ANNUAL REPORT AND ACCOUNTS

for the year ended 30 June 1992

RIPOTI NA HESABU ZA MWAKA

uliomalizika Juni 1992

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for the year ended 30 June 1992

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ended 30 June 1992
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announced 19 February 1992
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announced 16 September 1992

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issued 29 October 1992
70th Annual General Meeting
to be held 20 November 1992

Dividend
Interim
announced 19 February 1992
Closing date 16 April 1992
Paid 15 May 1992
Final
announced 16 September 1992
Closing date 20 November 1992
Payable on or about 18 December 1992

Share Price
Market price per share on 16 September 1992 was Shs 30

KALENDA YA FEDHA

ya mwaka uliomalizika 30 Juni 1992

Kalenda ya Fedha
iliomalizika 30 Juni 1992
Matokeo ya muda
yalitangazwa 19 Februari 1992
Matokeo ya mwisho
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Ripoti na Hesabu
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iliyotolewa 29 Oktoba 1992
Mkutano Mkuu wa mwaka wa 70
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Mgao
Wa muda
ulitangazwa 19 Februari 1992
Daftari ikafungwa 16 Aprili 1992
Ulilipwa 15 Mei 1992
Wa mwisho
ulitangazwa 16 Septemba 1992
Daftari itafungwa 20 Novemba 1992
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Bei ya Hisa
Bei ya hisa kwenye soko la hisa tarehe 16 Septemba 1992 ilikuwa shs 30 kila moja.

CORPORATE INFORMATION

Chairman
JG Kiereini, EGH, EBS, SS

Financial Director
NG Ajania, FCA

Non Executive Directors
Dr WK Koinange
R O'B Wilson
IK Cheluget
DJ Nyanjom
JK Mwangi
DHC Hampshire
GN Gicheru
(alt to Dr WK Koinange)

Secretary
JN Muhoho (Mrs), LLB (Hon), CPS (K)

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

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

WAKURUGENZI

Standing

J G Kiereini EGH, EBS, SS Chairman,

Seated, (Left to Right):

R O 'B Wilson Director,

J K Mwangi Director,

J N Muhoho (Mrs) Secretary,

N G Ajania FCA, Financial Director,

D J Nyanjom Director,

G N Gicheru, (alt. to Dr. W K Koinange)

I K Cheluget Director,

CHAIRMAN'S STATEMENT

In my statement last year, I cautioned on the effects of the unpredictable economic conditions on our operations. The effects of the world recession have continued to be felt in all sectors of our economy. The inflation rate is going up unabated coupled with the diminishing power of the Kenya Shilling against other hard currencies. Consequently, the importation of raw materials and spare parts has become alarmingly expensive. The tight government controls on import licences have also resulted in delays and shortages in the availability of raw materials and occasionally, urgently needed spare parts.

During the year, we went through a period of power cuts and water shortages which seriously affected our production operations. The effects of the new ad valorem taxation structure introduced by the last Finance Bill were felt. During the year, we had two price increases in March and June. The consumer response to these changes was to shift to the Euro brands as the effects of "value for money" took its toll on dumpy brands. This pushed the Euro brands market share to 91% which brought in its wake shortages of Euro crates and bottles. A reduction in Excise Duty on Stout from 75% to 50% resulted in a wholesale price reduction of Guinness by Shs. 2.48 per bottle. This helped to cushion the Guinness sales which more than doubled.

Despite these economic upheavals that continue to affect the manufacturing industry in the country, I am pleased to report that your company has managed to improve its profit performance. Our sales volume improved by

TAARIFA YA MWENYEKITI

Katika taarifa yangu mwaka jana, niliwatahadharisha kuhusu madhara ambayo yangalitukia kwa shughuli za kampuni yetu, kutokana na hali za kiuchumi ambazo zisingeweza kutabiriwa. Madhara ya kutokana na kupunguka kwa biashara ulimwenguni imeendelea kuonekana katika sehemu zote za uchumi wetu. Kadiri ya mwendo wa ongezeko ya bei za bidhaa na huduma inazidi kupanda juu bila kikomo, ikifunganishwa na nguvu za shilingi ya Kenya kuendelea kushindwa na sarafu za kigeni. Kwa sababu hizi malighafi (raw materials) na vipuli tunavyoagiza kutoka nchi za nje, zimekuwa ghali sana. Usimamizi mkali wa serikali juu ya vyeti vya kuagiza bidhaa kutoka nchi za nje pia umesababisha ucheleweshaji na ukosefu wa malighafi, na wakati mwingine vipuli muhimu tunavyohitaji kwa haraka.

Mwakani, tulipitia msimu wa nguvu za umeme kupotea na ukosefu wa maji, ambavyo vilileta madhara makubwa kwa shughuli zetu. Njia mpya ya kutoza ushuru iliyoanzishwa katika siku ya taifa ya matumizi ya fedha yalibadilisha biashara yetu. Wanunuzi walibadilisha ununuzi wao kutoka kwa chupa ndogo za bia hadi chupa kubwa. Hali hii imesababisha ongezeko la ununuzi wa chupa kubwa hadi kufikia asilimia 91 ya soko ya chupa hizo. Hii ilisababisha ukosefu wa "crates" na chupa hizo kubwa. Tulikuwa na ongezeko za bei mara mbili katika mwezi Marchi na Juni. Kupunguziwa kwa kodi inayotozwa kwa utengenezaji wa bia aina ya "stout" kutoka asilimia 75 hadi asilimia 50, kulifuatiwa na kupunguzwa bei kwa jumla ya

5.3% over last year. The performance of our subsidiary company Central Glass Industries Ltd., and substantial improvement in our export trade have all contributed to the encouraging results. Our draught beer (Keg) trade continues to flourish having recorded 173% increase over last year. In addition, the company has continued to implement effective cost control measures with improved and efficient performance in all areas of our operations.

We do not expect the global or the domestic economic conditions to improve substantially in the next financial year. We however look forward to the future with expectations. The year has started well with both domestic and export sales registering increases over the previous year. Central Glass Industries Ltd., is performing well and we are confident that if these trends continue, the result for the next financial year will be most satisfactory.

Results
During the year under review, your company achieved a pre-tax profit of Shs. 372,089,240 which was 6.7% better than the previous year's profit of Shs. 348,753,720. The after tax profit of Shs. 240,789,240 was 15.3% above last year's profits. The group profit before and after taxation for the year increased by Shs. 23,335,520 and Shs. 32,000,620 respectively.

