ANNUAL REPORT AND ACCOUNTS
for the year ended 30 June, 1990

TAARIFA NA HESABU YA MWAKA
uliomalizika 30 Juni, 1990

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1. Kenya Breweries Ltd -- Periodicals
2. Brewing industry Kenya Periodicals.

FINANCIAL CALENDAR
for the year ended 30 June, 1990
KALENDA YA FEDHA
ya mwaka uliomalizika 30 Juni, 1990

Financial Calendar	ended	30 June 1990
Interim Results	announced	23 February 1990
Final Results	announced	18 September 1990
Report and Accounts		
Annual Report	issued	1 November 1990
68th Annual General Meeting	to be held	23 November 1990
Dividends		
Interim	announced	23 February 1990
	closing date	19 April 1990
	paid	18 May 1990
Final	announced	18 September 1990
	closing date	23 November 1990
	payable	21 December 1990

Share Price
Market price per share at 18 September 1990 was KShs 22/40 each.

Kalenda ya Fedha	iliomalizika	30 Juni 1990
Matokeo ya kwanza	yalitangazwa	23 Februari 1990
Matokeo ya mwisho	yalitangazwa	18 Septemba 1990
Ripoti na Hesabu		
Ripoti ya mwaka	iliotolewa	1 Novemba 1990
Mkutano Mkuu wa mwaka wa 68	utafanywa	23 Novemba 1990
Mgao		
Wa kwanza	ulitangazwa	23 Februari 1990
	daftari ikafungwa	19 Aprili 1990
	ulilipwa	18 Mei 1990
Wa mwisho	ulitangazwa	18 Septemba 1990
	daftari ikafungwa	23 Novemba 1990
	utalipwa	21 Desemba 1990

Bei ya Hisa
Bei ya hisa kwenye soko la hisa tarehe 18 Septemba 1990 ilikuwa KShs 22/40 kila moja.

CORPORATE INFORMATION

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

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
D.R. Ongalo, alt. to C.S. Mbindyo, EBS

Secretary
J.N. Muhoho (Mrs), LLB

Registrar
W.K. Munguti, FCIS

Registered Office
Tusker House,
Thika Road, Ruaraka,
P.O. Box 30161,
Nairobi, Kenya
Telephone 802701
Telex 22628
Fax 802054
Cables TUSKER NAIROBI

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

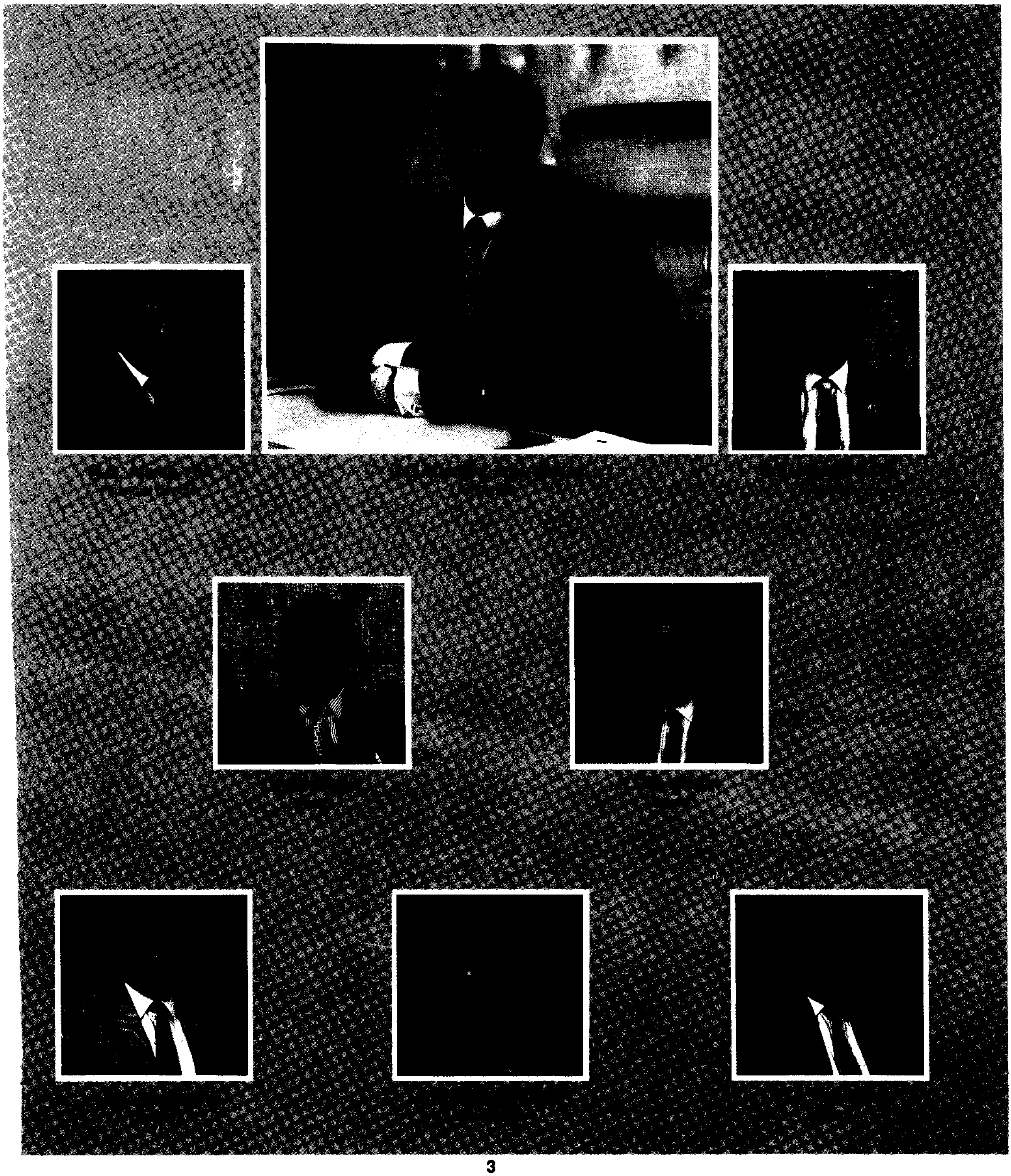
Associate Companies
Seychelles Breweries Limited
Tanzania Breweries Limited

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

Citibank NA
P.O. Box 30711
Nairobi, Kenya

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

BOARD OF DIRECTORS
WAKURUGENZI



NOTICE OF MEETING
TANGAZO LA MKUTANO

Notice is hereby given that the sixty-eighth Annual General Meeting of the shareholders will be held at Tusker Social Hall, Ruaraka, on Friday 23 November 1990 at 12.00 noon.

Ordinary Business

1. To receive the accounts for the year ended 30 June 1990, 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 21 December, 1990 to shareholders registered on 23 November 1990. 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
1 November, 1990

A form of proxy is on page 23 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 Thursday, 22 November, 1990.

