ANNUAL REPORT AND ACCOUNTS
for the year ended 30 June 1994

RIPOTI NA HESABU ZA MWAKA
uliomalizika Juni 30 1994

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Yaliyomo

FINANCIAL CALENDAR
for the year ended 30 June 1994

Financial Calendar
ended 30 June 1994
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announced 24 February 1994
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announced 13 September 1994

Report and Accounts
Annual Report
issued 25 October 1994
72nd Annual General Meeting
to be held 18 November 1994

Dividend
Interim
announced 24 February 1994
Closing date 14 April 1994
Paid 13 May 1994
Final
announced 13 September 1994
Closing date 18 November 1994
Payable on or about 16 December 1994

Share Price
The market price per share on 13 September, 1994 was Shs 110/-.

KALENDA YA FEDHA
ya mwaka uliomalizika 30 Juni 1994

Kalenda ya Fedha
iliomalizika 30 Juni 1994
Matokeo ya muda
yalitangazwa 24 Februari 1994
Matokeo ya mwisho
yalitangazwa 13 Septemba 1994

Ripoti na Hesabu
Ripoti ya mwaka
ilitolewa 25 Oktoba 1994
Mkutano Mkuu wa mwaka wa 72
utafanywa 18 Novemba 1994

Mgao
Wa muda
ulitangazwa 24 Februari 1994
Daftari ikafungwa 14 Aprili 1994
Ulilipwa 13 Mei 1994
Wa mwisho
ulitangazwa 13 Septemba 1994
Daftari itafungwa 18 Novemba 1994
Utalipwa mnamo tarehe 16 Desemba 1994

Bei ya Hisa
Bei ya hisa ilikuwa Sh. 110/- kwa kila moja tarehe 13 Septemba, 1994.

CORPORATE INFORMATION

Chairman
JG Kiereini, EGH, EBS, SS

Managing Director
MJ Karanja

Financial Director
NG Ajania, FCA

Non Executive Directors
R O'B Wilson
IK Cheluget
DJ Nyanjom
JK Mwangi
DHC Hampshire
BK Kipkulei

Secretary
JN Muhoho (Mrs), LLB (Hons), 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

Standard Chartered Bank
Kenya Limited
PO Box 72585 Nairobi, Kenya

BOARD OF DIRECTORS
WAKURUGENZI

J.G. Kiereini EGH, EBS, SS
Chairman

M.J. Karanja

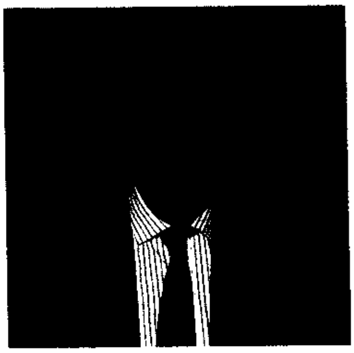
N.G. Ajania, FCA

B.K. Kipkulei

J.K. Mwangi

D.J. Nyanjom

I.K. Cheluget



R.O 'B. Wilson

D.H.C. Hampshire

J.N. Muhoho (Mrs) Secretary

NOTICE OF THE MEETING

Notice is hereby given that the seventy second Annual General Meeting of shareholders will be held at the Oceanic Hotel, Mombasa on Friday 18 November, 1994 at 10.00 a.m.

Ordinary Business

1. To receive the accounts for the year ended 30 June 1994 and the report of Directors and Auditors thereon.
2. To confirm the payment of the interim dividend of Shs. 1.50 per share, and to consider the recommendation of the Board to declare a final dividend of Shs. 3.50 per share payable on or about 16 December 1994 to shareholders registered on 18 November 1994.
3. To elect Directors 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 shareholder entitled to attend and vote may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

By Order of the Board

J N Muhoho (Mrs)
Secretary

25 October 1994

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 not later than 10.00 a.m. on Wednesday, 16 November 1994.

TANGAZO LA MKUTANO

Tangazo linatolewa hapa kwamba Mkutano Mkuu wa Mwaka wa sabini na mbili wa wenyehisa utafanywa katika Oceanic Hotel, Mombasa siku ya Ijumaa tarehe 18 Novemba 1994, saa nne asubuhi.

Shughuli za kawaida

1. *Kupokea taarifa ya hesabu ya pesa ya mwaka uliomalizika tarehe 30 Juni 1994, na taarifa ya Wakurugenzi na Wakaguzi wa Vitabu vya Hesabu.*
2. *Kuthibitisha malipo ya mgao wa muda wa Shs. 1.50 kwa kila hisa, na kufikiria pendekezo la Halmashauri kutangaza malipo ya mwisho ya Shs. 3.50 kwa kila hisa na yanayotarajiwa kutolewa mnamo tarehe 16 Desemba 1994 kwa wenyehisa walio na majina yao katika daftari ya Kampuni mnamo tarehe 18 Novemba 1994.*
3. *Kuchagua Wakurugenzi kuambatana na Masharti ya Kampuni.*
4. *Kuidhinisha malipo ya Wakurugenzi.*
5. *Kutoa kibali kwa Wakurugenzi kuweka kipimo cha malipo ya Wakaguzi wa vitabu.*
6. *Kuzungumza mambo mengine yo yote yanayohusu shughuli za Kampuni.*

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

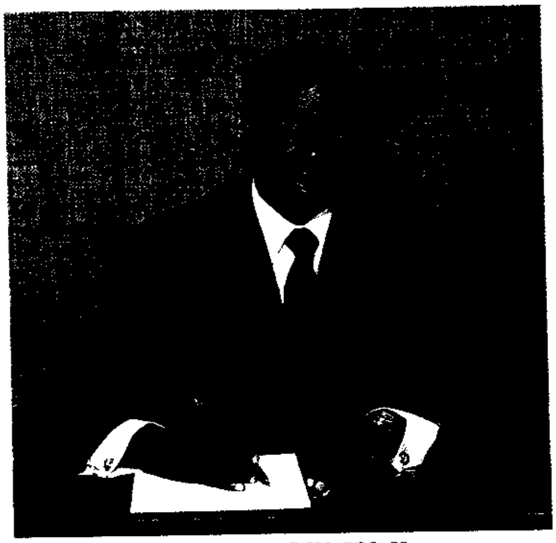
Kwa amri ya Halmashauri

J N Muhoho (Mrs)
Katibu

25 Oktoba 1994

Ikiwa mwenyehisa hataweza kuhudhuria mkutano, kuna fomu kwenye ukurasa wa 27 anayoweza kuijaza na kuituma kwenye Ofisi Kuu ya Kampuni ili iweze kufika huko kabla ya saa nne za asubuhi Jumatano, tarehe 16 Novemba 1994.

CHAIRMAN'S STATEMENT



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

During the year under review we experienced difficult and complex economic factors which affected the general economic situation in the country. This was particularly so owing to obvious and total resolve by the Treasury and Central Bank of Kenya to exercise very tight grip on the growth of money supply which in the previous year had become a worrying and ominous phenomenon.

As the Government continued to implement the structural adjustment programmes, greater liberalisation of the economy and rising inflation, higher prices became necessary and because of opening up of the economy, increased competition from imported beer became obvious. As a result of stabilisation of the exchange rates our earnings from the export trade declined because Kenya Shilling started appreciating against the dollar.

Apart from external sources our domestic sales suffered a great deal from taxation policy. Intensive discussions between the Treasury and ourselves are continuing and we hope it will be possible to agree on a system which shall be mutually acceptable.