The Company has now enhanced its management information systems by computerising nearly all areas of operation. This has resulted in faster flow of crucial information for timely control and decision making.

The Internal Audit department is doing a commendable job in ensuring that standard performance procedures are understood and followed in all areas of operation within the Company.

Barley
During the year under review, over 82,000 metric tonnes of barley were harvested. This was the highest quantity of barley ever harvested and delivered to our stores by our farmers since the 1981/82 season when slightly over 56,000 tonnes were harvested. This good harvest will sustain beer production upto April 1993.

As I mentioned in my last year's report, development of new barley varieties to suit the different climatic conditions experienced in different parts of our Country is still progressing satisfactorily, with one new variety due

"Guinness" kwa KShs. 2.48 kila chupa. Hii ilisaidia kudumisha mauzo ya "Guinness" kwa zaidi ya mara mbili.

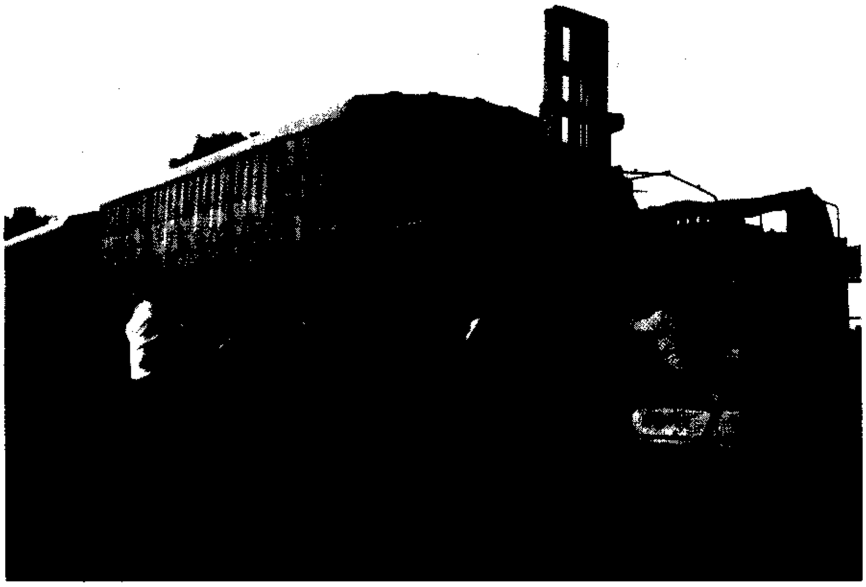
Ijapokuwa kulikuwa na mabadiliko hayo makubwa ya kiuchumi ambayo bado yanaendelea kudhuru viwanda vingi vya utengenezaji humu nchini, nina furaha kuwatangazia ya kwamba kampuni yenu imeweza kustawi katika hali yake ya kifaida. Idadi ya mauzo yetu yalikuwa asilimia 5.3 bora zaidi ya mwaka uliopita. Hali nzuri ya kampuni yetu ndogo ya Central Glass Industries, pamoja na mafanikio bora zaidi katika kupeleka bidhaa zetu nchi za nje, vyote vimesaidia kuleta matokeo hayo mazuri. Biashara yetu ya bia aina ya "Keg" inaendelea kustawi na imeongezeka kwa asilimia 173 zaidi ya mwaka uliopita. Kwa kuongezea, kampuni imeendelea kuhakikisha usimamizi unaofaa juu ya gharama, na pia kuendelea na kusitawisha hali nzuri ya kufanya kazi kwenye sehemu zote za shughuli zetu.

Hatutarajii kuona hali za kiuchumi ulimwenguni au humu nchini zikibadilika kuwa nzuri katika mwaka ufwatao wa kifedha. Hata hivyo, tunazitazamia siku za mbele kwa matarajio mema. Mwaka umeanza vizuri kwa kuwa na mauzo ya humu nchini pamoja na ya nchi za nje ya kiwa zaidi kuliko mwaka uliopita. Kampuni ya Central Glass Industries Ltd. inafanya vyema, na tuna hakika Biashara yetu ikiendelea hivyo, matokeo ya mwaka ujao yatakuwa ya kuridhisha.

Matokeo
Katika mwaka tunaoutazama sasa, kampuni yenu iliweza kupata faida ya kabla kutoa kodi ya Shs. 372,089,240 ambayo ni asilimia 6.7 bora zaidi ikilinganishwa na faida ya mwaka uliotangulia ya Shs. 348,753,720. Faida baada kutoa kodi, ya Shs. 240,789,240 ilikuwa asilimia 15.3 zaidi ya faida ya mwaka uliopita. Faida ya jumla ya mwaka kabla kutoa kodi iliongezeka kwa Shs. 23,335,520 na ile ya baada ya kodi ikaongezeka kwa Shs. 32,000,620.

Kampuni sasa imeimarisha taratibu zake za kikazi kwa kuweka mitambo ya "Computer" katika karibu sehemu zote za kazi. Hii imewezesha kubarakisha njia za kupokea habari na hesabu muhimu na kuwezesha usimamizi na uamuzi kufanywa kwa wakati unaofaa.

Idara ya ukaguzi ndani ya kiwanda inafanya kazi ya kusifika kwa kuhakikisha kwamba taratibu zinazotakiwa kazini zinaeleweka na kufwatiwa katika sehemu zote za kampuni.



Loading beer for export

to be released to the farmers in 1993.

Hops
Research on hop production is still in progress and commendable achievements have been attained. We are however a long way from a breakthrough. Our scientists, in conjunction with Delta Corporation of Zimbabwe, continue in their efforts to develop a variety that will be suitable to our climatic conditions.

Central Glass Industries
Last year, I mentioned the problems experienced in the glass industry due to unrealistic low pricing. The situation changed during the year and better prices were obtained. This has resulted in improved financial performance by Central Glass Industries.

The Company produced and sold almost 60 million bottles and tumblers during the year. Due to limited capacity, the factory could not produce enough bottles to meet local demand and many of our customers had to import their additional requirements from overseas suppliers at exorbitant prices. The Directors of Central Glass Industries are seriously considering expanding the production capacity of the plant to be able to satisfy local and export market demands.