Tangazo linatolewa hapa kwamba mkutano mkuu wa mwaka wa sitini na nane wa wenyehisa, utafanyika katika Tusker Social Hall, Ruaraka, siku ya Ijumaa tarehe 23 Novemba 1990 saa sita mchana.

Shughuli za kawaida

1. Kupokea taarifa ya hesabu ya pesa ya mwaka uliomalizikia tarehe 30 Juni 1990, ripoti za wakurugenzi na wakaguzi wa vitabu vya hesabu.
2. Kuthibitisha malipo ya mgao wa kwanza wa senti 50 kwa kila hisa, na kufikiria pendekezo la Halmashauri kutangaza malipo ya mwisho ya shilingi 1.50 kwa kila hisa yanayotarajiwa kutolewa mnamo au karibu na tarehe 21 Desemba 1990 kwa wenyehisa ambao majina yao yameandikishwa mnamo tarehe 23 Novemba, 1990.
   Malipo ya mgao kwa wenyehisa wanaoishi nje ya Kenya yanaweza kulipwa tu kukiwa na idhini ya Exchange Control.
3. Kuchagua mkurugenzi kufuatana na sheria za kampuni.
4. Kuidhinisha malipo ya wakurugenzi.
5. Kutoa kibali kwa wakurugenzi kuweka kipimo cha malipo ya wakaguzi wa vitabu.
6. Kuzungumza mambo mengine yoyote yanayohusu shughuli za kampuni.

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

KWA AMRI YA HALMASHAURI

J.N. Muhoho (Mrs)
Katibu
1 Novemba 1990

Ikiwa mwenyehisa hataweza kuhudhuria mkutano kuna fomu kwenye ukrasa wa 23 anayoweza kujaza na kuirudhisha kwenye ofisi kuu ya kampuni ili iweze kufika huko kabla ya Alhamisi tarehe 22 Novemba 1990, saa sita mchana.

CHAIRMAN'S STATEMENT
TAARIFA YA MWENYEKITI

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

In my statement last year, I informed the shareholders that the Company did not expect drastic change in the then prevailing economic conditions which were affecting our financial performance. In fact these conditions have deteriorated. The prices of Coffee and Tea have not shown marked change and the money market continued to be tight. The continuous appreciation of hard currencies against the Kenya Shilling has very seriously affected the costs of our major brewing raw materials and has also had a very adverse effect on our subsidiary company Central Glass Industries Limited, which has a large German Loan as well as increasing the prices of our imported spare parts. The price of sugar almost doubled and bad weather conditions continued resulting in poor barley yields and necessitating the importation of malt at very high prices.

Bearing in mind these difficult conditions the Company made strenuous efforts to control costs which made it possible to reduce the inevitable decline in profits. As a result the Company made a profit before tax amounting to K£11,580,638 which was below last year's profit. However, the group profits after tax amounted to K£6,553,319 which is K£314,929 (5%) above the profits achieved last year. The profit after tax was higher because of substantial investment tax allowances received on completion of the Mombasa Brewery extensions.

To counteract these hard and adverse economic conditions on continuous basis, the company has implemented operational measures which will have the net result of arresting further decline in profits. We have re-organised the Company which has resulted in the enhancement of efficiency and motivation of staff. We have implemented strict financial controls thereby reducing costs drastically. We have introduced planned maintenance to enhance the performance of our plant and conserve their life.

Price control policy by the Government is a major factor in determining our company policies. Historically we have expected price

Katika taarifa yangu mwaka uliopita, niliwafahamisha wenye hisa kwamba kampuni haikutarajia mabadiliko makubwa katika hali za kiuchumi zilizokuwepo ambazo ziliathiri hali yetu ya kifedha. Kwa kweli hali hizi zimezidi kuzorota. Bei ya kahawa na chai haijaonyesha mabadiliko makubwa na hali ya kifedha kwenye soko imeendelea kuwa ngumu. Kuzidi kupanda kwa thamani ya sarafu za kigeni dhidi ya shilingi ya Kenya kumeendelea kuathiri mno gharama za mali ghafi (raw materials) tunazotumia kwa kutengenezea pombe na pia kuwa na athari kubwa kwa kampuni yetu ya Central Glass Industries Limited, ambayo ina mkopo mkubwa kutoka Ujerumani na vilevile kusababisha ongezeko kwa gharama ya vipuli tunavyoagiza kutoka nje. Bei ya sukari karibu iliongezeka mara mbili na hali mbaya ya hewa iliendelea na ikasababisha mavuno madogo ya shayiri hata kulazimisha uagizaji wa kimea kutoka nchi za nje kwa bei ya juu.

Tukitilia maanani hali hizi ngumu za kiuchumi kampuni ilijaribu sana kupunguza gharama za matumizi na kuhakikisha hakuna upungufu mkubwa katika faida. Matokeo ni kwamba kampuni ilipata faida nzuri kabla ya kodi, iliyofikia K£11,580,638 kiasi kikiwa kidogo ukilinganisha na faida ya mwaka uliopita. Faida ya pamoja baada ya kodi ilifikia K£6,553,319 kiasi ambacho ni K£314,929 (5%) zaidi ya faida iliopatikana mwaka uliopita. Faida baada ya kodi iliongezeka kwa sababu ya kutolipa kodi kutokana na upanuzi wa mtambo wa Mombasa Brewery.

Kukabiliana na hali ngumu za kiuchumi kwa muda mrefu, kampuni imeanzisha hatua za utekelezaji kazi ambazo zitakuwa na matokeo makubwa ya kuondoa upungufu wa faida. Tumepanga taratibu mpya za kazi ambazo zimezidisha ukakamavu wa kazi na kuwatia moyo wafanyakazi. Tumeanzisha hatua imara za usimamizi wa fedha hivyo kupunguza gharama kwa kiasi kikubwa. Tumeanzisha utaratibu maalum wa utunzaji mitambo ili kuzidisha uwezo wake wa kazi na muda wa kudumu kwake. Utaratibu wa serikali wa kusimamia bei ni jambo muhimu katika kuamua maongozi