The very good results achieved this year may appear to contradict the remarks I have made above and it is necessary that the position be put into perspective. It should be noted that the combined domestic and export sales of 23,834,542 metric cases were 16% below last year's level. The company's export sales grew by 64% in 1993/94 and were 17.7% of our total volume sales. However the export sales contributed 56.3% of our total profits.

Most of our export market is within the East African region which has been going through similar experiences of liberalisation of markets and economy. As a result of removal of exchange controls, imports are coming in freely and offering stiff competition to our products. Additionally there is renewed determination within neighbouring countries to rehabilitate their breweries and as soon as this is done you can expect that local beers will become available perhaps more cheaply than imported products due to tax relief. We cannot therefore, hope to maintain the current sales in export trade. However, efforts will continue to expand our export markets in other parts of the world.

TAARIFA YA MWENYEKITI

Katika mwaka tunaochungua tulikabiliana na hali ngumu ya kiuchumi inayoikumba nchi yote. Hali hii ilisababishwa na uamuzi wa Idara ya Fedha na pia Benki Kuu wa kukaza kiwango cha upatikanaji pesa ambao ulitia hofu na mahangaiko mwaka wa awali.

Huku serikali ikiendelea na ile mipango ya kufufua uchumi, kufanya huru uchumi na masoko, upandaji wa gharama na pia ongezeko ya bei zote zilisababisha mashindano kutokana na bia zilizoingizwa nchini. Kutokana na kuimarika kwa shilingi ya Kenya dhidi ya dola ya Amerika mapato yetu kutoka nchi za nje yalipungua. Mbali na mambo ya nje uuzaji wetu hapa nchini umedhuriwa na ushuru. Mazungumzo baina yetu na idara ya hazina yanaendelea na tunatarajia kufikia utaratibu utakaokubalika kwa wote.

Zile faida nzuri zilizopatikana mwaka huu zinaweza kufikiriwa ni kama zinahitilafiana na mambo niliyotaja hapo juu na ni vizuri kufafanua. Inafaa ijulikane ya kwamba uuzaji wetu hapa nchini na pia nchi za nje kwa jumla ulikuwa masanduku 23,834,542 na huu ulikuwa ni upungufu wa asilimia 16 wa kiwango cha uuzaji wa mwaka jana. Mauzo ya nje yaliongezeka kwa asilimia 64 mwaka 1993/94 na yalikuwa asilimia 17.7 ya uuzaji wetu kwa jumla. Hata hivyo uuzaji wa nje ulichangia asilimia 56.3 ya faida zetu zote.

Uuzaji wetu wa nje ni kwenye eneo la Afrika Mashariki na ambalo linaendelea na shughuli za kufanya masoko na uchumi huru kama sisi. Baada ya kuondolewa sheria za usimamizi wa ubadilishanaji fedha za kigeni, bidhaa zinaingizwa nchini na kushindana vikali na zile zetu. Isitoshe viwanda vya nchi jirani zinaundwa upya na kazi hii ikikamilika pengine bei ya bia iliyotengenezwa hapo nchini itaweza kushuka kwa kuwa ushuru wake utapungua kuliko ule wa bia kutoka nje. Hatuwezi kutumainia ongezeko la uuzaji wa sasa katika biashara ya nje. Ingawa hivyo kila juhudi itafanywa ili kuongeza uuzaji kwenye masoko ya sehemu nyingine za dunia.

Tunapofanya mipango ya mahitaji yetu ya siku zijazo ni lazima kujua tulikuwa na bahati

In planning for our future requirements therefore we must assume that we have been enjoying a "windfall" in export trade and brace ourselves for the time when this advantage will be no more. Our exercise in cost reduction must, therefore continue if we hope to survive in the future. In this regard I have to report that we had to close down our Barley Syrup Plant mainly as part of cost reduction but also because the use of syrup in brewing became outdated and completely unnecessary.

While the profits give the impression of a most welcome development, in terms of historical terms, I would like to caution that it does not cover cost of replacement of the plant and machinery. Most of our bottling lines have gone far beyond their useful life and cost of maintenance has become astronomical. We have reached a point where replacement is absolutely necessary, and funds must be found to do so. The current level of profits is hardly sufficient and it may be necessary to consider other ways of financing these aspects of our plant renewal.

I would also like to point out that while our profits may appear to be record achievement it should be viewed against many years of price controls which kept down our revenue for years and made it impossible to maintain efficient plant. This impressive record must not be viewed alone as I am sure that it is going to be an uphill battle to maintain this level in years to come.

Results

Inspite of the gloomy economic conditions as indicated above, I am pleased to report that your company made a pre-tax profit of Kshs 1,030,200,000 which was 83.5% higher than the 1993 profits of Kshs 561,396,000. The profit after tax of Kshs 520,966,000 was 41.3% above last year's profits. The group profits before and after taxation for the year increased by Kshs 468,804,000 and Kshs 152,370,000 respectively.

Barley

Following a bumper harvest of barley last year, we were once again able to produce 54,000 tonnes of barley from 22,517 hectares during the year under review. This was achieved despite the irregular weather pattern experienced during the period. Cost sharing has been introduced whereby the farmer finances seed-bed preparation and plantation and the company finances farm inputs. This way the farmer is more committed to proper farm-husbandry.

The Company has been registered as a seed grower and merchant and we intend to grow and process seed in the future. Arrangements are underway to install a modern seed processing plant at Molo which will include a cold-room and a laboratory. This project will enhance high quality seed production and consequently improve yields.

kufaulu kwenye biashara ya nje na ni lazima kujikaza na kukabili nyakati ambazo biashara hii itakwisha. Upunguzaji wa matumizi ni sharti uendelee ikiwa kampuni itajiokoa siku zijazo.

Ni katika hali hii kampuni ilikifunga kiwanda cha Barley Syrup ili kuokoa gharama na pia kwa sababu kiwanda hakitumii asali ya shayiri siku hizi katika shughuli za utengenezaji bia.

Hata ingawa faida zinaonyesha maendeleo yanayokubalika kihistoria ningalitaka kutoa ilani ya kwamba faida hizi haziwezi kugharamia bei ya kununua mitambo mipya na mashine. Mitambo yetu ni kuu kuu na gharama ya urekebishaji imepanda sana. Tumefikia kiwango ambapo ni lazima kununua mitambo mipya na lazima pesa za kufanya hivyo kutafutwa. Faida za sasa hazitoshi na pengine njia nyingine za kupata pesa zitafikiriwa.

Ningetaka kusema kwamba hata ingawa faida zetu zaweza kuwa za juu, inafaa ikumbukwe ya kwamba ule usimamizi wa bei wa miaka mingi ulidhuru mapato yetu na kusababisha kuzorota kwa mitambo. Mapato haya mema yapaswa kufikiriwa pamoja na mambo mengine kwa kuwa nina hakika itakuwa kazi ngumu kuhifadhi kiwango cha faida ya sasa kwa miaka ijayo.

Matokeo

Hata ikiwa hali ya uchumi ilikuwa ngumu, nina furaha kuripoti kampuni yenu ilipata faida kabla ya kodi kiasi cha Shs. 1,030,200,000 na ambao ni asilimia 83.5 zaidi ya faida ya Kshs. 561,396,000 ya mwaka wa 1993. Faida ya Kshs. 520,966,000 baada ya kodi ni asilimia 41.3 ya faida ya mwaka uliopita.

Faida za kundi kabla na baada ya kodi ziliongezeka kwa Kshs. 468,804,000 na Kshs. 152,370,000 zikifuatana.

