[illegible]

FINANCIAL CALENDAR	*KALENDA YA FEDHA*
for the year ended 30 June, 1991	*ya mwaka uliomalizika 30 Juni, 1991*
Financial Calendar	***Kalenda ya Fedha***
ended 30 June 1991	*iliomalizika 30 Juni 1991*
Interim Results	*Matokeo ya muda*
announced 5 February 1991	*yalitangazwa 5 Februari 1991*
Final Results	*Matokeo ya mwisho*
announced 11 September 1991	*yalitangazwa 11 Septemba 1991*
Report and Accounts	***Ripoti na Hesabu***
Annual Report	*Ripoti ya mwaka*
issued 31 October 1991	*ilitolewa 31 Octoba 1991*
69th Annual General Meeting	*Mkutano Mkuu wa mwaka wa 69*
to be held 22 November 1991	*utafanywa 22 Novemba 1991*
Dividend	***Mgao***
Interim	*Wa muda*
announced 5 February 1991	*ulitangazwa 5 Februari 1991*
Closing date 18 April 1991	*Daftari ilafungwa 18 Aprili 1991*
Paid 17 May 1991	*Ulilipwa 17 Mei 1991*
Final	*Wa mwisho*
announced 11 September 1991	*ulitangazwa 11 Septemba 1991*
Closing date 22 November 1991	*Daftari itafungwa 22 Novemba 1991*
Payable 20 December 1991	*Utalipwa 20 Desemba1991*
Share Price	***Bei ya Hisa***
Market price per share on 11 September 1991 was Shs 18/25	*Bei ya hisa kwenye soko la hisa tarebe 11 Septemba 1991 ilikuwa Shs 18/25 kila moja.*
Bonus Share Certificates will be released 30 December 1991	*Hati za Hisa za Bakshishi zitatolewa 30 Desemba 1991*

CORPORATE INFORMATION

Chairman
JG Kiereini, EGH, EBS, SS

Financial Director
NG Ajania, FCA

Non Executive Directors
CS Mbindyo, EBS
R O'B Wilson
IK Cheluget
DJ Nyanjom
JK Mwangi
DR Ongalo
alt to CS Mbindyo, EBS

Secretary
JN Muhoho (Mrs), LLB

Registrar
WK Munguti, FCIS, CPS(K)

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

Auditors
Gill & Johnson
PO Box 40092
Nairobi Kenya

Advocates
Kaplan & Stratton
PO 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
PO Box 30116 Nairobi Kenya

Citibank NA
PO Box 30711 Nairobi Kenya

Standard Chartered Bank
Kenya Limited
PO Box 72585 Nairobi Kenya

BOARD OF DIRECTORS

Seated: J.G. Kiereini EGH, CBS, EBS Chairman,
Standing: Right to left J.N. Muhoho (Mrs) Secretary,
N.G. Aluda EBS, Financial Director, R.O.B Wilson Director,
D.J. Nyanjom Director, J.K. Mwangi Director,
C.S. Mbindyo EBS Director, J.K. Cheluget Director.

NOTICE OF THE MEETING

Notice is hereby given that the sixty-ninth Annual General Meeting of Shareholders will be held at the Oceanic Hotel, Mombasa on Friday 22 November, 1991 at 12.00 noon.

Special Business
To consider and if approved to adopt the following resolutions which will be proposed as Ordinary Resolutions:

1. "That the authorised capital of the Company be hereby increased from 50,000,000 ordinary shares of Shs. 10/- each to 55,000,000 ordinary shares of Shs. 10/- each".

2. "That it is desirable to capitalise the sum of Shs. 85,314,080/- being part of sum standing to the credit of the general reserve and that accordingly such sum be set free for distribution amongst the holders of ordinary shares in the capital of the Company on the register of members as at 22 November 1991, on condition that the same be not paid in cash but applied in paying up in full at par 8,531,408 new shares of Shs. 10 each in the capital of the Company, and that such 8,531,408 shares credited as fully paid up be accordingly allotted to such persons respectively in the proportion of one of such shares for every five of the 42,657,040 shares then held by such persons respectively (fractions of a share to be disregarded) and that the shares so attributed shall be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such shareholder and not as income and the Directors are hereby authorised and directed to give effect to this Resolution." The bonus issue is subject to the approval by Capital Issues Committee and Exchange Control.

3. "That should any of the said 8,531,408 bonus shares be not issued by reason of fractions of a share being disregarded the Directors may allot and issue the same to such persons and upon such terms and conditions as they may think fit".

Ordinary Business

4. To receive the accounts for the year ended 30 June 1991, and the report of Directors and Auditors thereon.

5. To confirm the payment of the interim dividend of 50 cents per

TANGAZO LA MKUTANO

Tangazo linatolewa hapa kwamba Mkutano Mkuu wa Mwaka wa sitini na tisa wa wenyehisa utafanywa katika Oceanic Hotel, Mombasa siku ya Ijumaa tarehe 22 Novemba 1991, saa sita za mchana.

Shughuli Maalum
Kujadili azimio zifuatazo ambazo mkutano ukitoa idhini zitakubaliwa kama azimio za kawaida.

1. *"Kwamba rasilmali ya Kampuni iliyoidhinishwa iongezwe kutoka hisa milioni 50 za Shilingi kumi kila moja hadi milioni 55 za shilingi kumi kila moja."*

2. *"Kwamba ni jambo linalohitajika kuchukua rasilmali ya Shilingi 85,314,080/= iliyo sehemu ya akiba ya kawaida na kwamba pesa hizo ziruhusiwe kugawiwa watu walio na hisa za kawaida na ambao majina yao yangali katika vitabu vya Kampuni mnamo tarehe 22 Novemba 1991, kwa masharti kwamba watu hao hawatalipwa pesa taslimu isipokuwa kwamba pesa hizo zitalipwa kununua hisa 8,531,408 mpya zenye thamani ya Shilingi 10 kila moja zilizo katika rasilmali ya Kampuni, na kwamba hisa hizo 8,531,408 zitakazonunuliwa zigawanywe kati ya wale wanaohusika kwa utaratibu wa hisa kama hiyo moja itolewe kwa kila hisa tano kati ya hisa 42,657,040 zitakazokuwa zikishikiliwa na watu hao mnamo wakati huo na kwamba hisa zitakazogawanywa kwa njia hii zichukuliwe kama ongezeko la hesabu ya kadiri ya rasilmali ya Kampuni iliyo mikononi mwa wenyehisa hao wala pesa hizo zisichukuliwe kama mapato na Wakurugenzi sasa wanapewa mamlaka na kuagizwa kuthibitisha azimio hili". Hisa hizi za bakshishi ni sharti zidhinishwe na Kamati inayosimamia Rasilmali nchini na pia Idara ya Ubadilishanaji wa Fedha.*