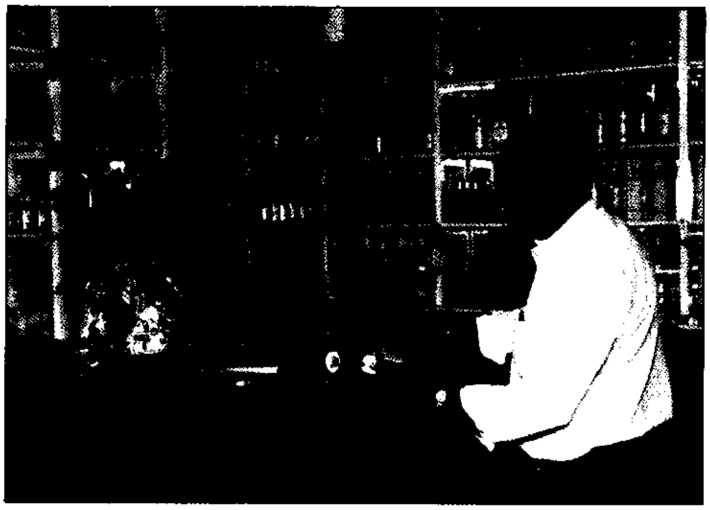
New bottling line at Mombasa brewery

CHAIRMAN'S STATEMENT
TAARIFA YA MWENYEKITI

increase once a year although conditions may have drastically changed long before the increase is granted. It would have been a great help to our operations, for as long as price control existed, if a suitable trigger mechanism to be controlled by market forces was established enabling us to increase the price of beer when our costs go up. In this respect we note with satisfaction that category 'D' outlets have already been de-controlled. We hope that in the near future the benefit that accrues from this measure will be passed to the brewing industry and that more outlets will be decontrolled perhaps with eventual objective of lifting price controls altogether.

Barley

The Company is shifting its major barley operations from the Mau escarpment which has major farming problems due to unpredictable weather conditions, poor roads and small scale farm acreage. We intend to move 50% of our barley operations to other areas. In this regard three new varieties have been bred and are currently being multiplied at Naivasha under irrigation and if they prove suitable for malting and brewing, they will be released for commercial production. Our research team continues to search for new barley varieties which will resist diseases and improve the yields. We are currently multiplying these seeds varieties at Naivasha. In this respect Kenya Breweries Limited and Kenya Agricultural Research Institute [KARI] have entered into a collaborative research to endeavour to determine the best way of managing and controlling a relatively new disease in Kenya BYDV which has become very significant over the last three years because of the adverse effect it has on barley yields.



A retail outlet for KBL products

yetu. Kihistoria tumekuwa tukitarajia ongezeko la bei mara moja kila mwaka ingawaje hali ya uchumi hubadilika kabla ya idhini ya kuongezeka bei haijatolewa

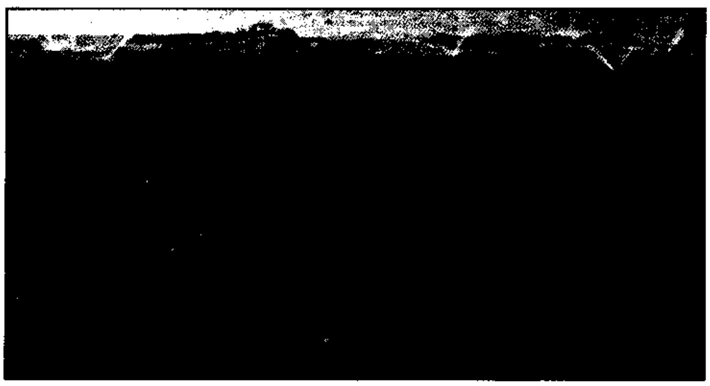
Tungefurahi zaidi iwapo usimamizi wa bei utaendelea kuwapo pia mpango maalum wa kuuwezesha [illegible]

Shayiri

[illegible]

Hops

After many years of trials, Kenya Breweries Limited successfully grew about one acre of hops from which nearly half a tonne of hops was harvested. The hops were used for brewing trials and our taste panelists gave the beer a very high score. Efforts will continue to explore the possibility of growing this crop successfully in Kenya.



Barley under irrigation at Naivasha

Hops

[illegible]

CHAIRMAN'S STATEMENT
TAARIFA YA MWENYEKITI

Central Glass Industries Limited
Until Central Glass Industries Limited repays its foreign loan, it is likely to continue experiencing difficult but not impossible conditions in the market. In an attempt to counter these problems the Company is shifting from its reliance on the soft drink and beer markets and actively persuing pharmaceutical and small container bottler markets. Export orders are on the increase and it is intended to pursue this line of business with vigour. The quality of our bottles is very high and we are convinced that long term Central Glass Industries Limited has a very promising future.

Maturing hops at the Mau Narok experimental farm

Uganda Breweries Limited
Uganda Breweries Limited continue to do well. Last year the Company made a profit before tax of UShs.680,120,000/- which was an increase of 385% over the previous year's profit of UShs.140,284,000/-. Profit after tax amounted to UShs.399,056,000/-. The Company declared a final dividend of UShs.20/- per stock unit. I am happy to report that the law on repatriation of dividends in Uganda has been changed to allow dividends to be remitted through the "parallel market". It costs more but the shareholders would receive their dividends in time. Arrangements are in hand to transfer the dividends from Uganda.

Tanzania Breweries Limited
I am happy to inform the shareholders that Tanzania Breweries Limited paid 20% of the money the Company owes to Kenya Breweries Limited and that negotiations are progressing satisfactorily to have the balance paid in due course.

Seychelles Breweries Limited
The Company continues to perform well and during the year we received a dividend of £27,527 from this Company.

Co-operation with Delta Corporation Zimbabwe
Co-operation between the two companies continues to the mutual benefits of our two organisations. Through this co-

Central Glass Industries Limited
Hadi Central Glass Industries Limited itakapolipa deni lake la kigeni, huenda ikaendelea kukabiliwa na matatizo lakini hata hivyo haiwezi kupoteza kabisa biashara. Juhudi zinaendelea za kukabiliana na matatizo haya na kampuni inabadilisha mazoea yake ya kutegemea biashara ya chupa za soda na pombe na kujaribu sana soko la chupa za kupakia madawa. Maagizo ya kutoka nje yanaongezeka na kampuni inategemea kutilia nguvu maagizo haya kwa bidii. Chupa zetu ni za hali ya juu na tunaamini kwamba kampuni ina matumaini mema ya siku zijazo.

Uganda Breweries Limited
Uganda Breweries Limited yaendelea kufanya vizuri. Mwaka uliopita kabla ya kutozwa kodi kampuni ilipata faida ya shilingi za Uganda 680,120,000/- ambalo lilikuwa ongezeko la asilimia 385 kushinda faida iliyopatikana mwaka uliotangulia ambayo ilikuwa shilingi za Uganda 140,284,000/-. Faida baada ya kutozwa kodi ilifika shilingi za Uganda 399,056,000/-. Kampuni ilitangaza gao la mwisho la shilingi 20 za Uganda kwa kila hisa 'Stock Unit'. Nina furaha kueleza kuwa ile sheria ya kuhamisha mali ya mgao kutoka Uganda imebadilishwa kuruhusu fungu la gao kuweza kupelekwa nje kwa mpango maalum. Ni mpango utakaogharimu zaidi lakini wenye hisa watapata mgao wao katika muda unaofaa. Mipango imo njiani kuhamisha malipo hayo kutoka Uganda.

