Annual Report and Financial Statements

for the year ended 30 June 1995

Ripoti na Hesabu za Mwaka

Uliomalizika 30 Juni 1995

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for the Year ended 30 June 1995

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ended 30 June 1995
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issued 10 November 1995
73rd Annual General Meeting
to be held 1 December 1995

Dividend
Interim
announced 16 February 1995
Closing date 14 April 1995
Paid 12 May 1995
Final
announced 14 September 1995
Closing date 29 November 1995
Payable on or about 29 December 1995

Share Price
The market price per share on 14 September 1995 was KSh 62/-.

Kalenda ya Fedha

ya mwaka uliomalizika 30 Juni 1995

Kalenda ya Fedha
iliomalizika 30 Juni 1995
Matokeo ya muda
yalitangazwa 24 Februari 1995
Matokeo ya mwisho
yalitangazwa 14 Septemba 1995

Ripoti ya Fedha
Ripoti ya mwaka
ilitolewa 10 Novemba 1995
Mkutano Mkuu wa mwaka wa 73 utafanywa
1 Desemba 1995

Mgao
Wa muda
ulitangazwa 16 Februari 1995
Daftari ikafungwa 14 April 1995
Ulilipwa 12 Mei 1995
Wa mwisho
ulitangazwa 14 Septemba 1995
Daftari ikafungwa 29 Novemba 1995
Utalipwa mnamo tarehe 29 Desemba 1995

Bei ya Hisa
Bei ya hisa ilikuwa KSh. 62/- kwa kila moja tarehe 14 Septemba 1995

Corporate Information

Chairman
J G Kiereini, EGH, EBS, SS

Managing Director
M J Karanja

Group Finance Director
A. G. Alcock

Non Executive Directors
R O'B Wilson
I K Cheluget
D J Nyanjom
J K Mwangi
D H C Hampshire
B K Kipkulei

Secretary
J N Muhoho (Mrs), LLB (Hons), CPS (K)

Registrar
G K Kamau, CISA, CPS (K)

Registered Office
Tusker House
Thika Road, Ruaraka
P O Box 30161,
Nairobi, Kenya
Telephone: 864000
Fax 802054
Telex 22628
Cables TUSKER
NAIROBI

Auditors
Gill & Johnson
P O Box 40092
Nairobi, Kenya

Advocates
Kaplan & Stratton
P O Box 40111
Nairobi, Kenya

2007/0842

Subsidiary Companies
Uganda Breweries Limited
Central Glass Industries Limited
Salopia Limited
Allsopps (EA) Sales limited

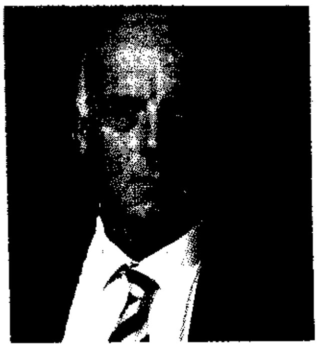
Bankers
Barclays Bank of Kenya Limited
P O Box 46661 Nairobi, Kenya

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

Board of Directors
Wakurugenzi

J. G. Kiereini EGH, EBS SS
Chairman

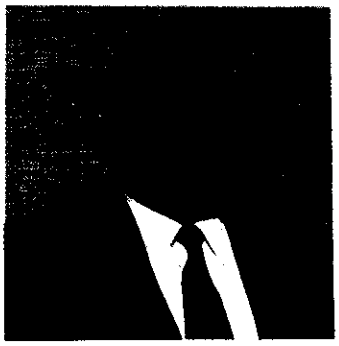
M. J. Karanja



A. G. Alcock

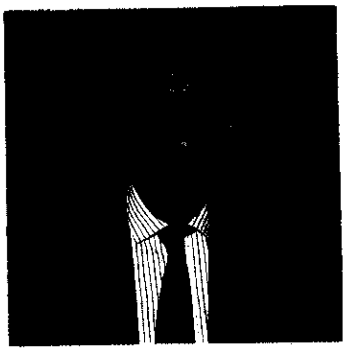
B.K. Kipkulei

J. K. Mwangi



D. J. Nyanjom

I. K. Cheluget



R.O'B. Wilson

D. H. C. Hampshire

J. N. Muhoho (Mrs)

Notice of the Meeting

Notice is hereby given that the seventy third Annual General Meeting of shareholders will be held at Nyeri Golf Club on Friday 1 December 1995 at 10.00 a.m.

Ordinary Business

1. To receive the Financial Statements for the year ended 30 June 1995 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 declare a final dividend of Shs. 3.50 per share payable on or about 29 December 1995 to shareholders registered on 29 November 1995.
3. Mr. D. J. Nyanjom has notified the Company of his attainment of 70 years of age during the year. In accordance with section 186 (2) of the Companies Act, he retires at the end of the Annual General Meeting.

