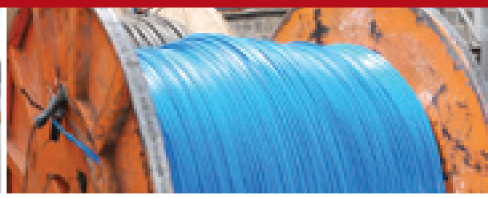
TransCentury

Investing in Africa

ANNUAL REPORT & FINANCIAL STATEMENTS

2010



Investing in Africa

Contents

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at the Fairmount (Norfolk) Hotel, Nairobi on Tuesday, 26th April, 2011 at 11.00 a.m. to conduct the following business:

AGENDA

ORDINARY BUSINESS

1. To read the notice convening the meeting and determine if a quorum is present;
2. To receive, consider and if approved, adopt the Chairman's statement, reports of the Directors and Auditors and audited financial statements for year ended 31st December, 2010;
3. To declare payment of a first and final Dividend recommended by the Board of Kshs 53,407,618/= (Kshs 0.20/= per share) for the year ended 31st December, 2010 to the shareholders in the Register of Members as at 12th April, 2011;
4. To elect Directors in accordance with the Company's Articles of Association:
   In accordance with the Company's Articles of Association, Messrs. Njeru Kirira and Joseph Karago retire by rotation from the office as Directors of the Company and, being eligible, they all offer themselves for re-election;
5. To approve the Directors' Remuneration;
6. To note that Messrs. KPMG Kenya Certified Public Accountants (K) having expressed willingness continue in office as the Auditors by virtue of section 159 (2) of the Companies' Act (Cap 486) and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

In connection with the listing of the Company's shares by introduction on the Nairobi Stock Exchange and in accordance with the requirements of the Capital Markets Authority and the Nairobi Stock Exchange, to amend the Articles of Association of the Company as follows:-

1. To amend Article 40 (Transfer of Shares) of the Articles of Association of the Company by passing the following resolution which will be proposed as a **SPECIAL RESOLUTION:**
   "the Articles of Association of the Company be and are hereby amended by deleting paragraphs (a) and (b) of Article 40"
2. To amend Article 98 (Directors) of the Articles of Association of the Company to increase the minimum number of directors of the Company from two (2) to five (5) by passing the following resolution which will be proposed as a **SPECIAL RESOLUTION:**
   "the Articles of Association of the Company be and are hereby amended by deleting the word "two" in the first sentence of Article 98 and replacing it with the word "five".
3. To amend Article 136 (Executive Directors) of the Articles of Association of the Company to exclude executive directors from retirement by rotation by passing the following resolution which will be proposed as a **SPECIAL RESOLUTION:**
   "the Articles of Association of the Company be and are hereby amended by inserting the following sentence at the end of Article 136: Notwithstanding anything contained in these Articles, a Director so appointed shall not, while holding any such office as aforesaid, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors."

4. To amend the Articles of Association of the Company to enable the Company to transmit notices and other information regarding the Company to members and directors by electronic means. In this regard, the following resolutions are proposed as **SPECIAL RESOLUTIONS:**

   "the Articles of Association of the Company be and are hereby amended by deleting the existing Articles 161 to 163 (inclusive) and replacing them with the following new Articles 161 to 163 as follows:

   161. Any notice or other document may be served by the Company on any Member or Director either personally or by sending it through the post (by airmail where such service is available) in a prepaid letter or by fax, e-mail or other electronic means addressed to such Member or Director at his registered address as appearing in the Register of Members or the Company's other records, whether such address shall be within or outside Kenya. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be sufficient notice to all the joint holders.

   162. Where a notice or other document is sent by post it shall be deemed to have been served on the third day after the day on which it was posted, if addressed within Kenya, and on the seventh day after the day on which it was posted if addressed outside Kenya. In proving such service or sending, it shall be sufficient to prove that the cover containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid airmail letter. Where a notice is sent by fax, e-mail or other electronic means it shall be deemed to have been served at the expiration of twenty-four hours after the time at which it was sent. The failure of any person to receive any notice served pursuant to this Article shall not in any way invalidate any proceedings or actions taken by the Company for which the notice was given.

163. A notice may be given by the Company to the person entitled to any share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid cover or by fax, e-mail or other electronic means addressed to him by name or by the title of representative or trustee of such deceased or bankrupt member or any like description at the address supplied for the purpose by the person claiming to be so entitled or by giving the notice in the manner in which the same would have been given if the death or bankruptcy had not occurred."

"the Articles of Association of the Company be and are hereby amended by the addition of the following new Article 166A immediately after the existing Article 166:

ELECTRONIC COMMUNICATION

166A Notwithstanding anything in these Articles to the contrary, any notice, document or information to be given, sent, supplied, delivered or provided to any person (including any Member) by the Company, whether pursuant to these Articles, the Act or otherwise, is also to be treated as given, sent, supplied, delivered or provided where:

(a) it is sent in electronic form; or

(b) to the extent permitted by law, it is made available on a website provided that, in the case of any notice to Members or any documents to be sent to Members under the provisions of Article 159, the Company shall contemporaneously publish the notice or (as the case may be) an abridged set of the balance sheet and income statement in two daily newspapers with nationwide circulation drawing attention to the website on which the notice and the full text of any other documents may be read, and the address to which a request for a hard copy of such documents may be submitted. To the extent permitted by law, upon such publication in the daily newspapers, the documents in question shall be deemed to have been sent to every Member or other person entitled to receive a copy of the documents."

5. To amend Article 171 (Non Private Company) of the Articles of Association of the Company by passing the following resolution which will be proposed as a **SPECIAL RESOLUTION:**

"the Articles of Association of the Company be and are hereby amended by replacing the existing Article 171 in its entirety with the following new Article 171:

COMPANY STATUS

The Company is not a private company. The Company shall, nevertheless, have no power to issue share warrants to bearer."

6. That the following be considered and, if thought fit, passed as a **SPECIAL RESOLUTION:**

"That the Board be authorised to establish an equity participation programme for the management, with a view to aligning management with the long term interests of shareholders, and that 10% of the authorised but unissued share capital of the Company be reserved for this purpose, subject to the requisite regulatory approvals".

BY ORDER OF THE BOARD

EMU REGISTRARS
SECRETARIES

NB: In accordance with section 136(2) of the Companies Act (Cap.486) every member entitled to attend and vote at the above meeting is entitled to appoint proxy to attend and vote on his behalf. A proxy need not be a member. A form of proxy is enclosed and should be returned to the secretaries, P.O. Box 61120 00200 Nairobi, to arrive not later than 48 hours before the meeting or any adjournment thereof.

Date: 21st Day of March, 2011
P.O. Box 61120 00200 NAIROBI

Mr. Zephaniah Gitau Mbugua,
Chairman of the Board

Mr. Mbugua is a graduate of Makerere University with a Bsc in Chemistry and Mathematics. He is a founder member and Chief Executive Officer of Abcon Group of Companies, Chairman of East African Cables Ltd., East African Cables (TZ) Ltd, Kewberg Cables & Braids, and Tanelec Limited . He is also a director of Proctor & Allan EA Ltd., and Zeniki Investment Ltd.

Peter Kanyago, ***Director***

Mr. Kanyago is a fellow of the Institute of Certified Public Accountants of Kenya, member of the Institute of Certified Public Secretaries of Kenya and holds an MBA in Industrial Management. He is involved with management of his business interests, which include East Africa Courier Ltd and East Africa Elevator Company (OTIS). He is the Chairman of Ecobank Kenya Ltd. and is a director of Kenya Tea Development Authority (KTDA) Ltd, Kenya Tea Packers (KETEPA), Corporate Insurance Company Ltd and East African Cables Ltd. He is currently on the board of governors for Gathera Secondary School. His contribution to the nation has been recognised in his being awarded Moran of the order of the Burning Spear (MBS) of the Republic of Kenya.

Ngugi Kiuna, ***Director***

Mr. Kiuna graduated with a Bsc Hons in Mechanical Engineering from the University of Portsmouth in the United Kingdom. His professional experience has involved working as a Managing Director of Holman Bros EA (John Deere) and as a Managing Director of Diversey (Unilever). He is currently the Managing Director of Maxam Limited in Kenya. His other directorships include Maxam Ltd, Rift Valley Railways, Chai Bora Limited, BOC Gases Kenya Ltd, Proctor & Allan (E A) Ltd, Avery East Africa Ltd, UBA Bank (Kenya) Ltd and X & R Technologies (Xerox).

Robin Kimotho, ***Director***

Mr. Kimotho graduated from Makerere University with BA (Econ) First Class Honours and an MBA (Finance Major) from the University of Alberta. In 1986 he obtained a diploma in Investment Planning and Appraisal from the University of Bradford. In his professional career he has been a lecturer at the Faculty of Business Administration, Papua New Guinea University of Technology (1974 – 1979). Between 1979 and 1987 he worked for Kenya Commercial Bank as a consultant in the Business Advisory Services Division, and as manager of the Economics and Planning Division. In 1987, he moved to the Africa Project Development Facility (APDF) as an Investment Officer, where he worked in various countries in eastern and southern Africa up to 1995. He is a member of the Association of Financial Analysts.

Njeru Kirira, ***Director***

Mr. Kirira graduated with a Masters degree in Public Administration (MPA) from the University of Pittsburgh and BA (Hons) from Makerere University in Economics and Agricultural Economics. He is trained and experienced in Fiscal Affairs and Tax Administration. In his professional career, he has been a long serving tax and fiscal policy administrator. He served in various capacities in the Treasury including, the Director of Fiscal & Monetary Affairs, and Economic Advisor to the Central Bank of Kenya before his appointment as the Financial Secretary to the Treasury. He has consulted with various local and regional organisations on economics and public administration, and he is currently a Managing Consultant with Global Economic Investment and Financial

Consultancy Limited (GEIFIC Limited). He is also serves as a council member for Inoorero University in Nairobi.

Mr Kiria has participated as a director in many companies including: Kenya Commercial Bank Limited, Savings & Loan Limited, Associated Vehicle Assemblers Ltd, Housing Finance, Kenya Revenue Authority, Kenya Post Office Savings Bank, National Social Security Fund, Phoenix Publishers and Suntra Investment Bank Ltd.

Dr. Gachao Kiuna,
Chief Executive Officer and Managing Director
Gachao joined Trans-Century from McKinsey & Company in Johannesburg, where he was a member of the Office Leadership Group leading McKinsey's Sub-Saharan Africa Practice. He was involved in advising corporate clients in emerging markets on corporate finance and strategy. He was also the principal consultant that led the McKinsey assignment to develop the Vision 2030 project for the Government of Kenya.

Gachao Joined McKinsey in 2003 after completing his PhD at the University of Cambridge, Corpus Christi College in the United Kingdom. Additionally he holds a First Class Honours BSc degree from Imperial College, London in Biochemistry and a PhD in Biotechnology from the Institute of Biotechnology in Cambridge.

Joseph Karago, ***Director***
Mr. Karago holds a Bachelor of Architecture from the University of Nairobi. In his professional background, he has worked for Symbion International Architects (1987-1991) and later joined Plence International as Partner-in-charge of Design and Technical Co-ordination (1992-1995). He left Plence International to set up his own practice, Karago & Associates Architects that he manages to date. Mr Karago is chairman of Sajo Ltd and Mcensal Ltd and is very active in corporate social responsibility including acting as a member of the board of governors of Thomas Barnados Home and Chairman of the Adoptions Committee, Kenya Children's Home.

Carol Musyoka, ***Director***
Ms. Carol Musyoka has over 10 years of financial leadership and legal experience working in Kenya and the United States. This includes deal origination, structuring and execution, as well as credit risk and treasury management. She has extensive senior-level experience in banking and corporate finance, having previously been Chief Operating Officer of K-Rep Bank, Corporate Director of Barclays Bank and a Corporate Manager with Citibank Kenya. Additionally, she has been a Project Officer with the Modern Africa Fund and an associate with Oraro & Co. Carol received her Master of Law degree from Cornell University, USA and holds a Bachelor of Law from the University of Nairobi. She is currently a director of Enablis East Africa and Institute for Economic Affairs.

Standing l-r Mumo Muthengi, Dr. Gachao Kiuna, Yida Kemoli, Janet Wanjiku, Wambua Kimeu Geoffrey Njue, Nganga Njiinu, Sitting l-r Kibiru Muthaka, Evelyne Wanjiku, Josephine Wangiri, Allan Munyua

Dr. Gachao Kiuna,
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Yida Kemoli,
Head of Corporate Finance and Strategy
Yida's background is in capital markets and private equity, having worked for JPMorgan's European Debt Capital Markets and the Actis Africa Fund. Additionally he advised Aureos on the establishment of the Aureos Africa Healthcare Fund and is a non-executive director of the Kenya Investment Authority. During his career, he has completed more than 20 transactions across acquisitions, project financing, securitisation and derivatives, across financial institutions and diversified industrials.

He has an MEng in Chemical Engineering from Imperial College London.

Wambua Kimeu, *Head of Finance*
Wambua joined TCL in 2007 and is responsible for managing the finance function of the company. During his period at the company, Wambua has gained extensive experience through his involvement in the acquisition and integration of Tanelec, Kewberg and Chai Bora.

Prior to joining TCL, Wambua worked in the audit and business advisory services department of PricewaterhouseCoopers, Nairobi where he was responsible for leading field audit teams and preparation of statutory accounts.

Wambua holds a Bachelor of Commerce degree (Finance Major) from the University of Nairobi. He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya. He is currently pursuing an MBA in general management.

Geoffrey Njue, ***Group Internal Auditor***
Geoffrey previously worked for Nestle as a senior internal auditor in South Africa and the Equatorial Africa region.