Shayiri

Kufuatia mavuno mema ya zao la shayiri mwaka jana, kwa mara nyingine tena tulifanikiwa kuvuna tani 54,000 za shayiri kutoka kwa hektari 22,517 katika mwaka tunaochungua. Mavuno haya yaliweza kupatikana hata ingawa hali ya anga ilikuwa yenye kubadilika kwa wakati huo wote. Ugawanaji wa gharama baina ya wakulima na kampuni ulianzishwa ambapo mkulima anahitajika kugharamia utayarishaji shamba na kupanda mbegu nayo kampuni itoe pesa za madawa, mbolea na kadhalika. Mpango huu una nia ya kumfanya mkulima atie bidii shambani mwake.

Kampuni imeandikishwa kama mkuzaji na muuzaji mbegu za shayiri kwa wingi na ni matumaini yetu kuweza kukuza na kutengeneza mbegu zetu wakati ujao. Mipango tayari inafanywa ili kujenga kiwanda cha kisasa cha kutayarisha mbegu huko Molo ambacho pia kitajumuisha chumba cha baridi na cha

The company's research work continued to achieve good results. During the year two new barley lines were released for commercial production. HKBL 23-11 was named "SABINI" to commemorate the company's 70th Anniversary. This variety is suitable for high altitude areas. BON/10/87-88 was named "NGAO" and is suitable for low altitude areas. "SABINI" outyields "BIMA" by 18% while "NGAO" is a variety that matures in about 100 days.

Barley Harvesting

Hops

Despite the satisfactory results in the hops growing research, the company has come to the conclusion that commercial growing of hops will not be viable due to limitations in the availability of land and very high production and processing costs. The company therefore intends to gradually phase out this project.

Central Glass Industries Limited

As mentioned in my last year's report Central Glass Industries Limited successfully completed the expansion of the production capacity in 1993. After commissioning, the Company was able to export 11.9 million bottles to Coca Cola bottlers in Tanzania, and 1.5 million bottles and tumblers to Mauritius and Uganda. Unfortunately towards the end of February 1994, another accident occurred to the furnace which caused stoppage of production for six weeks. The furnace had to be repaired at a considerable cost which wiped out all the profits that the company had made in the first half of the year. Although the furnace has been repaired, it has reached the end of its life and it will be necessary to rebuild it in early 1995 in accordance with the manufacturers recommendations. All necessary arrangements are on hand for the furnace rebuild to avoid future accidents.

Uganda Breweries Limited

The stabilisation of the Ugandan political climate has enabled the stabilisation of the country's economy. Inflation has nose dived to single digits, interest rates are expected to fall below the 20% level, the Ugandan Shilling has stabilised and investor confidence has returned with the consequent increased investment both in the Industrial and Agricultural Sectors.

The Company is well prepared to take advantage of this favourable economic climate. Plant efficiencies have been improved, product quality has been enhanced and financial controls have been tightened. A contract distribution scheme is

uvumbuzi. Mradi huu utaweza kuinua hali ya mbegu ya shayiri na kuongeza mazao.

Utafiti wa kampuni kwa jambo hili umefanikiwa na matokeo mema yakapatikana. Katika mwaka huu kampuni iliidhinisha kutolewa kwa wakulima aina mbili mpya za mbegu ya shayiri ili zikuzwe kwa wingi. HKBL 23-11 ilipewa jina la "Sabini" ili kuadhimisha miaka sabini tangu kampuni kuanza. Aina hii ya shayiri inafaa kukuzwa kwenye miinuko ya juu. BON/10/87-88 nayo ilipewa jina la "Ngao" na inafaa kwa ukuzaji kwenye miinuko ya chini. "Sabini" inashinda "Bima" kwa mazao ya asilimia 18 nayo "Ngao" ni aina ya shayiri inayopevuka baada ya siku mia moja.

Hops

Hata ingawa matokeo ya majaribio ya ukuzaji hops kwa wingi yameonyesha matokeo mema kampuni imefikia uamuzi kwamba ukuzaji utazuiwa na ukosefu wa ardhi, gharama za utendaji na pia mahitaji mengine ya kilimo. Kampuni itaachilia mpango huu kwa hatua hadi utafiti ukomeshwe kuhusu zao la hops.

Central Glass Industries Limited

Kama nilivyosema kwenye taarifa ya mwaka jana Central Glass Industries Limited ilifaulu na kumaliza upanuzi wa utoaji.

Baada ya mtambo kupanuliwa kampuni iliweza kuuza nje chupa milioni 11.9 za Coca-Cola kwa nchi ya Tanzania na pia chupa na bilauri milioni 1.5 ziliuzwa Mauritius na Uganda.

Kwa bahati mbaya hapo Februari 1994 ajali nyingine ya moto ilikumba kiwanda hiki na ilichukua mafundi wiki sita kurekebisha tanuu na utoaji ulisimamishwa.

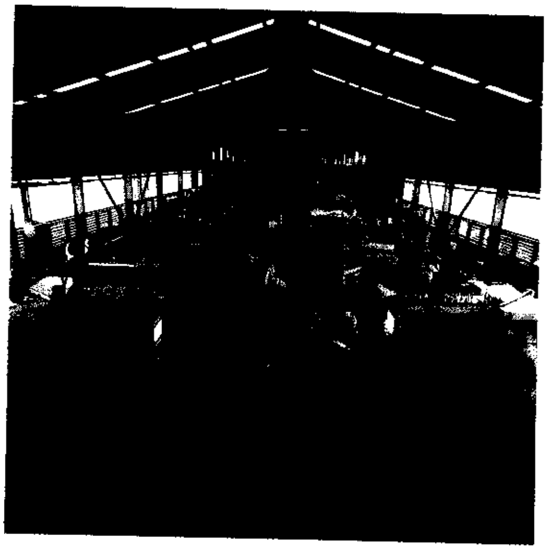
Gharama za kutengeneza tanuu ilikuwa ya juu sana kwani faida ya miezi sita iliyopita ilimalizika na hata ingawa marekebisho yamefanywa, itailazimu kampuni kuunda tanuu upya mapema mwaka wa 1995 kuambatana na mapendekezo ya waundaji mtambo huu ambao tayari umefikia mwisho wa kazi yake.

Mipango inafanywa ili kujenga upya tanuu na kuepukana na ajali wakati ujao.

Uganda Breweries Limited

Hali iliyoimarika ya kisiasa iliweza kuthibiti uchumi wa nchi hiyo kwa jumla na kule under review and significant reduction in both variable and fixed costs have been adhered to. Sales have begun to show an upward trend.

The company's major thrust will be to gain market leadership through improved marketing and distribution. Two international brands will be launched to cushion sales. Operating efficiencies will continue to be improved and comprehensive training and development programmes will be implemented.



CGI line two commissioned in 1993 (left)

The Management is confident that the company is heading in the right direction. There is however the taxation factor. The 80% excise and 30% sales taxes are too high and contribute to the very high beer prices. The company will continue to pressurise the government to reduce taxes on beer to make it affordable to the common man.

Staff

The company has embarked on a scheme to reduce the present level of work force in line with the reduced operations brought about by the very hard economic conditions in the country. An Early Retirement Programme has been floated and the employees have responded positively to the scheme.

Employees who have applied for retirement will be adequately compensated and arrangements have been made to train and equip them with appropriate skills to manage their funds when they are out of employment. The aim is to retain an optimum number of efficient and well motivated work force, that will help the company to operate efficiently to meet the future challenges. Good industrial relations has been maintained throughout the company.