   The Company has received special notice from a shareholder of his intention to propose the following resolution under section 186(5) of the Companies Act "That Mr. D. J. Nyanjom who has attained the age of 70 years be and is hereby re-elected a Director of the Company".
4. To re-elect Mr. A.G. Alcock who retires in accordance with Article 97 of the Company's Articles of Association.
5. To confirm the Directors remuneration.
6. To authorise the Directors to fix the Auditors' remuneration.
7. To transact any other ordinary business of the Company.

Special Business

To consider and if approved, adopt the following resolutions numbered 1,2,3 and 5 which will be proposed as Ordinary Resolutions and resolution 4 which will be proposed as a Special Resolution:

1. "That the authorised capital of the Company be hereby increased from 55,000,000 ordinary shares of Shs.10/- each to 100,000,000 ordinary shares of Shs.10/- each."
2. "That it is desirable to capitalise the sum of Shs.127,971,120/- being part of sum standing to the credit of the revenue reserve

Tangazo la Mkutano

Tangazo linatolewa hapa kwamba Mkutano Mkuu wa Mwaka wa sabini na tatu ya wenyehisa utafanywa katika Nyeri Golf Club siku ya Ijumaa tarehe 1 Desemba 1995, saa nne asubuhi.

Shughuli za kawaida

I. Kupokea taarifa ya fedha ya mwaka uliomalizika tarehe 30 Juni 1995 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 kutangaza mgao wa mwisho wa Shs. 3.50 kwa kila hisa Malipo hayo yanatarajiwa kulipwa mnamo tarche 29 Desemba 1995 kwa wenye hisa walioandikishwa kwenye daftari ya kampuni tarehe 29 Desemba 1995.

3. Bw. D. J. Nyanjom amejulisha kampuni kwamba yeye ametimiza miaka sabini (70) mwaka huu. Kulingana na sheria za makampuni kifungu 186(2) atastaafu baada ya mkutano huu mkuu wa mwaka. Kampuni imepokea barua maalum kutoka kwa mwenyehisa mmoja akieleza madhumuni yake ya kuwasilisha azimio linalofuata kulingana na sheria za makampuni kifungu 186(5) "Ya kwamba Bwana D. J. Nyanjom ambaye ametimiza miaka sabini (70) achaguliwe na hivyo basi anachaguliwa tena kuwa mkurugenzi wa kampuni".

4. Kumchagua tena Bwana A.G. Alcock ambaye anastaafu kufuatana na masharti na kanuni za kampuni nambari 97.

5. Kuthibitisha malipo ya wakurugenzi.

6. Kuwaidhinisha wakurugenzi waweke kipimo cha malipo ya wakaguzi wa vitabu.

7. Kuzungumza mambo mengine yoyote yanayohusu shughuli za kampuni.

Shughuli Maalum

Kufikiria maazimio nambari 1,2,3 na 5 na kama yakiidhinishwa yachukuliwe kama maazimio ya kawaida na azimio nambari 4 ikiidinishwa ichukuliwe kama azimio maalum:

1. "Kwamba rasilmali ya kampuni inayoruhusiwa iongezwe kutoka hisa 55,000,000 za kawaida za Kshs. 10/= kila moja hadi hisa 100,000,000 za kawaida za Kshs. 10/= kila moja."

and that accordingly such sum be set free for distribution amongst the holders of ordinary shares in the capital of the Company on the register of Members as at 29 November 1995, on condition that the same be not paid in cash but be applied in paying up in full at par 12,797,112 new shares of Shs.10 each in the capital of the Company, and that such 12,797,112 shares credited as fully paid up be accordingly allotted to such persons respectively in the proportion of one of such shares for every four of the ordinary shares then held by such persons respectively (fractions of a share to be disregarded) and that the shares so distributed shall be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such shareholder and not as income and the Directors are hereby authorised and directed to give effect to this Resolution." The bonus issue is subject to the approval of the Capital Markets Authority.

3. "That should any of the said 12,797,112 bonus shares be not issued by reason of fractions of a share being disregarded the Directors may allot and issue the same to such persons and upon such terms and conditions as they may think fit."

4. "That the Articles of Association of the Company be and are hereby amended:

(1) By the addition of the following new Article to be numbered 132A to follow immediately after Article 132:

132A "The Directors may with the sanction of an ordinary resolution of the Company, and upon such terms and conditions as they shall think fit, resolve to offer to all Members the right to receive an allotment of additional fully paid ordinary shares in lieu of a cash dividend and, upon the election of a Member to receive such scrip dividend, may appropriate the net cash dividend to which such Member would otherwise be entitled and apply such sum in paying up in full unissued ordinary shares of the Company at such price as shall have been determined in accordance with the ordinary resolution sanctioning the scrip dividend and allot such shares credited as fully paid to those Members who shall have elected to receive their dividend in scrip."