Tanzania Breweries Limited
Nina furaha kuwafahamisha wenye hisa kwamba Tanzania Breweries Limited ililipa asilimia 20 ya fedha ambazo walikuwa wakidaiwa na Kenya Breweries Limited, na mazungumzo yanaendelea vizuri ili kuwezesha sehemu iliyobakia ya deni ilipwe kwa wakati unaofaa.

Seychelles Breweries Limited
Kampuni inaendelea kufanya vyema, na katika mwaka tunaozungumzia tulipokea mgao wa £27,527 kutoka kwa kampuni hiyo.

CHAIRMAN'S STATEMENT
TAARIFA YA MWENYEKITI

operation, we hope to develop hop varieties which are tolerant to our climatic conditions. We continue to exchange both technical and market information.

General
In conclusion, I would like to thank our staff at all levels for their excellent work during the year and the extremely good team spirit which they continue to exhibit.

Thanks go to my colleagues, the Board of Directors, for their support and co-operation during the year.

I would also like to take this opportunity to thank the Kenya Government for its constant assistance and support throughout the year.

J.G. Kiereini
Chairman

Ushirikiano na shirika la Delta Zimbabwe
Ushirikiano baina ya kampuni zote mbili unaendelea kwa faida ya pande zote zinazohusika. Kupitia ushirikiano huu tunatarajia kukuza aina mbali mbali za 'Hops' ambayo yatavumilia hali ya hewa ya hapa kwetu. Tunaendelea pia kubadilishana mawazo ya kiufundi na ya soko.

Mambo kwa jumla
Na kwa kumalizia ningependa kuwashukuru na kuwa-pongeza wafanyi kazi wote katika ngazi na vyeo mbali mbali kwa kazi, juhudi na umoja wao mzuri walioonyesha kwa kampuni hii. Pongezi pia ziwafikie wenzangu Wakurugenzi wa halmashauri kwa usaidizi na ushirikiano wao mzuri mwakani. Ningependa pia kuchukua nafasi hii kuishukuru Serikali yetu ya Kenya kwa usaidizi na ushirikiano katika nyanja mbali mbali za shughuli zetu.

J.G. Kiereini
Mwenyekiti

REPORT OF THE DIRECTORS
for the year ended 30 June, 1990
RIPOTI YA WAKURUGENZI
ya mwaka uliomalizika tarehe 30 Juni, 1990

To be submitted to the shareholders at the sixty-eighth Annual General Meeting of the company to be held at Tusker Hall, Ruaraka on 23 November, 1990 at 12 noon. The directors have pleasure in presenting to the shareholders the accounts for the year ended 30 June 1990.

Activities
The principal activities of the group remain that of brewing, bottling and selling of beer and manufacturing and selling of bottles.

Consolidated profit and loss account

	K£	K£
Profit before taxation		11,580,638
Taxation		5,027,319
Profit after taxation available for distribution		6,553,319
Dividends		
Interim paid:		
Cents 50 per share	1,066,426	
Final proposed:		
Shs 1.50 per share	3,199,278	4,265,704
		2,287,615
Transfer to general reserve		2,280,000
Profit retained		7,615

Directors
Mr. G.W. Tetu resigned from the Board on 24 April, 1990.

In accordance with article 94 of the Articles of Association, Mr D.J. Nyanjom 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
P.O. Box 30161
Nairobi
18 September 1990

Itakayotolewa kwa wenyehisa kwenye mkutano mkuu wa kampuni wa mwaka ambao ni wa sitini na nane utakaofanyiwa katika Tusker Hall, Ruaraka tarehe 23 Novemba 1990 saa sita mchana. Wakurugenzi wana furaha kuwatolea wenyehisa hesabu za mwaka uliomalizikia tarehe 30 Juni, 1990.

Shughuli
Shughuli muhimu za kampuni zimeendelea kuwa utengenezaji pombe, kuzipakia na kuziuza. Vilevile kutengeneza na kuuza chupa.

Faida na hasara za hesabu iliyojumlishwa

	K£	K£
Faida kabla ya kutoa fungu la ushuru		11,580,638
Ushuru		5,027,319
Faida baada ya kutoa fungu la ushuru na ambayo inaweza kugawanywa		6,553,319
Migao ya faida		
Malipo ya mgao wa kwanza		
Senti 50 kila hisa	1,066,426	
Malipo ya mgao wa mwisho yaliyopendekezwa		
Shs 1.50 kila hisa	3,199,278	4,265,704
		2,287,615
Nyongeza katika akiba kuu		2,280,000
Faida iliyotengwa		7,615

Wakurugenzi
Bw G.W. Tetu alistaafu kutoka kwenye Halmshauri tarehe 24 Aprili 1990. Kwa mujibu wa kanuni 94 ya Masharti ya Kampuni, Bw D.J. Nyanjom anaondoka kitini mwake kwa utaratibu wa zamu, lakini kwa kuwa baado anafaa, amejitolea kuchaguliwa tena.

Wakaguzi wa Hesabu
Kampuni ya Gill & Johnson itaendelea na kazi za ukaguzi wa vitabu vya hesabu kwa mujibu wa sehemu ya 159 (2) ya sheria za makampuni.

Wafanyakazi
Wakurugenzi wana furaha kubwa kwa mara nyingine kwa juhudi kubwa iliyofanywa na wafanyakazi wote wa kampuni hii.

KWA AMRI YA HALMASHAURI

J.N. Muhoho (Mrs)
Katibu
S.L.P. 30161
Nairobi
18 Septemba 1990

REPORT OF THE AUDITORS
to the members of Kenya Breweries Limited

TAARIFA YA WAKAGUZI
kwa wanachama wa Kenya Breweries Limited

We have examined the accounts on pages 11 to 19 and have obtained all the information and explanations considered necessary for our audit.

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) 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 1990 and of the profit and source and application of funds of the group for the year ended on that date.

Gill & Johnson
Certified Public Accountants (Kenya)

Nairobi
18 September 1990

Tumekagua hesabu zilizoko kwenye ukrasa wa 11 mpaka 19 na tumepatiwa habari na maelezo yote muhimu kwa ukaguzi wetu.