Kenya Breweries Football Club has been performing very well in both international and national matches to the delight of all of us.

General

The climatic conditions have been very good this year and most parts of the country achieved adequate rainfall. Consequently there has been improvement in the agricultural sector and a bumper harvest is expected. This is a pleasant blessing viewed from the prolonged drought and foodstuff shortages experienced last year.

In the midst of all these future uncertainties, Kenya Breweries Limited will strive to work hard to meet the expectations of the shareholders, the

kupanda kwa gharama ya maisha kwa kiwango kubwa kumeshuka sana na viwango vya faida ya ukopeshaji vimetarajiwa kushuka chini ya asilimia 20. Shilingi ya Uganda imeimarika na wenye rasilimali wamerudi na kuanzisha uzalishaji viwandani na mashambani. Uuzaji umeanza kuonyesha dalili za kwenda juu.

Kampuni imejiweka tayari kwa kuikabili hali hii nzuri ya uchumi. Mitambo imekuwa ikitoa bidhaa za hali ya juu na utumiaji pesa umekazwa sana. Mipango ya usambazaji inachunguzwa upya na huku uuzaji ukiwa umeonyesha upandaji upunguzaji matumizi ya pesa umetiwa maanani.

Mipango ya kampuni ni ya kuwa kiongozi wa uuzaji na usambazaji. Inatarajiwa aina mbili ya bidhaa za kimataifa zitaweza kutolewa ili kuinua uuzaji. Mafundisho yataendelea ili kuinua utoaji na kuongeza faida.

Kampuni ina imani kuwa iko kwenye mwelekeo mwema isipokuwa jambo la ushuru linatatiza. Ushuru wa asilimia 80 na kodi ya uuzaji ya asilimia 30 ni wa hali ya juu na unasababisha bei ya juu ya bia.

Kampuni itaendelea kuiomba serikali ipunguze viwango vya ushuru ili bei ya bia iwe nafuu kwa mnunuzi wa kawaida.

Wafanyikazi

Kampuni imeanzisha mpango wa kupunguza idadi ya sasa ya wafanyikazi wake kutokana na upungufu wa shughuli na ambao umesababishwa na hali ngumu ya uchumi nchini kote. Ni kwa ajili hii ndipo kampuni ilipendekeza mpango wa kustaafu mapema kwa hiari na wafanyikazi waliuitikia mwito huo vyema.

Wale wafanyikazi wote waliotuma maombi yao ili wastaafu watapewa malipo nafuu na mipango imekwisha fanywa ili wanaostaafu wapewe mafunzo ya matumizi ya pesa watakapoacha kazi.

Lengo hasa ni kwa kampuni kuweza kubakia na idadi ya wafanyikazi kiasi walio na ujuzi na wanaoweza kufanya vyema kazini na pia kuiwezesha kampuni kukabiliana na mashindano ya siku zijazo.

Uhusiano mwema baina ya wafanyikazi na kampuni ulizidi kudumishwa kiwandani kote.

employees and the general Kenyan public by producing high quality products that will compete with any other in the market. Our brands continue to win gold medals in the international competitions.

As I conclude this statement, I would like to recognise the excellent support I have received from my colleagues on the Board of Directors. I would also like to thank all members of staff for their sincere commitment, loyalty and devotion to the company and whose hard work and dedication has enabled the company to achieve the present level of profits.

Lastly I would not forget to pay special tribute to our distributors and our esteemed customers who have made tremendous contribution to our success.

J G KIEREINI
CHAIRMAN

Timu ya kandanda ya Kenya Breweries imekuwa ikifanya vizuri katika mchezo nyumbani na hata nchi za nje na sote tunafurahia jambo hilo.

Mambo ya Jumla

Sehemu nyingi za nchi zilipata mvua ya kutosha na hivyo sekta ya kilimo inatarajia mavuno mema baada ya ukame na upungufu wa kupatikana bidhaa wa mwaka jana.

Hata ingawa hali ya baadaye haijulikani, kampuni ya Kenya Breweries itatia bidii ili kuwaridhisha wenyehisa, wafanyikazi na wananchi kwa jumla kwa kuendelea na utoaji wa bidhaa za hali ya juu. Bia zetu zimeendelea kutuzwa nishani za dhahabu katika mashindano ya kimataifa.

Nikimaliza, ningetaka kuwashukuru wakurugenzi wenzangu kwa msaada wao na pia kwa wafanyikazi wetu kwa bidii na kujitolea kwao kazini ili kampuni izidi kupata faida.

Mwisho nawatolea shukrani wagawanyaji na wateja wetu waliochangia faida zilizopatikana.

J G KIEREINI
MWENYEKITI

REPORT OF THE DIRECTORS

for the year ended 30 June 1994

To be submitted to the shareholders at the seventy second annual general meeting of the company to be held at the Oceanic Hotel, Mombasa on 18 November, 1994 at 10.00 a.m. The directors have pleasure in presenting to the shareholders the accounts for the year ended 30 June 1994.

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		1,030,200
Taxation		529,240
Profit before minority interest		500,960
Minority share of loss in a subsidiary		20,006
Profit attributable to the shareholders		520,966
Dividends		
Interim paid: Shs 1.50 per share	76,783	
Final proposed: Shs 3.50 per share	179,159	255,942
Transfer to General Reserve		260,000
Retained profit		5,024

Directors

In accordance with article 94 of the Articles of Association, Mr. J.K. Mwangi and Mr. D.H.C. Hampshire retire by rotation and being eligible, offer themselves for re-election.

Dr. W.K. Koinange resigned from the board on 12 May, 1994 and in accordance with article 97 of the Articles of Association, Mr. B.K. Kipkulei was appointed to the board on 13 September, 1994. 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
13 September 1994

RIPOTI YA WAKURUGENZI *ya mwaka*

uliomalizika tarehe 30 Juni 1994

Itakayotolewa kwa wenyehisa kwenye mkutano mkuu wa kampuni wa mwaka ambao ni wa sabini na mbili utakaofanywa katika Oceanic Hotel, Mombasa tarehe 18 Novemba 1994 saa nne asubuhi. Wakurugenzi wana furaha kuwatolea wenyehisa hesabu za mwaka uliomalizika tarehe 30 Juni 1994.

Shughuli

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

Faida na hasara za hesabu iliyojumlishwa	***Shs'000'***	***Shs'000'***
Faida kabla ya kutoa fungu la kodi		*1,030,200*
Kodi		*529,240*
Faida kabla ya kundi la wachache		*500,960*
Gawio la hasara kwenye kampuni ndogo		*20,006*
Faida ya wenyehisa		*520,966*
Migao		
Mgao wa muda uliolipwa: Shs 1.50 kila hisa	*76,783*	
Mgao wa mwisho uliopendekezwa: Shs 3.50 kila hisa	*179,159*	*255,942*
Nyongeza katika Akiba Kuu		*260,000*
Faida iliyotengwa		*5,024*

Wakurugenzi

Kwa mujibu wa kanuni 94 ya Masharti ya Kampuni, Bw. J.K. Mwangi na Bw. D.H.C. Hampshire wanaondoka vitini mwao kwa zamu, lakini kwa kuwa bado wanastahili kuchaguliwa, wamejitolea kuchaguliwa tena.

Dr. W.K. Koinange alijiuzulu kama mkurugenzi tarehe 12 Mei 1994 na kwa mujibu wa kanuni 97 ya Masharti ya Kampuni Bw. B.K. Kipkulei aliteuliwa kama mkurugenzi tarehe 13 Septemba 1994. Anaondoka kitini mwake kwa zamu na kwa kuwa anastahili kuchaguliwa 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
13 Septemba 1994

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 1994 and of the profit and cash flows of the group for the year ended on that date.

