

Annual Report and Accounts

for the year ended
30 June 1989

P.O. Box 30161,
NAIROBI Kenya
Telephone 802701
Telex 22628
Fax 802054
Cables TUSKER NAIROBI

Contents	Page
Yaliyomo	Ukurasa
Financial Calendar	2
Kalenda ya Fedha	2
Corporate Information	2
Board of Directors	3
Wakurugenzi	3
Notice of Meeting	4
Tangazo la Mkutano	4
Chairman's Statement	5
Taarifa ya Mwenyekiti	5
Report of the Directors	9
Ripoti ya Wakurugenzi	9
Report of the Auditors	10
Ripoti ya Wakaguzi	10
Consolidated Profit and Loss Account	11
Consolidated Balance Sheet	12
Balance Sheet	13
Consolidated Statement of Source and Application of Funds	14
Notes to the Accounts	15
Profit and Earnings (Five year Review)	19
Faida na Mapato (ya miaka mitano)	19
Assets Employed (Five-year review)	--
Rasilimali iliyotumiwa (ya miaka mitano)	--
Net Assets Employed (K£ Millions)	
Mali Asili Iliyotumika (K£ Millions)	
Statement of Value Added	
Taarifa ya ongezeko la thamani	22
Breweries Activities	24
Shughuli za Breweries	24
Proxy Form	27
Mwakilishi	27

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Financial Calendar

(for the year ended 30 June 1989)

Financial Year ended 30 June 1989
Interim Results announced 8 February 1989
Final Results announced 12 September 1989

Report and Accounts

Annual Report issued 25 October 1989
67th Annual General Meeting to be held 16 November 1989

Dividends

Interim announced 8 February 1989
 closing date 20 April 1989
 paid 19 May 1989
Final announced 12 September 1989
 closing date 16 November 1989
 payable 15 December 1989

Share Price

Market price per share at 12 September 1989 was Kshs. 28/- each.

Mwaka wa Fedha uliomalizika 30 Juni 1989
Matokeo ya kwanza yalitangazwa 8 Februari 1989
Matokeo ya mwisho yalitangazwa 12 Septemba 1989

Ripoti na Hesabu

Ripoti ya Mwaka itatolewa 25 Oktoba 1989
Mkutano Mkuu wa sitini na saba wa mwaka utafanywa 16 Novemba 1989

Mgao

Wa Kwanza ulitangazwa 8 Februari 1989
 daftari ikafungwa 20 Aprili 1989
 ulilipwa 19 Mei 1989
Wa mwisho ulitangazwa 12 Septemba 1989
 daftari kufungwa 16 Novemba 1989
 utalipwa 15 Desemba 1989

Bei ya Hisa

Bei ya hisa mnamo tarehe 12 Septemba 1989 ilikuwa Kshs. 28/- kila moja.

Corporate Information

Chairman

J.G. Kiereini, EGH, EBS, SS

Managing Director

G.W. Tetu

Financial Director

N.G. Ajania, FCA

Non Executive Directors

C.S. Mbindyo, EBS
 R.O'B Wilson
 I.K. Cheluget
 D.J. Nyanjom
 J.K. Mwangi

Secretary

J.N. Muhoho (Mrs) LLB

Registrar

W.K. Munguti, FCIS

Registered Office

Tusker House,
 Thika Road, Ruaraka,
 P.O. Box 30161,
 Nairobi, Kenya.

Auditors

Gill & Johnson
 P.O. Box 40092
 Nairobi, Kenya

Advocates

Kaplan & Stratton
 P.O. Box 40111
 Nairobi, Kenya

Subsidiary Companies

Uganda Breweries Limited
 Central Glass Industries Limited

Associated Companies

Seychelles Breweries Limited
 Tanzania Breweries Limited

Bankers

Barclays Bank of Kenya Limited
 P.O. Box 30116
 Nairobi, Kenya

Citibank NA
 P.O. Box 30711
 Nairobi, Kenya

Standard Chartered Bank Kenya Limited
 P.O. Box 72585
 Nairobi, Kenya

2007/0831

Board of Directors



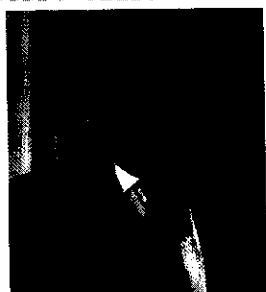
J.G. Mwerwa, EGH, EBS, SS
Chairman



N.G. Akoko, FCA
Financial Director



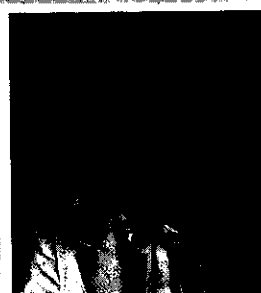
R.O. E. Wilson
Director



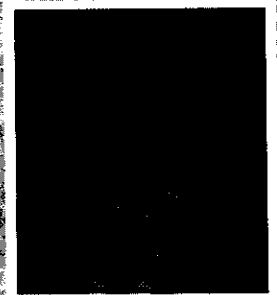
D.J. Njoroge
Director



G.W. Juma
Managing Director



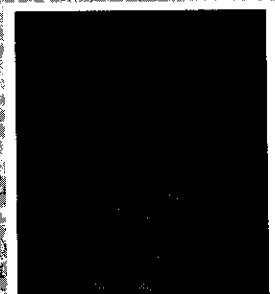
Mrs. J.N. Muboko
Secretary



L.K. Sanyal
Director



J.K. Mwangi
Director



J.K. Mwangi
Director

Notice of Meeting

Tangazo la Mkutano

Notice is hereby given that the sixty seventh Annual General Meeting of the shareholders will be held at Tusker Social Hall, Ruaraka, on Thursday 16 November, 1989 at 12.00 noon.

Special Business

To consider, and if approved, to adopt the following resolution which will be proposed as a Special Resolution: That the Articles of Association of the Company be altered by inserting in place of Article 53 the following Article:

"The Directors may exercise all the powers of the Company to raise, borrow or secure the payment of any sum or sums of money for the purposes of the Company"

Ordinary Business

1. To receive the accounts for the year ended 30 June 1989, and the reports of the directors and auditors thereon.
2. To confirm the payment of the interim dividend of 50 cents per share, and to consider the recommendation of the board to declare a final dividend of Shs. 1/50 per share payable on or about 15 December, 1989 to shareholders registered on 16 November, 1989. Payment to shareholders resident outside Kenya can only be made after obtaining Exchange Control approval.
3. To elect a director in accordance with the company's Articles of Association.
4. To confirm the directors' remuneration.
5. To authorise the directors to fix the auditors' remuneration.
6. To transact any other ordinary business of the company.

A member entitled to attend and vote may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the company.

By Order of the Board

J.N. Muhoho (Mrs)
Secretary
25 October, 1989

A form of proxy is on page 27 which members who do not propose to be at the meeting are requested to complete and return to the Registered Office of the Company so as to arrive not later than 12 noon on Wednesday, 15 November, 1989.

Tangazo inatolewa hapa kwamba Mkutano Mkuu wa sitini na saba wa Mwaka wa wenyehisa utafanywa katika Tusker Social Hall, Ruaraka, siku ya Alhamisi, tarehe 16 Novemba, 1989 saa sita za mchana.

Shughuli Maalum

Kujadili azimio lifuatalo ambalo mkutano ukitoa idhini litakubaliwa kama Azimio Maalum:

Kwamba kanuni ya 53 ya Masharti ya Kampuni ibadilishwe ili isomeke:

"Wakurugenzi wanaweza kutumia uwezo wote wa Kampuni wa ukopaji ili wakope, kutafuta pesa au kuweka dhamana kwa ajili hii."

Shughuli za kawaida

1. Kupokea taarifa ya hesabu ya pesa ya mwaka uliomalizikia tarehe 30 Juni 1989, pamoja na taarifa za wakurugenzi na wakaguzi wa vitabu vya hesabu.
2. Kuthibitisha malipo ya mgao wa kwanza ya senti hamsini kwa kila hisa, na kufikiria pendekezo la halmashauri kutangaza malipo ya Shilingi 1/50 kwa kila hisa yanayotarajiwa kulipwa mnamo tarehe 15 Desemba 1989 kwa wenyehisa ambao majina yao yameandikishwa mnamo tarehe 16 Novemba, 1989. Mgao kwa wenyehisa wanaoishi nje ya Kenya yanaweza kulipwa tu kukiwa na idhini ya Exchange Control.
3. Kuchagua mkurugenzi kuambatana na masharti na kanuni za kampuni.
4. Kuidhinisha malipo ya wakurugenzi.
5. Kutoa kibali kwa wakurugenzi kuamua kipimo cha malipo ya wakaguzi.
6. Kuzungumza mambo mengine yoyote yanayohusu shughuli za kampuni.

Mwanachama aliye na haki ya kuhudhuria mkutano na kupiga kura, anaweza kumteua mtu mwingine kumwakilisha. Sio lazima mwakilishi kama huyo kuwa mwanachama wa kampuni.

Kwa Amri ya Halmashauri

J.N. Muhoho (Mrs)
Katibu
25 Oktoba 1989

Ikiwa mwanachama hawezi kuhudhuria mkutano binafsi kuna fomu kwenye ukurasa 27 anayotakiwa kujaza na kurudisha kwenye Ofisi Kuu ya Kampuni ili iweze kufika kabla ya saa sita mchana, Jumatano, tarehe 15 Novemba, 1989.