2. *"Kwamba kuna haja ya kutumia rasilmali ya Kshs. 127,971,120/= ambayo ni sehemu ya akiba ya faida, na kiasi hicho kigawanyiwe wenye hisa za kawaida katika rasilmali ya kampuni kulingana na daftari ya wanachama kufikia tarehe 29 Desemba 1995, sharti kiasi hicho kisilipwe kwa pesa taslimu bali kitumike kulipia kamili hisa hizo mpya 12,797,112 za Kshs. 10/= kila moja katika rasilmali ya kampuni, na ya kwamba hisa hizo 12,797,112 zilizowekwa kando kama mgao uliyolipwa kamili zigawanywe kwa wenyehisa kwa kiasi cha hisa moja kwa kila hisa nne za kawaida mwenye hisa alizonazo, na sehemu ndogo (Fraction) ya hisa isifikiriwe wakati wa kugawa, na ya kwamba hisa hizo zilizogawanywa zichukuliwe, kwa madhumuni yote, kuwa ni ongezeko katika rasilmali ya kampuni na wala siyo mapato kwa mwenyehisa, na kwamba wakurugenzi wanapewa idhini ya kuhakikisha azimio hili limetekelezwa."*

Hisa hizi za bakshishi zitagawanywa ikiwa idhini itapatikana kutoka kwa halmashauri inayosimamia rasilmali nchini "Capital Markets Authority."

3. *"Kwamba ikiwa miongoni mwa zile hisa 12,797,112 za bakshishi zilizogawanywa kutakuwa ambazo hazikugawanywa kwa ajili ya sehemu ndogo (Fraction) zilizoachwa, wakurugenzi wana uwezo wa kuzigawa kufuatia masharti na mapatano watakayo onelea kuwa ni ya kufaa."*

4. *"Kwamba masharti na kanuni za kampuni zibadilishwe na hivyo basi zinabadilishwa kama ifuatavyo:*

(1) Kwa kuongeza sharti jipya linalofuata ambalo litakuwa nambari 132A ambalo litafuatia sharti nambari 132:

132A "Wakurugenzi ikiwa wataidhinishwa na azimio la kawaida la kampuni, na kulingana na masharti na mapatano watakayo onelea kuwa ni ya kufaa, wanaweza kuazimia kwamba wenye hisa wote wapatiwe nyongeza za hisa zilizolipiwa kamili badala ya mgao wa taslimu, na ikiwa basi mwenye hisa atapata nyongeza hiyo, atakuwa na uwezo kutumia kiwango cha pesa taslimu sawa na kile ambacho mwenye hisa huyo angelikuwa amelipwa, na kutumia kiasi

(2) "That Article 133 of the Company's Articles of Association be amended by the addition in line 1 after the words "regulation 132" of the words "or 132A"."

5. "That in accordance with Regulation 132A of the Articles of Association the Directors be and are hereby authorised to offer to Members on the register of Members of the Company at the close of business on the 29th day of November 1995, in lieu of the cash dividend declared by the Members at the Annual General Meeting a scrip dividend, to be satisfied by the allotment and issue of ordinary shares of Shs. 10/- each of the Company credited as fully paid at such price as shall have been announced by the Chairman of the General Meeting at which this resolution shall have been approved." The scrip dividend is subject to the approval of the Capital Markets Authority.

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
9 November 1995.

A form of proxy is on page 29 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 29 November 1995.

hicho cha pesa ili kulipia kamili zile hisa ambazo bado hazijatolewa kwa bei ambayo itakisiwa kulingana na azimio linalo idhirisha mgao huu, na hivyo basi kuwapatia hisa hizo zilizolipiwa kamili wale wenye hisa ambao wamechagua kupata mgao wao kwa njia ya hisa."

(2) Kwamba sharti nambari 133 la masharti na kanuni za kampuni libadilishwe kwa kuongeza kwenye mstari wa kwanza baada ya maneno "sheria 132" na maneno "au 132A".

5. "Kwamba kufuatana na sheria nambari 132A ya masharti na kanuni za kampuni, wakurugenzi wanapewa idhini kuwapatia wenye hisa ambao watakuwa wameandikishwa kwenye daftari ya kampuni kufikia tarehe 29 Novemba 1995, hisa za kawaida za kampuni za Shs. 10/- kila moja za kampuni ambazo zimelipiwa kamili kwa bei ambayo itakuwa imetangazwa na mwenyekiti wa mkutano ambapo azimio hili litakuwa limekubaliwa, badala ya mgao taslimu ambao umekubaliwa na wenye hisa." Mgao huu uloandikishwa na usio wa malipo lazima uidhinishwe na halmashauri inayosimamia rasilmali nchini "Capital Markets Authority."