Gill & Johnson
Certified Public Accountants (Kenya)

Nairobi
14 September 1994

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 tarehe 30 Juni 1994 na kuhusu faida na mienendo ya fedha za kundi kwa mwaka ulioishia tarehe hiyo.

Gill & Johnson
Certified Public Accountants (Kenya)

Nairobi
14 Septemba 1994

KBL

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1994

	Note	1994 Shs'000'	1993 Shs '000'
Turnover:			
Gross		**16,967,422**	12,036,504
Indirect taxes		**9,035,153**	6,468,554
Net		**7,932,269**	5,567,950
Profit before taxation	2	**1,030,200**	561,396
Taxation	3	**529,240**	192,800
Profit before minority interest		**500,960**	368,596
Minority share of loss in a subsidiary		**20,006**	—
Profit attributable to shareholders	4	**520,966**	368,596
Dividends (gross)			
Interim paid		**76,783**	25,594
Final proposed		**179,159**	153,565
		255,942	179,159
General reserve	14	**260,000**	180,000
Retained profit	14	**5,024**	9,437
Earnings per share (shs)	5	**10.20**	7.20

CONSOLIDATED BALANCE SHEET

30 June 1994

	Note	1994 Shs'000'	1993 Shs'000'
Fixed assets	6	**7,020,055**	2,673,497
Other investments	8	**43,002**	43,002
Ugandan assets	9	**25,034**	25,034
		7,088,091	2,741,533
Current assets			
Stocks	10	**2,872,051**	1,928,546
Debtors	11	**564,620**	445,949
Bank balances and cash		**45,110**	67,271
		3,481,781	2,441,766
Current liabilities			
Creditors	12	**1,736,707**	1,623,202
Taxation		**369,834**	157,395
Loan instalments due within 12 months	15	**202,767**	443,207
Short term loans		**–**	64,552
Bank overdrafts (secured)		**576,673**	315,081
Proposed dividend (gross)		**179,159**	153,565
		3,065,140	2,757,002
Net current assets/(liabilities)		**416,641**	(315,236)
		7,504,732	2,426,297
Financed by:			
Share capital	13	**511,884**	511,884
Reserves	14	**6,372,286**	1,408,561
Shareholders' funds		**6,884,170**	1,920,445
Long term loans	15	**533,455**	505,852
Minority interest		**87,107**	–
		7,504,732	2,426,297

The accounts on pages 12 to 21 were approved by the board of directors on 13 September 1994 and were signed on its behalf by:

J.G. Kiereini Director

M.J. Karanja Director

COMPANY BALANCE SHEET

30 June 1994

	Note	1994 Shs '000'	1993 Shs '000'
Fixed assets	6	**6,167,410**	1,789,177
Investment in subsidiary companies	7	**385,440**	385,440
Other Investments	8	**43,002**	43,002
Loan to subsidiary		**200,000**	–
Ugandan assets	9	**25,034**	25,034
		6,820,886	2,242,653
Current assets			
Stocks	10	**2,566,159**	1,740,069
Debtors	11	**483,472**	397,679
Bank balances and cash		**40,522**	34,188
		3,090,153	2,171,936
Current liabilities			
Creditors	12	**1,586,119**	1,417,358
Taxation		**369,834**	157,395
Due to subsidiary companies		**34**	8,636
Loan instalments due within 12 months	15	**94,000**	94,000
Short term loans		**–**	64,552
Bank overdraft (secured)		**439,028**	206,729
Proposed dividend (gross)		**179,159**	153,565
		2,668,174	2,102,235
Net current assets		**421,979**	69,701
		7,242,865	2,312,354
Financed by:			
Share capital	13	**511,884**	511,884
Reserves	14	**6,485,981**	1,461,470
Shareholders' funds		**6,997,865**	1,973,354
Long term loans	15	**245,000**	339,000
		7,242,865	2,312,354

The accounts on pages 12 to 21 were approved by the board of directors on 13 September 1994 and were signed on its behalf by:

J.G. Kiereini Director

M.J. Karanja Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 1994.

	Note	1994 Shs'000'	1993 Shs'000'
Net cash inflow from operating activities	16(a)	**939,053**	877,466
Returns on investments and servicing of finance			
Hire finance charges paid		**(4,656)**	(10,722)
Interest received		—	16,156
Interest paid		**(294,998)**	(171,866)
Dividend received		**5,301**	—
Dividends paid		**(258,373)**	(127,511)
Net cash outflow from returns on investments and servicing of finance		**(552,726)**	(293,943)
Taxation paid		**(316,801)**	(141,239)
Investing activities			
Purchase of fixed assets		**(273,502)**	(502,458)
Proceeds on sale of fixed assets		**7,335**	16,792
Purchase of investment		—	(186,926)
Instalment received for Tanzania assets		—	31,315
Net cash outflow from investing activities		**(266,167)**	(641,277)
Financing			
Hire purchase agreements entered into		**36,339**	26,298
New loans		**267,136**	281,591
Repayment of amounts borrowed		**(476,986)**	(243,461)
Hire purchase instalment payments		**(22,250)**	(27,694)
Proceeds from issue of shares		**108,649**	144,325
Net cash (outflow)/inflow from financing		**(87,112)**	181,059
Net cash used in the year		**(283,753)**	(17,934)
Decrease in cash and cash equivalents	16(b)	**(283,753)**	(17,934)

NOTES TO THE ACCOUNTS

for the year ended 30 June 1994

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.

c Turnover

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

d Stocks

Beer bottles and crates and 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 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 annual 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 inter bank mean 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 differences 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. Profit before taxation

	1994 Shs'000'	1993 Shs'000'
Profit before taxation is arrived at after charging:		
Interest on:		
Long term loans	**250,804**	134,467
Short term loans and bank overdrafts	**47,052**	37,250
Depreciation	**554,114**	211,512
Auditors' remuneration	**2,834**	2,160
Directors' emoluments:		
Fees	**864**	725
Other	**22,606**	11,828
and after crediting:		
Profit on sale of fixed assets	**4,879**	13,496
Dividend received from investments	**5,301**	—
Profit on disposal of Tanzanian assets	—	6,004

NOTES TO THE ACCOUNTS (Continued)

3 Taxation

	1994 Shs'000'	1993 Shs'000'
On the adjusted profit for the year at 35%	**529,240**	192,800

The taxation charge for the year is significantly higher than expected due to excess of depreciation over capital allowances.
At 30 June 1994 there were tax losses in subsidiary companies amounting to Shs 514,007,220 (*1993 – Shs 188,128,260*) available to be offset against future chargeable income.

4 Profit attributable to shareholders
The profit attributable to shareholders is dealt with as follows:

Kenya Breweries Limited	**583,288**	383,031
Subsidiary companies	**(62,322)**	(14,435)
	520,966	368,596

5 Earnings per share
Earnings per share has been calculated on the profit after taxation of Shs. 520,965,945 (*1993 – Shs. 368,596,141*) and on the 51,188,448 ordinary shares in issue as at 30 June 1994.