He has also worked for Industrial Promotion Services (IPS-K) as head of group internal audit overseeing risk, compliance and audit across subsidiaries in various sectors (infrastructure, food processing, pharmaceuticals, printing and packaging, specialised textiles, and leather) in East Africa. Before that he worked for PricewaterhouseCoopers.

Geoffrey has extensive experience in development and implementation of business process operation tools, risk management and operational audit tools. He holds a BSc in Civil Engineering from the University of Nairobi and is a Certified Public Accountant (K).

Allan Munyua,
Division Principal, Power and Specialised Engineering
Allan has a Masters degree in Settlements and Infrastructure Development from Politecnico di Milano and a Bachelors of Architecture degree (First Class Honours) from the University of Nairobi.

Allan has worked as an Investment Officer at Shelter Afrique in Nairobi, where he managed the company's loan portfolio, including business procurement in Eastern, Central and West Africa. Allan also worked at PricewaterhouseCoopers as a Manager in the Performance Improvement Division. He was responsible for delivering financial management advisory services to governments and development partners within the Eastern Africa region with particular focus in the infrastructure sector.

Mumo Muthengi,
Division Manager, Consumer and Investor Relations
Mumo has a background in investment banking and private equity. He started his career at Deutsche Bank Securities (New York) where he was an Analyst in the Financial Institutions Group. At Deutsche Bank, Mumo was involved in a variety of transactions including buy side and sell side advisory, acquisition financing, convertible debt, and equity capital raisings for clients within the insurance, specialty finance, mortgage finance and financial technology sectors. He also has private equity experience, gained during his time with Development Partners International (London) and Charter House Group (New York).

Mumo holds an MBA from Harvard Business School and a Bachelor of Business Administration in Finance from The University of Texas at Austin's McCombs School of Business.

Nganga Njiinu,
Division Manager, Specialised Engineering
Njiinu has an MBA in Finance and investment management from the University of Dallas in Irving, Texas and a Bachelor of Science in International Business from United States International University. He is also CFA charter holder and has over 8 years experience in financial services industry. He previously worked for Coldwell Banker Residential Brokerage, in the United States where he was involved in analysis, planning, strategy as well as evaluation and integration of acquisitions.

Kibiru Muthaka, ***Business Analyst***
Prior to Joining Trans-Century, Kibiru interned at the Capital Markets Authority as a financial analyst intern in the Market Supervision department. During his undergraduate studies he also interned at Ferris-Baker Watts Incorporated as a research intern under the direct supervision of the Vice-President of Investments. He holds a Bachelor of Science degree in Finance from Towson University, Maryland USA and is a level 3 candidate for the CFA designation.

Janet Wanjiku,
Financial and Management Accountant
Janet has a Bachelor of Commerce degree (Finance Option) from Catholic University of Eastern Africa and is also Certified Public Accountant - CPA (K). Prior to joining TCL, Janet worked as an Internal Auditor at Kenya Women Finance Trust reporting to the Chief Internal Auditor. Prior to that, she worked as an Accountant for the same organisation.

Josephine Wangiri,
Marketing & HR Executive
Josephine holds a degree in HR and higher diploma in Business Management. She has worked at Africa Online as the Personal Assistant to the MD and president, at Pan-African Trucks & Equipment (Pan) as the Human Resources Manager and Executive Assistant to the MD. She held a stint at Coca-Cola East and Central Africa Division as a HR & Marketing consultant. Josephine started working for Trans-Century in January 2007. She is a member of American Management Association.

Evelyne Wanjiku,
Finance and Administration Co-ordinator
Prior to joining Trans-Century, she worked at Wananchi Online and Jimana Limited. She has over 10 years experience in general office management, customer and client relations. Evelyne holds a Bachelors degree in Business Administration from Newport International University and is currently pursuing French at Alliance Française.

The Board of Directors of Trans-Century Limited is responsible for the governance of the company and is accountable to the shareholders, ensuring that the company complies with the law, the highest standards of corporate governance, and business ethics.

BOARD OF DIRECTORS

The Board consists of eight directors of which seven are non executive (including the board chairman) and one is executive (the chief executive officer). All non-executive directors on Trans-Century's board are independent of management and have diverse skills, experience and competencies appropriate for effective management of the company's business.

The board meets at least four times a year, with additional meetings when required. The directors are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for the direction and guidance on general policy, the board has delegated authority for conduct of day-to-day business to the CEO.

The Board nonetheless retains responsibility in maintaining the company's overall internal control on financial, operational and compliance issues. All our directors have also attended various corporate governance courses organized by accredited institutions. All non-executive directors are subject to periodic reappointment in accordance with company's Articles of Association.

BUSINESS ETHICS

The directors attach great importance to the need to conduct the business and operations of the company with integrity and in accordance with internationally developed principles on good governance. The company adopts the best principles of good corporate culture that requires the directors and all employees to maintain the highest personal and ethical standards and to act in good faith and in the interest of the company. The company has developed and implemented a code of conduct that sets out guidelines and rules, which are based on good governance principles of:

- Full compliance with the law
- Application of best accounting practices
- Application of best business practices

EQUAL EMPLOYMENT OPPORTUNITIES AND COMMITMENT TO OUR PEOPLE

The company is committed to provide equal opportunity to all employees and applicants on the basis of merit. Our practice is to create a meritocratic culture in all our businesses across the African continent.

COMMITTEES OF THE BOARD

The board has three standing committees which meet regularly under the terms of reference set by the board.

Audit and Risk Committee

The board has constituted an audit committee which meets at least quarterly. It includes four non-executive directors Ngugi Kiuna, Peter Kanyago, Robin Kimotho and Carol Musyoka and the CEO. Its responsibilities include review of financial information, in particular half year and annual financial statements, compliance with accounting standards, liaison with external auditors, remuneration of external auditors and maintaining oversight on internal control systems. Other responsibilities are to receive and consider the company's annual budget. The committee is guided by a charter from the board which outlines its mandate. The head of corporate finance and strategy, head of finance and group internal auditor are regularly invited.

Strategy and Investment Committee

The committee meets regularly, typically bi-monthly, and it includes two non-executive directors Zephaniah Gitau Mbugua and Ngugi Kiuna and the CEO. The main responsibility of the committee is to chart the strategy of the company and to oversee implementation of strategic decisions of the board. The head of corporate finance and strategy, and head of finance are regularly invited.

Nominations and Remuneration Committee

The committee meets at least quarterly and includes, three non-executive directors Zephaniah Gitau Mbugua, Joseph Karago and

Njeru Kirira and the CEO. The main responsibilities of the committee are to nominate TCL and subsidiary companies' board members, appointment of TCL and subsidiary CEO's, and succession planning. The committee also determines the company's remuneration policy for employees, management and non-executive directors. The committees submit their findings and recommendations at the quarterly board meetings.

DIRECTORS EMOLUMENTS AND LOANS

The aggregate amounts of emoluments paid to the directors for services rendered during this financial year ended 2010 are disclosed in the financial statements. Neither at the end of the financial year nor at any time during the year did there exist any arrangement to which the company is a party, whereby a director might acquire benefits by means of acquisition of the company's shares. All business transactions with the directors or related parties are carried out at arm's length. Such transactions have been disclosed.

RISK MANAGEMENT AND CONTROLS

The board recognizes that managing risk to ensure an optimal mix between risk and return is an integral part of achieving corporate goals. The board has put in place processes for identifying, assessing, managing and monitoring risks to ensure that the company's business objectives are achieved and risks mitigated. The company has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. They cover systems for obtaining authority for major transactions and for ensuring compliance with the laws and regulations that have significant financial implications. The Board approves company policies and procedures whereas the management implements the Board's risk management policy. Procedures are also in place to mitigate investment risks and manage the risk profile of the investment portfolio.

A comprehensive management accounting system is in place providing financial and operational performance measurement indicators. Regular senior management meetings are held to monitor performance and to agree on measures to drive improvement.

Chairman's Statement

Zephaniah Gitau Mbugua
Chairman of the Board

It gives me great pleasure to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 December 2010.

OVERVIEW OF THE BUSINESS ENVIRONMENT

The economies in which we operate (Eastern, Central and Southern Africa) broadly continued to grow and demonstrate strength, irrespective of the challenging global environment. Growth rates exceeded 5%, with the exception of South Africa, which given the maturity of the economy and the linkages with the global economy managed an impressive 3% growth. The expectations are that a positive outlook will be maintained, with domestic consumption and infrastructure investment, playing a key role in the continued growth. Additionally, the entire region is experiencing positive news from the natural resources sector. The traditional natural resource countries of Tanzania, South Africa, DRC and Zambia, are benefitting from strong demand and favourable pricing. Meanwhile, the rest of the region is beginning to find natural resources, most notably the recent oil discovery in Uganda. It is expected that intensified exploration in Southern Sudan, Uganda, DRC, Ethiopia and Tanzania, will yield more resources, whilst Kenya is beginning to show promise with increased exploration activity in the country.

OVERVIEW OF COMPANY PERFORMANCE

TransCentury reported improved performance of revenues of KSh 6.8 billion (25.5% growth) and net income of KSh 468 million (99.7% growth), reflecting the strong underlying market fundamentals of the infrastructure sector, the key focus of the company. As such the company is pleased to be able to report an increase in Company Shareholder Funds to KSh 6.9 billion as at December 2010.

BOARD

December 2010 saw the passing away of James Gachui, who served as Chairman of TransCentury and whose vision relentless effort and hard work brought TransCentury to where it is today. Words cannot express the debt we owe him for his steadfast leadership, nor can they express the deep loss we feel as we embark on the next growth phase of the business. James was our leader, our friend and our mentor and we are duty-bound to continue his good work and to live the values that he led us in developing. As his successor, I fully acknowledge the commitment and dedication required as I step into his shoes.

CAPITAL STRUCTURE

In 2010 TransCentury's Group Total Assets grew to KSh 11.2 billion with net income attributable to shareholders of the company growing to KSh 343 million. Based on this performance, the board recommends a dividend of KSh 0.20 per share.

Additionally, TransCentury at a meeting of shareholders on 8 February 2011, made several amendments to the Company's constitutional documents, allowing the Company to prepare the balance sheet for future growth. In summary the meeting of shareholders resolved to:

- Instruct the board and management of the Company to begin the process of seeking a listing on the Nairobi Stock Exchange, subject to obtaining regulatory approval, a process which is now underway, with the appointment of advisors to guide the company through this process
- Update the articles to allow the board to issue new securities, as appropriate to finance the near- and medium term growth
- Update the articles to allow the board to make acquisitions using the Company's shares as consideration, a process which is becoming fairly common place in the international capital markets

CORPORATE SOCIAL RESPONSIBILITY

In 2010, TransCentury in keeping with the spirit of Investing in Africa has committed to supporting the development of Strathmore Business School. This is an exciting undertaking as we are not only sharing the good fortune of TransCentury with the community, but also investing in the education of future managers and leaders. Human resources will always be the most valuable asset that we can develop and certainly the one that provides the most return.

APPRECIATION

I thank you, the shareholders, most sincerely for your continued support and commitment to the Company. To my fellow board members, you always give considerable time and add real value to the board deliberations that continue to drive the vision and actions of TransCentury. I want to extend my gratitude to all our stakeholders, customers and business partners for their continued support to our businesses. Finally I thank the management and employees of all our businesses for delivering an exemplary performance.

God Bless You All.

Zephaniah Gitau Mbugua
Chairman

Dr. Gachao Kiuna
Chief Executive Officer and Managing Director

"Growth and transformation are a part of the DNA of TransCentury and we therefore strongly value execution capacity, in respect of managing the existing subsidiaries, on-boarding new investments and seeking out new opportunities."

FOCUS ON GROWTH

TransCentury's key focus areas demonstrated growth over the preceding year and are expected to continue to exhibit a positive growth trajectory in the coming years. As such the Company reported growth across all of the key metrics including, Revenues (25.5%), EBIT (22.4%) and Net Income (99.7%).

This growth has arisen from:

- Favourable trading conditions as the economies in which we operate faired strongly
- Increased focus on investment in infrastructure by both the private and public sector
- Diligent focus on growth and cost drivers by management

Growth and transformation are a part of the DNA of TransCentury and we therefore strongly value execution capacity, in respect of managing the existing subsidiaries, on-boarding new investments and seeking out new opportunities. For this reason, TransCentury is now organised into 5 verticals, which reflect the Company's commitment to Investing in Africa:

- Power Infrastructure Division
- Transport Infrastructure Division
- Specialised Engineering Division
- Consumer Division
- Affiliated Holdings

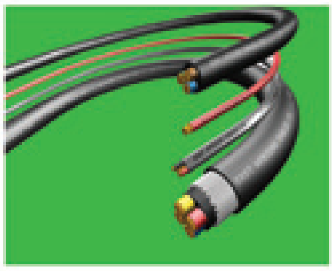
These areas are key focus points of growth in the near- and medium-term, which the Company will pursue through diversifying product offerings and geographical presence, within the respective verticals, as well as seeking acquisitions, brown-field investments and green-field investments.

POWER INFRASTRUCTURE DIVISION

Overview

The Power Infrastructure Division operates through 4 subsidiaries, namely East Africa Cables, Kewberg Cables and Braids, Cableries du Congo and Tanelec, which in aggregate have manufacturing facilities in Nairobi, Dar-es-Salaam, Arusha, Kampala, Kinshasa and Johannesburg. The division is involved in:

- Manufacturing and distributing copper and aluminium power cables
- Manufacturing and distributing specialised copper cables used for instrumentation, control systems, mining and aviation
- Distribution of fibre optic and data cables
- Manufacturing and servicing of transformers and switch-gear




Performance

Strong performance was reported in 2010 with revenues growing by 23% to KSh 5.5 billion and EBIT of KSh 367 million, arising from:

- Demand for copper cables with volumes increasing by 9%
- Demand for aluminium conductors with volumes increasing by 140%
- Demand for new transformers with volume growth of 38 %, by MVA

The division was however, impacted by a one-off impairment of receivables and inventory, relating to the Tanzanian cable subsidiary, which resulted in a one-off charge to EBIT.