3. *"Kwamba ikiwa hisa zo zote kati ya hisa hizo 8,531,408 hazitatolewa kwa sababu ya sehemu za hisa kubakia, Wakurugenzi watagawa hisa hizo kwa watu ambao watawafikiria kuwa wanafaa kwa Masharti wanayofikiria kuwa yanafaa."*

Shughuli za kawaida

4. *Kupokea taarifa ya hesabu ya pesa ya mwaka uliomalizika tarehe 30 Juni 1991, na taarifa*

share, and to consider the recommendation of the Board to declare a final dividend of Shs. 2/- per share on the proposed increased capital payable on or about 20 December 1991 to shareholders registered on 22 November 1991. Payment to shareholders resident outside Kenya can only be made after obtaining Exchange Control approval.

6. To elect a Director in accordance with the Company's Articles of Association.
7. To confirm the Directors remuneration.
8. To authorise the directors to fix the Auditors' remuneration.
9. To transact any other ordinary business of the Company. A shareholder entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf. A proxy need not be a member of the Company.

By Order of the Board

J N Muhoho (Mrs)
Secretary

31 October 1991

A form of proxy is on page 27 which shareholders 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 no later than 12.00 noon on Wednesday, 20 November 1991.

ya Wakurugenzi na Wakaguzi wa Vitabu vya Hesabu.

5. *Kuthibitisha malipo ya mgao wa muda wa senti [illegible] kwa kila hisa, na kufikiria pendekezo la Halmashauri kulipa malipo ya mwisho ya Shilingi 2/- kwa kila hisa katika mtaji uliopendekezwa kuongezwa kulipwa karibu tarehe 20 Desemba 1991 kwa wanahisa walio na majina yao katika daftari ya Kampuni tarehe 22 Novemba 1991. Malipo ya mgao kwa wanahisa wanaoishi nje ya Kenya yatalipwa baada ya kupata ruhusa ya Idara ya Udhibiti wa Fedha za Kigeni.*
6. *Kuchagua Mkurugenzi kufuatana na Masharti ya Kampuni.*
7. *Kuthibitisha malipo ya Wakurugenzi.*
8. *Kutoa idhini kwa wakurugenzi kuamua kiasi cha malipo ya Wakaguzi wa vitabu.*
9. *Kuzungumza mambo mengine yo yote yanayohusu shughuli za Kampuni.*

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

Kwa amri ya Halmashauri

J N Muhoho (Mrs)
Katibu

31 Oktoba 1991

Ikiwa mwenyehisa hataweza kuhudhuria mkutano, kuna fomu kwenye ukurasa wa 27 anayoweza kujaza na kutuma kwenye Ofisi Kuu ya Kampuni ili iweze kufika huko kabla ya Jumatano tarehe 20 Novemba 1991, saa sita za mchana.

CHAIRMAN'S STATEMENT

In the statement last year I predicted that little change was in sight in the economic situation which existed at that time. The conditions have persisted making it necessary to implement serious adjustments in our operations. Currency instability continued to have a very adverse effect on the Kenya Shilling and consequently costs of imports of raw materials and spare parts rose considerably. This gloomy picture was well compensated by export sales which amounted to Shs.140,750,487, an increase of 163% over the 1989/90 financial year. In addition, further improvements in our operational and financial controls were achieved resulting in a high degree of efficiency.

Results
In the statement announcing our interim results we expressed confidence that our results for the full year would show an improvement over the previous year's figures. I am very happy to report that our confidence was more than justified and for the year under review we made a record pre-tax profit of Shs. 348,753,720/- which is an increase of over 50% on the previous year's profit of Shs.231,612,760/-. The after tax profits are nearly 60% above the profits of the previous year.

In view of these extremely good results, your Board has decided to recommend to the Annual General Meeting that shareholders receive a bonus issue of one share for every five shares held and that the final dividend be increased from Shs. 1.50 per share to Shs. 2.00 per share and that this be paid on the increased capital.

These results have been achieved inspite of adverse economic conditions that have prevailed during the year under review. The major factor contributing to these commendable profits has been the re-organisation of the company I referred to in my last report, which is now fully operational. Strict financial control and strict adherence to budget is maintained. We have implemented tendering system for procurement of all goods and services and also introduced planned maintenance of our plant and fleet.

TAARIFA YA MWENYEKITI

Katika [illegible] wakati huo. Hali hizo zimeendelea kila kuharibika, na hivi [illegible] kabisa za kurekebisha utekelezaji wetu. Hali ya [illegible] kwa fedha iliendelea kuumiza sana shilingi ya Kenya, na kusababisha kupanda kwa gharama ya malighafi (raw materials) inayotoka nchi za nje. Sura hii ya kuhuzunisha ililipwa [illegible] na ongezeko ya mauzo kwa nchi za nje ya Shs 140,750,487, hii ikiwa ni ongezeko la asilimia 163 zaidi ya mwaka wa kifedha wa 1989/90. Juu ya hayo, masimazi yetu bora ya kikazi na kifedha yalitimizwa na kuleta kiwango cha juu cha ustadi katika kufanya kazi.

Matokeo
Katika taarifa iliyotangaza matokeo ya muda, tulionyesha matumaini ya kuwa matokeo yetu ya mwaka wote yataonyesha hesabu nzuri zaidi kushinda zile za mwaka uliotangulia. Nafurahi mno kuwatangazia ya kwamba matumaini yetu yalithibitishwa kupita kiasi kuwa ya hali, na kwa mwaka tunaouangalia sasa, tulipata rekodi ya faida kabla ya kutoa ushuru ya Shs. 348,753,720/- ambayo ni ongezeko ya zaidi ya asili mia 50 juu ya faida ya mwaka uliotangulia ya Shs.231,612,760/-. Faida ya baada ya kutoa ushuru ni karibu asilimia 60 juu ya faida ya mwaka uliotangulia.

Kutokana na matokeo haya yaliyo mazuri mno, halmashauri yenu imekata shauri kupendekeza katika mkutano mkuu wa mwaka ya kuwa wenyehisa wapokee toleo la bakshishi kwa kadiri ya hisa moja kwa kila hisa tano zilizoshikiliwa, na pia ya kuamba mgao wa mwisho uongezwe kutoka Shs. 1.50 kwa kila hisa moja hadi Shs.2.00 kwa kila hisa moja, na hii kulipwa kutokana na rasilmali iliyoongezeka.