Uganda Breweries Limited
The Company continued to experience yet another difficult year. The constant devaluation of the Uganda Shilling has constrained the company's cash flow. High rates of Excise Duty and Sales Tax have pushed the beer prices too high for the average consumer. This has resulted in reduced sales turnover during the year. However, despite the problems, several rehabilitation and development projects were undertaken

Shayiri
Katika mwaka tunao utazama sasa zaidi ya tani 82,000 za shayiri zilivunwa. Hiki kilikuwa kiasi kikubwa zaidi cha shayiri kuweza kuvunwa na kupelekwa kwenye maghala yetu tangu msimu wa 1981/82 ambapo zaidi kidogo ya tani 56,000 zilivunwa. Mavuno hayo mazuri yataweza kutosheleza utengenezaji wa bia hadi mwezi Aprili mwaka 1993.

Kama nilivyotaja katika taarifa yangu ya mwaka uliopita, ukuzaji wa aina mpya za shayiri zitakazofaa hali tofauti za hewa zinazopatikana katika sehemu mbalimbali nchini unaendelea vyema, tukiwa na aina moja mpya ambayo itatolewa kwa wakulima katika mwaka 1993.

Mmea wa "Hops"
Utafiti unaofanywa kuhusu ukuzaji wa mmea wa "hops" ungali unaendelea, na matokeo mazuri yameweza kufikiwa. Hata hivyo, bado hatujapata mafanikio kamili. Wanasayansi wetu, wakishirikiana na kampuni ya Delta Corporation kutoka nchini Zimbabwe, wanaendelea katika juhudi zao za kukuza aina ya "hops" itakayofaa hali zetu za hewa.

Central Glass Industries
Katika mwaka uliopita, nilitaja shida zilizokuwa zikikumba kiwanda cha chupa kutokana na bei zilizokuwa za chini kupindukia. Hali hiyo imebadilika mwakani, na bei bora zaidi ziliweza kupatikana. Hii imefanya hali ya kifedha ya kampuni kuwa bora.
Kampuni iliweza kutengeneza na kuuza karibu milioni 60 za chupa na glasi za kunywea. Kwa sababu ya kiwanda kuwa na uwezo mdogo wa kutengeneza chupa, hakikuweza kutosheleza mahitaji ya humu nchini, na iliwabidi wengi wa wateja wetu

Harvesting barley

during the year which, when commissioned will increase the production capacity by 40%.

Uganda Breweries Limited has been producing one brand of beer for a long time. A new brand "Bell–Extra" has been developed and it is expected that the new beer will enhance the Company's market share.

Tanzania Breweries Limited
As indicated in the last year report, an agreement was reached with the Tanzania Government and I am pleased to inform the Shareholders that a sum of KShs. 4,473,660 has already been received and the balance will be paid in regular monthly instalments.

Seychelles Breweries Limited
Your Directors were able to sell the interest held in Seychelles Breweries Limited to Guinness International Limited at a price of Shs. 13,497,740. The Company has no further interests in the Seychelles Breweries Limited.

Co-operation with Delta Corporation Zimbabwe
Our Company has continued to work very closely with Delta Corporation of Zimbabwe in all matters affecting the industry and particularly on hops research activities.

Staff
Staff at all levels have now positively adapted to the changes that were brought about by the re–organisation of the Company. After a period of anxiety, the relationship between the management and unionised members of staff improved tremendously during the year. Negotiations on the

kuagiza chupa zingine kutoka nchi za nje kwa bei ghali zaidi. Wakurugenzi wa Central Glass Industries, wanafikiria kwa makini uwezekano wa kuongeza uwezo wa kiwanda kutengeneza kiasi cha chupa kitakachotosheleza mahitaji ya masoko ya humu nchini na nje.

Uganda Breweries Limited
Kampuni hii imeendelea kushuhudia mwaka mwingine mgumu. Hali ya thamani ya shilingi ya Uganda kuendelea kuanguka imezuia upataji wa pesa. Viwango vya juu vya kodi zinazotozwa kwa utengenezaji na uuzaji wa bidhaa vimesukuma bei za bia zikawa juu zaidi kwa wanunuzi wa kawaida. Hii imepunguza kiasi cha mauzo mwakani. Ingawa kumekuwa na shida hizo, maazimio kadhaa ya kurudisha hali nzuri ya mitambo yalianzishwa mwaka huu ambayo yataongeza kiasi cha bia inayoweza kutengenezwa kwa asilimia 40.

Uganda Breweries Limited imekuwa ikitengeneza aina moja ya bia kwa muda mrefu. Aina mpya iitwayo "Bell–Extra" imeanzishwa na tuna tumaini ya kwamba bia hiyo mpya itaongeza uuzaji wetu wa bia nchini.

Tanzania Breweries Limited
Kama nilivyotaja katika taarifa ya mwaka uliopita, makubaliano yalifikiwa kati yetu na serikali ya Tanzania, na nina furaha kuwafahamisha wenye hisa ya kwamba fedha za kiasi cha KShs. 4,473,660 kimeshapokewa, na pesa zilizobakia zitakuwa zikilipwa kwa utaratibu wa kila mwezi.

Seychelles Breweries Limited
Wakurugenzi wenu waliuza hisa zilizokuwa zikishikiliwa katika Seychelles Breweries Limited kwa

Learning to work with modern computers

Collective Bargaining Agreement have progressed very well and are due to be concluded in the very near future.

General

There are no positive signs to suggest easy times next year but we will move ahead with determination to attain our targeted growth. We have confidence in our staff who have continued to be very loyal and committed to the Company. It is through their devotion and hard work that we have been able to sustain good results throughout the years.

In conclusion, I would like to thank the Board of Directors for the understanding and assistance they have given me during the year under review.

J G KIEREINI
CHAIRMAN

kampuni ya Guinness International Limited kwa Shs. 13,497,740. Kampuni sasa haina hisa zozote katika Seychelles Breweries Limited.

Ushirikiano na Delta Corporation Zimbabwe

Kampuni yetu imeendelea kufanya kazi ya ushirikiano na Delta Corporation Zimbabwe katika mambo yote ya kibiashara yanayotuhusu, hasa, shughuli za utafiti juu ya mmea wa "hops".