KSh millions	2010	2009
Sales	5,505	4,485
EBIT	367	731

Investing for the future

Total investment in 2010 across this division has been KSh 607million, which has been focussed on:

- An increase in capacity across the cable and transformer manufacturing plants
- A brown-field acquisition of a cable manufacturing plant in Congo and subsequent investments in capacity to upgrade the facility

Outlook

The market for connectivity to electricity continues to be an exciting one for TransCentury, given:

- Africa continues to exhibit low levels of electricity access, a situation which is compounded by the continually growing populations
- Steadfast commitment by the respective regional utilities to roll-out the power grids and to install additional power generation capacity. The utilities, which are reporting profit growth, are well placed to finance these investments through internally generated funds and innovations in financing, such as public equity offerings, infrastructure bonds and public-private-partnerships
- Continued demand from the private sector markets as urban areas grow organically to cater for the needs of their own populations and inorganically, through rural-urban migration
- General economic growth is funding increased consumerism, which is driving capital investment by industry

TRANSPORT INFRASTRUCTURE DIVISION

Overview

Transport Infrastructure Division comprises the 34% shareholding in Rift Valley Railways, the concession to operate the 2,802 Km railway in Kenya and Uganda.



Key developments

- Agreed amendments to the concession agreements between Rift Valley Railways and the governmental authorities in Kenya and Uganda
- Appointment of America Latina Logistica as a technical partner, which is a leading Brazilian operator that carries 78% of South America's grain exports and as of 2010 operated a railway network of over 21,300 Km
- Appointment of a new senior executive management team, comprising a Chief Executive Officer, a Chief Financial Officer, a Chief Operating Officer and a Chief Commercial Officer. Collectively the team brings a vast wealth of experience from railways, ports, public sector, financial management and corporate finance, with experiences garnered across the world, including Africa, the United Kingdom, Germany and Brazil
- In principle agreements with debt fananciers, both domestic and development financial institutions, with the signing of the documents expected imminently
- Strong and committed working relationship between the anchor shareholders – TransCentury and Citadel Capital- whose combined financial resources and industrial experiences have been instrumental bringing the investment to this advanced stage of development

Outlook

The railway business is expected to perform strongly over the near and medium term given the significant demand for cargo logistics in the region, given:

- The Mombasa Port cargo, which is a key driver of volumes for the railway has grown from 13 MT in 2004 to 19 MT as at June 2010
- Natural competitive advantage for homogeneous point-to-point cargoes such as containers, grains, edible oils, fuel oils and natural resources

SPECIALISED ENGINEERING DIVISION

Overview

The Specialised Engineering Division, headquartered in Nairobi, is involved in:

- Distribution and servicing of mission-critical industrial machinery and products, including weighing equipment, generators and bearings
- Operations and maintenance contracts of large-scale industrial equipment
- Provision of electrical, mechanical and civil engineering services and allied project management




Performance

The division reported a 82% increase in sales to KSh 411 million and EBIT of KSh 65 million in 2010, driven by:

- Continued industrial growth in the regional economies, resulting in increased capital investments
- Focus by the client base on their respective core businesses, resulting in a preference to out-source as much as practicable, leading to increased revenue opportunities for the division. An example is the launch of the operations and maintenance contracting business.
- Geographical expansion of the business, with the division opening operations in Tanzania and Uganda

KSh millions	2010	2009
Sales	411	226
EBIT	65	22

Outlook

Trans-Century has a positive outook for this business as the economies of the region continue to exhibit growth factors, as expressed above.

CONSUMER DIVISION

Overview

The Consumer Division, headquartered in Dar-es-Salaam, operates a regional tea-blending and packaging company, under the Chai Bora brand.

Performance

The division reported a 28% increase in sales to KSh 915 million an EBIT of KSh 114 million 2010, driven by:

- Underlying market fundamentals as there is increasing demand for tea in the market
- Implementation of a new hybrid distribution model, which has helped the company to bring tea products closer to the market
- Geographical expansion into the broader region

KSh millions	2010	2009
Sales	915	714
EBIT	114	33

Outlook

Trans-Century has a positive outook for this business as:

- Tanzania's per capita tea consumption continues to grow in line with the country's increasing prosperity. This is also true of the region, where similar economic and consumer trends are being experienced.
- Increasing enquiries from international buyers, keen to market a domestic African brand in international markets.

AFFILIATED HOLDINGS

Affiliated Holdings comprises

- Karen Mall
- 10.7% shareholding in Development Bank of Kenya
- Private equity fund investments in Helios Investors LP, Aureos East Africa Fund, Aureos South Asia Fund, Aureos China Fund and Business Partners International.

This division reported a positive valuation growth in 2010, as the Company has seen the value of investment holdings grow in line with the general improvement in international capital markets.

Dr Gachao Kiuna
Chief Executive Officer

Directors, Officers and Administration

DIRECTORS
Z. Mbugua (Chairman)
J.M. Gachui (Deceased 16 December 2010)
J. Karago
P. Kanyago
R. Kimotho
N. Kiuna
N. Kirira
G. Kiuna
C. Musyoka

SECRETARY
Emu Registrars
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Upper Hill
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AUDITORS
KPMG Kenya
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Standard Street
PO Box 40612
00100 Nairobi GPO

REGISTERED OFFICE
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ADVOCATES
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PO Box 8418
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Nairobi

Kaplan & Stratton Advocates
9th Floor, Williamson House
4th Ngong Avenue
PO Box 40111
00100 Nairobi GPO

BANKERS
National Industrial Credit Bank Limited
PO Box 44599
00100 Nairobi GPO

Commercial Bank of Africa Limited
PO Box 30437
00100 Nairobi GPO

Kenya Commercial Bank Limited
PO Box 30081
00100 Nairobi GPO

Citi Bank NA
P.O. Box 30711
00100 Nairobi GPO

Co-operative Bank of Kenya Limited
PO Box 48231
00100 Nairobi GPO

Standard Bank of Soth Africa
7th floor, 3 Simmonds Street
Johannesburg, 2001
P.O.Box 61029
Marshalltown 2107
Soth Africa

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2010, which disclose the state of affairs of the company and the group.

1. Activities

The group's principal activity is that of making investments.

2. Results

The results for the year are set out on page 20.

3. Dividends

The directors recommend the payment of a first and final dividend of KShs 0.20 (2009 - KShs 0.05) per share which amounts to KShs 53,407,618 (2009 – KShs 13,146,213).

4. Directors

The directors who served since 1 January 2010 are set out on page 16.

5. Auditors

The auditors, KPMG Kenya, have indicated their willingness to continue in office in accordance with Section 159(2) of the Kenyan Companies Act.

6. Approval of financial statements

The financial statements were approved at a meeting of the directors held on 21 March 2011.

BY ORDER OF THE BOARD

EMU REGISTRARS

Secretaries

Date: 21 March 2011

Statement of Directors' Responsibilities

The Directors are responsible for the preparation and fair presentation of the group and company financial statements of Trans-Century Limited set out on pages 20 to 63 which comprise the group and company statements of financial position at 31 December 2010, the group statement of comprehensive income, group and company statements of changes in equity and group statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Under the Kenyan Companies Act the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company as at the end of the financial year and of the operating results of the group for that year. It also requires the Directors to ensure the group keeps proper accounting records which disclose with reasonable accuracy the financial position of the group and the company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the group and the company and of the group 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.

The Directors have made an assessment of the group and the company's ability to continue as a going concern and have no reason to believe the group and the company will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 21 March 2011
and were signed on its behalf by:

Director
Zephaniah Gitau Mbugua

Director
Dr Gachao Kiuna

KPMG Kenya
Public Accountants
16TH Floor, Lonrho House
Standard Street
P.O. Box 40612 00100 GPO
Nairobi Kenya

Telephone +254 20 2806000
Fax: +254 20 2215695
Email: info@kpmg.co.ke
Website: www.kpmg.co.ke

We have audited the group and company financial statements of Trans-Century Limited set out on pages 20 to 63 which comprise the group and company statements of financial position at 31 December 2010, the group statement of comprehensive income, group and company statements of changes in equity and group statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As stated on page 3, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial position of Trans-Century Limited at 31 December 2010, and of the consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act.

Report on other legal requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

(ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and

(iii) The statement of financial position of the company is in agreement with the books of account.

KPMG Kenya

Date: 21 March 2011

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2010

	Note	2010 KShs'000	2009 KShs'000
Revenue		6,794,650	5,414,887
Cost of sales		(4,718,393)	(3,444,669)
Gross profit		**2,076,257**	**1,970,218**
Net other income	5	688,460	126,428
Distribution, administration and operating expenses		(1,348,889)	(991,019)
Profit before depreciation, impairment and finance cost		**1,415,828**	**1,105,627**
Impairment losses	7	(206,078)	(126,078)
Depreciation and amortisation		(235,479)	(183,480)
Results from operating activities		**974,271**	**796,069**
Finance income	6	90,024	130,596
Finance cost	6	(433,710)	(400,040)
Net finance cost		**(343,686)**	**(269,444)**
Profit before income tax	**7**	**630,585**	**526,625**
Income tax expense	8	(162,323)	(292,128)
Profit after income tax		**468,262**	**234,497**
Other comprehensive income			
Revaluation of property, plant and equipment, net of deferred tax		534,206	329,276
Net change in fair value of available-for-sale financial assets		429,499	(81,435)
Available-for-sale released on disposal of quoted shares		134,962	(3,624)
Exchange differences on translation of foreign subsidiaries		282,020	26,190
Other comprehensive income net of income tax		**1,380,687**	**270,407**
Total comprehensive income/(expense) for the year		**1,848,949**	**504,904**
Profit after tax is attributable to:			
Equity holders of the company		343,713	91,903
Non-controlling interest		124,549	142,594
Profit for the year		**468,262**	**234,497**
Total comprehensive income/(expense) for the year attributable to:			
Equity holders of the company		1,328,552	293,832
Non-controlling interest		520,397	211,072
		1,848,949	**504,904**
BASIC AND DILUTED EARNINGS PER SHARE - (KShs)	22(a)	**1.29**	**0.34**
DIVIDEND PER SHARE - (KShs)	22(b)	**0.20**	**0.05**

The notes set out on pages 28 to 63 form an integral part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December 2010

ASSETS	Note	2010 KShs'000	2009 KShs'000
Non current assets			
Property, plant and equipment	9	3,733,378	2,580,388
Investment property	10	345,502	205,000
Prepaid operating lease rentals	11	160,200	167,415
Intangible assets	12	371,129	373,319
Quoted investments	13(a)	93,625	321,822
Unquoted investments	13(b)	1,520,955	788,113
Other investments	13(d)	-	3,505
Investments in funds	14	914,268	598,223
Deferred tax asset	23(a)	2,720	1,587
		7,141,777	**5,039,372**
Current assets			
Stocks	16	1,944,264	1,472,136
Debtors and prepayments	17	1,913,833	1,707,900
Tax recoverable		29,520	31,472
Cash and bank balances	18	207,084	278,723
Short term bank deposits	18	-	203,728
		4,094,701	**3,693,959**
TOTAL ASSETS		**11,236,478**	**8,733,331**
EQUITY AND LIABILITIES			
Capital and reserves (Pages 24 - 27)			
Share capital	19	133,519	131,462
Share premium	20	106,684	106,684
Revenue reserves		2,407,642	2,119,394
Translation reserve	21(a)	367,556	55,331
Available for sale reserve	21(b)	447,682	(27,580)
Revaluation reserve	21(c)	434,989	237,637
Proposed dividends	22(b)	53,408	13,146
Total equity attributable to equity holders of the company		**3,951,480**	**2,636,074**
Non-controlling interest		1,341,974	881,771
Total equity		**5,293,454**	**3,517,845**
Non current liabilities			
Deferred tax liability	23(b)	590,746	381,964
Provision for staff gratuity		25,533	21,663
Long term loan – non current portion	24	2,755,239	2,764,918
		3,371,518	**3,168,545**
Current liabilities			
Bank overdraft	18	234,504	181,353
Long term loan – current portion	24	814,737	927,539
Creditors and accruals	25	1,386,879	816,316
Tax payable		104,060	84,488
Unclaimed dividends		38	1,656
Aureos Fund – other members	14	31,288	35,589
		2,571,506	**2,046,941**
Total liabilities		**5,943,024**	**5,215,486**
TOTAL EQUITY AND LIABILITIES		**11,236,478**	**8,733,331**

The financial statements on pages 28 to 63 were approved by the Board of Directors on 21 March 2011and were signed on its behalf by:

Director: Zephaniah Gitau Mbugua   Director: Dr Gachao Kiuna

Company Statement of Financial Position

as at 31 December 2010

ASSETS	Note	2010 KShs'000	2009 KShs'000
Non current assets			
Property, plant and equipment	9	7,965	9,557
Investment property	10	165,000	145,000
Intangible assets	12	100	212
Quoted investments	13(a)	93,625	143,796
Unquoted investments	13(b)	272,193	788,113
Investment in subsidiaries	13(c)	6,963,115	5,429,240
Other investments	13(d)	-	3,514
Investments in funds	14	914,268	598,223
Loans to subsidiaries	15	623,900	760,815
Deferred tax asset	23(a)	125	29
		9,040,291	**7,878,499**
Current assets			
Debtors and prepayments	17	223,483	347,192
Tax recoverable		4,147	4,147
Loans to subsidiaries	15	124,235	124,235
Cash and bank balances	18	40,509	80,824
		392,374	**556,398**
TOTAL ASSETS		**9,432,665**	**8,434,897**
EQUITY AND LIABILITIES			
Capital and reserves (Pages 24 - 27)			
Share capital	19	133,519	131,462
Share premium	20	106,684	106,684
Revenue reserves		628,754	577,435
Available for sale reserve	21(b)	6,010,514	4,991,337
Proposed dividends	22(b)	53,408	13,146
Total equity attributable to equity holders of the company		**6,932,879**	**5,820,064**
Total equity		**6,932,879**	**5,820,064**
Non current liabilities			
Long term loan – non current portion	24	2,166,657	1,952,622
		2,166,657	**1,952,622**
Current liabilities			
Bank overdraft	18	94	1,854
Long term loan – current portion	24	232,483	532,793
Creditors and accruals	25	69,226	91,809
Unclaimed dividends		38	166
Aureos Fund – other members	14	31,288	35,589
		333,129	**662,211**
Total liabilities		**2,499,786**	**2,614,833**
TOTAL EQUITY AND LIABILITIES		**9,432,665**	**8,434,897**

The financial statements on pages 28 to 63 were approved by the Board of Directors on 21 March 2011 and were signed on its behalf by:

Director: Zephaniah Gitau Mbugua Director: Dr Gachao Kiuna

The notes set out on pages 28 to 63 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2010

	Note	2010 KShs'000	2009 KShs'000
Net cash flows from operating activities			
Profit before taxation		630,585	526,625
Depreciation		221,658	169,346
Amortisation of prepaid operating lease rentals		4,650	4,695
Amortisation of intangibles		9,171	9,439
Gain on disposal of shares quoted		(111,655)	722
Fair value gain of investment property		(117,864)	(59,945)
(Gain)/loss on sale of property, plant and equipment		(1,741)	2,098
Gain on disposal of intangible assets		-	(826)
Gain on sale of shares in subsidiaries		-	(742)
Exchange losses		170,155	4,909
Operating profit before working capital changes		**804,959**	**656,321**
(Increase)/decrease in debtors and prepayments		(205,933)	85,586
Increase in stocks		(472,128)	(40,968)
(Decrease)/increase in Aureos Fund			
- Other member		(4,301)	622
Increase/(decrease) in creditors		570,563	(130,133)
Increase in provision for staff gratuity		3,870	6,204
Cash generated from operations		**697,030**	**577,632**
Income tax paid		(157,965)	(422,123)
Dividends paid to shareholders of the company		(14,764)	(13,146)
Dividends paid to minority interest		(60,194)	(137,698)
Net cash flows from operating activities		**464,107**	**4,665**
Purchase of fixed assets		(627,341)	(429,022)
Purchase of intangible assets		(1,003)	(6,065)
Investment in funds		(39,946)	(82,615)
Proceeds from disposal of property, plant and equipment		9,929	3,002
Proceeds from disposal of quoted shares		590,441	59,871
Proceeds from disposal of intangible assets		-	7,370
Investment in subsidiary		(602,224)	-
Proceeds from sale of shares in subsidiaries		-	2,183
Loans to subsidiaries		-	(12,216)
Net cash flows from investing activities		**(670,144)**	**(457,492)**
Cash flows from financing activities			
Net movement in loans and borrowing		(122,481)	217,549
Proceeds from issue of shares		-	45,000
Cost of issuing new capital		-	(1,110)
Net cash flows from financing activities		**(122,481)**	**261,439**
Net decrease in cash and cash equivalents		**(328,518)**	**(191,388)**
Bank balance at the end of the period	18	(27,420)	301,098
Bank balance at the beginning of the period	18	301,098	492,486
Net decrease in cash and cash equivalents		**(328,518)**	**(191,388)**

The notes set out on pages 28 to 63 form an integral part of these financial statements.

2009	Share capital KShs '000	Share premium KShs '000	Revaluation reserves KShs '000	Translation reserve KShs '000	for sale reserve KShs '000	Retained earnings KShs '000	Proposed dividends KShs'000	Total KShs'000	Non-controlling interest KShs '000	Total KShs'000
Balance at 1 January 2009	131,012	63,244	29,170	6,539	27,750	2,020,448	13,101	2,291,264	798,945	3,090,209
Total comprehensive income for the year										
Net profit after taxation	-	-	-	-	-	91,903	-	91,903	142,594	234,497
Other comprehensive income										
Revaluation of property, plant and equipment in subsidiaries net of deferred tax	-	-	208,467	-	-	-	-	208,467	120,809	329,276
Exchange differences on translation of foreign subsidiaries	-	-	-	48,792	-	-	-	48,792	(22,602)	26,190
Net change in fair value of available for sale financial assets	-	-	-	-	(51,706)	-	-	(51,706)	(29,729)	(81,435)
Available-for-sale reserve										
Release on disposal of quoted shares	-	-	-	-	(3,624)	-	-	(3,624)	-	(3,624)
Total other comprehensive income	**-**	**-**	**208,467**	**48,792**	**(55,330)**	**-**	**-**	**201,929**	**68,478**	**270,407**
Total comprehensive income	**-**	**-**	**208,467**	**48,792**	**(55,330)**	**91,903**	**-**	**293,832**	**211,072**	**504,904**
Transactions with owners, recorded directly in equity										
Prior year tax adjustment by subsidiary	-	-	-	-	-	20,234	-	20,234	8,011	28,245
Dividend paid - 2008 final	-	-	-	-	-	(45)	(13,101)	(13,146)	(137,698)	(150,844)
Proposed dividend	-	-	-	-	-	(13,146)	13,146	-	-	-
New shares issued during the year for cash	450	44,550	-	-	-	-	-	45,000	-	45,000
Cost of issuing new shares	-	(1,110)	-	-	-	-	-	(1,110)	-	(1,110)
Release on disposal to minority interest	-	-	-	-	-	-	-	-	1,441	1,441
Total transactions with owners for the year	**450**	**43,440**	**-**	**-**	**-**	**7,043**	**45**	**50,978**	**(128,246)**	**(77,268)**
Balance as at 31 December 2009	**131,462**	**106,684**	**237,637**	**55,331**	**(27,580)**	**2,119,394**	**13,146**	**2,636,074**	**881,771**	**3,517,845**

The notes set out on pages 28 to 63 form an integral part of the financial statements.

2010	Share capital KShs '000	Share premium KShs '000	Revaluation reserves KShs '000	Translation reserve KShs '000	for sale reserve KShs '000	Retained earnings KShs '000	Proposed dividends KShs'000	Total KShs'000	Non-controlling interest KShs '000	Total KShs'000
Balance at 1 January 2010	131,462	106,684	237,637	55,331	(27,580)	2,119,394	13,146	2,636,074	881,771	3,517,845
Total comprehensive income for the year										
Net profit after tax	-	-	-	-	-	343,713	-	343,713	124,549	468,262
Other comprehensive income										
Revaluation of property, plant and equipment in subsidiary	-	-	169,804	-	-	-	-	169,804	364,402	534,206
Transfer from minority interest	-	-	27,548	-	22,952	-	-	50,500	(50,500)	-
Exchange adjustment	-	-	-	312,225	-	-	-	312,225	(30,205)	282,020
Available for sale arising during the year	-	-	-	-	429,499	-	-	429,499	-	429,499
Release on disposal of quoted shares	-	-	-	-	22,811	-	-	22,811	112,151	134,962
Total other comprehensive income	**-**	**-**	**197,352**	**312,225**	**475,262**	**-**	**-**	**984,839**	**395,848**	**1,380,687**
Total comprehensive income	**-**	**-**	**197,352**	**312,225**	**475,262**	**343,713**	**-**	**1,328,552**	**520,397**	**1,848,949**
Transactions with owners, recorded directly in equity										
Dividend paid 2009	-	-	-	-	-	-	(13,146)	(13,146)	(60,194)	(73,340)
Proposed dividends	-	-	-	-	-	(53,408)	53,408	-	-	-
Issue of additional shares	2,057	-	-	-	-	(2,057)	-	-	-	-
Total transactions with owners, recorded directly in equity	**2,057**	**-**	**-**	**-**	**-**	**(55,465)**	**40,262**	**(13,146)**	**(60,194)**	**(73,340)**
Balance at 31 December 2010	**133,519**	**106,684**	**434,989**	**367,556**	**447,682**	**2,407,642**	**53,408**	**3,951,480**	**1,341,974**	**5,293,454**

The notes set out on pages 28 to 63 form an integral part of the financial statements.

Company Statement of Changes in Equity

for the year ended 31 December 2009

Share	Share	Proposed	Available for	Retained		
	capital	premium	dividends	sale reserve	earnings	Total
2009:	KShs '000	KShs '000	KShs '000	KShs '000	KShs'000	KShs'000
Balance at 1 January 2009	131,012	63,244	13,101	5,567,970	556,516	6,331,843
Total comprehensive income for the year						
Profit for the year	-	-	-	-	34,110	34,110
Other comprehensive income for the year						
Net change in fair value of available for sale financial assets	-	-	-	(573,009)	-	(573,009)
Available-for-sale reserve released on disposal of quoted shares	-	-	-	(3,624)	-	(3,624)
Total other comprehensive expense	**-**	**-**	**-**	**(576,633)**	**-**	**(576,633)**
Total comprehensive (expense)/ income	**-**	**-**	**-**	**(576,633)**	**34,110**	**(542,523)**
Transactions with owners, recorded directly in equity						
New shares issued during the year for cash	450	44,550	-	-	-	45,000
Cost of issuing new shares	-	(1,110)	-	-	-	(1,110)
Dividend paid - 2008 Final	-	-	(13,101)	-	(45)	(13,146)
Proposed dividends	-	-	13,146	-	(13,146)	-
Total transactions with owners for the year	**450**	**43,440**	**45**	**-**	**(13,191)**	**30,744**
Balance as at 31 December 2009	**131,462**	**106,684**	**13,146**	**4,991,337**	**577,435**	**5,820,064**

The notes set out on pages 28 to 63 form an integral part of the financial statements.

Company Statement of Changes in Equity

for the year ended 31 December 2010

2010:	Share capital KShs '000	Proposed premium KShs '000	Available for dividends KShs '000	Retained sale reserve KShs '000	earnings KShs'000	Total KShs'000
Balance at 1 January 2010	131,462	106,684	13,146	4,991,337	577,435	5,820,064
Total comprehensive income for the year						
Profit for the year	-	-	-	-	106,784	106,784
Other comprehensive income for the year						
Net change in fair value of available for sale financial assets	-	-	-	976,617	-	976,617
Available-for-sale reserve released on disposal of quoted shares	-	-	-	42,560	-	42,560
Total other comprehensive expense	**-**	**-**	**-**	**1,019,177**	**-**	**1,019,177**
Total comprehensive (expense)/ income	**-**	**-**	**-**	**1,019,177**	**106,784**	**1,125,961**
Transactions with owners, recorded directly in equity						
New shares issued during the year for cash	2,057	-	-	-	(2,057)	-
Dividend paid - 2009 Final	-	-	(13,146)	-	-	(13,146)
Proposed dividends	-	-	53,408	-	(53,408)	-
Total transactions with owners for the year	**2,057**	**-**	**40,262**	**-**	**(55,465)**	**(13,146)**
Balance as at 31 December 2010	**133,519**	**106,684**	**53,408**	**6,010,514**	**628,754**	**6,932,879**

The notes set out on pages 28 to 63 form an integral part of the financial statements.

1. REPORTING ENTITY

Trans-Century Limited is a limited liability company incorporated in Kenya under the Kenyan Companies Act, and is domiciled in Kenya. The consolidated financial statements of the company as at and for the year ended 31 December 2010 comprise the company and its subsidiaries (together referred to as the "Group"). The address of its registered office is as follows:

Emu Registrars
4th Floor, Britak Centre
Cnr. Ragati and Mara Roads
Upper Hill
PO Box 61120
00200 Nairobi City Square

2. BASIS OF PREPARATION

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(ii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Available-for-sale financial assets are measured at fair value; and
- Investment property is measured at fair value.

(iii) Functional and presentation currency

These consolidated financial statements are presented in Kenya shillings (KShs), which is the group's functional currency.

(iv) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with International Financial Reporting Stan dards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. The estimates and assumptions are based on the directors' best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key areas of judgement in applying the entities accounting policies are dealt in the respective accounting policy note or/and disclosure note.

(v) Determination of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

2. BASIS OF PREPARATION (continued)

Valuation of unquoted investments and subsidiaries

For equity instruments for which no active market exists, the group uses the price of a recent investment or the earnings multiple to estimate the fair value of these investments. Management uses estimates based on historical data relating to earnings of the investee company and other market based multiples in arriving at the fair value.

The primary assumption in employing the earnings multiple method is that the market has assigned an appropriate value to the benchmark company. The methodology and assumptions used for arriving at the market based multiples are reviewed and compared with other methodologies to ensure there are no material variances.

Valuation of quoted investments

For quoted instruments, the fair value is determined by reference to their value weighted average price at the reporting date.

Valuation of investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The values adopted in the financial statements are based on professional valuation, performed on a regular basis, by registered valuers.

Valuation of property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the professional valuation on the acquisition date performed by registered valuers on an open market value basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

(a) Revenue income recognition

(i) Goods sold and services

Sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

Revenue from services rendered is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date.

The revenue is stated net of Value Added Tax (VAT).

(ii) Dividends

Dividend income is recognised in the statement of comprehensive income on the date that the Group's right to receive payment is established.