Haya matokeo yamewezekana hata ingawa hali za kiuchumi ambazo zimekuwa zikienea katika mwaka huu tunaouangalia zilikuwa mbaya mno. Jambo kubwa zaidi ambalo limetuwezesha kupata faida hizi za kujivunia limekuwa urekebishaji wa

J.G. Kiereini
Chairman

season started in March and all indications are that we shall have a better harvest than the 1990/1991 crop.

Development of new barley varieties suitable for low altitude and the more marginal rainfall areas is progressing well. One variety is planned for releasing to barley farmers for commercial production in 1993.

Construction of Malting extension was completed and commissioned during the year. This increased the Plant's production capacity to 37,500 metric tonnes per year.

Hops
The Company is continuing with its experiment in hops growing. Hops are being grown at four different sites with the aim of establishing the best climatic conditions for expansion on a commercial scale. Experimental hops harvested during the last season have been used for beer production with continued success.

Central Glass Industries Limited
The year has been a difficult one for the whole of the glass industry. The price of glass bottles has been unrealistically low for some years leading to financial difficulties for the main glass producers. The closure of Kenya Glass Works during the year led to severe shortages of glass bottles, which necessitated the Company to switch part of its production from the export sales back into the local market.

This year the Company sold over 60 million bottles but at uneconomic prices. There is however a realisation in the market that realistic prices must be paid for glass bottles if adequate bottle supply is to be maintained. These realistic prices will improve the Company's financial performance in the year ahead.

Uganda Breweries Limited
The Company experienced a very difficult year. The devaluation of the Uganda Shilling coupled with general inflation resulted in high increases in the cost of raw materials and operating costs. Beer sales dropped by 7.84% due to constant interruption of water and power supply in the country. The plant still needs further rehabilitation. This is being done as and when funds are available.

kutoza ushuru kwa pombe kuwa ni kwa sababu kodi ya "excise duty"sasa inalipwa kwa msingi wa "ad Valorem", na kodi ya VAT ambayo inalipishwa kulingana na ongezeko la thamani, inalipwa kwa kiasi cha kawaida cha 18%. Nyumba ya hazina pia imekubali ile kanuni itakayofanya bei ziwe zikiongezwa kwa aina binafsi ya bidhaa badala ya taratibu ya hapo awali iliyokuwa ikiongeza bei kwa aina zote za chupa pasipo kujali ile gharama ya kutengeneza kila aina binafsi ya bidhaa. Kwa jumla, mashauri yote ambayo yametajwa mbeleni yamekuwa yenye faida kwa watengenezaji wa pombe.

Shayiri
Uamuzi wa kampuni mwaka jana wa kuhamisha asili mia 50 ya ukuzaji wa shayiri kutoka Mau Escarpment umekwisha kamilika na kuthibitishwa kuwa ya haki. Kiasi cha shayiri ya tani 49,000 kilivunwa. Mmea huu unatosha kutekeleza utengenezaji wa pombe hadi Desemba mwaka 1991. Msimu wa 1991/92 ulianza mwezi wa Machi na dalili zote zaonyesha ya kwamba tutapata mavuno bora zaidi kuliko yale ya mwaka wa 1990/91.

Uendelezaji wa aina mpya mbali mbali za mimea ya shayiri inayofaa sehemu za kimo cha chini na zile za mvua kidogo unaendelea vizuri. Aina moja imepangwa kutolewa kwa wapandaji wa shayiri ili wakuze kwa wingi katika mwaka 1993.

Ujenzi wa upanuzi wa kiwanda cha kutayarisha mbegu za shayiri ulimalizika na agizo kutolewa mwakani. Hii iliongeza uwezo wetu kutengeneza hadi tani 37,500 za mbegu za shayiri kwa mwaka.

Hops
Kampuni inaendelea na majaribio yake katika ukuzaji wa mimea ya 'hops'. 'Hops' zinapandwa katika sehemu nne tofauti kwa kusudi ya kuthibitisha hali hizo bora zaidi kwa upanuzi na ukuzaji kwa wingi wa mimea hiyo. 'Hops' za kujaribia ambazo zilivunwa katika msimu uliopita zimeendelea kufanikiwa katika utoaji wa pombe.

Central Glass Industries Limited
Mwaka umekuwa mgumu kwa biashara yote ya chupa. Bei ya chupa imekuwa ya chini kupindukia kwa miaka kadhaa, na imeleta matatizo

New malting plant extension

Despite all these unavoidable difficulties, the Company made a commendable trading profit of UShs 599,977,000 which was twelve per cent below the profits of the previous year. Profits after tax was UShs. 315,724,000 which was 21% below last year after tax profits. A dividend of UShs. 30 per stock unit was declared. Repatriation of dividend continues to be uncertain.

Tanzania Breweries Limited

Tanzania Government has agreed in principle to pay all the amount still outstanding. However, efforts are being made to get an agreement signed which would commit both parties to a programme of payment.

Seychelles Breweries Limited

The Company continues to do well. A change in exchange control regulations in that country requires dividends to be paid in Rupees. We received our dividend cheque of 85,680 Rupees (Shs. 459,772/40) but we have not been able to cash it into convertible currency. The Company is seriously considering sale of our investment in this Company if a suitable buyer is identified.

Co-operation with Delta Corporation Zimbabwe

Co-operation between the two companies both at technical and management level continues to prosper. Our hops research which has been developed through this co-operation is yielding good results.

Staff

Members of our unionisable staff rejoined the Union of Commercial Food and Allied Workers in May this year. They had pulled out of the Union in 1988 due to a disagreement with the Union headquarters over union dues. We welcome this move as it will enhance the workers/management relationship.

General

The current economic uncertainties point to a difficult year ahead. We are however confident that the administrative and economic measures we have taken will ensure our business remains well placed to meet the targets we have set for ourselves.

Our major investment in this respect is our staff. Without their devotion, hard work and commitment to duty

kwa uzalishaji [illegible] chupa. Kufungwa kwa kiwanda cha Kenya Glass Works kumeleta [illegible] kiwango kidogo cha chupa, na hivi [illegible] yetu kumesababisha [illegible] zetu [illegible] nchi za nje. Hadi sasa ya bado nchini.