Wafanyi Kazi

Wafanyi kazi wa daraja zote sasa wamejirekebisha vizuri kufuatana na mabadiliko yaliyoletwa na taratibu mpya za kampuni. Baada ya muda uliokuwa wa hofu, uhusiano kati ya usimamizi na wafanyi kazi walioko chamani cha wafanyi kazi uliimarika sana mwakani. Mahojiano kuhusu mkataba wa mapatano ya pamoja (Collective Bargaining Agreement) yameendelea vizuri na yanatarajiwa kukamilika hivi karibuni.

Mambo kwa Jumla

Hakuna dalili nzuri za kuonyesha kwamba mambo yatakuwa rahisi mwaka ujao, lakini tutajitahidi kusonga mbele ili tuweze kufikia miradi tuliyokusudia. Tuna imani na wafanyi kazi wetu ambao wameendelea kuwa waaminifu kwa kampuni. Kupitia jitihada zao na bidii kwa kazi, tumeweza kuwa na matokeo mazuri katika miaka yote.
Kwa kumalizia, ningependa kuwashukuru wakurugenzi wenzangu kwa uelewano na usaidizi ambao wamenipa mwaka huu.

J G KIEREINI
MWENYEKITI

REPORT OF THE DIRECTORS

for the year ended 30 June 1992

To be submitted to the shareholders at the Seventieth annual general meeting of the company to be held at Kisumu Simba Club, Kisumu/Kakamega Road, Kisumu on 20 November, 1992 at 12.00 noon. The directors have pleasure in presenting to the shareholders the accounts for the year ended 30 June 1992.

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		372,089
Taxation		131,300
Profit after taxation available for distribution		240,789
Dividends		
Interim paid: Shs .50 per share	25,594	
Final proposed: Shs 2.25 per share	115,174	140,768
		100,021
Transfer to General Reserve		100,000
Retained profit		21

Directors
Mr J M Magari resigned from the Board on 22nd January 1992 and in accordance with article 95 of the Articles of Association, Dr W K Koinange was appointed to the Board on the same date. He retires and, being eligible offers himself for re-election.

In accordance with article 94 of the Articles of Association, Mr I K Cheluget retires by rotation and being eligible, offers himself for re-election.

Mr D H C Hampshire was appointed a director on 16 September 1992. In accordance with article 97 of the Articles of Association he retires 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
16 September 1992

RIPOTI YA WAKURUGENZI *ya mwaka*

uliomalizika tarehe 30 Juni 1992

Itakayotolewa kwa wenyehisa kwenye mkutano mkuu wa kampuni wa mwaka ambao ni wa sabini utakaofanywa katika Kisumu Simba Club, Kisumu/Kamamega Road, Kisumu tarehe 20 Novemba 1992 saa sita mchana. Wakurugenzi wana furaha kuwatolea wenyehisa hesabu za mwaka uliomalizika tarehe 30 Juni 1992.

Shughuli
Shughuli muhimu za kundi zimeendelea kuwa utengenezaji bia, upakiaji, uuzaji na pia utoagi na kuuza bidhaa za chupa.

Faida na hasara za hesabu iliyojumlishwa	***Shs'000'***	***Shs'000'***
Faida kabla ya kutoa fungu la kodi		*372,089*
Kodi		*131,300*
Faida baada ya kodi inayoweza kugawanywa		*240,789*
Migao		
Mgao wa muda uliolipwa Senti 50 kila hisa	*25,594*	
Mgao wa mwisho uliopendekezwa Shs 2.25 kila hisa	*115,174*	*140,768*
		100,021
Nyongeza katika Akiba Kuu		*100,000*
Faida iliyotengwa		*21*

Wakurugenzi
Bw J M Magari alijiuzulu kama mkurugenzi tarehe 22 Januari 1992 na kwa mujibu wa kanuni ya 95 ya masharti ya kampuni, Dr W K Koinange alichaguliwa kama mkurugenzi. Anaondoka kitini mwake kwa zamu, na kwa kuwa anastahili kuchaguliwa amejitolea kuchaguliwa tena.

Kwa mujibu wa kanuni 94 ya Masharti ya Kampuni, Bw I K Cheluget anaondoka kitini mwake kwa zamu, lakini kwa kuwa bado anastahili kuchaguliwa, amejitolea kuchaguliwa tena.

Bw D H C Hampshire aliteuliwa kama mkurugenzi tarehe 16 Septemba 1992. Kuambatana na kanuni 97 ya Masharti ya Kampuni, anaondoka kitini mwake na kwa kuwa Bw D H C Hampshire anastahili, 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 kuhwa kwa mara nyingine kwa juhudi kubwa iliyofanywa na wafanyakazi wote wa kampuni hii.
Kwa Amri ya Halmashauri

J N Muhoho (Mrs)
Katibu
16 Septemba 1992

REPORT OF THE AUDITORS

to the members of Kenya Breweries Limited

We have examined the accounts on pages 12 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 1992 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
17 September 1992

RIPOTI YA WAKAGUZI

kwa wanachama wa Kenya Breweries Limited

Tumekagua hesabu zilizoko kwenye ukurasa wa 12 mpaka 21 na tumepatiwa habari na maelezo yote muhimu kwa ukaguzi wetu.

Kwa maoni yetu:

a) Vitabu vya hesabu vimewekwa kwa njia sahihi na kampuni, na 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 1992 na kuhusu faida na mapato na matumizi ya fedha za kundi kwa mwaka ulioishia tarehe hiyo.

Gill & Johnson
Certified Public Accountants (Kenya)

Nairobi
17 Septemba 1992

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1992

	Note	1992 Shs'000'	1991 Shs '000'
Turnover:			
Gross		**9,073,094**	8,070,384
Indirect taxes		**4,967,925**	4,485,194
Net		**4,105,169**	3,585,190
Trading profit	2	**372,089**	348,137
Income from investment			
Associate		**—**	617
Profit before taxation		**372,089**	348,754
Taxation	3	**131,300**	139,965
Profit after taxation	4	**240,789**	208,789
Dividends (gross)			
Interim paid		**25,594**	21,329
Final proposed		**115,174**	102,377
General Reserve	16	**100,000**	85,000
Retained profit	16	**21**	83
Earnings per share (shs)	5	**4.70**	4.08