Mwenye hisa aliye na haki ya kuhudhuria mkutana 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
9 Novemba 1995.

Ikiwa mwenye hisa hawezi kuhudhuria mkutano, kuna fomu kwenye ukurasa wa 29 ambayo anatakiwa kujaza na kuituma kwa ofisi kuu ya kampuni ili iweze kufika huko kabla ya saa nne za asubuhi Jumatano, tarehe 29 Novemba 1995.

Chairman's Statement

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

During the period 1994/95, the government continued the liberalisation of the economy culminating in almost total abolition of exchange controls in the latter part of the year. Economic liberalisation and strict monetary control undertaken by the government started bearing fruit during the year. GDP grew by 3 % and inflation dropped to a record 4.2 % by the close of the year. Liberalisation and stabilisation of the shilling brought in their wake increased competition in the beer market from imported canned beers and a reduction in profitability of our export trade. In the local market, cheap alcoholic beverages commenced aggressive marketing, eating into the lower end of our market.

It is against this background that the Company has had to operate. To mitigate against these factors, we took several cost-cutting measures. A voluntary early retirement programme was offered to staff and the scheme was over-subscribed. We also undertook a major restructuring of all departments in order to reduce costs. Of particular note was the restructuring of our Distribution department where the number of depots was reduced by half and our fleet of vehicles was reduced by over half. The Information Systems department was also restructured during the year and a major modernisation of equipment and software is in progress. The process of restructuring is continuing.

While the Company continues with these cost cutting measures, we have also been looking into possibilities of venturing into other beverage related activities. We will report on this when feasibility studies are complete.

You will recall that last year I expressed concern that, because of low margins in the past, plant replacement had lagged behind. I am pleased to report that we are now finalising our 5 year Business Plan which contains all necessary capital requirements emhracing the latest brewing technology. We are in the process of arranging for the required funds.

With regard to production, our up-country

Taarifa ya Mwenyekiti

Katika kipindi cha 1994/95, serikali imeendelea kuachilia huru uchumi, hatua ambayo karibu kuondolea mbali vizuizi vyote katika ubadilishanaji wa pesa, hasa mwishoni mwa mwaka. Hatua ya serikali ya kuachilia uchumi huru na masharti makali katika utoaji wa pesa yalileta mabadiliko mwakani. GDP iliongezeka kwa asilimia 3 na infuleshoni ilipungua hadi asilimia 4.2 kufikia mwisho wa mwaka. Mfumo wa uchumi-huru na kuongezeka kwa thamani ya shilingi kumeleta mashindano makubwa kwenye soko la bia kwa sababu ya bia za mkebe zinazoagizwa kutoka nje na upungufu wa faida yetu katika biashara ya nchi za nje. Katika soko la humu nchini, vinywaji vya pombe vya hali duni vimeweza kuingia na kuchukua nafasi katika soko letu kwa kutumia mbinu kali za kibiashara.

Hata hivyo kampuni iliendeshwa licha ya matatizo kama hayo. Ili kupunguza matatizo hayo tulianzisha mipango kadha ya kupunguza gharama. Tuliwapatia wafanyikazi wetu nafasi ya kustaafu kwa hiari yao mapema, ambapo maombi ya wafanyikazi yalipita kiwango tulichoweka. Vile vile tulifanya mabadiliko makubwa katika idara zote kwa madhumuni ya kupunguza gharama. Mfano mzuri ni mabadiliko tuliyoyafanya katika idara ya ugawanyaji ambapo tulipunguza mabohari (depots) hadi kufikia nusu, na vile vile zaidi ya nusu ya magari tuliyokuwa nayo yamepunguzwa. Nayo idara ya mitambo ya "computer" inayoharakisha njia za kupokea habari vile vile ilifanyiwa mabadiliko na hata hivi sasa inaendelea kuimarishwa kwa mitambo mipya ya kisasa. Mfumo huu wa mabadiliko bado unaendelea.

Wakati taratibu hizi zenye madhumuni ya kupunguza gharama zinapoendelea, kampuni vile vile inaangalia uwezekano wa kuingia kwenye biashara nyingine zinazohusu vinywaji. Tutawaarifu kamili juu ya mambo haya utafiti utakapokamilika.

Kama mnavyokumbuka mwaka uliopita nilieleza wasiwasi yangu kuwa kubadilisha mitambo kunachelewa kutokana na viwango vidogo vya faida iliyokuwa inapatikana hapo mbeleni. Nina furaha kuwajulisha kuwa hivi sasa tunakaribia mwisho wa Mpango wa Biashara wa Miaka tano (5 year Business Plan), mpango unaoonyesha mahitaji yote ya rasilmali ukihusisha teknolojia ya kisasa katika

Breweries operated well in spite of frequent power cuts. Mombasa, however, suffered from both water shortage and prolonged power cuts. We are looking at possibilities of installing standby generators for Mombasa and Maltings. We are also increasing our water storage capacity at Mombasa.