(iii) Interest on deposits with financial institutions

Interest on deposits with financial institutions is accounted for on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) Discount on treasury bills

Discount on treasury bills is credited to income on a straight line basis over the maturity period of the investment.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The consolidated financial statements include the company and its subsidiaries, Cable Holdings Limited in which the group holds 94.8113% (2009 – 94.8113%) of the voting rights, East African Cables Limited in which the Group effectively holds 63.3108% (2009 – 63.3108%) of the voting rights, Avery (East Africa) Limited in which 94.4058% (2009 – 94.4058%) of voting rights are held, Trans-Century Holdings Pty Limited which is 100% owned, Tanelec Limited in which 70% of the voting rights are held and Crystal Limited which is 100% owned. TC Mauritius Limited, Cable Holding Mauritius Limited, TC Railways Holdings Limited, Safari Rail Company Limited and Cableries du Congo SPRL which are all 100% owned. Cable Holdings Mauritius Limited owns 100% of Cableries du Congo Sprl. Crystal Limited was incorporated in 2008 and owns 95% (2009 – 97.5%) Chai Bora Limited.

The company also incorporated the following companies in Mauritius which are wholly owned:

- Trans-Century Mauritius Limited (Incorporated in 2008);
- Cable Holding Mauritius Limited (Incorporated in 2008);
- TC Railway Holdings Limited (Incorporated in 2009); and
- Safari Rail Company Limited (Incorporated in 2010).

In 2010, the company also incorporated Cableries du Congo, a cable manufacturing company in Congo.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

(iii) Venture capital

Investment in Rift Valley Railways (RVR) Investments Pty Limited, has been accounted for as a financial asset with its fair value gains/losses being recognised in profit and loss in the period in which they occur. The investment in RVR is held through Safari Rail Company Limited, a company incorporated in Mauritius.

Investment in Metal Fabrication of Zambia Plc (ZAMEFA), has been accounted for as an available-for-sale financial asset.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Translation of foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Kenya Shillings at exchange rates at the reporting date. Foreign currency differences are recognised directly in equity.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity.

(d) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost or valuation less accumulated depreciation and impairment.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The annual rates of depreciation used are as follows:

• Freehold Land	Nil
• Freehold Buildings	2% – 5%
• Leasehold Buildings	2% or over the lease period if shorter than 50 years on acquisition
• Plant, machinery and equipment	5% - 13%
• Furniture, fixtures, fittings, motor vehicles and computers	12.5% - 33%

The assets' residual values and useful lives are reviewed and adjusted as appropriate at each statement of financial position date.

(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in statement of comprehensive income.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(g) Impairment

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Inventories

Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventories (continued)

Work in progress and manufactured finished goods are valued at production cost including direct production costs (cost of materials and labour) and an appropriate proportion of production overheads and factory depreciation. The cost of stocks is based on the weighted average principle.

If the purchase or production cost is higher than net realisable value, stocks are written down to net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Trade and other debtors

Trade and other debtors are stated at amortised cost less an estimate made for doubtful receivables based on a review of all outstanding amounts at year end.

(j) Employee benefits

(i) Defined contribution plan

Some employees of the Group are eligible for retirement benefits under defined contribution plans provided through separate fund arrangements.

Contributions to the defined contribution plan are charged to the profit or loss as incurred.

(ii) Staff gratuity

Unionisable staff for one of the subsidiaries are eligible to a gratuity upon retirement based on 23 days pay for each completed year of service at current salary. A provision is made in the financial statements for the estimated liability of such gratuity payable. Movements in the provision are accounted for in profit or loss.

(iii) Leave accrual

The monetary value of the unutilised leave by staff as at year end is recognised as an expense in the year and carried in the accruals as a payable.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(k) Taxation

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

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes except differences relating to the initial recognition of assets or liabilities which affect neither accounting nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the tax asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is calculated on the basis of the tax rates enacted at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances, and short term deposits net of bank overdrafts.

(m) Related party transactions

The group discloses the nature, volume and amounts outstanding at the end of each financial year from transactions with related parties, which include transactions with the directors, executive officers and group or related companies.

(n) Dividends

Dividends are recognised as a liability in the period in which they are declared. Proposed dividends are treated as a separate component of equity.

(o) Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. Financial instruments held by the group include term deposits and receivables arising from day to day sale of goods and services and cash and bank balances.

Management determines the appropriate classification of its financial instruments at the time of purchase and re-evaluates its portfolio every statement of financial position date to ensure that all financial instruments are appropriately classified.

The quoted investments, unquoted investments and investments in subsidiaries are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, including foreign exchange gains and losses on non-monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the statement of comprehensive income.

Loans and receivables which include term deposits and receivables arising from day to day sale of goods and services, are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method.

A financial asset is derecognised when the group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

(p) Intangible assets

(i) Goodwill/Premium on acquisition

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment.

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

(ii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Intangible assets (continued)

(iii) Brand

Acquired assets are capitalised and stated at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method over estimated useful life. The estimated useful life of the brand is 20 years.

(q) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(r) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specifics to the liability.

(s) Comparatives

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

(t) New standards and interpretations not yet adopted

A number of amendments to standards and interpretations are effective for the year ended 31 December 2010:

- IAS 24 'Related party disclosures' amends the definition of a related party and modifies certain related party disclosure requirements for government related entities. The amendment to IAS 24 will become mandatory for the Group's 2011 financial statements and are expected to have an impact on the presentation of related party information in the Group's financial statements.
- IFRS 9 'Financial Instruments' retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised costs and fair value. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.
  IFRS 9 will become mandatory for the Group's 2014 financial statements and is not expected to have a significant effect on the financial statements.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Group has exposure to the following risks from its use of financial instruments:

(a) Credit risk;
(b) Liquidity risk; and
(c) Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The finance department identifies, evaluates and hedges financial risks.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets represents the maximum exposure to credit risk:

	2010 KShs'000	2009 KShs'000
Trade and other receivables	1,913,833	1,707,900
Cash and bank balances	207,084	278,723
Short term bank deposits	-	203,728

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity risk arises in the general funding of the company's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Group does not have access to a diverse funding base. Funds are raised mainly from its shareholders, banks and its own internal resources.

The Group strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities.

The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall company strategy.

In addition, the Group holds a portfolio of liquid assets as part of its liquidity risk management strategy.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (continued)

The table below shows the contractual maturity of financial liabilities:

2010: KShs'000	Due on demand	1 - 3 months	3 - 12 months	1 - 5 years	Total
Liabilities:					
Bank loans	-	661,217	391,902	2,516,857	3,569,976
Bank overdraft	234,504	-	-	-	234,504
Creditors and accruals	-	532,321	854,558	-	1,386,879
Aureos Fund – other members	-	-	-	31,288	31,288
Total financial liabilities	**234,504**	**1,193,538**	**1,246,460**	**2,548,145**	**5,222,647**
2009:					
Liabilities:					
Bank loans	-	-	927,539	2,764,918	3,692,457
Bank overdraft	181,353	-	-	-	181,353
Creditors and accruals	-	-	816,316	-	816,316
Aureos Fund – other members	-	-	-	35,589	35,589
Total financial liabilities	**181,353**	**-**	**1,743,855**	**2,800,507**	**4,725,715**

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group is exposed to currency risk through transactions in foreign currencies. The company's transactional exposures give rise to foreign currency gains and losses that are recognised in profit or loss.

In respect of monetary assets and liabilities in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying foreign currencies at spot rates to enable the Group to meet its obligations. The Group's exposure to foreign currency risk was as follows based on notional amounts in US dollars:

	2010 KShs'000	2009 KShs'000
Cash and bank balances	42,184	70,701
Investments in funds	914,268	598,223
Unquoted investments	1,248,762	643,033
Bank overdraft	(37,146)	(2)
Bank loan	(468,789)	(379,100)
Shareholders loans	674,425	811,340
Net statement of financial position exposure	**2,373,704**	**1,744,195**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

(i) Currency risk - continued

The following significant exchange rates applied during the year:

	Closing rate		Average rate	
	2010	2009	2010	2009
	KShs	KShs	KShs	KShs
USD	80.75	75.82	79.26	77.34

Sensitivity analysis

A 10 percent strengthening of the Kenya shilling against the following currencies would have decreased profit, loss and/or equity by amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009:

	Profit or (loss)
	KShs'000
At 31 December 2010:	
USD	**(237,370)**
At 31 December 2009:	
USD	**(174,420)**

(ii)Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets (including investments) and interest bearing liabilities mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the company's business strategies. The company does not have any significant interest rate risk exposures as currently all interest bearing borrowings and advances are at a fixed rate.

The table below summarizes the contractual maturity periods and interest rate profile of the Group's financial assets and liabilities:

As at 31 December 2010:	Effective interest rate %	On demand KShs '000	Due between 3 and 12 months KShs '000	Due between 1 and 5 years KShs '000	Non interest bearing KShs '000	Total KShs '000
Assets						
Quoted investments	-	-	-	-	93,625	93,625
Unquoted investments	-	-	-	-	1,520,955	1,520,955
Investments in funds	-	-	-	-	914,268	914,268
Trade and other receivables	-	-	-	-	1,913,833	1,913,833
Cash and bank balances	-	-	-	-	207,084	207,084
	-	**-**	**-**	**-**	**4,649,765**	**4,649,765**
Liabilities:						
Bank loans	10%-15%	-	1,053,120	2,516,856	-	3,569,976
Bank overdraft	13%-14%	234,504	-	-	-	234,504
Creditors and accruals	-	-	-	-	1,386,879	1,386,879
Aureos Fund – other members	-	-	-	-	31,288	31,288
		234,504	**1,053,120**	**2,516,856**	**1,418,167**	**5,222,647**
Interest rate sensitivity gap		**(234,504)**	**(1,053,120)**	**(2,516,856)**	**3,231,598**	**(572,882)**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

(ii) Interest risk - continued

As at 31 December 2010:	Effective interest rate %	On demand KShs '000	Due between 3 and 12 months KShs '000	Due between 1 and 5 years KShs '000	Non interest bearing KShs '000	Total KShs '000
Assets						
Quoted investments	-	-	-	-	321,822	321,822
Unquoted investments	-	-	-	-	788,113	788,113
Other investments	-	-	-	-	3,505	3,505
Investments in funds	-	-	-	-	598,223	598,223
Trade and other receivables	-	-	-	-	1,707,900	1,707,900
Cash and bank balances	-	-	-	-	278,723	278,723
Short term deposits	5% - 8%	-	203,728	-	-	203,728
		-	**203,728**	**-**	**3,698,286**	**3,902,014**
Liabilities:						
Bank loans	10% - 15%	-	927,539	2,764,918	-	3,692,457
Bank overdraft	13% - 14%	181,353	-	-	-	181,353
Creditors and accruals	-	-	-	-	816,316	816,316
Aureos Fund – other members	-	-	-	-	35,589	35,589
		181,353	**927,539**	**2,764,918**	**851,905**	**4,725,715**
Interest rate sensitivity gap		**(181,353)**	**(723,811)**	**(2,764,918)**	**2,846,381**	**(823,701)**

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

The board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Accounting classifications and fair values for financial assets and liabilities

The table below sets out the carrying amounts of each class of financial assets and liabilities, and their fair values:

31 December 2010:	Loans and receivables KShs'000	Available -for-sale KShs'000	Other amortised cost KShs'000	Total carrying amount KShs'000	Fair value KShs'000
Assets					
Quoted investments	-	93,625	-	93,625	93,625
Unquoted investments	-	1,520,955	-	1,520,955	1,520,955
Other investments	-	-	-	-	-
Investment in funds	-	914,268	-	914,268	914,268
Debtors and prepayments	1,913,833	-	-	1,913,833	1,913,833
Cash and bank balances	207,084	-	-	207,084	207,084
Total assets	**2,120,917**	**2,528,848**	**-**	**4,649,765**	**4,649,765**
Liabilities					
Bank overdraft	-	-	234,504	234,504	234,504
Longterm loan	-	-	3,569,976	3,569,976	3,569,976
Creditor and accruals	-	-	1,386,879	1,386,879	1,386,879
Aureos Fund- other members	-	-	31,288	31,288	31,288
Total liabilities	**-**	**-**	**5,222,647**	**5,222,647**	**5,222,647**

31 December 2009:	Loans and receivables KShs'000	Available -for-sale KShs'000	Other amortised cost KShs'000	Total carrying amount KShs'000	Fair value KShs'000
Assets					
Quoted investments	-	321,822	-	321,822	321,822
Unquoted investments	-	788,113	-	788,113	788,113
Other investments	-	3,505	-	3,505	3,505
Investment in funds	-	598,223	-	598,223	598,223
Debtors and prepayments	1,707,900	-	-	1,707,900	1,707,900
Cash and bank balances	278,723	-	-	278,723	278,723
Short term bank deposits	203,728	-	-	203,728	203,728
Total assets	**2,190,351**	**1,711,663**	**-**	**3,902,014**	**3,902,014**
Liabilities					
Bank overdraft	-	-	181,353	181,353	181,353
Longterm loan	-	-	3,692,457	3,692,457	3,692,457
Creditor and accruals	-	-	816,316	816,316	816,316
Aureos Fund- other members	-	-	35,589	35,589	35,589
Total liabilities	**-**	**-**	**4,725,715**	**4,725,715**	**4,725,715**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Valuation hierarchy

The valuation hierarchy, and types of instruments classified into each level within that hierarchy, is set out below:

	LEVEL 1	LEVEL 2	LEVEL 3
Fair value determined using:	Unadjusted quoted prices in an active market for identical assets and liabilities	Valuation models with directly or indirectly market observable inputs	Valuation models using significant non-market observable inputs
Types of financial assets:	Actively traded government and other agency securities Listed derivative instruments Listed equities	Corporate and other government bonds and loans Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters Corporate bonds in illiquid markets
Types of financial liabilities:	Listed derivative instruments	Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters

The table below shows the classification of financial instruments held at fair value into the valuation hierarchy set out below as at 31 December 2010 and 31 December 2009:

31 December 2010:	**Level 1 KShs'000**	**Level 2 KShs'000**	**Level 3 KShs'000**	**Total KShs'000**
Assets				
Quoted investments	93,625	-	-	93,625
Unquoted investments	-	1,520,955	-	1,520,955
Investments in funds	-	914,268	-	914,268
Total assets	**93,625**	**2,435,223**	**-**	**2,528,848**
31 December 2009:				
Assets				
Quoted investments	321,822	-	-	321,822
Unquoted investments	-	788,113	-	788,113
Investments in funds	-	598,223	-	598,223
Total assets	**321,822**	**1,386,336**	**-**	**1,708,158**

5. NET OTHER INCOME

Group:

	2010 KShs '000	2009 KShs '000
Gain on sale of other quoted securities and dividend from other investments	133,049	31,004
Gain/(loss) on sale of property	158	-
Change in fair value of investment property	117,864	59,945
Sale of scraps	13,787	5,618
Other income	423,602	29,861
	688,460	**126,428**

6. NET FINANCE COSTS

Group

	2010 KShs '000	2009 KShs '000
(a) Finance income		
Interest income	6,564	10,228
Gain on exchange	83,460	120,368
	90,024	130,596
(b) Finance costs		
Interest paid	(352,124)	(371,003)
Gain/(loss) on exchange	(81,586)	(29,037)
	(433,710)	(400,040)
Net finance expense	**(343,686)**	**(269,444)**

7. PROFIT BEFORE TAX

Group

		2010 KShs '000	2009 KShs'000
Profit before tax is arrived at after charging/(crediting):			
Depreciation		221,658	169,346
Amortisation of prepaid operating lease rentals		4,650	4,695
Amortisation of intangible assets		9,171	9,439
Directors emoluments	- Fees – Group	46,765	30,873
	- Other – Group	10,712	32,595
	- Company – Fees	12,015	10,431
	- Company – Other	-	14,194
Auditors remuneration	- Group and subsidiaries	14,470	15,505
	- Company – Current year	2,797	2,000
Provision for stocks		61,794	89,427
Debtors impairment loss		144,284	36,651
Impairment losses		206,078	126,078
And after crediting:			
Gain on sale of other quoted securities and dividends from other investments		(133,049)	(31,004)
Profit on disposal of property, plant and equipment		(1,741)	(2,098)

8. INCOME TAX

	2010 KShs '000	2009 KShs '000
Current tax:		
Charge for the year @ 30%	173,998	241,577
Prior years under provision	5,491	67,623
	179,489	309,200
Deferred tax expense/(credit) (Note 23)	(17,166)	(17,072)
	162,323	**292,128**

The tax on the consolidated results differs from the theoretical amount using the basic tax rate as follows:

	2010 KShs '000	2009 KShs '000
Accounting profit before tax	630,584	526,625
Tax at the domestic rate of 30%	189,175	157,988
Previous years under provision		
- Current tax	(1,928)	67,623
Effect of taxes in foreign jurisdictions*	108,828	(174)
Deferred tax not recognised	(32,294)	-
Tax effect of non-deductible expenses and non-taxable income	(101,458)	66,691
Income tax expense	**162,323**	**292,128**

* Trans-Century Holdings (Proprietary) Limited operates in South Africa where corporate taxes are 28% (2009 – 28%). In addition, Trans-Century Mauritius Limited, Cable Holding Mauritius Limited, TC Railway Holdings Limited and Safari Rail Company Limited operate in Mauritius where the corporate tax rate is 15%.

9. PROPERTY, PLANT AND EQUIPMENT

Group 2010:	Freehold land and buildings KShs'000	Leasehold buildings KShs'000	Plant and machinery KShs'000	Motor vehicles KShs'000	Furniture, fittings and equipment KShs'000	Work in progress KShs'000	Total KShs'000
Cost or valuation:							
At 1 January 2010	400,401	845,139	1,602,691	93,052	84,211	(349)	3,025,145
Additions	-	4,320	323,878	23,149	14,547	261,447	627,341
Transfers	-	-	143,681	-	-	(143,681)	-
Transfer to investment property - Subsidiary (Note 10)	-	(32,415)	-	-	-	-	(32,415)
Write offs/disposals	-	(1,376)	(930)	(990)	(11,033)	-	(14,329)
Revaluation - Subsidiary	-	635,021	67,868	(7,542)	-	-	695,347
Revaluation adjustment - Subsidiary	-	-	9,084	-	6	-	9,090
Exchange differences	37,900	(12,896)	12,005	(2,230)	141	201	35,121
At 31 December 2010	438,301	1,437,793	2,158,277	105,439	87,872	117,618	4,345,300
Comprising:							
Cost	425,917	373,859	1,402,399	90,698	62,296	220,971	2,576,140
Valuation	12,384	1,063,934	755,878	14,741	25,576	(103,353)	1,769,160
	438,301	1,437,793	2,158,277	105,439	87,872	117,618	4,345,300
Depreciation:							
At 1 January 2010	39,237	26,730	299,323	35,882	43,585	-	444,757
Charge for the year	11,687	24,372	147,166	21,331	17,102	-	221,658
Write offs/disposals	-	2,516	(2,817)	1,422	(7,262)	-	(6,141)
Transfer to investment property - Subsidiary (Note 10)	-	(7,735)	-	-	-	-	(7,735)
Revaluation - Subsidiary	-	(12,384)	(17,205)	(16,527)	(324)	-	(46,440)
Exchange differences	4,370	(1,324)	3,199	(815)	393	-	5,823
At 31 December 2010	55,294	32,175	429,666	41,293	53,494	-	611,922
Net book value:							
At 31 December 2010	**383,007**	**1,405,618**	**1,728,611**	**64,146**	**34,378**	**117,618**	**3,733,378**

9. PROPERTY, PLANT AND EQUIPMENT

Group 2009:	Freehold land and buildings KShs'000	Leasehold buildings KShs'000	Plant and machinery KShs'000	Motor vehicles KShs'000	Furniture, fittings and equipment KShs'000	Work in progress KShs'000	Total KShs'000
Cost or valuation:							
At 1 January 2009	394,664	558,960	1,009,225	74,658	67,833	103,003	2,208,343
Additions	1,449	5,141	220,519	35,506	18,304	148,103	429,022
Transfers	778	4,887	242,021	-	-	(247,686)	-
Transfer to investment property - Subsidiary (Note 10)	(14,331)	-	-	-	-	-	(14,331)
Disposals	-	145	799	(12,790)	(1,947)	(4,099)	(17,892)
Prior years adjustment - Subsidiary	-	93	(146)	(634)	(346)	-	(1,033)
Revaluation - Subsidiary	-	268,246	88,308	(4,301)	-	-	352,253
Exchange differences	17,841	7,667	41,965	613	367	330	68,783
At 31 December 2009	400,401	845,139	1,602,691	93,052	84,211	(349)	3,025,145
Comprising:							
Cost	393,754	401,995	1,428,923	93,463	75,020	(349)	2,392,806
Valuation	6,647	443,144	173,768	(411)	9,191	-	632,339
	400,401	845,139	1,602,691	93,052	84,211	(349)	3,025,145
Depreciation:							
At 1 January 2009	29,581	25,087	276,503	36,444	32,149	-	399,764
Charge for the year	9,751	18,876	109,681	18,726	12,312	-	169,346
Total write offs	-	-	516	(11,376)	(1,932)	-	(12,792)
Transfer to investment property - Subsidiary (Note 10)	(1,276)	-	-	-	-	-	(1,276)
Prior year adjustment - Subsidiary	-	94	(179)	(601)	(264)		(950)
Revaluation - Subsidiary	-	(17,265)	(91,654)	(9,222)	-	-	(118,141)
Exchange differences	1,181	(62)	4,456	1,911	1,320	-	8,806
At 31 December 2009	39,237	26,730	299,323	35,882	43,585	-	444,757
Net book value:							
At 31 December 2009	**361,164**	**818,409**	**1,303,368**	**57,170**	**40,626**	**(349)**	**2,580,388**

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company 2010:	Furniture, fittings and equipment KShs'000
Cost or valuation:	
At 1 January 2010	13,886
Additions	659
Disposals	(392)
At 31 December 2010	14,153
Depreciation:	
At 1 January 2010	4,329
Charge for the year	2,043
Disposals	(184)
At 31 December 2010	6,188
Net book value	
At 31 December 2010	**7,965**
2009:	
Cost or valuation:	
At 1 January 2009	10,019
Additions	4,257
Disposals	(390)
At 31 December 2009	13,886
Depreciation:	
At 1 January 2009	2,504
Charge for the year	2,007
Disposals	(182)
At 31 December 2009	4,329
Net book value	
At 31 December 2009	**9,557**

Revaluation

The buildings of one of the subsidiaries, East African Cables Limited, was revalued in December 2009 by Lloyd Masika Limited, a firm of professional valuers on the basis of open market value for existing use. The increase in net carrying value as a result of the revaluation was credited to a revaluation reserve account.

All the property, plant and equipment of a subsidiary, East African Cables (Tanzania) Limited, were revalued in December 2010 by Lloyd Masika Limited, a firm of professional valuers on the basis of open market value for existing use.

The properties, plant and equipment of a subsidiary, Tanelec Limited – Tanzania were revalued in August 2007 by Lloyd Jones Limited, a firm of professional valuers on the basis of open market value for existing use and were used to determine fair values of these assets at the date of acquisition.

Security

At 31 December 2010, properties of subsidiaries have been charged to secured banking facilities per Note 18.

10. INVESTMENT PROPERTY

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Cost/valuation				
At 1 January	205,000	132,000	145,000	132,000
Transfer from property, plant and equipment (Note 9)	24,680	13,055	-	-
Fair value changes	117,864	59,945	20,000	13,000
Currency changes	(2,042)	-	-	-
At 31 December	**345,502**	**205,000**	**165,000**	**145,000**

Revaluation

The company acquired a piece of freehold land in 2006 at KShs 46,309,000 for investment purposes. The land was valued at KShs 165 million in 2010 by Property World Limited, a firm of professional valuers on the basis of open market value for existing use.

The investment property of the subsidiary, East African Cables Limited, comprises of residential properties that have been leased to a third party which have been revalued by Lloyd Masika Limited (Kenya and Tanzania).

The properties are leased on a renewable annual lease.

11. PREPAID OPERATING LEASE RENTALS

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
At 1 January	167,415	174,606	-	-
Amortisation for the year	(4,650)	(4,695)	-	-
Exchange adjustment	(2,565)	(2,496)	-	-
At 31 December	**160,200**	**167,415**	**-**	**-**

12. INTANGIBLE ASSETS

(a) Group

2010:	Software KShs '000	Goodwill KShs '000	Brand KShs '000	Total KShs '000
Cost				
At 1 January	29,941	286,174	83,955	400,070
Additions	1,003	-	-	1,003
Exchange differences	-	(8,803)	15,809	7,006
At 31 December	30,944	277,371	99,764	408,079
Amortisation				
At 1 January	13,524	-	13,227	26,751
Amortisation	3,797	-	5,374	9,171
Exchange differences	(801)	(635)	2,464	1,028
At 31 December	16,520	(635)	21,065	36,950
Net carrying value				
At 31 December	**14,424**	**278,006**	**78,699**	**371,129**

12. INTANGIBLE ASSETS (Continued)

Group

2009:	**Software KShs '000**	**Goodwill KShs '000**	**Brand KShs '000**	**Total KShs '000**
Cost				
At 1 January	23,977	301,990	68,214	394,181
Additions	6,065	-	-	6,065
Disposals	-	(6,544)	-	(6,544)
Exchange differences	(101)	(9,272)	15,741	6,368
At 31 December	29,941	286,174	83,955	400,070
Amortisation				
At 1 January	8,673	-	7,014	15,687
Amortisation	4,851	-	4,588	9,439
Exchange differences	-	-	1,625	1,625
At 31 December	**13,524**	**-**	**13,227**	**26,751**
Net carrying value				
31 December	**16,417**	**286,174**	**70,728**	**373,319**

Company

2010:	**Software KShs '000**	**Goodwill KShs '000**	**Brand KShs '000**	**Total KShs '000**
Cost				
At 1 January and 31 December	337	-	-	337
Amortisation				
At 1 January	125	-	-	125
Amortisation during the year	112	-	-	112
At 31 December	237	-	-	237
Net carrying value				
At 31 December	**100**	**-**	**-**	**100**
2009:				
Cost				
At 1 January	237	-	-	237
Additions during the year	100	-	-	100
At 31 December	337	-	-	337
Amortisation				
At 1 January	43	-	-	43
Amortisation during the year	82	-	-	82
At 31 December	125	-	-	125
Net carrying value				
At 31 December	**212**	**-**	**-**	**212**

12. INTANGIBLE ASSETS (Continued)
Useful lives

The expected useful life of the identified brand is 20 years.

(b) Goodwill on acquisition of Trans-Century Holdings (Proprietary) Limited

The goodwill recognised represents the excess of the business combination over the acquired business' fair value of the identifiable assets and liabilities.

The business was acquired at 7 September 2007 and the fair values determined at that date were relied upon to support the carrying value of the goodwill recognised due to the proximity of the year end to the acquisition date. The carrying amount of the goodwill is reviewed annually on the basis of forecast profits of the cash generating assets and forecast sales of the products.

(c) Goodwill on acquisition of Crystal Limited

The goodwill recognised represents the excess of the business combination over the acquired business fair value of the identifiable assets and liabilities.