CONSOLIDATED BALANCE SHEET

30 JUNE 1992

	Note	1992 Shs'000'	1991 Shs'000'
Fixed assets	6	**2,169,029**	2,225,128
Investment in associate		—	702
Other Investment	8	**400**	—
Tanzanian assets	9	**25,311**	28,927
Ugandan assets	10	**25,034**	25,034
		2,219,774	2,279,791
Current Assets			
Stocks	11	**1,446,966**	1,281,799
Debtors	12	**298,517**	223,229
Bank balances and cash		**31,459**	26,196
		1,776,942	1,531,224
Current liabilities			
Creditors	13	**1,024,788**	848,664
Taxation		**105,834**	136,858
Loan instalments due within 12 months	14	**197,863**	159,376
Short term loans		**133,814**	132,054
Bank overdraft (secured)		**261,334**	332,520
Proposed dividend (gross)		**115,174**	102,377
		1,838,807	1,711,849
Net current liabilities		**(61,865)**	(180,625)
		2,157,909	2,099,166
Financed by:			
Share capital	15	**511,884**	426,570
Reserves	16	**1,219,124**	1,204,417
Shareholders' funds		**1,731,008**	1,630,987
Long term loans	14	**426,901**	468,179
		2,157,909	2,099,166

The accounts on pages 12 to 21 were approved by the board of directors on 16 September 1992 and were signed on its behalf by:

J.G. Kiereini Director

J.K. Mwangi Director

COMPANY BALANCE SHEET

30 JUNE 1992

	Note	1992 Shs '000'	1991 Shs '000'
Fixed assets	6	**1,754,436**	1,824,015
Investment in subsidiary companies	7	**241,115**	241,115
Investment in associate		—	702
Other Investment	8	**400**	—
Tanzanian assets	9	**25,311**	28,927
Ugandan assets	10	**25,034**	25,034
		2,046,296	2,119,793
Current Assets			
Stocks	11	**1,318,873**	1,159,368
Debtors	12	**253,168**	166,772
Due from subsidiary companies		**90,000**	90,999
Bank balances and cash		**31,453**	26,165
		1,693,494	1,443,304
Current Liabilities			
Creditors	13	**988,750**	807,890
Taxation		**105,834**	136,858
Due to subsidiary companies		**30,308**	2,689
Loan instalments due within 12 months	14	**67,000**	72,784
Short term loans		**133,814**	132,054
Bank overdraft (secured)		**256,428**	309,807
Proposed dividend (gross)		**115,174**	102,377
		1,697,308	1,564,459
Net current liabilities		**(3,814)**	(121,155)
		2,042,482	1,998,638
Financed by:			
Share capital	15	**511,884**	426,570
Reserves	16	**1,257,598**	1,282,068
Shareholders' funds		**1,769,482**	1,708,638
Long term loans	14	**273,000**	290,000
		2,042,482	1,998,638

The accounts on pages 12 to 21 were approved by the board of directors on 16 September 1992 and were signed on its behalf by:

J.G. Kiereini Director

J.K. Mwangi Director

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 30 June 1992.

	1992 Shs'000'	1991 Shs'000'
Source of funds		
Profit before taxation	**372,089**	348,754
Adjustments for items not involving movement of funds:		
Depreciation	**205,506**	190,559
Profit on sale of fixed assets	**(26,609)**	(9,818)
Ugandan assets written down	—	1,800
Profit on sale of investments	**(13,653)**	—
Funds generated from operations	**537,333**	531,295
Funds from other sources		
Proceeds on disposal of investment	**13,498**	—
Instalment received for Tanzanian assets	**4,473**	—
Sale of fixed assets	**30,047**	13,920
Loans received	**115,233**	255,959
Inflow of funds	**700,584**	801,174
Application of funds		
Purchase of investment	**400**	—
Additions to fixed assets	**152,845**	240,439
Loans repaid	**116,264**	198,966
Dividends paid	**127,971**	85,315
Taxation paid	**162,324**	112,393
Outflow of funds	**559,804**	637,113
Net inflow of funds	**140,780**	164,061
Movement in working capital		
Stocks	**165,167**	156,512
Debtors	**75,288**	82,245
Creditors	**(176,124)**	(98,299)
	64,331	140,458
Movement in liquid funds		
Short term deposit	—	(100,000)
Bank balances and cash	**5,263**	5,918
Bank overdraft	**71,186**	117,685
Net movement in working capital	**140,780**	164,061

NOTES TO THE ACCOUNTS

for the year ended 30 June 1992

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 fixed 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 include its share of the results and reserves of the associate company.

c Turnover

Turnover represents the proceeds from the sale of goods and services to customers.

d 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.

e Depreciation

No depreciation is provided on land which is freehold and leasehnld 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		3 to 20 per cent
Vehicles:	Commercial	20 per cent
	Cars	25 per cent

f Currencies

The accounts are expressed in Kenya currency.

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, 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

	1992 Shs'000'	**1991 Shs'000'**
Trading profit is arrived at after charging:		
Interest on:		
Long term loans	**102,837**	111,025
Short term loans and bank overdraft	**50,340**	46,560
Depreciation	**205,506**	190,559
Auditors' remuneration	**1,631**	1,368
Directors' emoluments		
Fees	**525**	420
Other	**10,437**	6,679
and after crediting:		
Profit on sale of fixed assets	**26,609**	9,818
Profit on sale of investment	**13,653**	—

NOTES TO THE ACCOUNTS (Continued)

3 Taxation

	1992 Shs'000'	1991 Shs'000'
On the adjusted profit for the year at 37.5% (1991 - 40%)	**131,300**	139,965

At 30 June 1992 there were tax losses in subsidiary companies amounting to Shs 127,266,320 (1991 – Shs 159,910,940) available to be offset against future chargeable income.

4 Profit after taxation

The profit after taxation is dealt with as follows:

Kenya Breweries Limited	**201,612**	242,197
Subsidiary companies	**39,177**	(33,408)
	240,789	208,789

5 Earnings per share

Earnings per share has been calculated on the profit after taxation of Shs. 240,789,240 (1991 – Shs. 208,788,620) and on the 51,188,448 ordinary shares in issue as at 30 June 1992. The 1991 earnings per share has been adjusted to reflect the dilution by the 1 for 5 bonus issue during the year.