6 Fixed assets

	Freehold properties Shs'000'	Long leasehold properties Shs'000'	Short leasehold properties Shs'000'	Plant and equipment Shs'000'	Motor vehicles Shs'000'	Capital work in progress Shs'000'	Total Shs'000'
Group							
Cost or valuation							
At 1 July 1993	476,194	438,015	11,714	2,573,321	470,692	346,263	4,316,199
Reclassification	165	(165)	—	—	—	—	—
Additions	—	6,652	—	44,536	72,872	81,903	205,963
Capitalised	1,103	14,226	—	309,901	—	(325,230)	—
Surplus on revaluation	860,346	844,504	29,724	1,786,459	—	—	3,521,033
Disposals	—	(133)	—	(289)	(13,897)	—	(14,319)
At 30 June 1994	**1,337,808**	**1,303,099**	**41,438**	**4,713,928**	**529,667**	**102,936**	**8,028,876**
Comprising:							
At cost	1,268	58,797	—	1,098,375	529,667	102,936	1,791,043
At valuation in 1994	1,336,540	1,244,302	41,438	3,615,553	—	—	6,237,833
	1,337,808	**1,303,099**	**41,438**	**4,713,928**	**529,667**	**102,936**	**8,028,876**
Depreciation							
At 1 July 1993	114,648	85,519	8,505	1,182,928	251,102	—	1,642,702
Charge for the year	29,252	32,483	5,566	415,702	71,111	—	554,114
Written back on revaluation	(114,648)	(80,990)	(8,505)	(971,989)	—	—	(1,176,132)
Eliminated on disposals	—	(133)	—	(193)	(11,537)	—	(11,863)
At 30 June 1994	**29,252**	**36,879**	**5,566**	**626,448**	**310,676**	**—**	**1,008,821**
Net book value							
At 30 June 1994	**1,308,556**	**1,266,220**	**35,872**	**4,087,480**	**218,991**	**102,936**	**7,020,055**
At 30 June 1993	361,546	352,496	3,209	1,390,393	219,590	346,263	2,673,497

6 **Fixed assets** (continued)

	Freehold properties Shs'000'	Long leasehold properties Shs'000'	Short leasehold properties Shs'000'	Plant and equipment Shs'000'	Motor vehicles Shs'000'	Capital work in progress Shs'000'	Total Shs'000'
Company							
Cost or valuation							
At 1 July 1993	476,194	399,798	11,714	1,858,702	446,041	42,561	3,235,010
Additions	—	—	—	8,693	62,786	74,807	146,286
Capitalised	1,103	107	—	20,318	—	(21,528)	—
Surplus on revaluation	860,346	844,504	29,724	1,786,459	—	—	3,521,033
Disposals	—	—	—	—	(12,534)	—	(12,534)
At 30 June 1994	**1,337,643**	**1,244,409**	**41,438**	**3,674,172**	**496,293**	**95,840**	**6,889,795**
Comprising:							
At cost	1,103	107	—	58,619	496,293	95,840	651,962
At valuation in 1994	1,336,540	1,244,302	41,438	3,615,553	—	—	6,237,833
	1,337,643	**1,244,409**	**41,438**	**3,674,172**	**496,293**	**95,840**	**6,889,795**
Depreciation							
At 1 July 1993	114,648	80,989	8,505	999,129	242,562	—	1,445,833
Charge for the year	29,252	31,329	5,566	332,402	65,482	—	464,031
Written back on revaluation	(114,648)	(80,990)	(8,505)	(971,989)	—	—	(1,176,132)
Eliminated on disposals	—	—	—	—	(11,347)	—	(11,347)
At 30 June 1994	**29,252**	**31,328**	**5,566**	**359,542**	**296,697**	**—**	**722,385**
Net book value							
At 30 June 1994	**1,308,391**	**1,213,081**	**35,872**	**3,314,630**	**199,596**	**95,840**	**6,167,410**
At 30 June 1993	361,546	318,809	3,209	859,573	203,479	42,561	1,789,177

Included in the group additions are exchange differences amounting to Shs.67,539,000 gain (1993 - Shs.216,904,000 loss).

The land and building assets were valued as at 31 December, 1993 by Lloyd Masika Limited, Registered Valuers. The specialised assets were valued on the basis of depreciated replacement cost subject to adequate potential profitability added to the open market value of the land for the existing use. The non-specialised assets were valued on the basis of open market value for the existing use.

The plant and machinery were valued as at 10 September 1993 on an existing use basis, at net replacement cost, by Dryden Stirzaker Limited, International Machinery and Equipment Valuers.

	1994 Shs'000'	1993 Shs'000'
7 **Investment in subsidiary companies**		
(a) (All wholly owned at cost)		
Salopia Limited	**1,113**	1,113
Allsopps (E.A) Sales Limited	**2**	2
	1,115	1,115
(b) Central Glass Industries Limited 76% owned at cost	**384,325**	384,325
	385,440	385,440
8 **Other investments**		
4,000 ordinary shares in Sen-Tech Limited at cost	**400**	400
555,000 ordinary shares in Nairobi Bottlers Limited at cost	**42,602**	42,602
	43,002	43,002

9 **Ugandan assets**

The amount shown in the balance sheet represents the cost of the investment in Uganda Breweries Limited. In the opinion of the directors, the assets are worth at least the amount shown in the balance sheet.

	Group 1994 Shs'000'	Group 1993 Shs'000'	Company 1994 Shs'000'	Company 1993 Shs'000'
10 Stocks				
Finished goods	**522,305**	253,747	**446,239**	239,254
Raw materials	**707,224**	533,130	**656,122**	496,411
Consumables	**1,632,088**	1,109,971	**1,453,364**	972,706
Goods in transit	**10,434**	31,698	**10,434**	31,698
	2,872,051	1,928,546	**2,566,159**	1,740,069
11 Debtors				
Trade debtors	**173,426**	227,322	**92,278**	60,452
Barley advances	**102,350**	59,980	**102,350**	59,980
Recoverable indirect taxes	**288,844**	158,647	**288,844**	277,247
	564,620	445,949	**483,472**	397,679
12 Creditors				
Trade creditors	**908,412**	765,379	**757,824**	559,535
VAT and excise duty	**566,598**	493,553	**566,598**	493,553
Unpaid dividends	**27,974**	56,229	**27,974**	56,229
Hire purchase creditors	**47,669**	33,580	**47,669**	33,580
Other creditors	**186,054**	274,461	**186,054**	274,461
	1,736,707	1,623,202	**1,586,119**	1,417,358
13 Share capital				
Authorised 55,000,000 ordinary shares of Shs 10 each	**550,000**	550,000	**550,000**	550,000
Issued and fully paid 51,188,448 ordinary shares of Shs 10 each	**511,884**	511,884	511,884	511,884

14 Reserves

	Share Premium Shs'000'	Capital Reserve Shs'000'	General Reserve Shs'000'	Retained Profit Shs'000'	Total Shs'000'
Group					
At 1 July 1993	1,058	477,954	911,648	17,901	1,408,561
Retained profit	—	—	260,000	5,024	265,024
Surplus on revaluation of fixed assets	—	4,697,165	—	—	4,697,165
Other	—	1,536	6,070	(6,070)	1,536
At 30 June 1994	**1,058**	**5,176,655**	**1,177,718**	**16,855**	**6,372,286**
Company					
At 1 July 1993	1,058	477,954	917,718	(64,740)	1,461,470
Retained profit	—	—	260,000	67,346	327,346
Surplus on revaluation of fixed assets	—	4,697,165	—	—	4,697,165
At 30 June 1994	**1,058**	**5,175,119**	**1,177,718**	**132,086**	**6,485,981**

	Group 1994 Shs'000'	Group 1993 Shs'000'	Company 1994 Shs'000'	Company 1993 Shs'000'
15 Long term loans				
Secured bank loans repayable in semi-annual instalments by 30 June 1995	**24,000**	48,000	**24,000**	48,000
Secured bank loans repayable in semi-annual instalments by 31 December 1997	**249,000**	315,000	**175,000**	225,000
Secured bank loans repayable in semi-annual instalments by 30 June 1998	**48,000**	—	—	—
Secured bank loans repayable in semi–annual instalments by 31 January 2000	**207,136**	—	—	—
Secured bank loans repayable in semi–annual instalments by 31 January 2001	**140,000**	160,000	**140,000**	160,000
AGF expansion project financing converted into equity	—	92,852	—	—
Overseas bank loan repayable in semi-annual instalments by 31 May 1994	**68,086**	333,207	—	—
	736,222	949,059	**339,000**	433,000
Less: Instalments due within 12 months	**202,767**	443,207	**94,000**	94,000
	533,455	505,852	**245,000**	339,000

The bank loans together with the overdraft facilities are secured by an all asset debenture supported by legal mortgages over certain properties.