I am happy to report that our export sales grew by a commendable 17.5% and the domestic market by a modest 1.7% giving an overall volume sales growth of 4.6%. Our gross turnover increased by 12%. VAT reduction from 18% to 15% was a very welcome small gesture. We hope the government will now commence to reduce duty on beer. We are confident that this would result in increased volume sales and revenue collection to the benefit of both the Treasury and the Shareholders.

Results

In the year under review, your Company made a profit before exceptional items of Kshs 1,162,731,000 which was Kshs 125,640,000 or 12.12% higher than the 1994 profits of Kshs 1,037,091,000. The profit after tax and minority interests of Kshs178,266,000 was 66% below last year's profits of Kshs 524,045,000. This was due to the high exceptional costs of payments made to staff retiring under the voluntary retirement scheme.

Barley

In my last year's report, I informed you that the Company had been registered as a seed grower and that a seed project was being considered. I am happy to report that the project has been partially implemented. This season we processed our own seeds, which were certified before being issued to the farmers. The project will be fully implemented in the near future. Barley yields improved by 19% from 30 bags per hectare in 1993/94 to 35.75 bags per hectare this season. Research for improved barley varieties will continue to be pursued. We expect to release two new varieties next year.

The hops research project was wound up

Sacks of certified seed barley ready for the farmer

utengenezaji wa pombe. Tunajitayarisha hivi sasa kutafuta fedha za kutekeleza mpango huu.

Kuhusu utengenezaji bidhaa (production), viwanda vyetu vya kutengenezea pombe nje ya Nairobi viliendesha shughuli zao vizuri licha ya kupotea mara kwa mara kwa nguvu za umeme. Lakini Mombasa iliathiriwa sana na ukosefu wa maji na kupotea kwa muda mrefu kwa nguvu za umeme. Tunatafuta uwezekano wa kuweka mashine za kutoa nguvu za umeme huko Mombasa na kwenye kiwanda cha Kimea (Maltings) ili zitumike wakati umeme unapopotea. Vile vile tunaongezea uwezo wa kuhifadhi akiba ya maji kwa wingi huko Mombasa.

Nina furaha kuwaarifu kuwa faida yetu kutokana na mauzo katika nchi za nje imeongezeka kufikia kiwango kinachostahili sifa cha asilimia 17.5. na katika soko la humu nchini faida imeongezeka kwa kiasi kidogo cha asilimia 1.7. Hii inafanya idadi ya mauzo kuongezeka kwa asilimia 4.6. Kwa jumla faida yetu ya mauzo imeongezeka kwa asilimia 12.

Kupunguzwa kwa kodi ya VAT kutoka asilimia 18 hadi asilimia 15 ni ishara ndogo nzuri na tuliifurahia. Tunatumaini Serikali itaanza kupunguza ushuru wa bia. Tuna uhakika kuwa hii itaongeza viwango vya mauzo na kuzidisha ukusanyaji pesa ambao ni faida kwa Serikali na kwa Wenyehisa.

Matokeo

Katika mwaka tunaochunguza sasa, kampuni yenu ilipata faida kabla ya kutoa chochote ya Kshs 1,162,731,000 ambayo ni Kshs 125,640,000 au asilimia 12.12 zaidi ya faida ya mwaka wa 1994 ya Kshs 1,037,091,000. Faida baada ya kutoa kodi na fungu la wachache ni Kshs 178,266,000 ambayo ni asilimia 66 chini ikilinganisha na mwaka jana. Hii ilitokana na gharama kubwa ya kuwalipa wafanyikazi waliostaafu katika mpango wa kustaafu mapema kwa hiari.

Shayiri

Katika taarifa yangu ya mwaka jana, niliwafahamisha ya kuwa kampuni tayari imeorodheshwa kama mkuzi mbegu na ya kuwa mradi wa mbegu unafikiriwa. Sasa nina furaha kuwaarifu kuwa mradi huo tayari umeshatekelezwa kwa kiwango fulani. Katika msimu huu tulitoa mbegu zetu wenyewe ambazo zilipitishwa kuwa sawa kabla ya kutolewa kwa during the year as it was found to be uneconomical.