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 1991	465,172	445,891	2,258,951	298,626	3,468,640
Additions	6,987	4,211	88,587	49,120	148,905
Disposals	—	(281)	(14,678)	(16,473)	(31,432)
At 30 June 1992	472,159	449,821	2,332,860	331,273	3,586,113
Comprising:					
At cost	33,413	260,739	1,873,514	331,273	2,498,939
At valuation in 1980	438,746	189,082	459,346	—	1,087,174
	472,159	449,821	2,332,860	331,273	3,586,113
Depreciation					
At 1 July 1991	96,442	75,982	908,386	204,984	1,285,794
Charge for the year	9,035	9,446	148,702	38,323	205,506
Eliminated on disposals	—	—	(12,218)	(15,776)	(27,994)
At 30 June 1992	105,477	85,428	1,044,870	227,531	1,463,306
Net book value					
At 30 June 1992	366,682	364,393	1,287,990	103,742	2,122,807
Capital work in progress					46,222
					2,169,029
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

6 Fixed assets (continued)

	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 1991	465,172	407,310	1,779,982	290,137	2,942,601
Additions	6,987	4,186	40,933	47,258	99,364
Disposals	—	—	(14,678)	(16,473)	(31,151)
At 30 June 1992	472,159	411,496	1,806,237	320,922	3,010,814
Comprising:					
At cost	33,413	222,414	1,346,891	320,922	1,923,640
At valuation in 1980	438,746	189,082	459,346	—	1,087,174
	472,159	411,496	1,806,237	320,922	3,010,814
Depreciation					
At 1 July 1991	96,442	72,825	792,556	199,046	1,160,869
Charge for the year	9,035	8,703	114,874	37,113	169,725
Eliminated on disposals	—	—	(12,218)	(15,776)	(27,994)
At 30 June 1992	105,477	81,528	895,212	220,383	1,302,600
Net book value					
At 30 June 1992	366,682	329,968	911,025	100,539	1,708,214
Capital work in progress					46,222
					1,754,436
At 30 June 1991	368,730	334,486	987,426	91,091	1,781,733
Capital work in progress					42,282
					1,824,015

	1992 Shs'000'	1991 Shs'000'
7 Investment in subsidiaries		
(All wholly owned; 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 Other investment		
4,000 ordinary shares in Sen-Tech Limited at cost	**400**	—

9 Tanzanian assets

On 30 March 1992, the company entered into agreements with National Development Corporarion for the sale of shares in Tanzania Breweries Limited and with Tanzania Breweries Limited for the remittance of their current account balance with Kenya Breweries Limited to be paid in 24 monthly instalments commencing 30 April 1992. The amount shown in the balance sheet represents unremitted portions of the cost of shares in Tanzania Breweries Limited and the current account.

10 Ugandan assets

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.

11 Stocks

	Group		Company	
	1992	1991	1992	1991
	Shs'000'	Shs'000'	Shs'000'	Shs'000'
Finished goods	**190,178**	297,335	**183,785**	276,696
Raw materials	**312,004**	395,734	**283,604**	377,356
Consumables	**920,621**	565,952	**827,320**	482,538
Goods in transit	**24,163**	22,778	**24,164**	22,778
	1,446,966	1,281,799	**1,318,873**	1,159,368

12 Debtors

Trade debtors	**174,829**	135,573	**129,480**	79,116
Barley advances	**41,270**	57,067	**41,270**	57,067
Recoverable indirect taxes	**82,418**	30,589	**82,418**	30,589
	298,517	223,229	**253,168**	166,772

13 Creditors

Trade creditors	**568,655**	487,128	**532,617**	446,354
VAT and excise duty	**412,901**	333,094	**412,901**	333,094
Unpaid dividends	**43,232**	28,442	**43,232**	28,442
	1,024,788	848,664	**988,750**	807,890

14 Long term loans

Secured bank loans repayable in semi-annual instalments by 31 December 1992	**8,000**	24,000	**8,000**	24,000
Secured bank loans repayable in semi-annual instalments by 30 June 1993	**10,000**	30,000	**10,000**	30,000
Secured bank loans repayable in semi-annual instalments by 30 June 1995	**72,000**	96,000	**72,000**	96,000
Secured bank loans repayable in semi-annual instalments by 31 December 1997	**330,000**	280,000	**250,000**	200,000
Overseas bank loan repaid on 27 October 1991	—	12,784	—	12,784
Overseas bank loan repayable in semi-annual instalments by 31 May 1994	**204,764**	184,771	—	—
	624,764	627,555	**340,000**	362,784
Less: Instalments due within 12 months	**197,863**	159,376	**67,000**	72,784
	426,901	468,179	**273,000**	290,000

NOTES TO THE ACCOUNTS (Continued)

	1992 Shs'000'	1991 Shs'000'
15 Share capital		
Authorised		
55,000,000 (1991 - 50,000,000) ordinary shares of Shs 10 each	**550,000**	500,000
Issued and fully paid		
51,188,448 (1991 - 42,657,040) ordinary shares of Shs 10 each	**511,884**	426,570

(i) At the Annual General meeting held on 22 November 1991, the authorised share capital was increased from 50,000,000 ordinary shares of Shs. 10 each to 55,000,000 ordinary shares of Shs. 10 each.

(ii) The meeting also approved a bonus issue of one ordinary share for every five of the 42,657,040 shares held on 22 November 1991 by capitalising the sum of Shs. 85,314,080 being part of sum standing to the credit of the general reserve. The amount was applied in paying up in full, at par, 8,531,408 new ordinary shares of Shs. 10 each in the capital of the company.

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 1991	1,058	478,793	716,962	7,604	1,204,417
Retained profit	—	—	100,000	21	100,021
Bonus issue	—	—	(85,314)	—	(85,314)
At 30 June 1992	1,058	478,793	731,648	7,625	1,219,124
Company					
At 1 July 1991	1,058	478,793	723,032	79,185	1,282,068
Retained profit	—	—	100,000	(39,156)	60,844
Bonus issue	—	—	(85,314)	—	(85,314)
At 30 June 1992	1,058	478,793	737,718	40,029	1,257,598

	Group		Company	
	1992 Shs'000'	1991 Shs'000'	1992 Shs'000'	1991 Shs'000'
17 Capital commitments				
Contracted but not provided in the accounts	**11,044**	16,522	**11,044**	16,522
Authorised but not contracted	**66,895**	26,882	**66,895**	26,182