Kwa maoni yetu:

a) Vitabu vya hesabu vimewekwa kwa njia sahihi na kampuni, na kwa hivyo hesabu za kampuni zinakubaliana na vitabu hivyo

b) Tarakimu za hesabu zinaambatana na sheria za makampuni, na zinaeleza ukweli na maoni ya haki jinsi hali ilivyo katika kampuni na kundi lake kufikia tarehe 30 Juni 1990 na kuhusu faida na mapato na matumizi ya fodha za kundi kwa mwaka uliokwisha tarehe hiyo

Gill & Johnson
Certified Public Accountants (Kenya)

Nairobi
18 Septemba 1990

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 June 1990

	Note	1990 K£	1989 K£
Trading profit	2	11,553,111	13,480,409
Income from investment			
Associate		27,527	22,635
Profit before taxation		11,580,638	13,503,044
Taxation	3	5,027,319	7,264,654
Profit after taxation	4	6,553,319	6,238,390
Dividends (gross)			
Interim paid		1,066,426	1,066,426
Final proposed		3,199,278	3,199,278
General reserve	14	2,280,000	1,970,000
Retained profit	14	7,615	2,686
Earnings per share (Sh)	5	3.07	2.92

CONSOLIDATED BALANCE SHEET
30 June 1990

	Note	1990 K£	1989 K£
Fixed assets	6	108,967,503	100,686,197
Investment in associate	8	35,114	35,114
Tanzanian assets	9	1,446,365	1,885,970
Ugandan assets	10	1,341,710	1,341,710
		111,790,692	103,948,991
Current assets			
Stocks	11	56,264,330	47,225,200
Debtors		7,049,212	5,427,877
Short term deposit		5,000,000	
Bank balances and cash		1,013,907	1,134,689
		69,327,449	53,787,766
Current liabilities			
Creditors		37,518,229	33,077,237
Taxation		5,464,276	7,538,561
Loan instàlments due within 12 months	12	5,892,829	4,909,537
Short term loans		4,740,810	2,366,222
Bank overdraft (secured)		22,510,297	10,826,330
Proposed dividend (gross)		3,199,278	3,199,278
		79,325,719	61,917,165
Net current liabilities		(9,998,270)	(8,129,399)
Long term liabilities	12	(24,497,177)	(20,811,962)
Net assets		77,295,245	75,007,630
Financed by:			
Share capital	13	21,328,520	21,328,520
Reserves	14	55,966,725	53,679,110
Shareholders' funds		77,295,245	75,007,630

The accounts on pages 11 to 19 were approved by the board of directors on 18 September 1990 and were signed on its behalf by:

J.G. Kiereini
Director

D.R. Ongalo
Director

COMPANY BALANCE SHEET
30 June 1990

	Note	1990 K£	1989 K£
Fixed assets	6	88,916,712	81,983,162
Investment in subsidiaries	7	12,055,756	12,055,756
Investment in associate	8	35,114	35,114
Tanzanian assets	9	1,446,365	1,885,970
Ugandan assets	10	1,341,710	1,341,710
		103,795,657	97,301,712
Current assets			
Stocks	11	49,696,303	42,306,737
Debtors		5,330,398	4,467,253
Due from subsidiary companies		2,049,390	49,602
Short term deposit		5,000,000	—
Bank balances and cash		1,013,697	1,134,517
		63,089,788	47,958,109
Current liabilities			
Creditors		35,918,695	31,988,347
Taxation		5,464,276	7,538,561
Due to subsidiary companies		9,938	231,836
Loan instalments due within 12 months	12	3,212,422	2,830,122
Short-term loans		4,740,810	2,366,222
Bank overdraft (secured)		20,376,478	9,060,339
Proposed dividend (gross)		3,199,278	3,199,278
		72,921,897	57,214,705
Net current liabilities		(9,832,109)	(9,256,596)
Long term liabilities	12	(14,456,211)	(12,494,499)
Net assets		79,507,337	75,550,617
Financed by:			
Share capital	13	21,328,520	21,328,520
Reserves	14	58,178,817	54,222,097
Shareholders' funds		79,507,337	75,550,617

The accounts on pages 11 to 19 were approved by the board of directors on 18 September 1990 and were signed on its behalf by:

J.G. Kiereini
Director

D.R. Ongalo
Director

Comparative figures reflect the merged operations of Kenya Breweries Limited, Kenya Breweries Investments Limited and Masterplan (K) Limited.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 30 June 1990

	1990 K£	1989 K£
Source of funds		
Profit before taxation	11,580,638	13,503,044
Adjustments for items not involving movement of funds:		
Depreciation	8,401,327	8,004,574
Profit on sale of fixed assets	(289,281)	(68,503)
Funds generated from operations	19,692,684	21,439,115
Funds from other sources		
Instalments received from Tanzanian assets	439,605	
Sale of fixed assets	343,978	[illegible]
Loans received	11,161,174	[illegible]
Inflow of funds	31,637,441	[illegible]
Application of funds		
Purchase of fixed assets (including capital work in progress)	16,737,330	[illegible]
Loans repaid	4,118,079	[illegible]
Dividends paid	4,265,704	4,265,704
Taxation paid	7,101,604	[illegible]
Outflow of funds	32,222,717	[illegible]
Net (outflow)/inflow of funds	(585,276)	5,557,674
Movement in working capital		
Stocks	9,039,130	[illegible]
Debtors	1,621,335	[illegible]
Creditors	(4,440,992)	[illegible]
	6,219,473	[illegible]
Movement in liquid funds		
Short term deposit	5,000,000	
Bank balances and cash	(120,782)	[illegible]
Bank overdraft	(11,683,967)	105,075
Net movement in working capital	(585,276)	5,557,674

NOTES TO THE ACCOUNTS
for the year ended 30 June 1990

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 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, and leasehold with an unexpired term exceeding 99 years. 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 period of the lease
Buildings	2 per cent or over the unexpired period of the lease, if less than 50 years
Plant and equipment	4 per cent to 20 per cent
Vehicles: Commercial	20 per cent
Cars	25 per cent

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 rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates of exchange ruling at the dates of the transactions.
The exchange losses resulting from the purchase of plant and equipment by a subsidiary, Central Glass Industries Limited, are capitalised.

	1990 **K£**	**1989** **K£**
2. TRADING PROFIT		
Trading profit is arrived at after charging:		
Loan interest	5,631,472	3,849,297
Depreciation	8,401,327	8,004,574
Auditors' remuneration	60,950	59,334
Directors' emoluments		
Fees	21,000	26,262
Other	503,377	720,763
Compensations for loss of office	100,000	128,151
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)

	1990 K£	1989 K£
3. TAXATION		
On the adjusted profit for the year at 42.5% (1989 — 45%)	5,117,485	7,265,690
Adjustment in respect of prior years	(90,166)	(1,036)
	5,027,319	7,264,654
4. PROFIT AFTER TAXATION		
The result for the year is dealt with as follows:		
Kenya Breweries Limited	8,222,424	6,494,515
Subsidiaries	(1,669,105)	(256,125)
	6,553,319	6,238,390

5. EARNINGS PER SHARE

Earnings per share has been calculated on the profit after taxation of K£6,553,319 (1989 — K£6,238,390) and 42,657,040 (1989 — 42,657,040) ordinary shares.