	1994 Shs'000'	1993 Shs'000'
16. Notes to the Cashflow Statement:		
(a) Reconciliation of operating Profit to Net cash inflow from Operating activites		
Operating profit	**1,030,200**	561,396
Depreciation charges	**554,114**	211,513
Profit on sale of tangible fixed assets	**(4,879)**	(13,496)
Profit on sale of investment	—	(6,004)
Investment income	**(5,301)**	—
Interest receivable	—	(16,156)
Interest payable	**297,856**	171,717
Hire finance charges	**4,509**	10,387
Dividends write back	**(230)**	(260)
Increase in: Stocks	**(943,505)**	(481,579)
Debtors	**(118,671)**	(147,433)
Creditors	**124,960**	587,381
Net cash inflow from operating activities	**939,053**	877,466

NOTES TO THE ACCOUNTS (Continued)

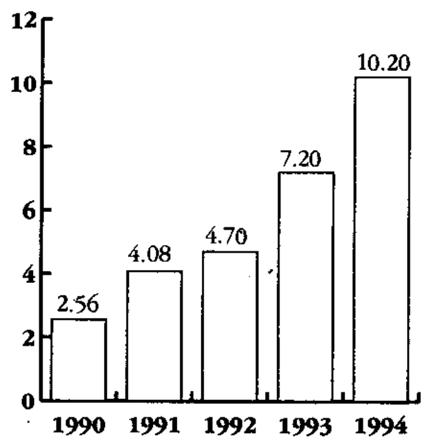
	1994 Shs'000'	1993 Shs'000'
(b) Decrease in cash and cash equivalents		
Bank and cash balances	**(22,161)**	35,813
Bank overdrafts	**(261,592)**	(53,747)
	(283,753)	(17,934)

	Group 1994 Shs'000'	Group 1993 Shs'000'	Company 1994 Shs'000'	Company 1993 Shs'000'
17 Capital commitments				
Contracted but not provided in the accounts	**437,249**	79,588	**92,879**	35,216
Authorised but not contracted	**244,062**	38,180	**244,062**	38,180
18 Contingent liabilities				
Guarantees in respect of bank advances to barley farmers	**29,163**	12,722	**29,163**	12,722
Guarantee in respect of overseas loan to a subsidiary company	**—**	—	**68,086**	333,207
Guarantee in respect of bank facilities to a related company	**18,092**	—	**18,092**	—
Guarantee in respect of bank facilities to a subsidiary company	**—**	—	**369,817**	162,600
	47,255	12,722	**485,158**	508,529
19 Deferred taxation				
Potential deferred taxation liability amounted to:				
Excess capital allowances over depreciation	**243,364**	240,743	**95,554**	107,296
Tax losses available to be offset against future chargeable income	**(179,903)**	(65,845)	**—**	—
	63,461	174,898	**95,554**	107,296

FIVE YEAR REVIEW OF PROFIT AND EARNINGS

	1994 Shs'000'	1993 Shs'000'	1992 Shs'000'	1991 Shs'000'	1990 Shs'000'
Trading profit	1,024,899	561,396	372,089	348,137	231,062
Income from investment	5,301	—	—	617	551
Profit before taxation	1,030,200	561,396	372,089	348,754	231,613
Taxation	529,240	192,800	131,300	139,965	100,546
Profit before minority interest	500,960	368,596	240,789	208,789	131,067
Minority share of loss in a subsidiary	20,006	—	—	—	—
Profit attributable to shareholders	520,966	368,596	240,789	208,789	131,067
Dividends	255,942	179,159	140,768	123,706	85,315
Profit retained	265,024	189,437	100,021	85,083	45,752
Earnings per ordinary share (Shs)	10.20	7.20	4.70	4.08	2.56
Dividend per ordinary share (Shs)	5.00	3.50	2.75	2.50	2.00
Number of issued shares (in millions)	51.2	51.2	51.2	42.7	42.7

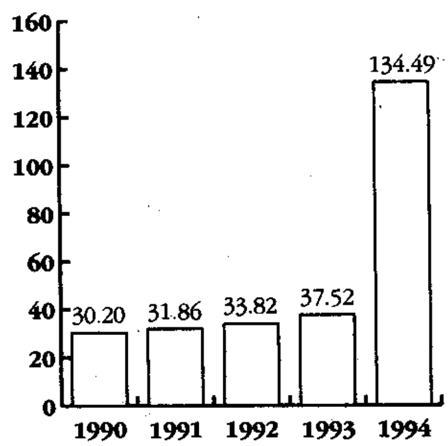
Earnings Per Share (Shs)