Given the proximity of the year end to the acquisition of the business at 31 July 2008, the fair values determined at that date were relied upon to support the carrying value of the goodwill recognised. The carrying amount of the goodwill is reviewed annually on the basis of forecast profits of the cash generating assets and forecast sales of the products.

(d) Brand

In accordance with IFRS 3 – Business Combinations, a valuation of the brand acquired was performed. This valuation was calculated as the present value of profits and KShs 1.122 billion (120 million Rand) turnover for 2008 and using 5% growth in revenues from 2009.

The useful life of the brand has been assessed over 20 years. The discount rate of 20.6% was used.

13. INVESTMENTS	**Consolidated 2010 KShs '000**	**Consolidated 2009 KShs '000**	**Company 2010 KShs '000**	**Company 2009 KShs '000**
(a) Quoted shares				
Movement during the year:				
At 1 January	321,822	432,843	143,796	185,950
Additions	-	10,911	-	-
Disposals	(254,484)	(65,969)	(76,458)	(56,969)
Fair value (loss)/gain in the year	26,287	(55,963)	26,287	14,815
At 31 December	**93,625**	**321,822**	**93,625**	**143,796**
Comprising:				
Cost	115,546	578,344	115,546	176,016
Cumulative fair value change	(21,921)	(256,522)	(21,921)	(32,220)
	93,625	**321,822**	**93,625**	**143,796**

13. INVESTMENTS (Continued)

(a) Quoted shares (continued)

Included in the quoted investments is an investment in Metal Fabricators of Zambia Plc ("ZAMEFA") which is quoted on the Zambian Stock exchange. The investment was disposed in 2010. The investment in ZAMEFA comprises of:

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Metal Fabricators of Zambia Plc Nil (2009 - 20.11%:				
Cost	-	402,328	-	-
Cumulative fair value deficit	-	(224,302)	-	-
Net company fair value	-	178,026	-	-
(b) Unquoted shares				
RVR Investments (PTY) Limited (RVR) (Registered in Mauritius):				
Initial cost	667,764	667,764	-	667,764
Additional investment in the year	580,998	-	-	-
Cumulative fair value change	-	(24,731)	-	(24,731)
	1,248,762	643,033	-	643,033
Development Bank of Kenya Limited				
Cost	78,689	78,689	78,689	78,689
Cumulative fair value gain	193,504	66,391	193,504	66,391
	272,193	145,080	272,193	145,080
	1,520,955	**788,113**	**272,193**	**788,113**

Trans-Century Limited initially entered into a subscription agreement to acquire 20% of shares in RVR Investments (Proprietary) Limited (RVR) in 2006, a company organised under the Laws of Mauritius. The total investment for the initial 20% stake in RVR was US$ 9 million that has been paid in full. By 2010, the company had made additional investments in RVR beyond the initial US$ 9 million in order to (a) provide emergency shareholder loans (b) meet capital calls made by RVR to shareholders in an ongoing rights issue and (c) fund a secondary share purchase of 12.07% of RVR shares from Ambience Ventures Limited (AVL), a subsidiary undertaking of Citadel Capital of Egypt. As a result the Company has increased its shareholding in RVR from its initial 20% to 34%.

In August 2010, the Company consolidated its entire 34% shareholding in RVR, through a wholly owned subsidiary Company organised under the Laws of Mauritius named Safari Rail Company Limited (SRL) through (a) a sale of 21.93% of RVR shares held by the Company to SRL and (b) a purchase of 12.07% of RVR shares from AVL.

13. INVESTMENTS (Continued)

(b) Unquoted shares (continued)

In October 2010, RVR successfully completed a restructuring of the Company and of the Joint Kenya-Uganda Railways concession. As a result, a new lead investment Company was established, named KU Railways Holdings (KURH) in place of the initial Lead Investor Sheltam Rail Company (SRC). Under the amended concession agreements, the shareholders of RVR swopped their shares in RVR for shares in KURH in order to take up shareholding in the new Lead Investor. The Company therefore owns 34% of KURH, through its subsidiary undertaking Safari Rail Company Limited, which is a wholly owned subsidiary of the Company. KURH (new Lead Investor) currently owns 100% of RVR (Concession Holding Company, through which the Company initially invested). The investment in KURH/RVR is carried at cost, which is a reflection of the most recent investment made in the company, which the directors believe is a reflection of the fair value. The concession agreement signed between RVR and the Governments of Kenya and Uganda remains in place and forms the basis of operation of RVR. The investment is still in its formative stages and as such will require additional financing and there are ongoing discussions with shareholders and lenders regarding additional equity and debt funding. Based on the foregoing factors the directors believe that the carrying value of the investment in RVR is fairly stated.

(c) Investment in subsidiaries – Fair value/cost

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Cable Holdings (Kenya) Limited 94.8113% (2009 – 94.8113%):				
Cost	-	-	271,681	271,681
Cumulative fair value gain	-	-	2,431,628	2,762,246
	-	-	2,703,309	3,033,927
Avery Kenya Limited 94.4058% (2009 – 94.4058%):				
Cost	-	-	49,853	49,853
Cumulative fair value gain	-	-	718,399	147,878
	-	-	768,252	197,731
Tanelec Limited 70% (2009 – 70%):				
Cost	-	-	78,720	78,720
Cumulative fair value gain	-	-	733,516	1,059,235
	-	-	812,236	1,137,955
Trans-Century Holdings Pty Limited 100% (2009 – 100%):				
Cost	-	-	122,167	122,167
Cumulative fair value gain	-	-	843,662	494,360
	-	-	965,829	616,527
Crystal Limited 97.5% (2009 – Nil):				
Cost	-	-	52	52
Cumulative fair value gain	-	-	740,334	443,048
	-	-	740,386	443,100
Trans-Century Mauritius Holdings Limited (100%)				
Cost	-	-	973,103	-
Cumulative fair value gain	-	-	-	-
	-	-	973,103	-
Total investment in subsidiaries	**-**	**-**	**6,963,115**	**5,429,240**

13. INVESTMENTS (Continued)

(c) Investment in subsidiaries – Fair value/cost (continued)

The company holds 94.8113% (2009 – 94.8113%) shareholding in Cable Holdings Limited which leads to an effective shareholding of 63.3108% (2009 – 63.3108) of East Africa Cables Limited (A company listed on the Nairobi Stock Exchange).

In the year 2005, the company acquired 94.4058% shareholding in Avery (East Africa) Limited.

In year 2007, the company acquired 70% shareholding in Tanelec Limited. The company holds 100% shareholding in Crystal Limited which was acquired in 2008. Crystal Limited in turn has a shareholding of 95% in Chai Bora Limited.

The company holds 100% shareholding in Trans-Century Mauritius Holdings, a company incorporated in Mauritius. The company was set up in 2009.

Fair value determined based on fair value policy per Note 2(v).

(d) Other investments – At fair value

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Other investments	-	3,505	-	3,514

Other investments are in respect of set up costs incurred to incorporate companies in Mauritius.

14. INVESTMENT IN FUNDS

Group and Company

The fund value has been disclosed at its fair value at the year end and fair value gains and losses have been accounted for through reserves.

	2010 KShs '000	2009 KShs '000
Aureos East Africa (AEAF)	45,218	43,695
Aureos South Asia (ASAF)	194,692	93,636
Aureos China (ACF)	134,452	61,642
Business Partners International (BPI)	59,419	43,814
Helios Investors LP (Helios)	209,214	209,839
Helios Investors Kili Parallel LLP (KILI LLP)	271,273	145,597
	914,268	**598,223**

Aureos East Africa Fund:

The company has committed to invest US$ 500,000 in the fund.

	2010	2009
The investment at cost is allocated as follows:		
Total calls	45,218	43,695
Company portion	(13,930)	(8,106)
Attributable to other members	**31,288**	**35,589**

Calls made to 31 December 2010 amounted to US$ 344,772 (2009 - US$ 400,736).
The fair value of the investment is KShs 45,218,000.

14. INVESTMENT IN FUNDS (Continued)

	ASAF USD'000	AEAF USD'000	ACF USD'000	BPI USD'000	Helios USD'000	KILI LLP USD'000	TOTAL USD'000
Commitment 2010 and 2009	2,500	500	2,000	1,500	2,500	2,000	11,000
% Holding	2.94%	1.25%	5.48%	10.64%	1.00%	1.56%	-
-Outstanding commitment:							
At 31 December 2010	924	155	815	570	651	-	3,115
At 31 December 2009	1,487	106	1,039	974	1,132	-	4,738
2010							
Valuation:							
At 1 January 2010	93,636	43,695	61,642	43,814	209,839	145,597	598,223
Additions/(redemptions) during the year	19,977	(4,506)	36,418	17,607	(29,550)	-	39,946
Fair value gain/(loss)	81,079	6,029	36,392	(2,002)	28,925	125,676	276,099
At 31 December 2010	**194,692**	**45,218**	**134,452**	**59,419**	**209,214**	**271,273**	**914,268**

2009	**ASAF KShs'000**	**AEAF KShs'000**	**ACF KShs'000**	**BPI KShs'000**	**Helios KShs'000**	**KILI LLP KShs'000**	**TOTAL KShs'000**
Valuation:							
At 1 January 2009	78,710	30,652	74,683	31,287	139,043	177,483	531,858
Additions/(redemptions) during the year	24,050	475	(18,854)	13,785	63,159	-	82,615
Fair value gain/(loss)	(9,124)	12,568	5,813	(1,258)	7,637	(31,886)	(16,250)
At 31 December 2009	**93,636**	**43,695**	**61,642**	**43,814**	**209,839**	**145,597**	**598,223**

15. LOANS TO SUBSIDIARIES	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Payable after 12 months:				
Trans-Century Holdings (Proprietary) Limited - South Africa	-	-	230,793	185,179
Crystal Ltd – Tanzania	-	-	393,107	388,753
Cable Holdings (Kenya) Limited	-	-	-	186,883
	-	**-**	**623,900**	**760,815**
Payable within 12 months:				
Chai Bora Ltd – Tanzania	-	-	73,710	73,710
Trans-Century Holdings (Proprietary) Limited	-	-	50,525	50,525
	-	-	**124,235**	**124,235**

16. INVENTORIES	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Raw materials	652,852	537,050	-	-
Finished goods	466,012	457,562	-	-
Work in progress	368,099	301,555	-	-
Goods in transit	288,207	9,351	-	-
Spares and lubricants	160,762	127,846	-	-
Machines	34,172	64,712	-	-
Stationery and printing	2,407	2,188	-	-
Provision for obsolete and slow moving stocks	(28,247)	(28,128)	-	-
	1,944,264	**1,472,136**	**-**	**-**

17. TRADE AND OTHER RECEIVABLES	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Trade receivables	1,661,441	1,167,608	-	-
Bad debts provision	(175,954)	(86,172)	-	-
	1,485,487	1,081,436	-	-
Sundry receivables and prepayments	426,766	624,289	124,685	244,107
Staff receivables	1,580	2,175	-	-
Due from related parties	-	-	98,798	103,085
	1,913,833	**1,707,900**	**223,483**	**347,192**

18. CASH AND CASH EQUIVALENTS	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Cash and bank balances	207,084	278,723	40,509	80,824
Short term deposits	-	203,728	-	-
Bank overdraft	(234,504)	(181,353)	(94)	(1,854)
Total cash and cash equivalents	**(27,420)**	**301,098**	**40,415**	**78,970**

Bank facilities

The Group has entered into facilities with various banks which are secured by pledge over various marketable listed stock exchange shares including East African Cables Limited (shares equivalent to KShs 4.7 billion 2009 – KShs 4.7 billion).

18. CASH AND CASH EQUIVALENTS (Continued)

A subsidiary, East African Cables Limited, has entered into a facility with a bank and is secured over certain land and buildings for KShs 870 million (2009 - KShs 870 million) and a debenture over all assets of the company for KShs 1.84 billion (2009 - KShs 1.64 billion). The bank facility comprises overdraft, term loan, letters of credit, bonds/guarantee and forex dealing.

A subsidiary, East African Cables (Tanzania) Limited, has a bank overdraft for working capital management and a short term post-import financing loan with Standard Bank (Tanzania) Limited. The facility is charged against the leasehold land and moveable assets of the subsidiary. The subsidiary also has a long term facility of KShs 44 million equivalent with Kenya Commercial Bank Tanzania Limited for the purchase of machinery. The loan is secured by the machinery purchased.

A subsidiary of Trans-Century Holdings (Proprietary) Limited, Kewberg Cables & Braids (Proprietary) Limited, has ceded and pledged to the Standard Bank of South Africa, all its rights in and to book debts and other debts and any claim, due or to become due to it. The loans at the subsidiary are secured over property, plant, equipment and current assets.

A subsidiary of Crystal Limited, Chai Bora Limited, has secured a medium term facility from CRDB Bank Limited; a USD 1,150,000 term loan and a TShs 2 billion overdraft facility. The loan and bank overdraft facility is secured by legal mortgage over industrial buildings, fixed and floating debentures over all the assets of the company and cross company guarantee and indemnity from Trans-Century Limited.

A subsidiary, Tanelec Limited, has a bank loan facility with Stanbic Bank Tanzania Limited which is due on May 2013 and attracts interest at 8.5%p.a. and a finance lease with respect to asset financing at the rate of 8.5%. The facility is secured with first charge over certain company assets, with a carrying value of TShs 2,767,012,500 and a corporate guarantee by Trans-Century Limited.

A subsidiary, Avery (East Africa) Limited, does not have a bank overdraft facility but had overdrawn its account by KShs 8,639,000 (2009 - KShs 4,214,000).