6. FIXED ASSETS

	Freehold properties K£	Leasehold properties K£	Plant and equipment K£	Vehicles K£	Total K£
Group					
Cost or valuation					
At 1 July 1989	23,218,781	18,940,705	90,830,532	12,026,236	145,016,254
Additions	—	1,968,755	13,773,955	1,594,020	17,336,730
Disposals	—	—	(583,334)	(678,303)	(1,261,637)
At 30 June 1990	23,218,781	20,909,460	104,021,153	12,941,953	161,091,347
Comprising:					
At cost	1,088,343	11,455,345	78,713,886	12,941,953	104,199,527
At valuation in 1980	22,130,438	9,454,115	25,307,267	—	56,891,820
	23,218,781	20,909,460	104,021,153	12,941,953	161,091,347
Depreciation					
At 1 July 1989	3,951,669	2,940,899	35,316,186	8,384,406	50,593,160
Charge for the year	445,421	410,661	6,065,350	1,479,895	8,401,327
Eliminated on disposals	—	—	(564,580)	(642,360)	(1,206,940)
At 30 June 1990	4,397,090	3,351,560	40,816,956	9,221,941	57,787,547
Net book value					
At 30 June 1990	18,821,691	17,557,900	63,204,197	3,720,012	103,303,800
Capital work in progress					5,663,703
					108,967,503
At 30 June 1989	19,267,112	15,999,806	55,514,346	3,641,830	94,423,094
Capital work in progress					6,263,103
					100,686,197

NOTES TO THE ACCOUNTS (continued)

6. FIXED ASSETS (continued)

	Freehold properties K£	Leasehold properties K£	Plant and equipment K£	Vehicles K£	Total K£
Company					
Cost or valuation					
At 1 July 1989	23,218,781	17,130,651	71,217,719	11,723,086	123,290,237
Additions	—	1,849,779	11,035,235	1,561,709	14,446,723
Disposals	—	—	(576,320)	(678,303)	(1,254,623)
At 30 June 1990	23,218,781	18,980,430	81,676,634	12,606,492	136,482,337
Comprising:					
At cost	1,088,343	9,526,315	56,369,367	12,606,492	79,590,517
At valuation in 1980	22,130,438	9,454,115	25,307,267	—	56,891,820
	23,218,781	18,980,430	81,676,634	12,606,492	136,482,337
Depreciation					
At 1 July 1989	3,951,669	2,854,893	32,497,773	8,222,393	47,526,728
Charge for the year	445,421	375,924	4,675,794	1,411,058	6,908,197
Eliminated on disposals	—	—	(563,236)	(642,361)	(1,205,597)
At 30 June 1990	4,397,090	3,230,817	36,610,331	8,991,090	53,229,328
Net book value					
At 30 June 1990	18,821,691	15,749,613	45,066,303	3,615,402	83,253,009
Capital work in progress					5,663,703
					88,916,712
At 30 June 1989	19,267,112	14,275,758	38,719,946	3,500,693	75,763,509
Capital work in progress					6,219,653
					81,983,162

	1990 K£	1989 K£
7. INVESTMENT IN SUBSIDIARIES		
(All wholly owned)		
Shares at cost		
Central Glass Industries Limited	12,000,000	12,000,000
Salopia Limited	55,656	55,656
Allsopps (EA) Sales Limited	100	100
	12,055,756	12,055,756
8. INVESTMENT IN ASSOCIATE		
Seychelles Breweries Limited — at cost	35,114	35,114

9. TANZANIAN ASSETS

The amount shown in the balance sheet represents the cost of shares in Tanzania Breweries Limited and the balance of the current account. In the opinion of the directors, the assets are worth at least the amount shown in the balance sheet.

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. In the opinion of the directors, the assets are worth at least the amount shown in the balance sheet.

NOTES TO THE ACCOUNTS (continued)

11. STOCKS

	Group 1990 K£	Group 1989 K£	Company 1990 K£	Company 1989 K£
Finished goods	9,937,125	7,024,493	8,333,452	5,550,018
Raw materials	13,839,792	11,352,595	12,961,897	10,830,912
Consumables	30,413,197	24,824,768	26,326,738	21,902,463
Goods in transit	2,074,216	4,023,344	2,074,216	4,023,344
	56,264,330	47,225,200	49,696,303	42,306,737

12. LONG TERM LIABILITIES

	Group 1990 K£	Group 1989 K£	Company 1990 K£	Company 1989 K£
Secured bank loans repayable in semi-annual instalments by 31 December 1992	2,000,000	2,000,000	2,000,000	2,000,000
Secured bank loans repayable in semi-annual instalments by 30 June 1993	2,500,000	3,000,000	2,500,000	3,000,000
Secured bank loans repayable by 30 June, 1993	12,000,000	8,000,000	10,000,000	8,000,000
Secured bank loans repayable in semi-annual instalments by 30 September, 1994	1,500,000	—	1,500,000	
Overseas bank loans repayable in semi-annual instalments by 27 October, 1991	1,668,633	2,324,621	1,668,633	2,324,621
Overseas bank loan repayable in semi-annual instalments by 31 May 1994	10,721,373	10,396,878	—	
	30,390,006	25,721,499	17,668,633	15,324,621
Less instalments due within 12 months	5,892,829	4,909,537	3,212,422	2,830,122
	24,497,177	20,811,962	14,456,211	12,494,499

13. SHARE CAPITAL

	1990 K£	1989 K£
Authorised		
50,000,000 ordinary shares of Shs10 each	25,000,000	25,000,000
Issued and fully paid		
42,657,040 ordinary shares of Shs10 each	21,328,520	21,328,520

NOTES TO THE ACCOUNTS (continued)

14. RESERVES

	Share Premium K£	Capital Reserve K£	General Reserve K£	Retained Profit K£	Total K£
Group					
At 1 July 1989	52,896	26,039,210	27,218,561	368,443	53,679,110
Profit and loss account	—	—	2,280,000	7,615	2,287,615
At 30 June 1990	52,896	26,039,210	29,498,561	376,058	55,966,725
Company					
At 1 July 1989	52,896	26,039,210	27,522,012	607,979	54,222,097
Profit and loss account	—	—	2,280,000	1,676,720	3,956,720
At 30 June 1990	52,896	26,039,210	29,802,012	2,284,699	58,178,817