Uganda Breweries Limited

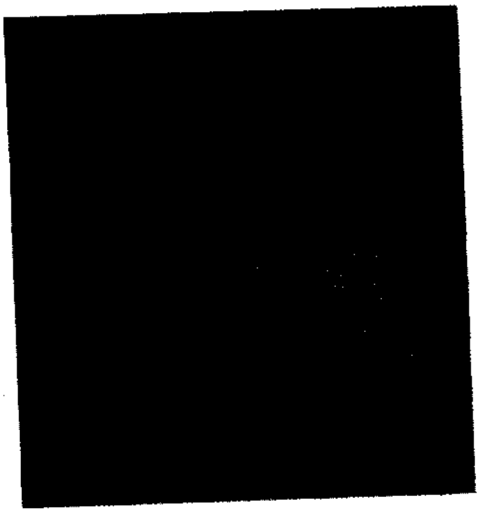
In recent years, the results of Uganda Breweries Limited have not been consolidated with KBL. The main reason for this was because, despite the fact that we have always been the majority shareholders, we were not able to control effectively the management conduct of the Company. With the dramatic changes, both political and economic, which are now occurring in Uganda, we are once again in a position to manage the company's operations. Included in our reported results this year are profits made in Uganda Breweries Limited of over UShs 2 billion or Kshs 129 million. The Company is at the moment operating very well and we are looking at possibilities of expansion.

Central Glass Industries

In my report last year, I informed you that the furnace had reached the end of its life. It was shutdown in February 1995 and recomissioned in April 1995. During the 10 weeks shutdown, the whole of the furnace was rebuilt and major reconstruction and repair works carried out. The furnace capacity was increased from 60 tonnes to 140 tonnes per day and opportunity was taken to overhaul the I.S. Machine. It is now expected the furnace will last many years without any major problems.

With the increased furnace capacity, the Company is well geared to produce enough glass to satisfy the local market and have 30% of its capacity free to supply export markets which will be aggressively pursued.

The Company's annual production was negatively affected by the 10 weeks shutdown and frequent electrical power failures and water supply problems. We are in constant touch with the relevant authorities with a view to finding a permanent solution to these problems. Competition has increased in both the domestic and export markets.



A section of the rebuilt furnace at CGI

wakulima. Mradi huu utatekelezwa kwa kikamilifu hivi karibuni. Mavuno ya Shayiri yaliongezeka kwa asilimia 19 kutoka gunia 30 kwa hekta mwaka wa 1993/94 hadi gunia 35.75 kwa hekta katika msimu huu. Utafiti wa kuongeza mazao ya shayiri kwa kutumia aina mbali mbali ya mbegu utaendelea. Tunatarajia kutoa aina mbili mpya mwaka ujao. Mradi wa kufanya utafiti wa "Hops" ulisimamishwa mwakani kwa vile ulionekana hauleti faida.

Uganda Breweries Limited

Katika miaka ya hivi karibuni matokeo ya Uganda Breweries Limited hayakuunganishwa pamoja na KBL. Sababu kubwa ilikuwa ni kutoweza kusimamia kikamilifu shughuli za kampuni, japo kuwa sisi ndio wenye hisa kubwa. Lakini sasa kutokana na mabadiliko makubwa ya kisiasa na kiuchumi yanayoendelea nchini Uganda, kwa mara nyingine tena tumeweza kusimamia kikamilifu uendeshaji wa kampuni hii. Katika taarifa yetu ya matokeo mwaka huu kuna ripoti ya faida tuliyopata katika Uganda Breweries Limited ya zaidi ya Ushs 2 billion au Kshs 129 million. Kwa sasa kampuni inaendelea vizuri sana na tunatafuta uwezekano wa kuipanua zaidi.

Central Glass Industries

Katika taarifa yangu ya mwaka jana, niliwaeleza kuwa tanuu la kutengeneza glasi limefikia mwisho wa utumizi wake. Lilifungwa hapo February 1995 na kuanzishwa tena upya mnamo Aprili 1995. Katika wiki hizo kumi lilipokuwa limefungwa, kiwanda chote kilijengwa upya na kufanyiwa marekebisho makubwa. Uwezo wake wa kutoa glasi uliongezeka kutoka tani 60 hadi tani 140 kwa siku, na pia fursa ilichukuliwa kuchunguza na kurekebisha upya mashine ya I.S. Sasa tanuu la kutengenezea glasi linatarijiwa kutumika kwa muda wa miaka mingi bila matatizo yeyote makubwa kutokea.

Kwa vile uwezo wa kutoa glasi umeongezeka, sasa kampuni itaweza kutengeneza glasi kiasi cha kutosheleza mahitaji ya soko la humu nchini na kiasi cha asilimia 30 kwa masoko ya nchi za nje ambayo yatatafutwa kwa bidii zaidi.

Utengenezaji wa glasi mwaka huu uliathiriwa sana na kule kufungwa kwa Kiwanda kwa muda wa wiki kumi pamoja na upoteaji wa nguvu za umeme

Staff

As I mentioned last year, the Company offered early retirement to staff to reduce the workforce. The scheme was well supported. We expect to reduce the workforce by about 20% as a result of this exercise. There has been harmonious industrial relations throughout the year, and the Collective Bargaining Agreement negotiations are underway. All indications are that they will be concluded in the very near future.