Katika msimu huu kampuni imenunua zaidi ya chupa milioni 6, lakini kwa bei rahisi zaidi [illegible]. Lakini kama [illegible] bei za bidhaa ni lazima [illegible] kwa chupa ikiwa chupa za kutosha zitahitajika hali ya kifedha ya kampuni ya muuzaji wao.

Uganda Breweries Limited

Kampuni hii imeshughulikia maelezo ya mauzo makubwa sana. Kushuka kwa thamani ya shilingi ya Uganda, kukisindikizwa na kupanda kwa bei ya vitu kwa jumla kumesababisha ongezeko kubwa kwa gharama ya malighafi (raw materials), pamoja na ile ya uendeshaji kazi. Mauzo ya pombe yalishuka kwa asili mia 7 tu kwa sababu ya hatua na mpango kwa maana za maji na nguvu za umeme nchini humo. Kiwanda hicho bado kinahitaji kuendelezwa katika hali yake ya kupo sasa. Hii inafanyika pesa zinapopatikana.

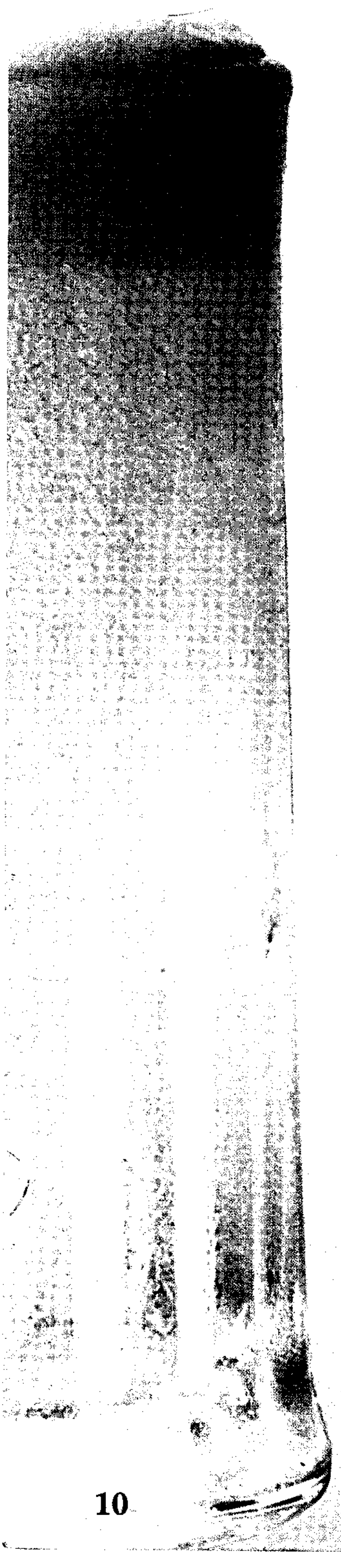
Hata ingawa matatizo hayo yote hayangeweza kuepukika yalikuwepo, kampuni ilipata faida ya biashara ya UShs 599,977,000/- ambayo ilikuwa asili mia 12 chini ya ile faida ya mwaka uliotangulia. Faida baada ya kutoa ushuru ilikuwa UShs. 315,724,000/- ambayo ni asilimia 21 chini ya faida baada ya kutoa ushuru ya mwaka uliotangulia. Mgao wa UShs 30/- kwa kila kipimo cha rasilimali ulitangazwa. Kuhamisha kwa nchi ya mgao kutoka huko bado haujathibitishwa.

Tanzania Breweries Limited

Serikali ya Tanzania imekubali kwa kikanuni kulipa kiasi chote cha pesa kilichobakia, ijapokuwa [illegible] katika juhudi zetu za kupata sahihi ya makubaliano yatakayo weka pande zote mbili kwenye mpango wa malipo.

Seychelles Breweries Limited

Kampuni inaendelea kufanya vyema. Mabadiliko katika utawala wa ubadilishaji wa fedha yana kanuni zinazotaka mgao ulipwe



we would not have achieved these excellent results this year.

My appreciation goes to all levels of staff and to my colleagues, the Board of Directors, for the co-operation and support that they have given me throughout the year.

J.G. Kiereini
Chairman

kwa Rupee. Tulipokea cheki ya mgao wetu ya Rupee 85,680 (KShs 459,772.40), lakini bado hatujaweza kuibadilisha kwa fedha zinazoweza kutumika. Kampuni inafikiria sana juu ya kuuza kampuni hiyo ikiwa mnunuzi mzuri atatambuliwa.

Ushirikiano na Shirika la Delta Zimbabwe
Ushirikiano baina ya kampuni zote mbili katika kiwango cha kiufundi na usimamizi unaendelea kuimarika. Utafiti wetu juu ya mmea wa 'hops' ambao umeimarika kutokana na ushirikiano huu unazalisha matokeo mazuri.

Wafanya kazi
Wafanya kazi wetu wa chama waliungana tena na chama cha wafanyi kazi cha Union of Commercial Food and Allied Workers katika mwezi wa Mei mwaka huu. Tunaukaribisha mwendo huu kwani utaongeza ubusiano mzuri kati ya wafanyi kazi na wasimamizi.

Mambo kwa jumla
Hali za kiuchumi sasa zinazobadilika zinatueleekeza kwa mwaka mgumu. Lakini tuna hakika ya kwamba hatua za kitawala na kiuchumi tulizochukuwa zitahakikisha biashara yetu imebaki katika kiwango bora cha kukutana na shababa tulizojiwekea.

Rasilimali yetu muhimu zaidi ni wafanyi kazi wetu. Bila ya kujitolea, bidii na kushika kazi zao, hatungeweza kupata matokeo haya mazuri mno mwaka huu.

Shukrani zangu zinaenda kwa vyeo vyote vya wafanyikazi na wakurugenzi wenzangu kwa ushirikiano na usaidizi ambao wamenipatia mwaka wote.

J. G. Kiereini
Mwenyekiti

REPORT OF THE DIRECTORS

for the year ended 30 June 1991

To be submitted to the shareholders at the Sixty-ninth annual general meeting of the company to be held at Oceanic Hotel, Mombasa on 22 November, 1991 at 12.00 noon. The directors have pleasure in presenting to the shareholders the accounts for the year ended 30 June 1991.