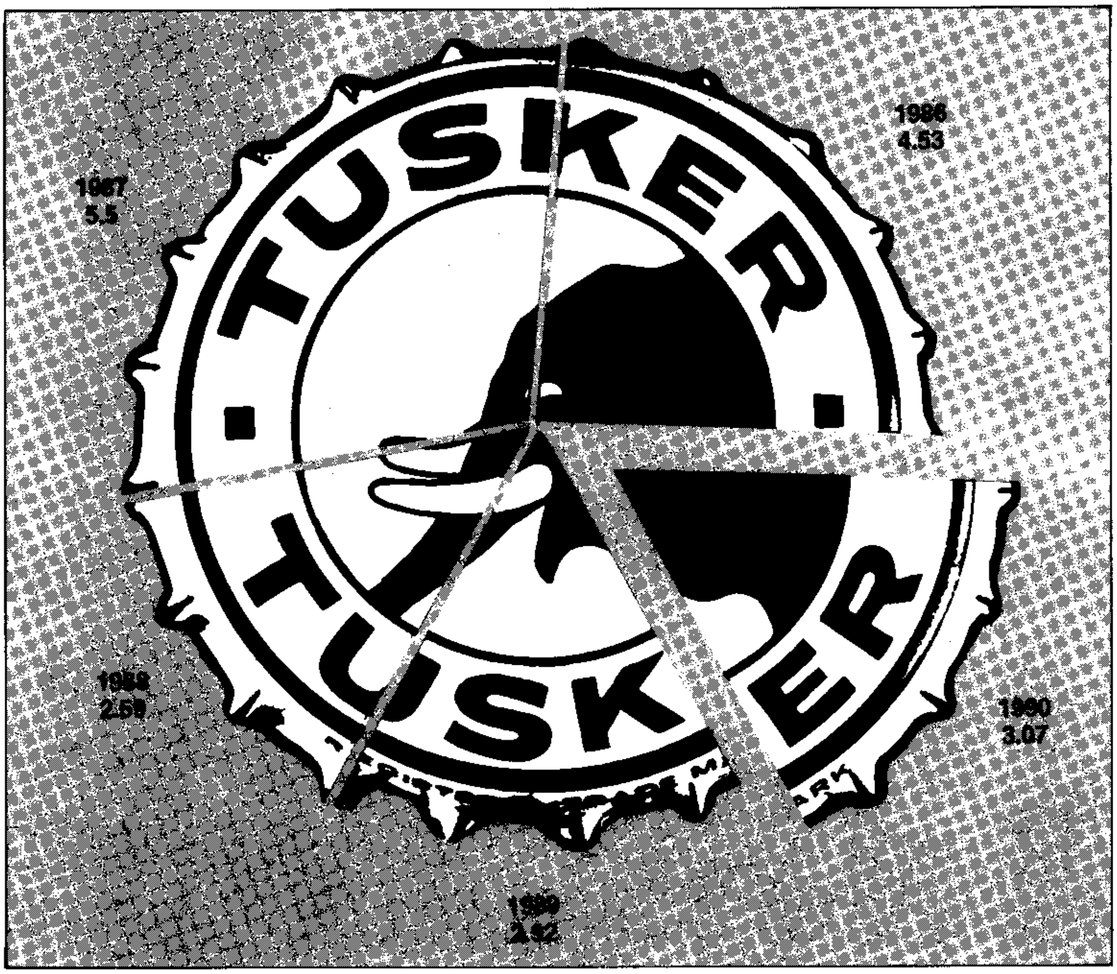
	Group		Company	
	1990 K£	1989 K£	**1990 K£**	1989 K£
15. CAPITAL COMMITMENTS				
Contracted but not provided in the accounts	5,425,176	9,707,165	5,425,176	9,593,287
Authorised but not contracted	13,859,458	19,457,229	13,859,458	19,412,414
16. CONTINGENT LIABILITIES				
Guarantees in respect of bank advances to barley farmers	2,165,063	1,926,505	2,165,063	1,926,505
Guarantee in respect of overseas loan to a subsidiary company	—	—	10,721,273	10,396,878
Guarantee in respect of bank facilities to a subsidiary company	—		4,000,000	1,500,000
	2,165,063	1,926,505	16,886,336	13,823,383

FIVE YEAR REVIEW OF PROFIT AND EARNINGS

	1989/1990 K£ '000	1988/1989 K£ '000	1987/1988 K£ '000	1986/1987 K£ '000	1985/1986 K£ '000
Trading profit	11,553	13,480	11,244	16,749	16,699
Income from investment	28	23	21	17	15
Profit before taxation	11,581	13,503	11,265	16,766	16,714
Taxation	5,027	7,265	5,731	5,665	8,662
Profit attributable to shareholders	6,554	6,238	5,534	11,101	8,052
Dividends	4,266	4,266	4,266	4,266	4,088
Profit retained	2,288	1,972	1,268	6,835	3,964
Earnings per ordinary share (Sh)	3.07	2.92	2.59	5.20	4.53
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	42.7	35.5

