OF INCORPORATION AND REGISTERED OFFICE

The company is incorporated in Kenya under the Companies Act (Cap. 486) and is domiciled in Kenya.

PROXY

I/WE _____

OF _____

Being a member of the above Company, hereby appoint:

OF _____

Whom failing _____

OF _____

Of failing him, the Chairman of the Meeting as our/my proxy, to vote for us/me and on our/my behalf at the Annual General Meeting of the Company to be held on Friday, 5th August 2005 and at any adjournment thereof.

As witness our/my hand this _____ day of _____ 2005

Signed _____

Note:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.
2. In the case of a member being a limited Company this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. Proxies must be in the hands of the Secretary not later than 48 hours before the time of holding the meeting.