Chairman's Statement

In the Chairman's statement for last year, the then Chairman predicted difficult times ahead for our Company due to bad weather conditions in the period preceding the month of June and the very bad condition of the roads in the Republic. These factors did not only affect the consumption but also the distribution of our products. Although the weather conditions improved slightly, the condition of the roads still remain as bad as ever and the cost of running our vehicles has increased considerably. A very major factor which has affected our profits was the high increase in the cost of barley due to very poor barley yields. However, as a result of admirable effort by our staff and despite the cost of our products remaining extremely high, I am happy to report that we have improved our profit margin for the year by K£2,238,183 or 19.9% which is an appreciable margin.

We look into the future with mixed minds. The value of Kenya shilling has continued to depreciate against hard currencies and has had adverse effect on the cost of our imports and overseas loans. The prices of coffee have plummeted due to the collapse of the International Coffee Agreement. The prices of tea, although stable, do not show any signs of rising and the money market remains tight. We therefore do not expect any drastic change in the current situation. However, our sales for the months of August and September are buoyant and we intend to make every effort to cut down on expenditure and try to improve on the current level of operations and the profits.

Those who attended our Annual General Meeting at Nakuru on 17 November, 1988 will remember that I reported the intention of your Board to carry out certain reorganisation of the structure of the Company to reflect a Kenyan look. The proposed changes were approved by an Extraordinary General Meeting held on 24 January, 1989, which had the net result of abolishing the two tier system leaving us with one Board and one operating company appropriately renamed **Kenya Breweries Limited**. The Board was reduced from 15 to 8 members to facilitate greater efficiency in policy making process at Board level. All the older members of the Board of EABL who had served the company for a very long time resigned to facilitate this reorganisation and I am sure members would wish me to express our greatest appreciation for their loyal and dedicated service to the company. We also happily welcomed back to the Board Messrs. G.W. Tetu, N.G. Ajania and R.O'B. Wilson who served for many



Mr. J.G. Kiereini, EGH, EBS, SS, Chairman, Kenya Breweries Limited

Bw. J.G. Kiereini, EGH, EBS, SS, Mwenyekiti wa Kenya Breweries Limited

Kwenye taarifa yake ya mwaka wa 1988, mwenyekiti wa wakati huo alitabiri nyakati ngumu mbeleni na hasa kutokana na hali ya anga kwa kipindi kilichotangulia kabla ya mwezi Juni na pia barabara mbovu mbovu nchini ambazo zilisababisha upungufu wa utumiaji wa bidhaa zetu. Ingawaje hali ya hewa ilibadilika kiasi, barabara zilizidi kuzorota na kwa hivyo kusababisha kupanda sana kwa gharama za urekebishaji magari yetu. Jambo moja ambalo lilisababisha kupunguka kwa faida zetu ni kule kuongezeka bei ya shayiri kutokana na mazao duni mashambani. Lakini kutokana na juhudi zakupendeza za wafanyi kazi wetu na ingawa gharama ya utoaji

wa bidhaa zetu bado ingali juu sana nina furaha kusema ya kwamba faida zetu za mwaka hata hivyo ziliongezeka kwa kiwango cha K£ 2,238,183 ama asilimia 19.9 ambayo inaridhisha.

Ubashiri wetu wa siku za usoni ni wa kusita. Thamani ya shilingi ya Kenya imezidi kushuka sana ikilinganishwa na fedha za kigeni na hivyo kusababisha kuongezeka kwa gharama za ununaji wa mahitaji kutoka ng'ambo na pia mikopo inayolipwa kwa fedha za kigeni. Bei ya kahawa imeshuka sana kutokana na kule kuvunjika kwa mkataba wa kahawa ulimwenguni yaani International Coffee Agreement. Bei za majani chai, ingawa thabiti kwa sasa, hazionyeshi dalili za kupanda juu na fedha za kigeni zimeadimika. Kwa hivyo basi hatutarajii mabadiliko ya hali hii ya sasa. Ingawa hivyo, tarakimu za uuzaji wa bidhaa zetu katika miezi ya Agosti na Septemba ni zenye kutia moyo na tutajaribu kadiri tuwezavyo kuendelea na juhudi zetu za kupunguza gharama na matumizi ili kuweza kuhifadhi kiwango cha sasa cha utoaji na pia kuongeza faida.

Wale waliohudhuria Mkutano wetu Mkuu wa Mwaka kule Nakuru tarehe 17 Novemba, 1988 watakumbuka ya kwamba niliripoti nia ya halmashauri kuundwa upya na kuwa na sura ya Kenya. Mabadiliko hayo yalitekelezwa kwenye Mkutano Mkuu Maalum wa tarehe 24 Januari 1989 ambao ulivunja zile aina mbili za halmashauri na pia ukabadili jina la kampuni na kuwa **Kenya Breweries Limited**. Wakurugenzi nao walipunguzwa kutoka kumi na watano hadi wanane ili kuwa na usimamizi bora na halmashauri. Wakurugenzi walioitumikia EABL walijiuzulu ili uundaji mpya utekelezwe na ninaamini ya kuwa wanachama wataniunga mkono nikiwatolea shukrani kwa utumishi wao mrefu na wa kujitolea. Tuliweza kuwakaribisha tena kwa furaha kwenye halmashauri mpya Mabw. G.W. Tetu, N.G.

Chairman's Statement (continued)

years on the EABL Board. We are certain that their experience will be invaluable to the new Board. We also take the opportunity to welcome the new members of the Board, Messrs. C.S. Mbindyo, I.K. Cheluget, D.J. Nyanjom and J.K. Mwangi. They are all men of great experience in public life which will enrich the deliberations of the Board.

Consequent upon these changes the assets of the company are in the process of being transferred to Kenya Breweries Limited and I would like to thank the Government, and particularly His Excellency the Vice-President and Minister for Finance for his understanding and help to facilitate this change.

During the year, my predecessor, Mr. B.H. Hobson, decided to finally retire as Chairman and Director of the company. As shareholders know, Mr. Hobson is a living legend as far as East African Breweries Limited/Kenya Breweries Limited is concerned. He retires after 42 years of service. He will be missed by many friends and colleagues but I am sure you will join me in recording our most sincere appreciation for the long, loyal and dedicated service rendered by Mr. Hobson to our company and in wishing him happy retirement.

Despite many odds, I am happy to report to the shareholders that for the year under review, the Group profit before taxation amounted to K£ 13,503,044, an increase of K£ 2,238,183 or 19.9% over the previous year and Group profits after taxation amounted to K£ 6,238,390 an increase of K£ 704,349 or 12.7% over the previous year.

In consequence of the above and taking into account the first two months of the financial year commencing 1 July, 1989, which appear satisfactory, your Board has decided to recommend to the Annual General Meeting to maintain a final dividend of Kshs. 1/50 per share on the issued capital making a total dividend of Shs. 2/00 per share for the year.

As we stated in the 1988 Annual Report, we did not anticipate any significant sales increase during the 1988/89 Financial Year. The June, 1988 and March, 1989 price increase caused the downward trend in dumpy beer sales. The adverse weather conditions, the lack of any substantial cash crop payments during a good part of the year and the generally tight economic state during the July, 1988 - June, 1989 Financial Year, continued to have an adverse effect on sales.

The Export sales performance was also poor as sales to markets in the U.S., U.K. and PTA countries dwindled during the period. It is becoming

Ajania na R.O'B. Wilson ambao hapo awali waliitumikia EABL kwa muda mrefu. Tuna hakika ya kwamba ujuzi wao wa miaka mingi utafaa katika halmashauri mpya. Tunachukua fursa hii kuwakaribisha pia wakurugenzi wapya Mabw. C.S. Mbindyo, I.K. Cheluget, D.J. Nyanjom na N.K. Mwangi. Wote hawa ni watu wenye ujuzi mwingi maishani na watainufaisha halmashauri.

Kufuatana na mabadiliko haya mali zote za kampuni zinaendelea kuandikishwa upya katika jina la Kenya Breweries Limited na ningetaka kuishukuru serikali yetu, na sana hasa Mtukufu Makamu wa Rais na Waziri wa Fedha kwa kutambua umuhimu wa mabadiliko haya na pia kwa msaada wake.

Katika mwaka mwenyekiti aliyenitangulia, Bw. B.H. Hobson mwishowe aliamua kustaafu kama mwenyekiti na pia mkurugenzi wa kampuni. Kama vile wenyehisa wajuavyo, yeye ndiye mtu wa pekee aliyezitumikia kampuni za East Africa Breweries Limited na Kenya Breweries Limited kwa miaka arobaini na miwili. Atakumbukwa na marafiki na washariki wengi na ninaamini nyote mtaniunga mkono nikimtolea shukrani kwa utumishi mrefu wenye uaminifu na kujitolea kwake na pia kumtakia Bw. Hobson heri katika kustaafu kwake.

Hata ingawa kulikuwa na shida tele, ninafurahi nikiripotia wenyehisa ya kwamba katika mwaka tunao-uchunguza faida zetu kabla ya kutenga fungu la kodi zilikuwa K£13,503,044 hii ikiwa ni ongezeko la K£2,238,183 ama asilimia 19.9 zikilinganishwa na mwaka uliopita na faida baada ya kodi zilikuwa K£6,238,390, ongezeko la K£704,349 ama asilimia 12.7 zikilinganishwa na za mwaka jana.

Kutokana na mambo hayo na ikitiwa maanani ya kwamba matokeo ya miezi miwili ya mwaka wa fedha tulioanza tarehe mosi Julai, 1989 ni yenye kupendeza, halmashauri yenu imeamua kupendekeza katika Mkutano Mkuu wa Mwaka kudumisha malipo ya mgao ya mwisho ya KShs. 1/50 kwa kila hisa kwenye rasilmali iliyolipiwa ili

jumla ya malipo ya migao kwa mwaka wote iwe KShs. 2/00 kwa kila hisa.