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	**Shs'000'**	**Shs'000'**
Profit before taxation		348,754
Taxation		139,965
Profit after taxation available for distribution		208,789
Dividends		
Interim paid: Shs .50 per share	21,329	
Final proposed: Shs 2.00 per share on the proposed increased Capital	102,377	123,706
		85,083
Transfer to General Reserve		85,000
Profit retained		83

Directors

In accordance with article 94 of the Articles of Association, Mr. J.K. Mwangi 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

13 September 1991

RIPOTI YA WAKURUGENZI ya mwaka uliomalizika tarehe 30 Juni, 1991

Itakayotolewa kwa wenyehisa kwenye mkutano mkuu wa kampuni wa mwaka ambao ni wa sitini na tisa utakaofanyika katika Oceanic Hotel, Mombasa tarehe 22 Novemba 1991 saa sita mchana. Wakurugenzi wana furaha kuwaletea wenyehisa hesabu za mwaka uliomalizika tarehe 30 Juni, 1991.

Shughuli

Shughuli muhimu za kampuni zimeendelea kuwa utengenezaji pombe, kuipakia na kuiuza. Vilevile kutengeneza na kuuza chupa.

Faida na hasara za hesabu iliyojumuishwa	***Shs'000'***	***Shs'000'***
Faida kabla ya kutoa fungu la ushuru		*348,754*
Ushuru		*139,965*
Faida baada ya kutoa fungu la ushuru na ambayo inaweza kugawanywa		*208,789*
Migao		
Malipo ya mgao wa muda Senti 50 kila hisa	*21,329*	
Malipo ya mgao wa mwisho yaliyopendekezwa Shs 2.00 kila hisa	*102,377*	*123,706*
		85,083
Nyongeza katika akiba kuu		*85,000*
Faida iliyobakia		*83*

Wakurugenzi

Kwa mujibu wa kifungu 94 ya Masharti ya Kampuni, Bw J. K. Mwangi anaondoka kazini kwa utaratibu wa zamu, lakini kwa kuwa bado 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 (Bibi)
Katibu

REPORT OF THE AUDITORS

to the members of Kenya Breweries Limited

We have examined the accounts on pages 13 to 21 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 the affairs of the company and the group at 30 June 1991 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.
12 September 1991

TAARIFA YA WAKAGUZI

kwa wanahisa wa Kenya Breweries Limited

Tumekagua hesabu zilizoko kwenye ukurasa wa 13 hadi 21 na tumepatiwa habari na maelezo yote muhimu kwa ukaguzi wetu;

Kwa maoni yetu:

a) Vitabu vya hesabu vimewekwa kwa njia halali na kampuni, na hesabu za kampuni zinalingana na vitabu hivyo.

b) Taarifa za hesabu zinaambatana na Sheria za Makampuni, na zinaeleza ukweli na uwazi wa hali jinsi hali ilivyo katika kampuni na kundi lake kufikia tarehe 30 Juni 1991 na kuhusu faida na mapato na matumizi ya fedha za kundi kwa mwaka uliokwisha tarehe hiyo.

Gill & Johnson
Certified Public Accountants (Kenya)

Nairobi
12 Septemba 1991

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1991

	Note	1991 Shs'000	1990 Shs '000
Turnover:			
Gross		8,070,384	7,184,501
Indirect taxes		4,485,194	4,003,454
Net		3,585,190	3,181,047
Trading profit	2	348,137	231,062
Income from investment			
Associate		617	551
Profit before taxation		348,754	231,613
Taxation	3	139,965	100,546
Profit after taxation	4	208,789	131,067
Dividends (gross)			
Interim paid		21,329	21,329
Final proposed		102,377	63,986
General Reserve	16	85,000	45,600
Retained profit	16	83	152
Earnings per share (Shs)	5	4.89	3.07

CONSOLIDATED BALANCE SHEET

30 JUNE 1991

	Note	1991 Shs'000'	1990 Shs'000'
Fixed assets	6	**2,225,128**	2,179,350
Investment in associate	8	**702**	702
Tanzanian assets	9	**28,927**	28,927
Ugandan assets	10	**25,034**	26,834
		2,279,791	2,235,813
Current Assets			
Stocks	11	**1,281,799**	1,125,287
Debtors	12	**223,229**	140,984
Short term deposit		**—**	100,000
Bank balances and cash		**26,196**	20,278
		1,531,224	1,386,549
Current liabilities			
Creditors	13	**848,664**	750,365
Taxation		**136,858**	109,286
Loan instalments due within 12 months	14	**159,376**	117,857
Short term loans		**132,054**	94,816
Bank overdraft (secured)		**332,520**	450,205
Proposed dividend (gross)		**102,377**	63,986
		1,711,849	1,586,515
Net current liabilities		**(180,625)**	(199,966)
		2,099,166	2,035,847
Financed by:			
Share capital	15	**426,570**	426,570
Reserves	16	**1,204,417**	1,119,334
Shareholders' funds		**1,630,987**	1,545,904
Long term loans	14	**468,179**	489,943
		2,099,166	2,035,847

The accounts on pages 13 to 21 were approved by the board of directors on 11 September 1991 and were signed on its behalf by

J.G. Kiereini Director

D.J. Nyanjom Director

COMPANY BALANCE SHEET

30 June 1991

	Note	1991 Shs '000'	1990 Shs '000'
Fixed assets	6	1,824,015	1,778,334
Investment in subsidiary companies	7	241,115	241,115
Investment in associate	8	702	702
Tanzanian assets	9	28,927	28,927
Ugandan assets	10	25,034	26,834
		2,119,793	2,075,912
Current Assets			
Stocks	11	1,159,368	993,926
Debtors	12	166,772	106,608
Due from subsidiary companies		90,999	40,988
Short term deposit		—	100,000
Bank balances and cash		26,165	20,274
		1,443,304	1,261,796
Current Liabilities			
Creditors	13	807,890	718,374
Taxation		136,858	109,286
Due to subsidiary companies		2,649	199
Loan instalments due within 12 months	14	72,784	64,250
Short term loans		132,094	94,815
Bank overdraft (secured)		309,807	407,528
Proposed dividend (gross)		102,377	63,986
		1,564,459	1,458,438
Net current liabilities		(121,155)	(196,642)
		1,998,638	1,879,270
Financed by:			
Share capital	15	426,570	426,570
Reserves	16	1,282,068	1,163,577
Shareholders' funds		1,708,638	1,590,147
Long term loans	14	290,000	289,123
		1,998,638	1,879,270

The accounts on pages 13 to 21 were approved by the board of directors on 11 September 1991 and were signed on its behalf by

J.G. Kiereini Director

D.J. Nyanjom Director

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 30 June 1991.