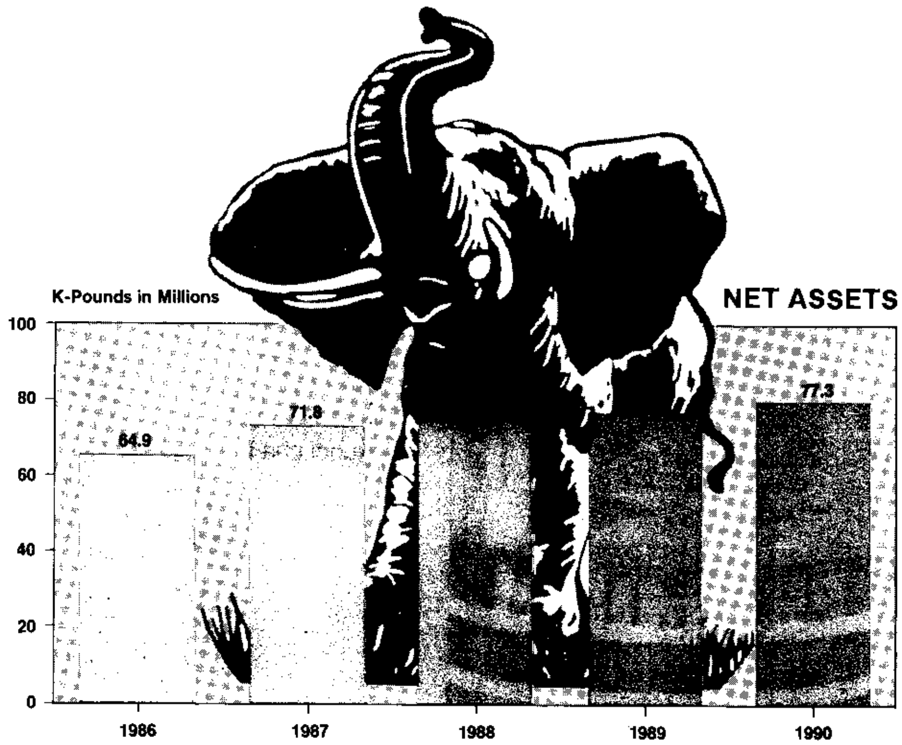
KENYA SHILLINGS

EARNINGS PER SHARE

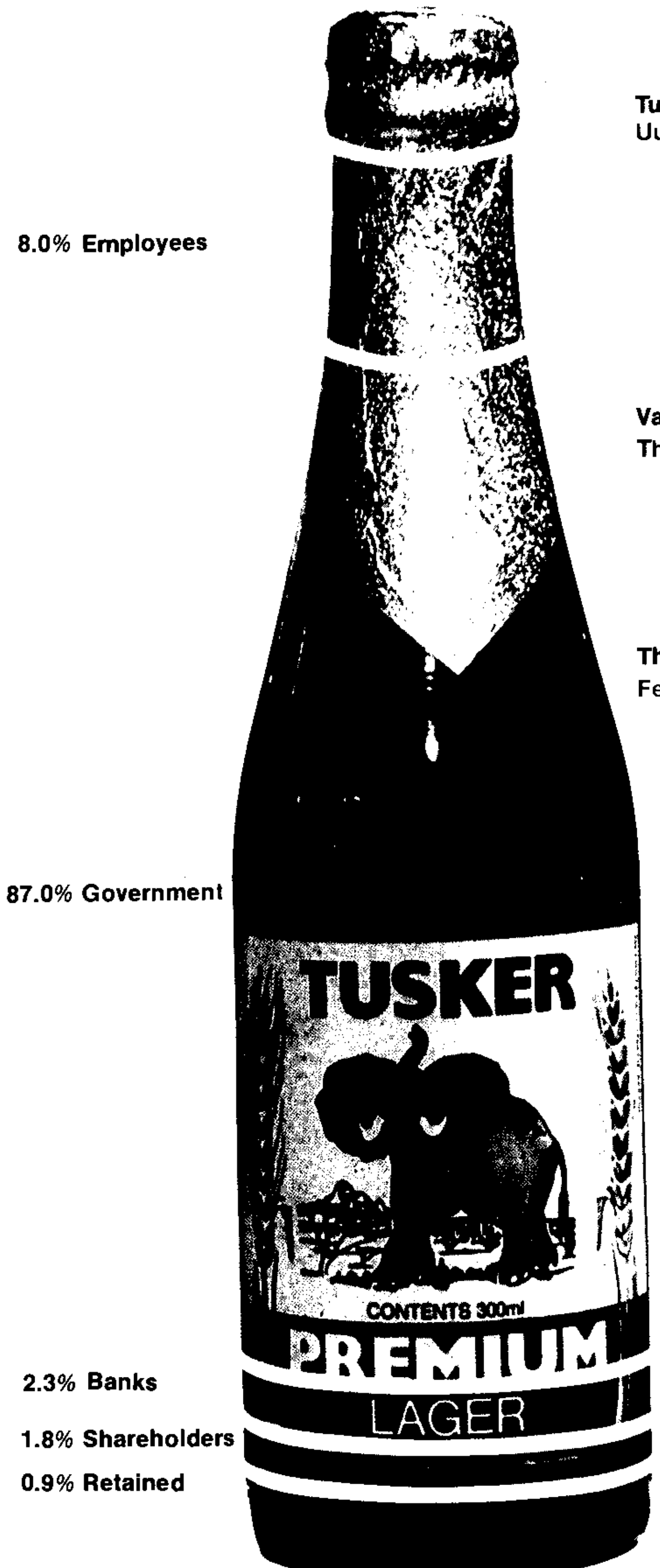


FIVE YEAR REVIEW OF ASSETS EMPLOYED

	1990 K£ '000	1989 K£ '000	1988 K£ '000	1987 K£ '000	1986 K£ '000
Assets employed					
Fixed Assets	108,967	100,686	99,753	100,953	75,407
Investment	35	35	35	35	35
Tanzanian assets	1,446	1,886	1,886	1,886	1,886
Ugandan assets	1,342	1,342	1,342	1,342	1,342
Long term liabilities	(24,497)	(20,812)	(16,871)	(21,805)	(7,961)
Net current liabilities	(9,998)	(8,129)	(13,110)	(10,644)	(5,778)
Net assets	77,295	75,008	73,035	71,767	64,931
Financed by					
Share capital	21,329	21,329	21,329	21,329	17,774
Reserves	55,966	53,679	51,706	50,438	47,157
Shareholders' funds	77,295	75,008	73,035	71,767	64,931
Net current liabilities					
Stocks	56,264	47,225	36,547	32,276	22,535
Debtors	7,049	5,428	5,440	5,787	4,464
Creditors	(48,875)	(45,525)	(38,504)	(38,259)	(34,857)
Proposed dividend	(3,199)	(3,199)	(3,199)	(3,199)	(3,199)
Net liquid funds	(21,237)	(12,058)	(13,394)	(7,249)	5,279
	(9,998)	(8,129)	(13,110)	(10,644)	(5,778)
Net assets per ordinary share (Sh)	36.24	35.17	34.24	33.65	36.53



STATEMENT OF VALUE ADDED
TAARIFA YA ONGEZEKO LA THAMANI



	1990 K£ '000	%
Turnover **Uuzaji kwa jumla**	358,643	
Deduct: Cost of material, supplies and services bought and depreciation set aside Toa: Gharama za vifaa, bidhaa zilizonunuliwa, huduma zilizolipiwa na upungufu wa thamani	117,297	
Value added **Thamani iliyoongezwa**	241,346	
Add: Investment income Ongeza: Faida ya gawio	27	
	241,373	
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	19,296	8.0
To Government as taxes Ushuru wa Serikali	209,892	87.0
To banks and other lenders Malipo kwa benki na kampuni nyingine zilizotukopesha pesa	5,631	2.3
To shareholders Migao kwa wenyehisa	4,266	1.8
Retained in the group Fedha zilizotengwa kama akiba ya kikundi cha kampuni	2,288	0.9
	241,373	100.0

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 68th Annual General Meeting of the company to be held on Friday 23 November, 1990, at 12.00 noon or at any adjournment thereof.

As witness my/our hand/hands this .... day of 1990

Signature ....

Notes: 1. This proxy is to be delivered to the company's registered office not later than 12 noon on Thursday 22 November, 1990 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 nane wa kampuni utakaofanywa siku ya Ijumaa, tarehe 23 Novemba 1990 saa sita adhuhuri ama siku yoyote ile iwapo mkutano utaahirishwa.

Kama ushahidi ninatia/tunatia sahihi hii/hizi tarehe .... Mwezi 1990

Sahihi ....

Ukumbusho: 1. Uwakilishi huu utumwe kwa afisi kuu ya kampuni kabla ya saa sita ya Alhamisi, tarehe 22 Novemba 1990 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

FOLD 1
KWANZA KUNJA HAPA

Company Registrar
KENYA BREWERIES LIMITED
PO Box 30161
NAIROBI
Kenya.

FOLD 3
HALAFU KUNJA HAPA

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