Kama tulivyosema kwenye ripoti ya mwaka wa 1988, hatukutarajia ongezeko la maana la uuzaji wetu katika mwaka wa fedha wa 1988/89. Zile nyongeza za bei ya bia za Juni, 1988 na pia Machi, 1989 zili-punguza ununuzi wa chupa zile ndogo ndogo za bia. Hali mbaya ya anga, kutokuwa na malipo kwa wakulima wa mimea ya pesa karibu mwaka wote na pia hali ngumu ya uchumi ya mwaka tunaochunguza, ziliendelea kuathiri mauzo yetu.

Long Service Awards - Mr. J.G. Kiereini, KBL Chairman presenting 42 years service Award to former Chairman Mr. B.H. Hobson.

Bw. J.G. Kiereini, Mwenyekiti KBL akimkabidhi tuzo la utumishi wa miaka 42 Bw. B.H. Hobson Mwenyekiti aliyestaafu.



Chairman's Statement (continued)

increasingly difficult to penetrate overseas beer markets but we shall continue to pursue all possible outlets actively.

Expansion of Mombasa Breweries is nearing completion, and for the foreseeable future we will be able to cope with the sales demand. As a result, we have decided to postpone the construction of Nyeri Bottling Plant for the time being.

Barley

Last year we reported unusually heavy long rains and flooding. These rains continued into January and February and had two major adverse effects. The excessively heavy rains caused extensive wash in the field leading to poor crop development. They also caused considerable interruptions in our activities culminating in a serious disruption in our harvesting. As a result our crop was lower than the previous year and this added to the crop failure of the previous year left us with a deficit which forced us to import 6,000 tonnes of malt.

Irrigation trials continue at Taveta and this year we are enlarging the site to get more meaningful data. A new barley variety "Ahadi" has been developed by our staff in Mau Narok and it is now undergoing malting tests before release.

Hops

Our consultants from Zimbabwe have produced a report on last year's trials and they are still very optimistic. However, they have two misgivings about Mau Narok as a hop farm. The temperatures during the growing period are too low leading to a long growing period. Mau Narok also has a fairly strong wind which last year tore down a large proportion of the crop. We are therefore looking at trial sites at Egerton University, Subukia and Timau. This year we are expanding our planting in the trial site hoping to include for the first time a variety from Zimbabwe.

Central Glass Industries Limited

For the second full year of operation ending 30th June, 1989, the company produced at 100% capacity and achieved record sales in excess of 21,000 tonnes.

The Company now exports to six different countries namely Mauritius, Reunion, Malawi, Tanzania, Uganda and Djibouti where it has established a high reputation for the quality of its products.

Sales have been made in the face of intense competition, particularly in the Kenyan market. It is worth noting that the current price levels for soft drink bottles do not adequately compensate for the capital in-

Uuzaji bia katika nchi za nje kama vile Marekani, Ulaya na pia nchi zilizoko kwenye mkataba wa bei nafuu PTA ulikuwa hafifu na ulididimia kwa kipindi chote. Imekuwa vigumu sana kupenya masoko ya uuzaji bia ng'ambo lakini tutaendelea kujitahidi.

Upanuzi wa kiwanda cha Mombasa unakaribia kumalizika na siku za usoni tutaweza kukabiliana na mahitaji ya bidhaa zetu. Kwa hivyo tumekata kauli kuahirisha kwa muda ule mradi wa ujenzi wa kiwanda cha kutia bia katika chupa huko Nyeri.

Shayiri

Mwaka jana tuliripoti juu ya mvua ya masika na pia mafuriko. Mvua hii iliendelea hadi Januari na Februari na ilisababisha mambo mawili: Kulikuwa na maji mengi yaliyotapakaa mashambani na kuzuia ukuaji bora wa mimea ya shayiri. Pili uvunaji ulitatanishwa sana na kwa hivyo mavuno yakawa haba kuliko ya hapo mbele na hivyo kusababisha uagizaji na ununuzi wa kimea kutoka ng'ambo tani elfu sita.

Ukuzaji shayiri kwa kunyunyizia maji huko Taveta bado unaendelea na mwaka huu tumepanua eneo la ukuzaji ili kuhakikisha matokeo yake kamili. Aina ya shayiri mpya iitwayo "Ahadi" iliyofanikishwa na wanasayansi wetu huko Mau Narok sasa inachunguzwa ubora wa kimea chake na kampuni yetu kabla haijatangazwa ikuzwe kibiashara.

Zao la Hops

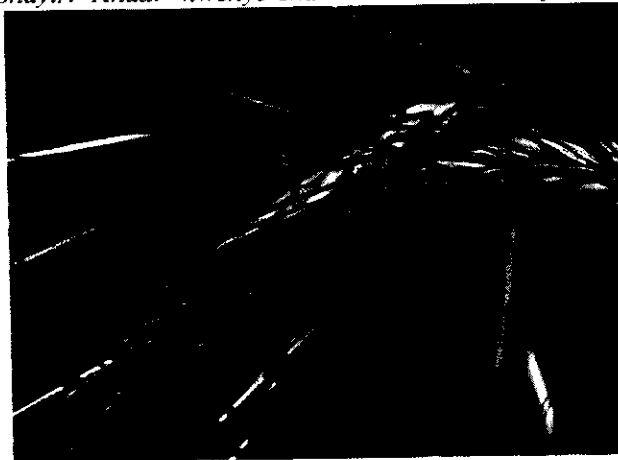
Kulingana na matokeo ya majaribio ya ukuzaji wa hops, wataalam kutoka Zimbabwe wamesema ya kwamba kunayo matumaini. Sababu mbili walizotoa kuhusu Mau Narok ni kwamba kadiri ya baridi kali wakati wa ukuaji hucheleweshwa sana kukomaa kwa zao na pia upepo mkali ulisababisha kule kuanguka chini kwa sehemu kubwa ya maua ya mwaka jana. Tunatafuta sehemu nyingine za kufanyia majaribio kama vile Chuo Kikuu cha Egerton, Subukia na Timau. Mwaka huu tunapanua bustani yetu ya majaribio na kwa mara ya kwanza tunatumai kutumia jamii ya shina zitokazo Zimbabwe.

Central Glass Industries Limited

Kwa mwaka wa pili ulioisha tarehe 30 Juni, 1989 tangu Kampuni hii ianze kufanya kazi, imejaliwa kuwa na utoaji wa asilimia mia moja na iliweza kuuza zaidi ya tani elfu ishirini na moja. Kampuni sasa inaziuzia nchi sita kama vile: Mauritius, Reunion, Malawi, Tanzania, Uganda na Djibouti ambako bidhaa zake zinasifiwa sana kwa ubora wake.

Uuzaji umeweza kufanywa katika eneo lenye mashindano makali na hasa hapa nchini Kenya. Yafaa ifahamike ya

"Ahadi" Barley at KBL experimental farm
Shayiri "Ahadi" kwenye shamba la KBL la majaribio



**Chairman's Statement
(continued)**

vestment required for their production. This matter is under constant review with the soft drink industry.

I would once again like to pay tribute to the staff who have worked under extreme pressure for achieving such record outputs, and to Oberland Glas Ag for their technical assistance and support.

Uganda Breweries Limited

As predicted in our Annual Report last year, production in Uganda Breweries Limited rose considerably. It is planned to increase the production to 250,000 crates per month by January, 1990. The situation improved so much that the company made sufficient profit to enable the Board to recommend a dividend of US\$6 per stock unit. Uganda Government has been extremely helpful and despite very acute shortage of foreign exchange, import licences for spare parts and for replacement of machinery have been obtained although the delay has sometimes been long.

The prospects for the future look bright provided the current political stability continues.

Tanzania Breweries Limited

There has been no further progress so far. We are hoping the two Governments will, as requested, discuss the future at inter-governmental level so that the matter can be settled once and for all.

Seychelles Breweries Limited

We have received a dividend of K£22,635 from this company.

Co-operation with Zimbabwe Counterparts

Co-operation between Delta Corporation and National Breweries Limited of Zimbabwe continues. We have exchanged visits both at technical and managerial levels and we are happy that this relationship continues to be of mutual benefit to both countries.

General

Our special thanks go to H.E. The President Daniel T. Arap Moi, CGH. MP., for his leadership which has given this country political stability thereby providing enabling environment for commercial and industrial growth.

We would like to record our appreciation for the assistance we continue to receive from the Government and their understanding of our role as a commercial organisation.

I would also like to thank my colleagues, the Directors for their support and on their behalf thank all our staff for their loyalty, dedication, perseverance and understanding during this time of extreme economic difficulties.

J.G. Kiereini
Chairman

kuwa ile gharama ya kutengeneza chupa za vinywaji visivyo vya kuleweshia imezidi bei ambayo chupa hizo huuzwa. Viwanda vinavyohusika na utoaji wa chupa vinazidi kulishughulikia jambo hili.

Kwa mara nyingine ninawatolea shukrani wafanyikazi wote waliofanya kazi kwa bidii sana ili kuweza kuvunja rekodi ya utoaji kwa muda mfupi na pia naishukuru kampuni ya Oberland Glas Ag kwa msaada wao wa kiufundi.

Uganda Breweries Limited

Kama vile tulivyotabiri katika ripoti ya mwaka uliopita, uzalishaji bia katika Uganda Breweries Limited uliongezeka sana. Hata hivyo mipango inafanywa ili kuongeza utoaji bia hadi masanduku elfu mia mbili na hamsini kwa mwezi ifikapo Januari 1990. Hali imeimarika sana hivi kwamba kampuni hiyo iliweza kupata faida kiwango cha kuiwezesha halmashauri kupendekeza malipo ya mgao wa US\$6/- kwa kila hisa. Serikali ya Uganda nayo imetusaidia sana kwa mambo mengi na ijapokuwa kuna upungufu mkubwa wa fedha za kigeni, leseni za kuagizia mitambo na pia vipuri zimepatikana hata ingawa wakati mwingine ilichukua muda mrefu kufanikiwa.