	1991 **Shs'000'**	**1990** **Shs'000'**
Source of funds		
Profit before taxation	**348,754**	231,613
Adjustments for items not involving movement of funds:		
Depreciation	**190,559**	168,027
Profit on sale of fixed assets	**(9,818)**	(5,786)
Ugandan assets written down	**1,800**	—
Funds generated from operations	**531,295**	393,854
Funds from other sources		
Instalment received for Tanzanian assets	**—**	8,792
Sale of fixed assets	**13,920**	6,880
Loans received	**255,959**	223,223
Inflow of funds	**801,174**	632,749
Application of funds		
Purchase of fixed assets (including capital work in progress)	**240,439**	334,747
Loans repaid	**198,966**	82,362
Dividends paid	**85,315**	85,314
Taxation paid	**112,393**	142,032
Outflow of funds	**637,113**	644,455
Net inflow/(outflow) of funds	**164,061**	(11,706)
Movement in working capital		
Stocks	**156,512**	180,783
Debtors	**82,245**	32,427
Creditors	**(98,299)**	(88,820)
	140,458	124,390
Movement in liquid funds		
Short term deposit	**(100,000)**	100,000
Bank balances and cash	**5,918**	(2,416)
Bank overdraft	**117,685**	(233,680)
Net movement in working capital	**164,061**	(11,706)

NOTES TO THE ACCOUNTS

for the year ended 30 June 1991

1 [illegible]

[illegible]

f Currencies

The accounts are expressed in Kenya shillings. [illegible] 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 [illegible] The exchange losses resulting from the purchase of plant and equipment by a subsidiary, [illegible], have been capitalised. Other exchange differences are dealt with in the profit and loss account.

g Taxation

Current taxation is provided on the basis of the results for the year as shown in the accounts, adjusted in accordance with the tax legislation. Deferred taxation is accounted for only to the extent that it is probable that timing differences will reverse in the foreseeable future.

2 Trading profit

	1991 Shs'000	1990 Shs'000
Trading profit is arrived at after charging:		
Interest on:		
Long term loans	133,025	89,815
Short term loans and bank overdraft	46,580	22,814
Depreciation	190,559	168,027
Auditors' remuneration	1,368	1,219
Directors' emoluments		
Fees	420	420
Other	6,679	10,068
Compensation for loss of office	—	2,000

3 Taxation

	1991 Shs'000'	1990 Shs'000'
On the adjusted profit for the year at 40% (1990–42.5%)	**139,965**	102,349
Adjustments in respect of prior years	**—**	(1,803)
	139,965	100,546

At 30 June 1991 there were tax losses in subsidiary companies amounting to Shs 159,910,940 (1990 – Shs 107,725,740) available to be offset against future chargeable income.

4 Profit after taxation

The profit after taxation is dealt with as follows:

Kenya Breweries Limited	**242,197**	164,449
Subsidiary companies	**(33,408)**	(33,382)
	208,789	131,067

5 Earnings per share

Earnings per share has been calculated on the profit after taxation of Shs. 208,788,620 (1990 – Shs. 131,066,380) and 42,657,040 (1990 - 42,657,040) ordinary shares.

6 Fixed assets

	Freehold properties Shs'000'	Leasehold properties Shs'000'	Plant and equipment Shs'000'	Vehicles Shs'000'	Total Shs'000'
Group					
Cost or valuation					
At 1 July 1990	464,376	418,189	2,080,423	258,839	3,221,827
Additions	4,659	27,702	225,328	53,742	311,431
Disposals	(3,863)	—	(46,800)	(13,955)	(64,618)
At 30 June 1991	465,172	445,891	2,258,951	298,626	3,468,640
Comprising:					
At cost	26,426	256,809	1,799,605	298,626	2,381,466
At valuation in 1980	438,746	189,082	459,346	—	1,087,174
	465,172	445,891	2,258,951	298,626	3,468,640
Depreciation					
At 1 July 1990	87,942	67,031	816,339	184,439	1,155,751
Charge for the year	9,003	8,951	138,847	33,758	190,559
Eliminated on disposals	(503)	—	(46,800)	(13,213)	(60,516)
At 30 June 1991	96,442	75,982	908,386	204,984	1,285,794
Net book value					
At 30 June 1991	368,730	369,909	1,350,565	93,642	2,182,846
Capital work in progress					42,282
					2,225,128
At 30 June 1990	376,434	351,158	1,264,084	74,400	2,066,076
Capital work in progress					113,274
					2,179,350

NOTES TO THE ACCOUNTS (Continued)

6 Fixed assets

	Freehold properties Shs'000'	Leasehold properties Shs'000'	Plant and equipment Shs'000'	Vehicles Shs'000'	Total Shs'000'
Company					
Cost or valuation					
At 1 July 1990	464,376	379,609	1,633,533	252,130	2,729,648
Additions	4,659	27,701	193,249	51,962	277,571
Disposals	(3,863)	—	(46,800)	(13,955)	(64,618)
At 30 June 1991	465,172	407,310	1,779,982	290,137	2,942,601
Comprising:					
At cost	26,426	218,228	1,320,637	290,137	1,855,428
At valuation in 1980	438,746	189,082	459,345	—	1,087,173
	465,172	407,310	1,779,982	290,137	2,942,601
Depreciation					
At 1 July 1990	87,942	64,617	732,207	179,822	1,064,588
Charge for the year	9,002	8,208	107,149	32,437	156,796
Eliminated on disposals	(503)	—	(46,800)	(13,213)	(60,516)
At 30 June 1991	96,441	72,825	792,556	199,046	1,160,868
Net book value					
At 30 June 1991	368,731	334,485	987,426	91,091	1,781,733
Capital work in progress					42,282
					1,824,015
At 30 June 1990	376,434	314,992	901,326	72,308	1,665,060
Capital work in progress					113,274
					1,778,334

	1991 Shs'000'	1990 Shs'000'
7 Investment in subsidiaries		
(All wholly owned)		
Shares at cost		
Central Glass Industries Limited	240,000	240,000
Salopia Limited	1,113	1,113
Allsopps (E.A) Sales Limited	2	2
	241,115	241,115
8 Investment in associate		
Seychelles Breweries Limited – at cost	702	702

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		Company	
	1991	**1990**	**1991**	**1990**
	Shs'000'	**Shs'000'**	**Shs'000'**	**Shs'000'**
Finished goods	**297,335**	198,743	**276,696**	166,669
Raw materials	**395,734**	276,796	**377,356**	259,238
Consumables	**565,952**	608,264	**482,538**	526,535
Goods in transit	**22,778**	41,484	**22,778**	41,484
	1,281,799	1,125,287	**1,159,368**	993,926