A subsidiary, Safari Rail Company Limited has entered into an interest free loan facility agreement of USD 6 million with Ambience Rail Company (Pty) Limited. This loan can only be used for the purpose of meeting capital requirements in Rift Valley Railways Company Limited. The loan is unsecured and repayable only out of dividends received or from the proceeds of sale of the company's interest in the investee company.

19. SHARE CAPITAL

	2010 KShs '000	2009 KShs '000
Group and Company		
Authorised		
400,000,000 ordinary shares of KShs 0.50 each	200,000	200,000
Issued and fully paid		
At 1 January 262,924,260 (2009 – 262,024,260)		
Ordinary shares of KShs 0.50 (2009 - KShs 0.50) each	131,462	131,012
New issue of 4,113,830 (2009 – 900,000)		
Ordinary shares of KShs 0.50 each	2,057	450
At 31 December 267,038,090 (2009 – 262,924,260)		
Ordinary shares of KShs 0.50 each	**133,519**	**131,462**

Share split

A split of 10:1 was carried on 16 October 2008.

Issue of new share capital

In 2008, the company raised funds though a private placement. The Directors have allotted 900,000 shares in 2009 from the funds raised. The holders of ordinary shares are entitled to receive dividends declared from time to time and are entitled to one vote per share at annual and general meetings of the company.

20. SHARE PREMIUM

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
At 1 January	106,684	63,244	106,684	63,244
Premium on issue of 900,000 shares at KShs 0.50 each for cash	-	44,550	-	44,550
Cost of issuing new shares	-	(1,110)	-	(1,110)
At 31 December	**106,684**	**106,684**	**106,684**	**106,684**

21. RESERVES

(a) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

b) Available for sale reserve

The available for sale reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised.

(c) Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment prior to its reclassification as investment property.

22. PROPOSED DIVIDENDS AND EARNINGS

(a) Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2010 was based on the profit attributable to ordinary shareholders of KShs 343,713,000 (2009 – KShs 91,903,000) and a weighted average number of ordinary shares outstanding during the year of 267,038,090 (2009 – 267,038,090).

	2010 KShs '000	2009 KShs '000
Profit attributable to ordinary shareholders	**343,713**	**91,903**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding during the year to assume conversion of dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at 31 December 2010 and 2009.

22. PROPOSED DIVIDENDS AND EARNINGS (continued)

(b) Proposed dividends

	2010 KShs '000	2009 KShs '000
Balance brought forward	13,146	13,101
Dividends paid on new share issuance	-	45
Final proposed for the year	53,408	13,146
Paid in the year	(13,146)	(13,146)
	53,408	**13,146**

Proposed dividends are accounted for as a separate component of equity until they have been ratified at an Annual General Meeting. During the year the directors paid the 2009 final dividend of KShs 13,146,213 and recommends a final dividend of KShs 0.20 per share amounting to KShs 53,407,618.

23. DEFERRED TAX (ASSET)/LIABILITY

(a) Deferred tax asset

Group 2010:	At 1 January 2010 KShs'000	Recognised through statement of comprehensive income KShs'000	Recognised in other comprehensive income KShs '000	Exchange difference KShs'000	At 31 December 2010 KShs'000
Property, plant and equipment	(846)	(139)	-	(21)	(1,006)
Provisions	2,156	1,442	-	-	3,598
Unrealised exchange losses	277	(149)	-	-	128
	1,587	**1,154**	**-**	**(21)**	**2,720**

Group 2009:	At 1 January 2010 KShs'000	Recognised through statement of comprehensive income KShs'000	Recognised in other comprehensive income KShs '000	Exchange difference KShs'000	At 31 December 2010 KShs'000
Property, plant and equipment	(309)	(537)	-	-	(846)
Provisions	1,318	838	-	-	2,156
Unrealised exchange losses	317	(40)	-	-	277
	1,326	**261**	**-**	**-**	**1,587**

23. DEFERRED TAX ASSET/(LIABILITY) (Continued)

		Recognised			
		through	Recognised		
Company	At	statement of	in other		At
	1 January	comprehensive	comprehensive	Exchange	31 December
	2010	income	income	difference	2010
2010:	KShs'000	KShs'000	KShs '000	KShs'000	KShs'000
Property, plant and equipment	29	96	-	-	125

		Recognised			
		through	Recognised		
At	statement of	in other		At	
	1 January	comprehensive	comprehensive	Exchange	31 December
	2010	income	income	difference	2010
2009:	KShs'000	KShs'000	KShs '000	KShs'000	KShs'000
Property, plant and Equipment	(74)	103	-	-	29

(b) Deferred tax liability

		Recognised			
		through	Recognised		
Group	At	statement of	in other		At
	1 January	comprehensive	comprehensive	Exchange	31 December
	2010	income	income	difference	2010
2010:	KShs'000	KShs'000	KShs '000	KShs'000	KShs'000
Staff gratuity provision	(5,135)	(793)	-	139	(5,789)
Other provisions and accruals	(74,535)	(39,662)	-	3,906	(110,291)
Prepayments	-	(18,809)	-	429	(18,380)
Unrealised exchange gain	48,744	15,782	-	-	64,526
Property, plant and machinery	412,890	27,469	206,008	14,313	660,680
Deferred tax liability	**381,964**	**(16,013)**	**206,008**	**18,787**	**590,746**

		Recognised			
		through	Recognised		
Group	At	statement of	in other		At
	1 January	comprehensive	comprehensive	Exchange	31 December
	2010	income	income	difference	2010
2009:	KShs'000	KShs'000	KShs '000	KShs'000	KShs'000
Staff gratuity provision	(3,479)	(2,874)	-	1,218	(5,135)
Other provisions and accruals	(15,693)	(33,975)	-	(24,867)	(74,535)
Prepayments	640	(789)	-	149	-
Unrealised exchange gain	3,310	(258)	-	45,692	48,744
Property, plant and machinery	260,637	21,085	141,118	(9,950)	412,890
Deferred tax liability	**245,415**	**(16,811)**	**141,118**	**12,242**	**381,964**

24. LOANS

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Bank loans -Long term	2,777,047	3,468,202	1,823,067	1,938,013
-Short term	792,929	-	-	-
Minority interest loan to subsidiary	-	224,255		-
Loans from subsidiaries	-	-	576,073	547,402
	3,569,976	**3,692,457**	**2,399,140**	**2,485,415**
Payable after 12 months	2,755,239	2,764,918	2,166,657	1,952,622
Payable within 12 months	814,737	927,539	232,483	532,793
	3,569,976	**3,692,457**	**2,399,140**	**2,485,415**

The bank loans are granted under the bank facilities per Note 18 above.

25. CREDITORS AND ACCRUALS

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Trade creditors	1,137,194	610,699	-	86,231
Sundry creditors	249,685	205,617	69,226	5,578
	1,386,879	**816,316**	**69,226**	**91,809**

26. RELATED PARTIES TRANSACTIONS

The following transactions were carried out with related parties:

	2010 KShs'000	2009 KShs'000
(a) Directors and executive officers		
Group and Company		
Directors emoluments – Group	46,765	30,873
Other Group	10,712	32,595
Company fees	12,015	10,431
Company other	-	14,194
	69,492	**88,093**
(b) Inter-company sales – Group		
From East African Cables Limited to Tanelec Limited	34,938	23,667
From Avery (East Africa) Limited to East African Cables Limited	798	-
	35,736	**23,667**
(c) Interest income - Company		
Chai Bora Limited	11,247	12,496
Crystal Limited	2,989	6,344
	14,236	**18,840**

26. RELATED PARTIES TRANSACTIONS continued

	2010 KShs'000	2009 KShs'000
(d) Dividends receivable - Company		
Cable Holdings (Kenya) Limited	64,102	192,306
Avery (East Africa) Limited	6,118	-
Tanelec Limited	26,816	21,409
TC Mauritius Holdings Limited	251,198	-
Metal Fabricators of Zambia Plc	7,299	3,157
	355,533	**216,872**
(e) Management fees - Company		
Tanelec Limited	27,782	26,076
Kewberg Cables and Braid (Pty) Limited	29,979	25,431
Avery (East Africa) Limited	12,306	7,023
Chai Bora Limited	27,522	20,549
	97,589	**79,079**
(f) Loans to subsidiaries - Company		
Payable after 12 months:		
Trans-Century Holdings (Proprietary) Limited - South Africa	230,793	185,179
Crystal Ltd – Tanzania	393,107	388,753
Cable Holdings (Kenya) Limited	-	186,883
	623,900	**760,815**
Payable within 12 months:		
Chai Bora Ltd – Tanzania	73,710	73,710
Trans-Century Holdings (Proprietary) Limited	50,525	50,525
	124,235	**124,235**
(g) Loan from subsidiary - Company		
Cable Holdings (Kenya) Limited	**576,073**	**547,402**
(h) Due from related parties - Company		
Cable Holdings (Kenya) Limited	10,233	53,534
Avery (East Africa) Limited	8,739	6,136
Chai Bora Limited	26,532	32,549
East African Cables Limited	-	1,255
Crystal Limited	9,937	(3,556)
TC Holdings Pty Limited	1,958	1,958
Tanelec Limited	(18,810)	(12,793)
Kewberg Cables and Braid (Pty) Limited	54,445	24,002
TC Mauritius Holdings Limited	(292)	-
Cable Holdings Mauritius Limited	3,087	-
TC Railway Holdings Mauritius	1,876	-
Safari Rail Company Limited	1,093	-
	98,798	**103,085**

27. SEGMENT INFORMATION

The Group has four reportable segments which are the strategic business units in the following segments:

- Power
- Transport
- Specialized engineering
- Consumer

For each of the strategic business units, the group Chief Executive Officer reviews internal management reports. Information regarding the results of each reportable segment is described below. Performance is measured based on each segment profit before tax as indicated in the internal management reports that are reviewed by the Group Chief Executive Officer.

Year ended 31 December 2010	Power KShs'000	Specialized engineering KShs'000	Consumer KShs'000	Transport KShs'000	Affiliated investments KShs'000	Intra-group adjustments KShs'000	Total KShs'000
Sales	**5,504,917**	**410,975**	**914,617**	**-**	**-**	**(35,859)**	**6,794,650**
Operating profit	367,494	64,757	114,240	-	427,780	-	974,271
Finance costs	-	-	-	-	-	-	(343,686)
Income tax expenses	-	-	-	-	-	-	(162,323)
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**468,262**
Attributable to:							
Equity holders	-	-	-	-	-	-	343,713
Non-controlling interest	-	-	-	-	-	-	124,549
Other information:							
Segment assets	7,404,343	252,363	636,083	1,248,762	1,662,687	-	11,204,238
Segment liabilities	2,983,084	122,010	207,298	-	1,935,826	-	5,248,218
Capital expenditure	607,669	14,276	5,740	-	659	-	628,344
Depreciation and armotisation	-	-	-	-	-	-	235,479

27. SEGMENT INFORMATION (Continued)

Year ended 31 December 2009	Power KShs'000	Specialized engineering KShs'000	Consumer KShs'000	Transport KShs'000	Affiliated investments KShs'000	Intra-group adjustments KShs'000	Total KShs'000
Sales	**4,485,331**	**225,835**	**713,992**	**-**	**-**	**(10,271)**	**5,414,887**
Operating profit	731,304	22,183	32,706	-	9,876	-	796,069
Finance costs	-	-	-	-	-	-	(269,444)
Income tax expenses	-	-	-	-	-	-	(292,128)
Profit for the year	-	-	-	-	-	-	234,497
Attributable to:							
Equity holders of company	-	-	-	-	-	-	91,903
Non controlling interest	-	-	-	-	-	-	142,594
Other information:							
Segment assets	5,646,775	135,506	675,756	643,033	1,599,202	-	8,700,272
Segment liabilities	2,225,199	39,656	298,398	-	2,185,781	-	4,749,034
Capital expenditure	389,732	11,708	29,390	-	4,257	-	435,087
Depreciation and armotisation	-	-	-	-	-	-	183,480

Segment assets comprise primarily property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude deferred tax and certain intra group receivables. Segment liabilities comprise operating liabilities. They exclude tax and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

28. CAPITAL COMMITMENTS

	Consolidated 2010 KShs '000	Consolidated 2009 KShs '000	Company 2010 KShs '000	Company 2009 KShs '000
Authorised and contracted for	**109,600**	**233,335**	-	-

29. CONTINGENCIES

One of Trans-Century Limited subsidiary, Cable Holdings (Kenya) Limited has given a guarantee and indemnity and supported a pledge of its shares in East African Cables Limited to secure borrowings by Trans-Century Limited, its parent from Kenya Commercial Bank, Commercial Bank of Africa Limited, Co-operative Bank of Kenya Limited and NIC Bank Limited. The maximum exposure is KShs 4.7 billion (2009 - KShs 4.7 billion) plus interest, charges and fees thereon.

Proxy Form

TRANS-CENTURY LIMITED

TO: EMU REGISTRARS
Secretaries,
P.O. Box 61120 - 00200
NAIROBI

I ……………………………………………………………………………..…………………………………………………..………………

of ………

being a member/members of ……………………………………………………………………………………………………...

hereby appoint ……………………………………………………………………...………………………………………………

of …………………………………………………………………………………….........…..…………………………………….........

or failing him ………………………………………………………………………..……………………………………….........…........

of ……………………………………………………………………………………..……………………………………….........…......

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting 26th April, 2011

Of the Company to be held on ………………………………………………………....…………………………………….........…......

And at any adjournment thereof.

Signed/Sealed this ………….Day of …………………………...…………..….., 2011

……………………………………

……………………………………..

NOTE: The proxy form should be completed and returned not later than 48 hours before the meeting or any adjournment thereof. In case of a Corporation, the Proxy must be executed under the Common Seal.

Notes


Investing in Africa

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