Hali ya baadaye ya kiwanda hiki ni yenye matumaini mradi tu hali ya kisiasa iendelee kuwa njema.

Tanzania Breweries Limited

Hadi wakati huu hakuna jambo jipya kuhusu kampuni hii. Tunatarajia ya kwamba serikali za Tanzania na Kenya watajadili, kama walivyoombwa, hali ya siku zijazo katika vikao vya kiserikali, ili suluhisho la kudumu liweze kupatikana.

Seychelles Breweries Limited

Tayari tumepokea mgao kisasi cha pauni 22,635 kutoka kwa kampuni hii.

Ushirikiano wetu na Zimbabwe

Uelewano wetu na kampuni za Zimbabwe yaani Delta Corporation na National Breweries Limited unaendelea. Tumebadilishana ziara za kiufundi na pia za uendeshaji na tuna furaha kusema ya kwamba uhusiano huu ungali unaendelea kuwa na manufaa kwa nchi zote mbili.

Mambo kwa Jumla

Shukrani zetu maalum zinamwendea Mtukufu Rais Daniel T. Arap Moi, CGH. MP., kwa uongozi wake ambao umeiletea nchi hii hali nzuri kisiasa na hivyo kuwezesha biashara na viwanda kunawiri.

Tungalitaka kutoa shukrani kwa msaada tunaopata na kuendelea kusaidiwa na serikali na pia kule kuzitambua shughuli zetu kama kampuni ya biashara.

Ninawashukuru wakurugenzi wenzangu kwa usaidizi wao, na kwa niaba yao nawatolea shukrani wafanyikazi wetu wote kwa uaminifu, bidii, kujitolea kazini, uvumilivu na pia kuelewa kwao katika muda mgumu kiuchumi.

J.G. Kiereini
Mwenyekiti

Report of the Directors

for the year ended
30 June 1989

To be submitted to the shareholders at the sixty-seventh Annual General Meeting of the Company to be held at Tusker Social Hall, Ruaraka, on 16 November, 1989 at 12.00 noon. The Directors have pleasure in presenting to the shareholders the accounts for the year ended 30 June, 1989.

Change of Name

The Company changed its name to Kenya Breweries Limited on 24 January, 1989.

Consolidated Profit and Loss Account

	K£	K£
Profit before taxation	13,503,044	
Taxation	7,264,654	
Profit after taxation available for distribution	6,238,390	
Dividends		
Interim paid:		
Shs. 0.50 per share	1,066,426	
Final proposed:		
Shs. 1.50 per share	3,199,278	4,265,704
		1,972,686
Transfer to general reserve	1,970,000	
Profit retained		2,686

Directors

Mr. C. Goodall resigned from the Board on 2 November, 1988, and in accordance with article 95 of the Articles of Association, Mr. J.G. Kiereini, EGH, EBS, SS was appointed to the Board on the same date.

Messrs. B.H. Hobson, EBS, R.M. Maina, G.W. Tetu, N.G. Ajania, FCA, Dr. M.J. Alier, M.J. Karanja, M.H. Madoka, G.F. Masbay, J.J. Mbaki, J.M. Muchura, N. Ng'ang'a, EBS, D.A. Omari, MBE, S.N. Waruhiu, R.O'B. Wilson, and J.G. Kiereini, EGH, EBS, SS resigned from the Board on 24 January, 1989.

At the Extraordinary General Meeting held on the same day, Messrs. J.G. Kiereini, EGH, EBS, SS, G.W. Tetu, N.G. Ajania, FCA, C.S. Mbindyo, EBS, R.O'B. Wilson, I.K. Cheluget, D.J. Nyanjom and J.K. Mwangi were elected Directors.

In accordance with article 94 of the Articles of Association, Mr. R.O'B. Wilson retires by rotation and being eligible, offers himself for re-election.

Auditors

Gill & Johnson will continue in office in accordance with section 159(2) of the Companies Act.

Staff

The directors have much pleasure in once again recording their appreciation for the untiring efforts of all employees throughout the organisation.

By Order of the Board.

J.N. Muhoho (Mrs)

Secretary

12 September, 1989.

Itakayotolewa kwa wenyehisa kwenye Mkutano Mkuu wa Mwaka ambao ni wa sitini na saba utakaofanywa katika Tusker Social Hall, Ruaraka, Alhamisi, tarehe 16 Novemba, 1989 saa sita za mchana. Wakurugenzi wana furaha kuwatolea wenyehisa hesabu za mwaka ulio-malizika tarehe 30 Juni, 1989.

Kubadilisha Jina

Jina la kampuni lilibadilishwa na kuwa Kenya Breweries Limited tarehe 24 Januari, 1989.

Faida na hasara za

hesabu iliyojumlishwa

	K£	K£
Faida kabla ya kutoa fungu la kodi	13,503,044	
Fungu la malipo ya kodi	7,264,654	
Faida baada ya kutoa fungu la kodi inayoweza kugawanywa	6,238,390	

Migao ya faida

Malipo ya mgao wa kwanza yaliyolipwa:		
Senti 0.50 kwa kila hisa	1,066,426	
Malipo ya mgao wa mwisho yaliyopendekezwa		
Shs. 1.50 kwa kila hisa	3,199,278	4,265,704
		1,972,686
		1,970,000
Nyongeza katika akiba kuu		
Faida iliyotengwa		2,686

Wakurugenzi

Bw. C. Goodall alijiuzulu kutoka kwa halmashauri tarehe 2 Novemba, 1988, na kwa mujibu wa kanuni ya 95 ya Masharti, Bw. J.G. Kiereini, EGH, EBS, SS, aliteuliwa kama mkurugenzi kuanzia tarehe hiyo.

Mabw. B.H. Hobson, EBS, R.M. Maina, G.W. Tetu, N.G. Ajania, FCA, Dr. M.J. Alier, M.J. Karanja, M.H. Madoka, G.F. Masbay, J.J. Mbaki, J.M. Muchura, N. Ng'ang'a, EBS, D.A. Omari, MBE, S.N. Waruhiu, R.O'B. Wilson na J.G. Kiereini, EGH, EBS, SS walijiuzulu kama wakurugenzi tarehe 24 Januari, 1989.

Kwenye Mkutano Mkuu Maalum wa siku hiyo hiyo, Mabw. J.G. Kiereini EGH, EBS, SS, G.W. Tetu, N.G. Ajania FCS, C.S. Mbindyo EBS, R.O'B. Wilson, I.K. Cheluget, D.J. Nyanjom na J.K. Mwangi walichaguliwa kama wakurugenzi.

Kwa mujibu wa sharti 94 ya Masharti ya Kampuni, Bw. R.O'B. Wilson anaondoka kitini mwake kwa zamu, lakini kwa kuwa anastahili kuchaguliwa, amejitolea achaguliwe.

Wakaguzi wa Hesabu

Kampuni ya Gill & Johnson imekubali kuendelea na kazi za ukaguzi wa vitabu vya hesabu kwa mujibu wa sehemu ya 159(2) ya Sheria za Makampuni.

Wafanyikazi

Wakurugenzi wana furaha na shukrani kwa juhudi kubwa iliyofanywa na wafanyikazi wote katika kampuni.

Kwa Amri ya Halmashauri

J.N. Muhoho (Mrs)

Katibu

12 Septemba, 1989.

**Report of
the Auditors
to the members of
Kenya Breweries Limited**

**Gill & Johnson
Certified Public Accountants (Kenya)
Nairobi**

1. We have examined the accounts on pages 11 to 18 and have obtained all the information and explanations considered necessary for our audit.
 2. As indicated in note 9, the value of the company's assets in Tanzania is dependent on the outcome of negotiations for their disposal. We are therefore unable to form an opinion as to the value of these assets.
 3. As indicated in note 10, ownership of the assets held in Uganda has been returned to the control of the company, but their value is currently uncertain. We are therefore unable to form an opinion as to the value of these assets.
 4. In our opinion:
 - a). proper books of account have been kept by the company and the company's balance sheet is in agreement therewith;
 - b). subject to the matters mentioned in paragraphs 2 and 3 above, the accounts comply with the Companies Act and give a true and fair view of the state of affairs of the company and the group at 30 June 1989 and of the profit and source and application of funds of the group for the year ended on that date.
1. Tumekagua hesabu hizi zilizoko kwenye ukurasa wa 11 hadi wa 18 na tulipatiwa habari zote na maelezo muhimu kwa ukaguzi wetu.
 2. Kama inavyoonekana katika maelezo ya 9, thamani ya mali za kampuni nchini Tanzania inategemea matokeo ya uelewano jinsi ulipaji utakavyowezekana. Kwa hivyo hatuwezi kufikia maoni yoyote kuhusu thamani ya mali hizi.
 3. Kama inavyoonyeshwa katika maelezo ya 10, umilikaji mali zilizoko Uganda umerudishiwa kampuni, lakini hatuna hakika na thamani yake hivi sasa. Kwa hivyo hatuwezi kufikia maoni yoyote kuhusu thamani ya mali hizi.
 4. Kwa maoni yetu:
 - a) Vitabu vya hesabu vimewekwa kwa njia sahihi na kampuni hii na kwa hivyo hesabu zinakubaliana na vitabu hivyo.
 - b) Isipokuwa mambo yaliyotajwa kwenye vifungu vya 2 na 3 hapo juu, hesabu hizi zimefuata zile Sheria za Makampuni na zinaeleza ukweli na maoni ya haki na hali ya kampuni hii na ile ya kundi kama ilivyokuwa mnamo tarehe 30 Juni, 1989 na kuhusu upatikanaji na pia matumizi ya fedha za kundi kwa mwaka ulioishia tarehe hiyo.