12 Debtors

Trade debtors	**135,573**	93,317	**79,116**	58,940
Barley advances	**57,067**	19,813	**57,067**	19,814
Recoverable indirect taxes	**30,589**	27,854	**30,589**	27,854
	223,229	140,984	**166,772**	106,608

13 Creditors

Trade creditors	**487,128**	406,683	**446,354**	374,692
VAT and excise duty	**333,094**	322,215	**333,094**	322,215
Unpaid dividends	**28,442**	21,467	**28,442**	21,467
	848,664	750,365	**807,890**	718,374

14 Long term loans

Secured bank loans repayable in semi-annual instalments by 31 December 1992	**24,000**	40,000	**24,000**	40,000
Secured bank loans repayable in semi-annual instalments by 30 June 1993	**30,000**	50,000	**30,000**	50,000
Secured bank loans repayable by 30 June 1993	**280,000**	240,000	**200,000**	200,000
Secured bank loans repayable in semi-annual instalments by 30 September 1994	**96,000**	30,000	**96,000**	30,000
Overseas bank loans repayable in semi-annual instalments by 27 October 1991	**12,784**	33,373	**12,784**	33,373
Overseas bank loan repayable in semi-annual instalments by 31 May 1994	**184,771**	214,427	—	—
	627,555	607,800	**362,784**	353,373
Less: Instalments due within 12 months	**159,376**	117,857	**72,784**	64,250
	468,179	489,943	**290,000**	289,123

NOTES TO THE ACCOUNTS (Continued)

	1991 Shs'000'	1990 Shs'000'
15 Share capital		
Authorised 50,000,000 ordinary shares of Shs 10 each	500,000	500,000
Issued and fully paid 42,657,040 ordinary shares of Shs 10 each	426,570	426,570

16 Reserves

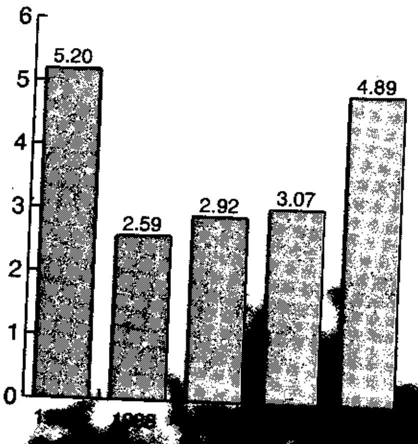
	Share Premium Shs'000'	Capital Reserve Shs'000'	General Reserve Shs'000'	Retained Profit Shs'000'	Total Shs'000'
Group					
At 1 July 1990	1,058	520,784	589,971	7,521	1,119,334
Retained profit	—	—	85,000	83	85,083
Realised on disposal of fixed assets	—	(41,991)	41,991	—	—
At 30 June 1991	1,058	478,793	716,962	7,604	1,204,417
Company					
At 1 July 1990	1,058	520,784	596,041	45,694	1,163,577
Retained profit	—	—	85,000	33,491	118,491
Realised on disposal of fixed assets	—	(41,991)	41,991	—	—
At 30 June 1991	1,058	478,793	723,032	79,185	1,282,068

	Group		Company	
	1991 Shs'000'	1990 Shs'000'	1991 Shs'000'	1990 Shs'000'
17 Capital commitments				
Contracted but not provided in the accounts	16,522	108,504	16,522	108,504
Authorised but not contracted	283,090	277,189	282,390	277,189
18 Contingent liabilities				
Guarantees in respect of bank advances to burley farmers	57,829	43,301	57,829	43,301
Guarantee in respect of overseas loan to a subsidiary company	—	—	184,771	214,425
Guarantee in respect of bank facilities to a subsidiary company	—	—	102,600	80,000
	57,829	43,301	345,200	337,726
19 Deferred taxation				
Potential deferred taxation liability amounted to:				
Excess capital allowances over depreciation	107,838	62,317	85,576	43,659
Tax losses available to be offset against future chargeable income	(64,964)	(45,783)	—	—
	42,874	16,534	85,576	43,659

FIVE YEAR REVIEW OF PROFIT AND EARNINGS

	1990/91 Shs'000'	1989/90 Shs'000'	1988/89 Shs'000'	1987/88 Shs'000'	1986/87 Shs'000'
Trading profit	**348,137**	231,062	269,600	224,880	334,980
Income from investment	**617**	551	460	420	340
Profit before taxation	**348,754**	231,613	270,060	225,300	335,320
Taxation	**139,965**	100,546	145,300	114,620	113,300
Profit attributable to shareholders	**208,789**	131,067	124,760	110,680	222,020
Dividends	**123,706**	85,315	85,320	85,320	85,320
Profit retained	**85,083**	45,752	39,440	25,360	136,700
Earnings per ordinary share	**4.89**	3.07	2.92	2.59	5.20
Dividend per ordinary share	**2.50**	2.00	2.00	2.00	2.00
Number of issued ordinary shares (in millions)	**42.7**	42.7	42.7	42.7	42.7

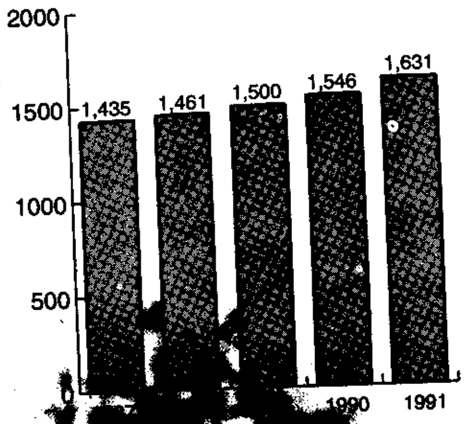
Earnings per share (Shs)