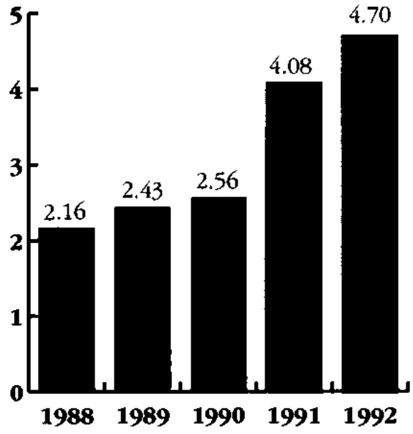
	Group		Company	
	1992	1991	1992	1991
	Shs'000'	Shs'000'	Shs'000'	Shs'000'
18 Contingent liabilities				
Guarantees in respect of bank advances to barley farmers	**11,525**	37,829	**11,525**	37,829
Guarantee in respect of overseas loan to a subsidiary company	**—**	—	**204,764**	184,771
Guarantee in respect of bank facilities to a subsidiary company	**—**	—	**84,906**	102,600
	11,525	37,829	**301,195**	325,200
19 Deferred taxation				
Potential deferred taxation liability amounted to:				
Excess capital allowances over depreciation	**70,801**	107,838	**109,029**	85,576
Tax losses available to be offset against future chargeable income	**(47,725)**	(63,964)	**—**	—
	23,076	43,874	**109,029**	85,576

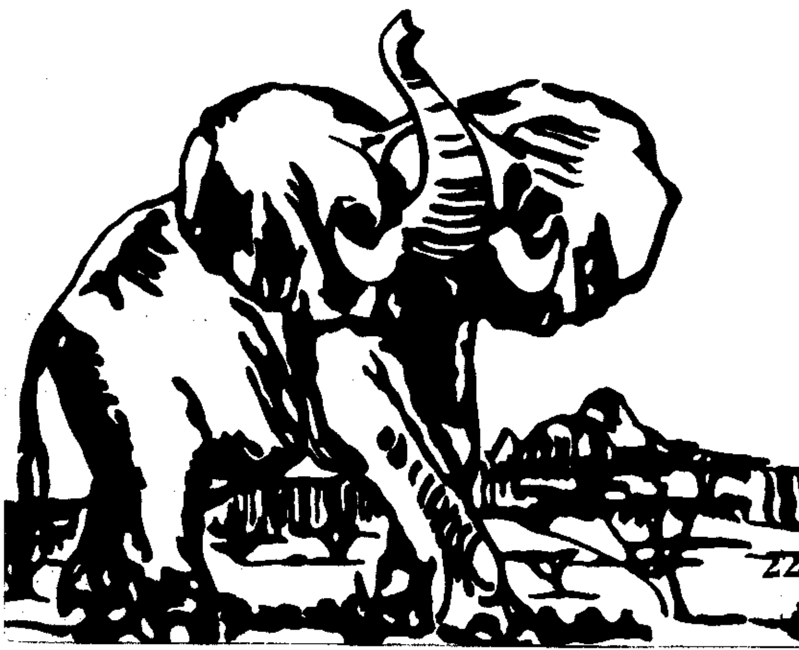
FIVE YEAR REVIEW OF PROFIT AND EARNINGS

	1992 Shs'000'	1991 Shs'000'	1990 Shs'000'	1989 Shs'000'	1988 Shs'000'
Trading profit	372,089	348,137	231,062	269,600	224,880
Income from investment	—	617	551	460	420
Profit before taxation	372,089	348,754	231,613	270,060	225,300
Taxation	131,300	139,965	100,546	145,300	114,620
Profit attributable to shareholders	240,789	208,789	131,067	124,760	110,680
Dividends	140,768	123,706	85,315	85,320	85,320
Profit retained	100,021	85,083	45,752	39,440	25,360
Earnings per ordinary share (Shs)	* 4.70	4.08	2.56	2.43	2.16
Dividend per ordinary share (Shs)	2.75	2.50	2.00	2.00	2.00
Number of issued ordinary shares (in millions)	51.2	42.7	42.7	42.7	42.7

* Earnings per ordinary share has been adjusted to reflect the dilution by the 1 for 5 bonus issue during the year.

Earnings Per Share (Shs)