Gill & Johnson
Certified Public Accountants (Kenya)
Nairobi
15 September 1989

Gill & Johnson
Certified Public Accountants (Kenya)
Nairobi
15 Septemba 1989

Consolidated Profit and Loss Account

for the year ended 30 June 1989

		1989	1988
	Note	KE	KE
Trading Profit	2	13,356,198	11,074,871
Income from investments			
Associate		22,635	20,927
Other investments		124,211	169,063
Profit before taxation		13,503,044	11,264,861
Taxation	3	7,264,654	5,730,820
Profit after taxation	4	6,238,390	5,534,041
Dividends (gross)			
Interim paid		1,066,426	1,066,426
Final proposed		3,199,278	3,199,278
General reserve	12	1,970,000	1,250,000
Retained Profit	12	2,686	18,337

Consolidated balance Sheet

30 June 1989

		1989	1988
	Note	K£	K£
Fixed assets	6	100,686,197	99,752,879
Investment in associate at cost	8	35,114	35,114
Tanzanian assets	9	1,885,970	1,885,970
Ugandan assets	10	1,341,710	1,341,710
		<u>103,948,991</u>	<u>103,015,673</u>
Current assets			
Stocks	5	47,225,200	36,547,045
Debtors		5,427,877	5,440,369
Bank balances and cash		1,134,689	585,054
		<u>53,787,766</u>	<u>42,572,468</u>
Current liabilities			
Creditors		33,077,237	27,314,538
Taxation		7,538,561	5,752,502
Loan instalments due within 12 months	13	4,909,537	5,436,822
Short term loans		2,366,222	3,047,963
Bank overdraft (secured)		10,826,330	10,931,405
Proposed dividend (gross)		3,199,278	3,199,278
		<u>61,917,165</u>	<u>55,682,508</u>
Net current liabilities		<u>(8,129,399)</u>	<u>(13,110,040)</u>
Long term liabilities	13	<u>(20,811,962)</u>	<u>(16,870,689)</u>
Net assets		<u>75,007,630</u>	<u>73,034,944</u>
Financed by:			
Share capital	11	21,328,520	21,328,520
Reserves	12	53,679,110	51,706,424
Shareholders' funds		<u>75,007,630</u>	<u>73,034,944</u>

The accounts on pages 11 to 18 were approved by the board of directors on 12 September, 1989 and were signed on its behalf by:

J G Kiereini
Director

G W Tetu
Director

Balance Sheet

30 June 1989

		1989	1988
	Note	K£	K£
Investment in subsidiaries	7	42,191,735	39,830,080
Investment in associate at cost	8	35,114	35,114
Tanzanian assets	9	1,885,970	1,885,970
Ugandan assets	10	1,341,710	1,341,710
		<u>45,454,529</u>	<u>43,092,874</u>
Current assets			
Debtors		8,563	23,471
Bank balances		357,519	135,965
		<u>366,082</u>	<u>159,436</u>
Current liabilities			
Creditors		2,143,806	1,784,376
Taxation		60,147	80,087
Proposed dividend (gross)		3,199,278	3,199,278
		<u>5,403,231</u>	<u>5,063,741</u>
Net current liabilities		<u>(5,037,149)</u>	<u>(4,904,305)</u>
Net assets		<u>40,417,380</u>	<u>38,188,569</u>
Financed by:			
Share capital	11	21,328,520	21,328,520
Reserves	12	19,088,860	16,860,049
Shareholders' funds		<u>40,417,380</u>	<u>38,188,569</u>

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The accounts on pages 11 to 18 were approved by the board of directors on 12 September, 1989 and were signed on its behalf by:

J G Kiereini
Director

G W Tetu
Director

Consolidated Statement of Source and Application of Funds

for the year ended 30 June 1989

	1989	1988
	K£	K£
Source of funds		
Profit before taxation	13,503,044	11,264,861
Adjustments for items not involving movement of funds:		
Depreciation	8,004,574	7,731,795
Profit on sale of fixed assets	(68,503)	(48,648)
Funds generated from operations	21,439,115	18,948,008
Funds from other sources		
Sale of fixed assets	74,900	143,090
Loans received	9,365,677	4,422,758
Total source of funds	30,879,692	23,513,856
Application of funds		
Purchase of fixed assets (including capital work in progress)	8,944,289	6,626,343
Loans repaid	6,633,430	10,431,627
Dividends paid	4,265,704	4,265,704
Taxation paid	5,478,595	5,672,946
Total funds applied	25,322,018	26,996,620
Net Inflow/(Outflow) of funds	5,557,674	(3,482,764)
Movement in working capital		
Stocks	10,678,155	4,271,158
Debtors	(12,492)	(346,536)
Creditors	(5,762,699)	(2,310,131)
	4,902,964	1,614,491
Movement in liquid funds		
Bank balances and cash	549,635	(14,570)
Bank overdraft	105,075	(5,082,685)
Net movement in working capital	5,557,674	(3,482,764)

Notes to the Accounts

for the year ended 30 June 1989

1 Accounting Policies

a Basis of Accounting

The accounts are prepared on the historical cost basis of accounting modified to include the revaluation of certain assets.

b Consolidation

The group accounts combine the results, assets and liabilities of the company and of its subsidiaries. Amounts due from foreign related companies are included as income only when received in Kenya. The group accounts do not combine the results and reserves of the associate company.

c Stocks

Beer bottles and crates are stated at the lower of cost and deposit price.

Other stocks are stated at the lower of cost and net realisable value. Cost comprises purchase price, or direct production cost, together with customs and excise duties and manufacturing overheads as appropriate.

d Depreciation

No depreciation is provided on land which is freehold, or leasehold for an unexpired term exceeding 99 years, or on capital work in progress. Other assets are depreciated to write off the cost or valuation in equal annual instalments at the following rates:

Short leasehold land Over the unexpired portion of the lease

Buildings 2 per cent or over the unexpired portion of the lease, if less than 50 years

Plant and equipment 4 percent to 20 percent

Vehicles: Commercial 20 percent
Cars 25 percent

e Kenya Currency

The accounts are expressed in Kenya currency, K£1 being equivalent to twenty shillings.

f Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into Kenya shillings at the rate of exchange ruling at the balance sheet date. Transactions during the year are translated at the rate of exchange ruling at the date of the transaction. However, the exchange loss resulting from the purchase of plant and equipment by a subsidiary, Central Glass Industries Limited, by foreign exchange borrowing has been capitalised.

2 Trading Profit

Trading profit is arrived at after charging:

	1989 K£	1988 K£
Loan interest	3,849,297	3,762,770
Depreciation	8,004,574	7,731,795
Auditors' remuneration	59,334	54,908
Directors' emoluments for services as:		
Directors	26,262	33,600
Executives	546,535	494,280
Executives of subsidiary	174,228	190,494
Compensation for loss of office	128,151	-
Write down of stocks of beer bottles and crates from cost to deposit price	-	1,833,215
and after crediting:		

Write up of stocks of beer bottles and crates arising mainly from adjustment in deposit price

463,818

Notes to the Accounts (continued)**3 Taxation**

Taxation on the adjusted profit for the year at 45%
Adjustments relating to prior years

1989 K£	1988 K£
7,265,690	5,740,821
(1,036)	(10,001)
<u>7,264,654</u>	<u>5,730,820</u>

4 Profit after taxation

The result for the year is dealt with as follows:
Kenya Breweries Limited
Subsidiaries

6,494,515	5,484,596
(256,125)	49,445
<u>6,238,390</u>	<u>5,534,041</u>

5 Stocks

Finished goods
Raw materials
Consumables
Goods in transit

7,024,493	5,809,647
11,352,595	11,668,936
24,824,768	18,079,622
4,023,344	988,840
<u>47,225,200</u>	<u>36,547,045</u>

6 Fixed assets

	Freehold properties K£	Leasehold properties K£	Plant and equipment K£	Vehicles K£	Total K£
Cost or Valuation					
At 1 July 1988	23,139,631	18,904,944	88,689,437	9,862,684	140,596,696
Additions	79,150	35,761	2,143,688	2,324,258	4,582,857
Disposals	-	-	(2,593)	(160,706)	(163,299)
At 30 June 1989	<u>23,218,781</u>	<u>18,940,705</u>	<u>90,830,532</u>	<u>12,026,236</u>	<u>145,016,254</u>
Comprising:					
At cost	1,088,343	9,486,590	65,514,991	12,026,236	88,116,160
At valuation in 1980	22,130,438	9,454,115	25,315,541	-	56,900,094
	<u>23,218,781</u>	<u>18,940,705</u>	<u>90,830,532</u>	<u>12,026,236</u>	<u>145,016,254</u>
Depreciation					
At 1 July 1988	3,506,281	2,540,124	29,581,661	7,117,422	42,745,488
Charge for the year	445,388	400,775	5,736,113	1,422,298	8,004,574
On disposals	-	-	(1,588)	(155,314)	(156,902)
At 30 June 1989	<u>3,951,669</u>	<u>2,940,899</u>	<u>35,316,186</u>	<u>8,384,406</u>	<u>50,593,160</u>
Net book value					
At 30 June 1989	<u>19,267,112</u>	<u>15,999,806</u>	<u>55,514,346</u>	<u>3,641,830</u>	<u>94,423,094</u>
Capital work in progress					6,263,103
					<u>100,686,197</u>
At 30 June 1988	<u>19,633,350</u>	<u>16,364,820</u>	<u>59,107,776</u>	<u>2,745,262</u>	<u>97,851,208</u>
Capital work in progress					1,901,671
					<u>99,752,879</u>

Notes to the Accounts (continued)

	1989 K£	1988 K£
7 Investment in subsidiaries		
Shares at cost	32,277,250	30,277,250
Current account including dividend since declared	9,914,485	9,552,830
	<u>42,191,735</u>	<u>39,830,080</u>
8 Investment in associate at cost		
Seychelles Breweries Limited	<u>35,114</u>	<u>35,114</u>

9 Tanzanian assets

The amount shown in the balance sheet represents the cost of the shares in Tanzania Breweries Limited and the balance of the current account. No progress has been made during the year on the disposal of the shares held in Tanzania Breweries Limited and settlement of the current account; however, the company is continuing to negotiate for an equitable settlement of these matters.