Uganda Breweries Plant

Future Outlook

The economy continues to recover since inflation and money supply has been controlled. The exchange rate has stabilised and the agricultural sector is booming. The political front is relatively less confrontational and one hopes the impasse with the donor community will be resolved soon. With these positive indicators on the economic and political front and with the positive measures which we have undertaken, I am confident the Company is headed for a bright future.

In conclusion, I would like to express my sincere thanks to my fellow Directors for their support during the year, to all members of staff, for their hard work, which has made it possible for the Company to achieve its goal of making a substantial profit sufficient to satisfy our shareholders and to allow for growth by consistently satisfying our customers with the right quality product while contributing to the national economy.

J.G. Kiereini
Chairman

na matatizo ya ukosefu wa maji. Tunaendelea kushauriana na wale wanaohusika ili tupate suluhisho la kudumu dhidi ya matatizo haya. Mghalaba wa kibiashara (competition) umezidi katika soko la humu nchini na la nchi za nje.

Wafanyikazi

Kama nilivyotaja mwaka jana, kampuni iliwapa wafanyikazi nafasi ya kustaafu mapema. Twtarajia kupunguza wafanyikazi kwa asilimia 20 kutokana na mpango huu ambao uliitikiwa vema. Mwaka huu wote kumekuwa na uhusiano mwema, kati ya kampuni na wafanyikazi. Mjadala juu ya mapatano ya pamoja (Collective Bargaining Agreement) unaendelea na utakamilika hivi karibuni.

Mtazamo wakati ujao

Uchumi unaendelea kuwa mzuri kwa vile infuleshoni na utoaji wa pesa umesimamiwa barabara. Kiwango cha ubadilishanaji pesa kimeimarika na sekta ya kilimo inaendelea vizuri. Kumekuwa na mwelekeo wa maelewano katika tofauti za kisiasa na tunatarajia kuwa mgogoro wa nchi zinazotoa misaada utafikia suluhisho hivi karibuni. Kukiwa na dalili hizo nzuri upande wa uchumi na wa siasa pamoja na hatua kamili ambazo tumechukua, nina imani kuwa kampuni inaelekea kwenye siku zijazo ikiwa na matarajio mazuri.

Kwa kumalizia ningependa kuwashukuru kwa dhati wakurugenzi wenzangu kwa usaidizi wao mwaka huu, na kwa wafanyikazi wote kwa kazi yao ngumu ambayo imewezesha kampuni kufikia lengo lake la kupata faida kubwa ambayo itatosheleza wenye hisa na vile vile kufanya kampuni iwe na uwezo wa kutosheleza wateja wake kwa bidhaa za hali ya juu na kuchangia kuendeleza uchumi wa nchi yetu.

J.G. Kiereini
Mwenyekiti

Report of the Directors

for the year ended 30 June 1995

To be submitted to the shareholders at the seventy third annual general meeting of the company to be held at Nyeri Golf Club on 1 December 1995 at 10.00 a.m.

The directors have pleasure in presenting to the shareholders the Financial Statements for the year ended 30 June 1995.

Activities

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

Consolidated Profit and Loss Account

	Shs '000	Shs '000
Profit before taxation		506,554
Taxation		321,084
Profit before minority interest		185,470
Minority interest		7,204
Profit attributable to the shareholders		178,266
Dividends		
Interim paid: Shs.1.50 per share	76,783	
Final proposed: Shs.3.50 per share	179,159	255,942
Transfer from Revenue Reserve		(77,676)

Directors

Mr N.G. Ajania resigned from the Board on 31 March 1995 and in accordance with article 95 of the Articles of Association, Mr. A.G. Alcock was appointed to the Board on 13 June 1995. He retires and being eligible offers himself for re-election.

In accordance with article 94 of the Articles of Association. Mr. R.O'B. Wilson and Mr. I.K. Cheluget retire by rotation and being eligible, offer themselves for re-election.

In accordance with section 186 (2) of the Companies Act, Mr D J Nyanjom retires at the Annual General Meeting having attained the age of seventy.

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
14 September 1995.

Ripoti ya Wakurugenzi

ya mwaka uliomalizika tarehe 30 Juni 1995

Itakayotolewa kwa wenyehisa kwenye mkutano mkuu wa kampuni wa mwaka ambao ni wa sabini na tatu utakaofanywa katika Nyeri Golf Club tarehe 1 Desemba 1995 saa nne asubuhi.

Wakurugenzi wana furaha kuwatolea wenyehisa hesabu za mwaka uliomalizika tarehe 30 Juni 1995.