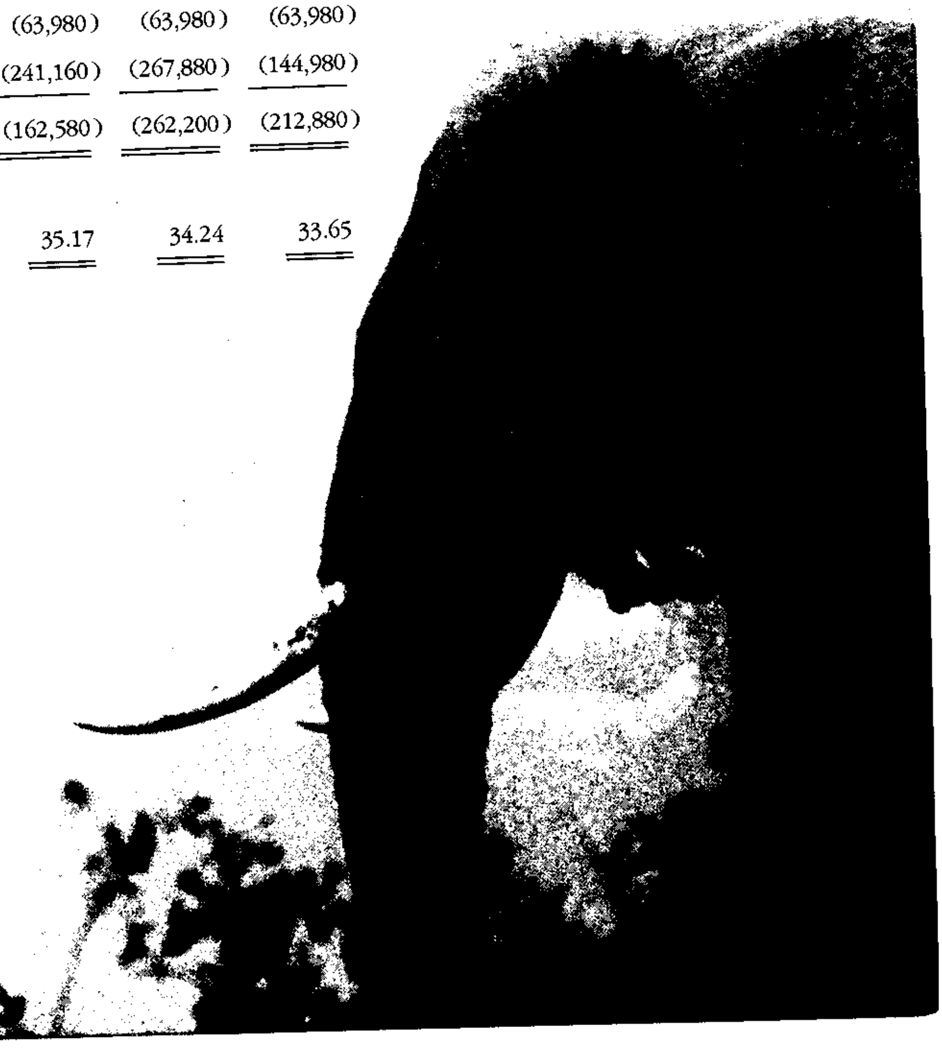


FIVE YEAR REVIEW OF ASSETS EMPLOYED

	1991 **Shs'000'**	**1990** **Shs'000'**	**1989** **Shs'000'**	**1988** **Shs'000'**	**1987** **Shs'000'**
Assets employed					
Fixed assets	**2,225,128**	2,179,350	2,013,720	1,995,060	2,019,060
Investment	**702**	702	702	702	702
Tanzanian assets	**28,927**	28,927	37,720	37,720	37,720
Ugandan assets	**25,034**	26,834	26,840	26,840	26,840
Long term liabilities	**(468,179)**	(489,943)	(416,240)	(337,420)	(436,100)
Net current liabilities	**(180,625)**	(199,966)	(162,580)	(262,200)	(212,880)
Net assets	**1,630,987**	1,545,904	1,500,162	1,460,702	1,435,342
Financed by					
Share capital	**426,570**	426,570	426,570	426,570	426,570
Reserves	**1,204,417**	1,119,334	1,073,592	1,034,132	1,008,772
Shareholders' funds	**1,630,987**	1,545,904	1,500,162	1,460,702	1,435,342
Net current liabilities					
Stocks	**1,281,799**	1,125,287	944,500	730,940	645,520
Debtors	**223,229**	140,984	108,560	108,800	115,740
Creditors	**(1,144,898)**	(977,508)	(910,500)	(770,080)	(765,180)
Proposed dividend	**(102,377)**	(63,986)	(63,980)	(63,980)	(63,980)
Net liquid funds	**(438,378)**	(424,743)	(241,160)	(267,880)	(144,980)
	(180,625)	(199,966)	(162,580)	(262,200)	(212,880)
Net assets per ordinary share (Shs)	**38.24**	36.24	35.17	34.24	33.65

Net Assets (Shs'000')





STATEMENT OF VALUE ADDED
TAARIFA YA ONGEZEKO LA THAMANI

		1991 Shs'000'
Turnover ***Uzaji kwa jumla***		8,070,384
Less: Cost of material, supplies and services bought and depreciation set aside *Toa:* *Gharama za vifaa, bidhaa zilizonunuliwa, huduma zilizolipiwa na upungufu wa thamani*		2,571,959
Value added ***Thamani iliyoongezwa***		5,498,425
Add: Non-trading credits: *Ongeza: Faida zisizohusu biashara*		
Investment income *Mgao*	617	
Profit on sale of fixed assets *Faida kutokana na kuuzwa kwa maliasili*	9,818	10,435
		5,508,860

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*	412,940	7.50
To government as taxes *Ushuru wa Serikali*	4,729,546	85.85
To banks and other lenders *Malipo kwa benki na kampuni nyingine zilizotukopesha pesa*	157,585	2.86
To shareholders *Migao kwa wenyehisa*	123,706	2.25
Retained in the group *Fedha zilizotengwa kama akiba ya kikundi cha kampuni.*	85,083	1.54
	5,508,860	100.00


2.50% Employees
85.85% Government
[illegible]
2.00% Banks
[illegible]
[illegible]
TUSKE
CONTENTS 300
PREMIU
LAGER

PROXY

Share A/C No ....

I/We ....

of (address) ....

being a member/s of Kenya Breweries Limited, hereby appoint ....

.... of (address) ....

or failing him .... or failing him

of (address) ....

the duly appointed chairman of the meeting to be my/our proxy, to vote on my/our behalf at the 69th Annual General Meeting of the company to be held on Friday 22 November, 1991, at 12.00 noon or at any adjournment thereof.

As witness my/our hand/hands this .... day of 1991

Signature ....

Notes 1. This proxy is to be delivered to the company's registered office not later than 12 noon on Wednesday 20 November, 1991, failing which it will be invalid.

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

MWAKILISHI

Akaunti ya Hisa Na. ....

Mimi/Sisi ....

wa (anwani) ....

Kama [illegible] wa Kenya Breweries Limited [illegible]

.... wa (anwani)

[illegible]

wa (anwani) ....

[illegible]

[illegible]

Sahihi ....

[illegible]

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