10 Ugandan assets

On 5 July 1984, the Uganda Government returned ownership of Uganda Breweries Limited to the pre-nationalisation shareholders. The amount shown in the balance sheet represents the cost of the investment in Uganda Breweries Limited and the current account. The directors are confident that, in the future, the company's investment in Uganda Breweries Limited will prove beneficial.

	1989 K£	1988 K£
11 Share capital		
Authorised		
50,000,000 ordinary shares of Sh. 10 each	25,000,000	25,000,000
Issued and fully paid		
42,657,040 ordinary shares of Sh. 10 each	<u>21,328,520</u>	<u>21,328,520</u>

	Share Premium K£	Capital Reserve K£	General Reserve K£	Retained Profit K£	Total K£
12 Reserves					
<i>Group</i>					
At 1 July 1988	52,896	26,039,210	25,248,561	365,717	51,706,424
Profit and loss account	-	-	1,970,000	2,686	1,972,686
At 30 June 1989	<u>52,896</u>	<u>26,039,210</u>	<u>27,218,561</u>	<u>368,403</u>	<u>53,679,110</u>
<i>Company</i>					
At 1 July 1988	52,896	229,665	16,228,320	349,158	16,860,049
Profit and loss account	-	-	1,970,000	258,811	2,228,811
At 30 June 1989	<u>52,896</u>	<u>229,665</u>	<u>18,198,320</u>	<u>607,969</u>	<u>19,088,860</u>

Notes to the Accounts (continued)

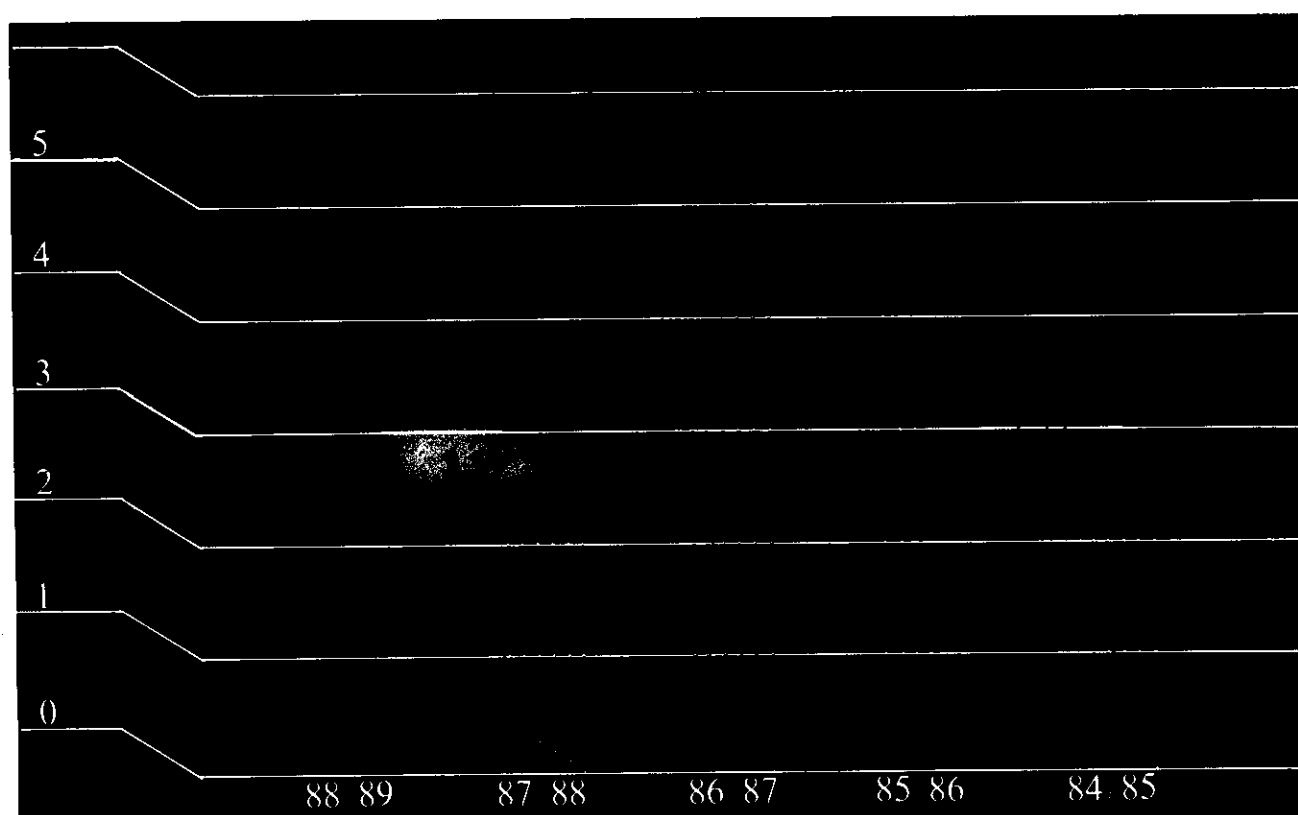
	1989 K£	1988 K£
13 Long term liabilities		
Secured bank loans repayable by semi-annual instalments by 31 July 1988	-	500,000
Secured bank loans repayable by semi-annual instalments by 31 December 1991	2,000,000	2,800,000
Secured bank loans repayable by semi-annual instalments by 31 May 1992	3,000,000	4,000,000
Secured bank loans repayable by 30 June 1992	8,000,000	-
Secured Tembo Co-operative Savings and Credit Society Limited loan repayable by semi-annual instalments by 31 March 1989	-	214,286
Overseas bank loans repayable by semi-annual instalments by 27 October 1991	2,324,621	3,255,500
Overseas bank loan repayable by semi-annual instalments by 31 May 1994	10,396,878	11,537,725
	25,721,499	22,307,511
Less instalments due within 12 months shown as current liabilities	4,909,537	5,436,822
	<u>20,811,962</u>	<u>16,870,689</u>
14 Capital commitments		
<i>Group</i>		
Contracted but not provided in the accounts	<u>9,707,165</u>	<u>7,013,076</u>
Authorised but not contracted	<u>19,457,229</u>	<u>17,987,707</u>
15 Contingent liabilities		
<i>Group</i>		
Guaranteed bank advances to barley farmers	<u>1,926,505</u>	<u>1,545,885</u>
<i>Company</i>		
Guarantees to secure the local and overseas liabilities of:		
Kenya Breweries Investments Limited	2,324,621	3,255,500
Central Glass Industries Limited	11,896,878	13,037,725
	<u>14,221,499</u>	<u>16,293,225</u>

Profit and Earnings

(Five year Review)

	1988/89	1987/88	1986/87	1985/86	1984/85
	K£'000	K£'000	K£'000	K£'000	K£'000
Trading profit	13,356	11,075	16,275	16,039	10,722
Income from investments	147	190	491	675	119
Profit before taxation	13,503	11,265	16,766	16,714	10,841
Taxation	7,265	5,731	5,665	8,662	5,925
Profit attributable to shareholders	6,238	5,534	11,101	8,052	4,916
Dividends	4,266	4,266	4,266	4,088	3,555
Profit retained	1,972	1,268	6,835	3,964	1,361
Earnings per ordinary share (Sh)	2.92	2.59	5.20	4.53	2.77
Dividend per ordinary share (Sh)	2.00	2.00	2.00	2.00	2.00
Number of issued shares in millions	42.7	42.7	42.7	35.5	35.5

Earnings per share (Shillings)