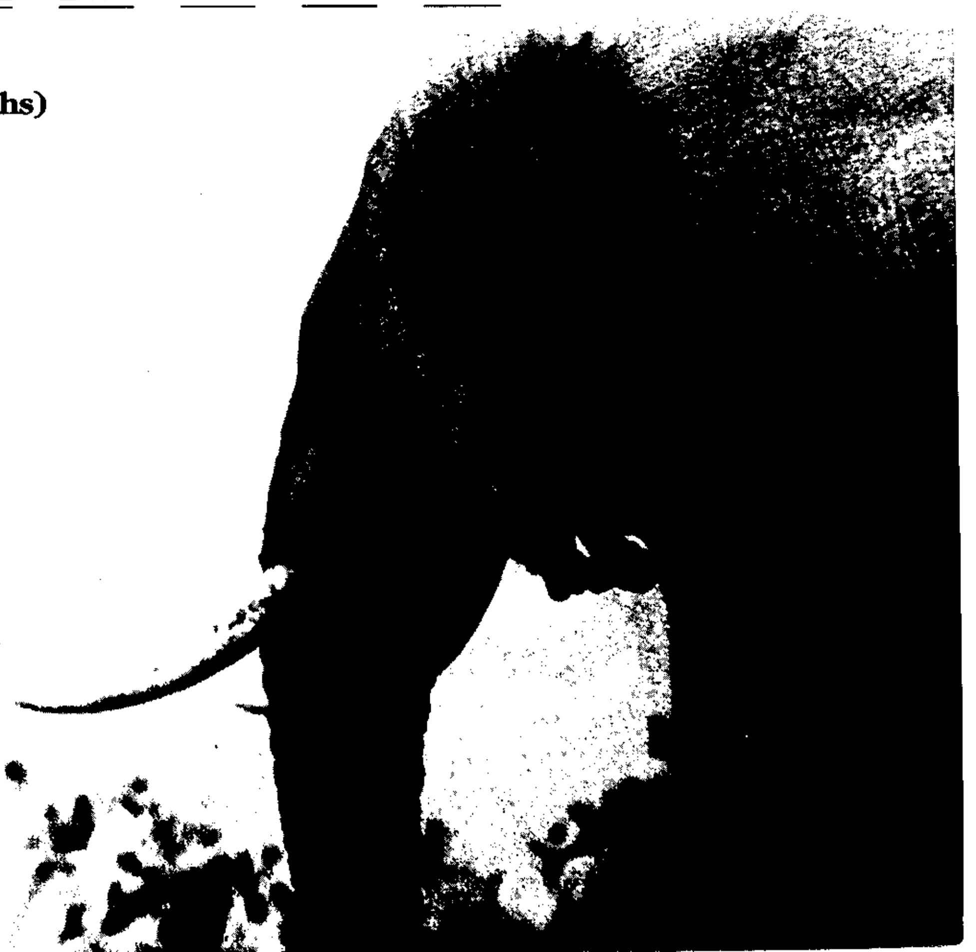


FIVE YEAR REVIEW OF ASSETS EMPLOYED

	1994 Shs'000'	1993 Shs'000'	1992 Shs'000'	1991 Shs'000'	1990 Shs'000'
Assets employed					
Fixed assets	7,020,055	2,673,497	2,169,029	2,225,128	2,179,350
Investment	43,002	43,002	400	702	702
Tanzanian assets	—	—	25,311	28,927	28,927
Ugandan assets	25,034	25,034	25,034	25,034	26,834
Long term liabilities	(533,455)	(505,852)	(426,901)	(468,179)	(489,943)
Minority interest	(87,107)	—	—	—	—
Net current assets/ (liabilities)	416,641	(315,236)	(61,865)	(180,625)	(199,966)
Net assets	6,884,170	1,920,445	1,731,008	1,630,987	1,545,904
Financed by					
Share capital	511,884	511,884	511,884	426,570	426,570
Reserves	6,372,286	1,408,561	1,219,124	1,204,417	1,119,334
Shareholders' funds	6,884,170	1,920,445	1,731,008	1,630,987	1,545,904
Net current assets/(liabilities)					
Stocks	2,872,051	1,928,546	1,446,966	1,281,799	1,125,287
Debtors	564,620	445,949	298,517	223,229	140,984
Creditors	(2,309,308)	(2,223,804)	(1,328,485)	(1,144,898)	(977,508)
Proposed dividend	(179,159)	(153,565)	(115,174)	(102,377)	(63,986)
Net liquid funds	(531,563)	(312,362)	(363,689)	(438,378)	(424,743)
	416,641	(315,236)	(61,865)	(180,625)	(199,966)
Net assets per ordinary share (Shs)	134.49	37.52	33.82	31.86	30.20

Net Assets Per Ordinary Share (Shs)



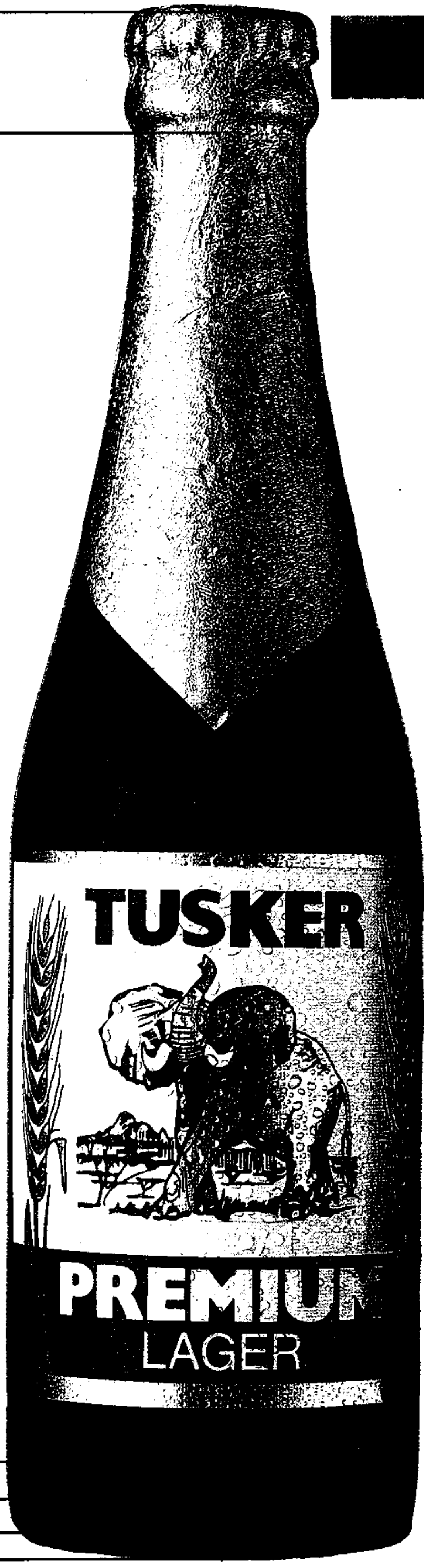


STATEMENT OF VALUE ADDED
TAARIFA YA ONGEZEKO LA THAMANI

		1994 Shs'000'	
Turnover ***Uuzaji kwa jumla***		16,967,422	
Less: Cost of material, supplies and services bought and depreciation set aside *Toa:* *Gharama za vifaa, bidhaa zilizonunuliwa, huduma zilizolipiwa na upungufu wa thamani*		5,603,718	
Value added ***Thamani iliyoongezwa***		11,363,704	
Add: Non–trading credits: *Ongeza: Faida zisizohusu biashara*			
Profit on sale of fixed assets and motor vehicles *Faida kutokana na kuuzwa kwa maliasili na magari*	4,879		
Investment income *Faida ya ushirikishaji*	5,301	10,180	
		11,373,884	
Minority share of loss in a subsidiary *Hasara la kundi la wachache*		20,006	
		11,393,890	
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*		781,742	6.86
To government as taxes *Ushuru wa Serikali*		9,788,817	85.91
To banks and other lenders *Malipo kwa benki na kampuni zingine zilizotukopesha pesa*		302,365	2.65
To shareholders *Migao kwa wenyehisa*		255,942	2.25
Retained in the group *Fedha zilizotengwa kama akiba kwenye kundi*		265,024	2.33
		11,393,890	100.00

6.86% Employees

85.91% Government



2.65% Banks
2.25% Shareholders
2.33% Retained


THE MSK - WARRIOR

PROXY

I/We .... Share A/C No .... [redacted]

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 72nd Annual General Meeting of the company to be held on Friday 18 November, 1994, at 10.00 a.m. or at any adjournment thereof.

As witness my/our hand/hands this.............................. day of 1994

Signature ....

Notes 1. This proxy is to be delivered to the company's registered office not later than 10.00 a.m. on Wednesday 16 November, 1994, failing which it will be invalid.
2. In case of a corporation, the proxy must be under its common seal.

MWAKILISHI

Mimi/Sisi. .... *A/C 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 na mbili wa kampuni utakaofanywa siku ya Ijumaa, tarehe 18 Novemba 1994 saa nne za asubuhi ama siku yoyote ile iwapo mkutano utaahirishwa.

Kama ushahidi ninatia/tunatia sahihi hii/hizi tarehe .... *Mwezi* *1994*

Sahihi. ....

Ukumbusho: *1. Uwakilishi huu utumwe kwa afisi kuu ya kampuni kabla ya saa nne za asubuhi Jumatano, tarehe 16 Novemba 1994 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