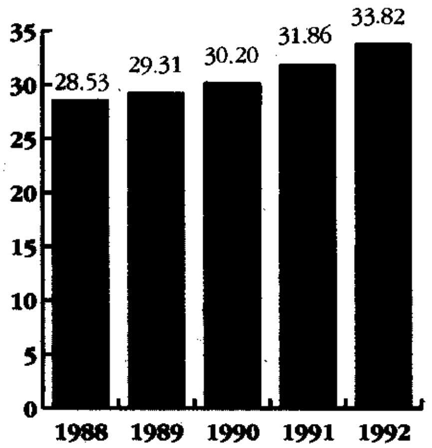


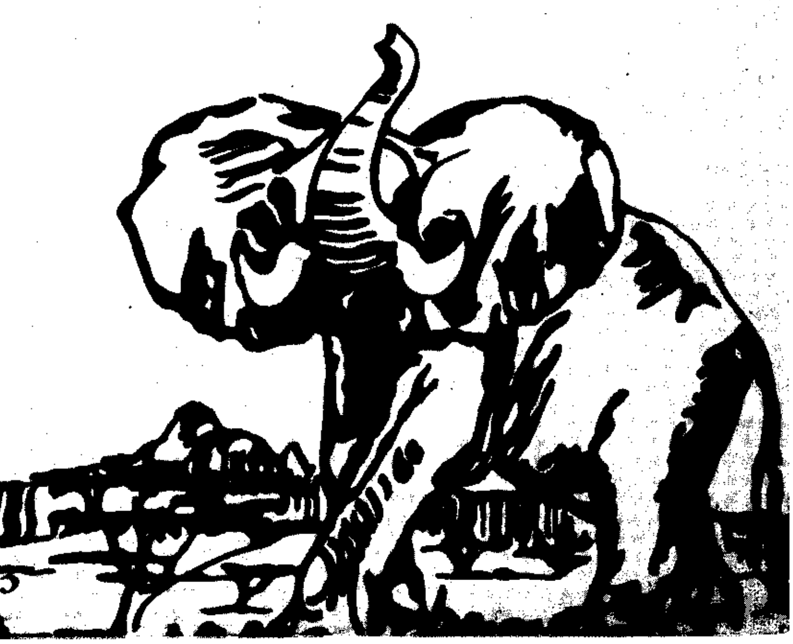
FIVE YEAR REVIEW OF ASSETS EMPLOYED

	1992 Shs'000'	1991 Shs'000'	1990 Shs'000'	1989 Shs'000'	1988 Shs'000'
Assets employed					
Fixed assets	2,169,029	2,225,128	2,179,350	2,013,720	1,995,060
Investment	400	702	702	702	702
Tanzanian assets	25,311	28,927	28,927	37,720	37,720
Ugandan assets	25,034	25,034	26,834	26,840	26,840
Long term liabilities	(426,901)	(468,179)	(489,943)	(416,240)	(337,420)
Net current liabilities	(61,865)	(180,625)	(199,966)	(162,580)	(262,200)
Net assets	1,731,008	1,630,987	1,545,904	1,500,162	1,460,702
Financed by					
Share capital	511,884	426,570	426,570	426,570	426,570
Reserves	1,219,124	1,204,417	1,119,334	1,073,592	1,034,132
Shareholders' funds	1,731,008	1,630,987	1,545,904	1,500,162	1,460,702
Net current liabilities					
Stocks	1,446,966	1,281,799	1,125,287	944,500	730,940
Debtors	298,517	223,229	140,984	108,560	108,800
Creditors	(1,328,485)	(1,144,898)	(977,508)	(910,500)	(770,080)
Proposed dividend	(115,174)	(102,377)	(63,986)	(63,980)	(63,980)
Net liquid funds	(363,689)	(438,378)	(424,743)	(241,160)	(267,880)
	(61,865)	(180,625)	(199,966)	(162,580)	(262,200)
Net assets per ordinary share (Shs) *	33.82	31.86	30.20	29.31	28.53

* Net assets per ordinary share has been adjusted to reflect the dilution by the 1 for 5 bonus issue during the year.

Net Assets Per Ordinary Share (Shs)

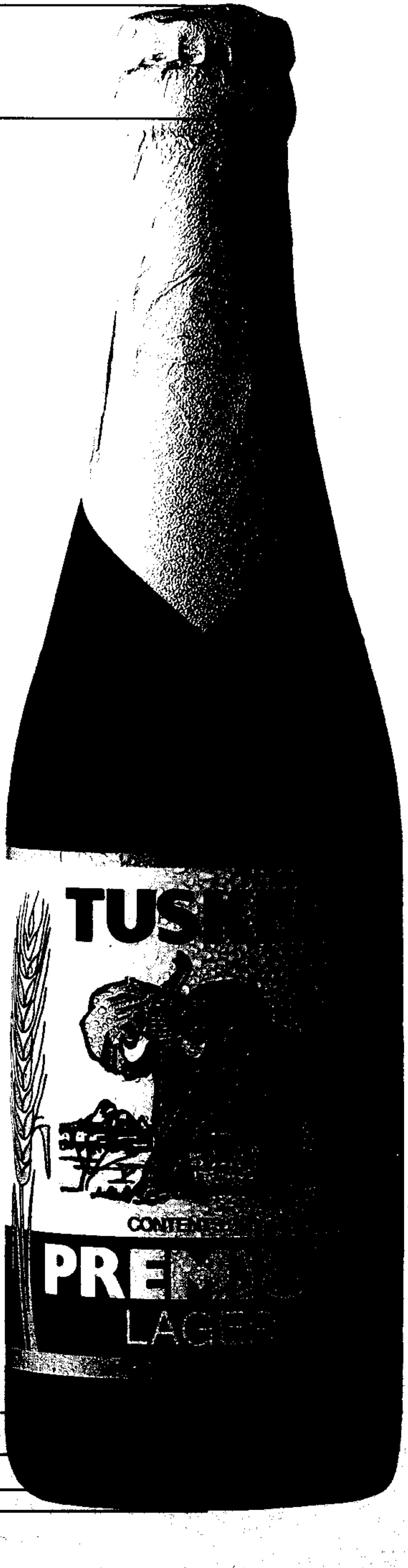




STATEMENT OF VALUE ADDED
TAARIFA YA ONGEZEKO LA THAMANI

		1992 Shs'000'	
Turnover *Uuzaji kwa jumla*		9,073,094	
Less: Cost of material, supplies and services bought and depreciation set aside *Toa: Gharama za vifaa, bidhaa zilizonunuliwa, huduma zilizolipiwa na upungufu wa thamani*		*3,018,874*	
Value added ***Thamani iliyoongezwa***		6,054,220	
Add: Non–trading credits: *Ongeza: Faida zisizohusu biashara*			
Profit on sale of investment *Faida ya mauzo kutoka rasilmali*	13,653		
Profit on sale of fixed assets *Faida kutokana na kuuzwa kwa maliasili*	26,609	40,262	
		6,094,482	
This was shared as follows:— *Fedha hizi zilitumiwa ifuatavyo:*			%
To employees as payroll costs, excluding P.A.Y.E. *Kwa wafanyakazi kama gharama ya mishahara bila kodi ya binafsi*		486,085	7.98
To government as taxes *Ushuru wa Serikali*		5,214,431	85.56
To banks and other lenders *Malipo kwa benki na kampuni zingine zilizotukopesha pesa*		153,177	2.51
To shareholders *Migao kwa wenyehisa*		140,768	2.31
Retained in the group *Fedha zilizotengwa kama akiba ya kikundi cha kampuni:*		100,021	1.64
		6,094,482	100.00

7.98% Employees



85.56% Government

2.51% Banks

2.31% Shareholders

1.64% Retained

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 70th Annual General Meeting of the company to be held on Friday 20 November, 1992, at 12.00 noon or at any adjournment thereof.

As witness my/our hand/hands this............................ day of 1992

Signature ....

Notes 1. This proxy is to be delivered to the company's registered office not later than 12 noon on Wednesday 18 November, 1992, 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 sabini wa kampuni **utakaofanywa** siku ya Ijumaa, tarehe 20 Novemba 1992 saa sita **za mchana ama siku yoyote ile** iwapo mkutano utaahirishwa.*

Kama ushahidi ninatia/tunatia** sahihi hii/hizi tarehe* .... ***Mwezi** **1992

Sahihi. ....

Ukumbusho: *1. **Uwakilishi huu utumwe kwa afisi kuu ya kampuni kabla ya saa sita za mchana Jumatano, tarehe 18 Novemba 1992 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