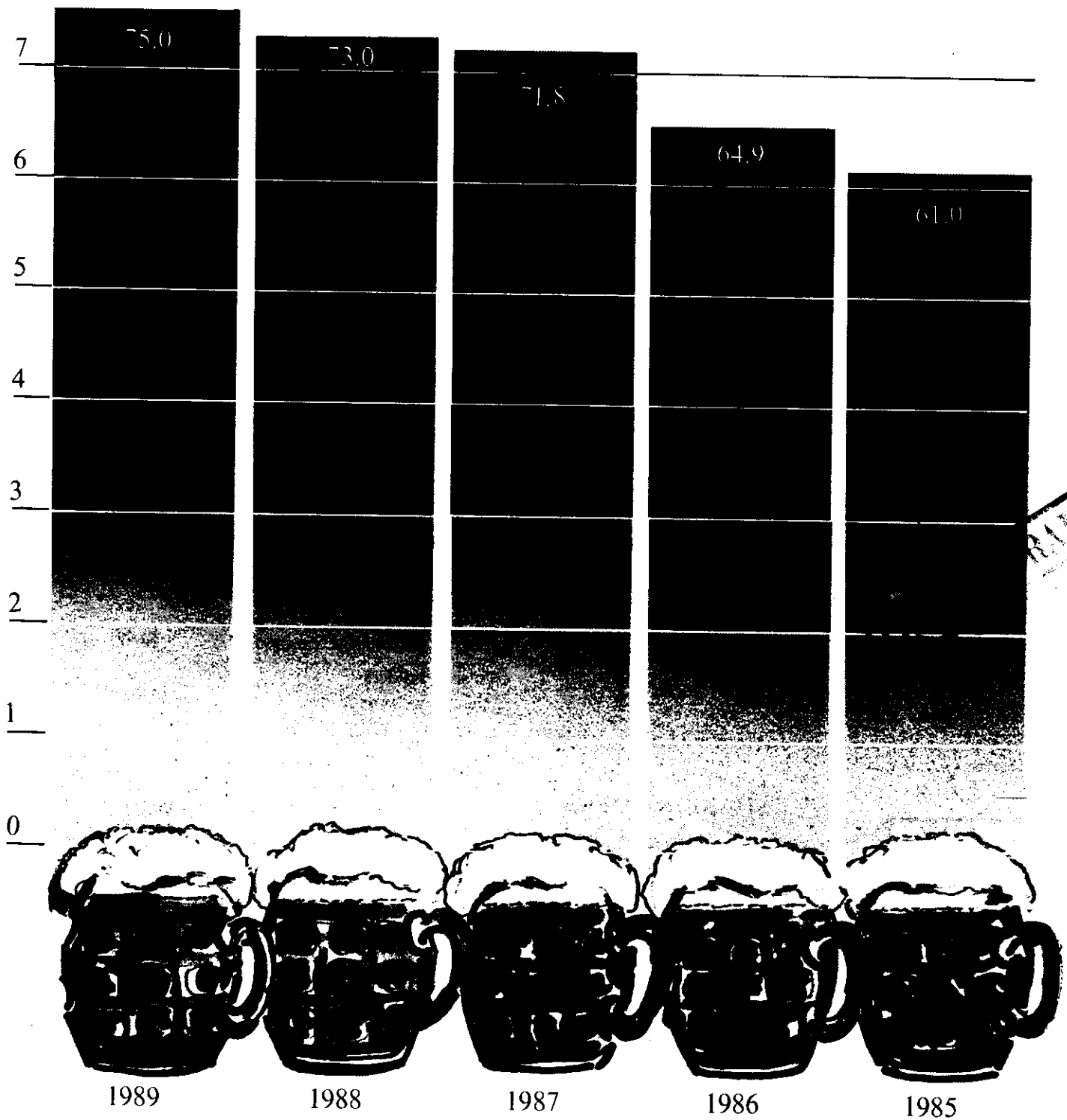


Assets Employed (Five year Review)

	1989 K£'000	1988 K£'000	1987 K£'000	1986 K£'000	1985 K£'000
Assets employed					
Fixed assets	100,686	99,753	100,953	75,407	74,652
Investments	35	35	35	35	35
Tanzanian assets	1,886	1,886	1,886	1,886	1,886
Ugandan assets	1,342	1,342	1,342	1,342	1,427
Long term liabilities	(20,812)	(16,871)	(21,805)	(7,961)	(9,290)
Net current liabilities	(8,129)	(13,110)	(10,644)	(5,778)	(7,694)
Net assets	<u>75,008</u>	<u>73,035</u>	<u>71,767</u>	<u>64,931</u>	<u>61,016</u>
<i>Financed by</i>					
Share capital	21,329	21,329	21,329	17,774	17,774
Reserves	<u>53,679</u>	<u>51,706</u>	<u>50,438</u>	<u>47,157</u>	<u>43,242</u>
Shareholders' funds	<u>75,008</u>	<u>73,035</u>	<u>71,767</u>	<u>64,931</u>	<u>61,016</u>
Net current liabilities					
Stocks	47,225	36,547	32,276	22,535	21,178
Debtors	5,428	5,440	5,787	4,464	2,118
Creditors	(45,525)	(38,504)	(38,259)	(34,857)	(26,181)
Proposed dividend	(3,199)	(3,199)	(3,199)	(3,199)	(2,666)
Net liquid funds	<u>(12,058)</u>	<u>(13,394)</u>	<u>(7,249)</u>	<u>5,279</u>	<u>(2,143)</u>
	<u>(8,129)</u>	<u>(13,110)</u>	<u>(10,644)</u>	<u>(5,778)</u>	<u>(7,694)</u>
Net assets per ordinary share (Sh)	35.17	34.24	33.65	36.53	34.33

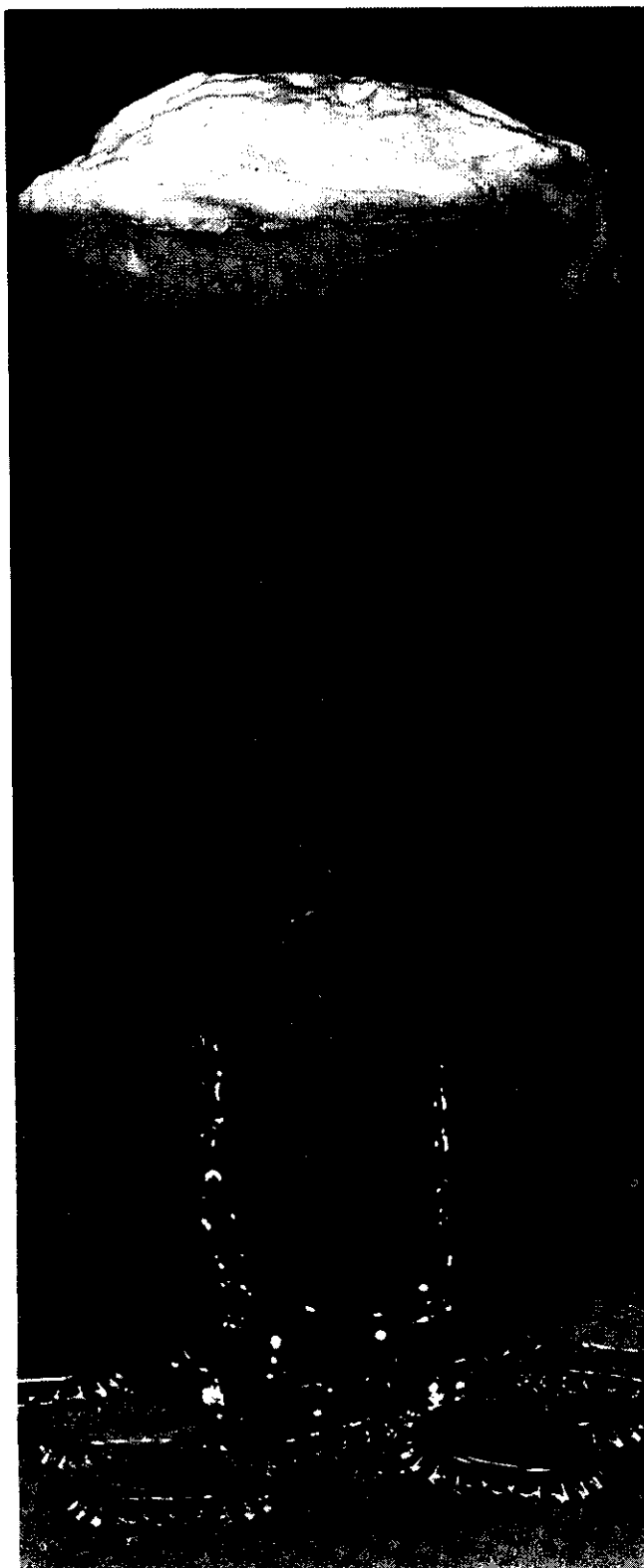
Net Assets Employed

(K£ Millions)



Statement of Value Added

Thamani ya Ongezeko la thamani



	1989 K£'000
Turnover	
Uuzaji kwa jumla	307,925
Deduct:	
Cost of material, supplies and services bought and depreciation set aside	
Toa:	
Gharama za vifaa, bidhaa zilizo-nunuliwa, huduma zilizolipiwa na upungufu wa thamani	99,845
Value Added	
Thamani iliyoongezwa	208,080
Add: Investment income	
Ongeza: Faida ya gawio	147
	<u>208,227</u>

This was shared as follows:

Fedha hizi zilitumiwa ifuatavyo:

To employees as payroll costs, excluding P.A.Y.E.		
Kwa wafanyikazi kama gharama, ya mishahara bila kodi ya binafsi	18,275	8.8
To Government as taxes		
Ushuru wa Serikali	179,865	86.4
To banks and other lenders		
Malipo kwa benki na kampuni nyingine zilizotukopesha pesa	3,849	1.9
To shareholders		
Migao kwa wenyichisa	4,266	2.0
Retained in the group		
Fedha zilizotengwa kama akiba ya kikundi cha kampuni	1,972	0.9
	<u>208,227</u>	<u>100</u>

7 out of 7

Achievement for Kenya
especially while competing against
hundreds of leading Breweries worldwide.

GO



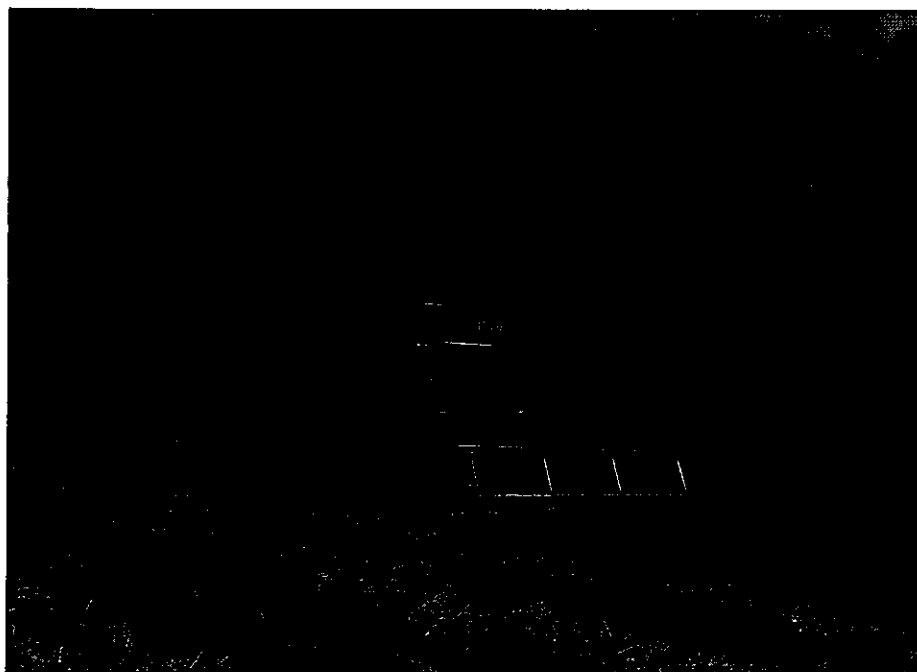
Breweries Activities

Murphy's Law
Breweries



*Agronomists multiplying barley
seed for future release.
Wanasayansi wakijaribu njia mpya
za kuongeza mazao ya shayiri*

*Combined harvester at Mau Narok
Experimental Farm.
Mashini ya kuvuna shayiri Mau
Narok*



Breweries Activities

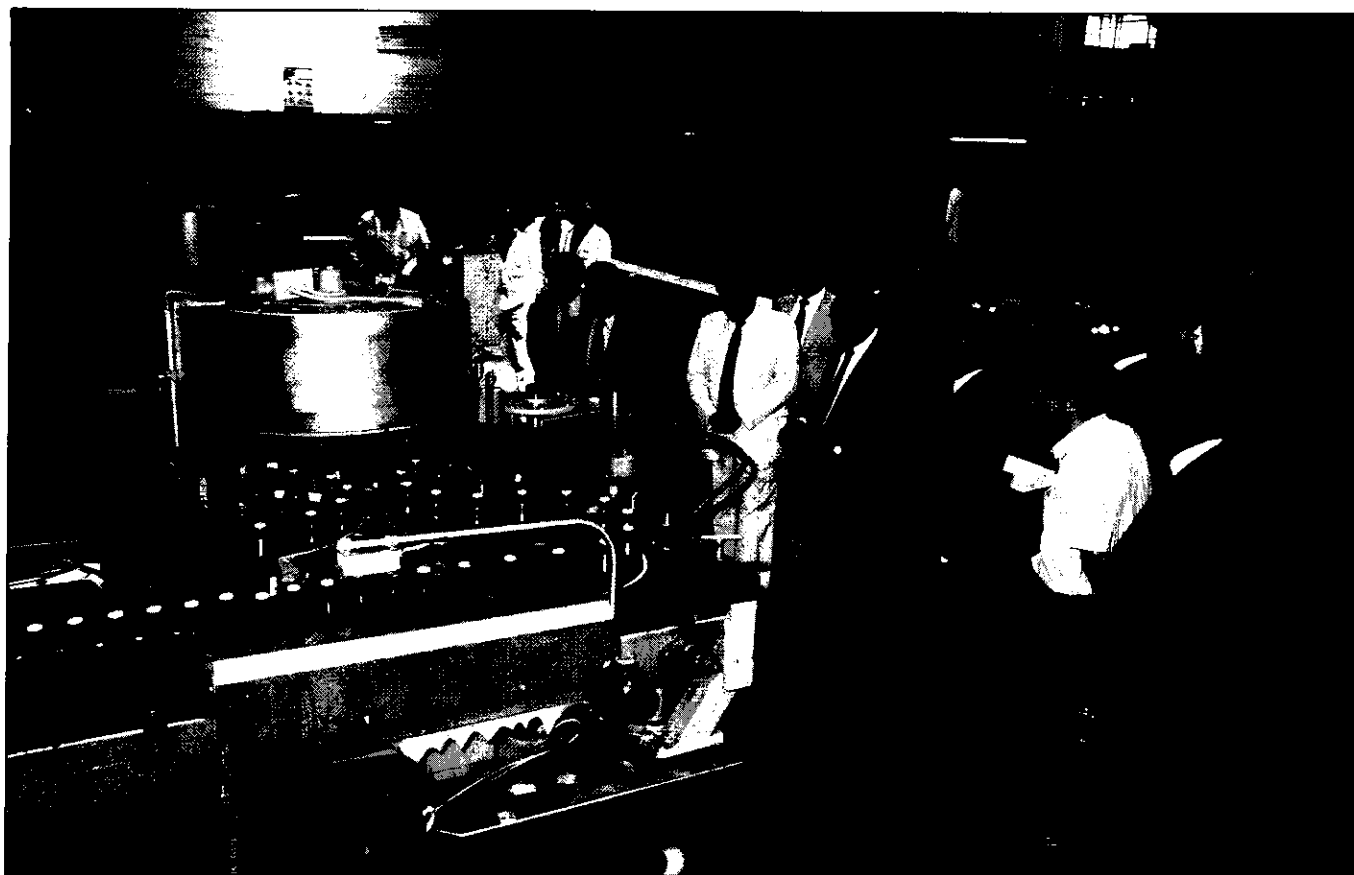


*Central Glass Industries Ltd.
Kiwanda cha chupa*



*The new range of bottles manufactured by Central Glass Industries
Chupa mpya zinazozalishwa na
Central Glass Industries.*

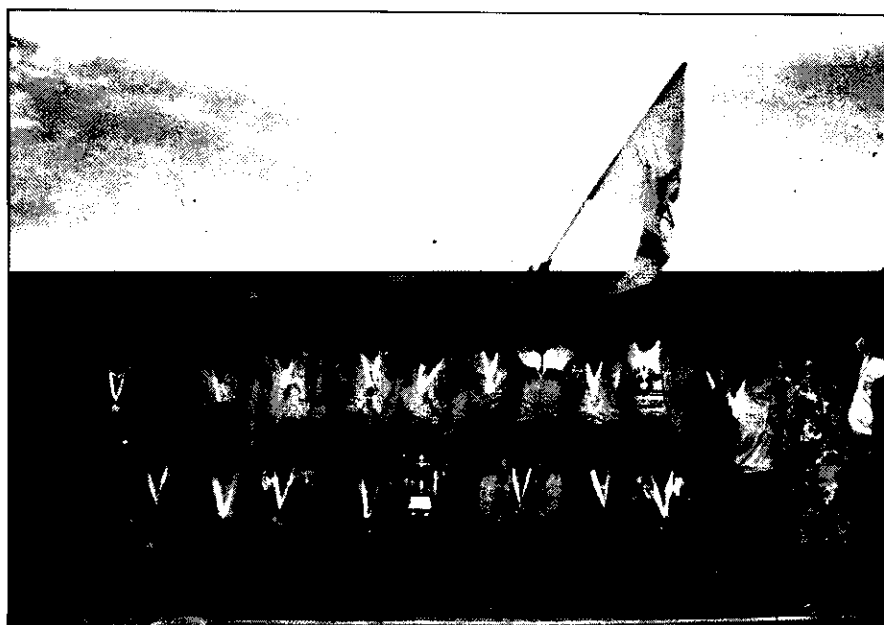
Breweries Activities



*Directors Tour of Tusker Breweries
Ziara ya wakurugenzi
katika Tusker Brewery*

*Kenya Breweries Football Club
- Winners of East and Central
Africa Football Cup for 1988
and 1989*

*KBFC washindi wa miaka mi-
wili 1988 na 1989 wa CECAFA
Champions Cup.*



Proxy

I/We Share A/C No.
 of (address)
 being a member/s of Kenya Breweries Limited, hereby appoint
 of (address)
 or failing him
 of (address) or failing him
 the duly appointed chairman of the meeting to be my/our proxy, to vote on my/our behalf at the 67th Annual
 General Meeting of the company to be held on Thursday, 16 November, 1989, at 12.00 noon or at any adjournment
 thereof.

As witness my/our hand/hands this day of 1989.

Signature

Notes: 1. This proxy is to be delivered to the company's registered office not later than 12 noon on Wednesday 15
 November, 1989 failing which it will be invalid.

2. In case of a corporation, the proxy must be under its common seal.

Mwakilishi

Mimi/Sisi Akaunti ya Hisa Na
 wa (anuani)
 kama mwanachama/wanachama wa Kenya Breweries Limited namchagua/tunamchagua
 wa (anuani)

 ama akikosa yeye
 wa (anuani) ama

akikosa yeye, basi namchagua/tunamchagua yule aliyechaguliwa kuwa mwenyekiti wa mkutano mkuu wa mwaka
 wa sitini na saba wa kampuni utakaofanywa siku ya Alhamisi, tarehe 16 Novemba 1989 saa sita aduhuri ama siku
 yoyote ile iwapo mkutano utaahirishwa.

Kama ushahidi ninatia/tunatia sahihi hii/hizi tarehe Mwezi 1989.

Sahihi

Ukumbusho: 1. Uwakilishi huu utumwe kwa afisi kuu ya kampuni kabla ya saa sita siku ya Jumatano, tarehe 15
 Novemba 1989 ikikosa hivyo hautafaa kitu.

2. Kwa upande wa makampuni, uwakilishi ni lazima uwe umebandikwa ule muhuri wao wa
 kawaida.

FOLD 2
PILI KUNJA HAPA

STAMP

Company Registrar
Kenya Breweries Limited
PO Box 30161
NAIROBI
Kenya

FOLD 1
KWANZA KUNJA HAPA

FOLD 3
HALAFU KUNJA HAPA

INSERT FLAP INSIDE
SASA INGIZA KARATASI HII NDANI YA MKUNJO KAMA BAHASHA