Shughuli

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

Faida na Hasara za Hesabu iliojumlishwa

	Shs '000	*Shs '000*
Faida kabla ya kutoa fungu la kodi		*506,554*
Kodi		*321,084*
Faida kabla ya kundi la wachache		*185,470*
Faida ya kundi la wachache		*7,204*
Faida ya wenye hisa		*178,266*
Migao		
Mgao wa muda uliolipwa: Shs 1.50 kwa kila hisa	*76,783*	
Mgao wa mwisho uliopendekezwa: Shs 3.50 kwa kila hisa	*179,159*	*255,942*
Kilichotolewa kutoka kwa akiba kuu		*(77,676)*

Wakurugenzi

Bw. N.G. Ajania alijiuzulu kama mkurugenzi tarehe 31 Machi 1995 na kwa mujibu wa kanuni 95 ya masharti ya kampuni, Bw. A.G. Alcock aliteuliwa kama mkurugenzi tarehe 13 Juni 1995. Anaondoka kitini mwake kwa zamu, na kwa kuwa anastahili kuchaguliwa amejitolea kuchaguliwa tena.

Kwa mujibu wa kanuni 94 ya masharti ya kampuni, Bw. R.O'B. Wilson na Bw. I.K. Cheluget wanaondoka vitini mwao kwa zamu, lakini kwa kuwa bado wanastahili kuchaguliwa, wamejitolea kuchaguliwa tena.

Kwa mujibu wa sehemu 186(2) ya sheria za makampuni, Bw. D.J. Nyanjom anastaafu kama mkurugenzi baada ya kutimiza umri wa miaka 70.

Wakaguzi wa Hesabu

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

Wafanyikazi

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

Kwa amri ya Halmashauri

J.N. Muhoho (Mrs)
Secretary
14 Septemba 1995.

Gill & Johnson

Report of the Auditors

to the members of Kenya Breweries Limited

We have audited the Financial Statements on pages 13 to 23 and have obtained all the information and explanations considered necessary for our audit.

The Financial Statements are the responsibility of the directors. Our responsibility is to express an opinion on the Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Financial Statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements, assessing the accounting principles used and significant estimates made by the directors, and evaluating the overall Financial Statements presentation.

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 Financial Statements comply with the Companies Act and give a true and fair view of the state of affairs of the company and the group at 30 June 1995 and of the profit and cash flows of the group for the year ended on that date.

Gill & Johnson
Certified Public Accountants (Kenya)
Nairobi.
15 September 1995.

Ripoti ya Wakaguzi

kwa wanachama wa Kenya Breweries Limited

Tumekagua taarifa za fedha katika kurasa za 13 hadi 23 na tumetapa habari na maelezo yote yanayohitaji kwa kutekeleza ukaguzi.

Hizo taarifa za fedha ni jukumu la wakurugenzi. Wajibu wetu ni kutoa maoni kuhusu taarifa za fedha kulingana na uchunguzi wetu.

Tulifanya ukaguzi wetu kwa kufuata viwango vinavyokubaliwa kwa kawaida. Viwango hivi vinahitaji kupanga na kutekeleza ukaguzi ili kupata uhakika iwapo taarifa hizo za fedha hazina kasoro. Ukaguzi unahusu upimaji ili kupata usahidi unaothibitisha kiasi kinachoonyeshwa katika taarifa za fedha, pia kupima mbinu zillizotumika na makadirio muhimu yaliyofanywa na wakurugenzi na kutathmini kwa jumla taarifa za fedha iliyotolewa.

Kwa maoni yetu:

a) vitabu vya hesabu vimewekwa kwa njia sahihi na kampuni na hesabu ya kampuni zinakubaliana na vitabu hivyo.

b) Ripoti za fedha zinaambatana na sheria za makampuni na zinaeleza ukweli na maoni ya haki jinsi hali ilivyo katika kampuni na kundi lake tarehe 30 Juni 1995 na kuhusu faida na mienendo ya fedha za kundi kwa mwaka ulioishia tarehe hiyo.

Gill & Johnson
Certified Public Accountants (Kenya)
Nairobi.
15 Septemba 1995.

Consolidated Profit and Loss Account

for the year ended 30 June 1995

	Note	1995 Shs '000	1994 Shs '000
Turnover:			
Gross		20,170,961	18,016,316
Indirect taxes		10,957,938	9,727,366
Net		9,213,023	8,288,950
Operating profit	2	1,515,352	1,401,836
Investment income		8,603	5,301
Interest receivable		1,783	5
Interest expense	3	(363,007)	(370,051)
Profit before exceptional items		1,162,731	1,037,091
Exceptional items	4	(656,177)	-
Profit before taxation		506,554	1,037,091
Taxation	5	(321,084)	(531,335)
Profit before minority interest		185,470	505,756
Minority Interest		(7,204)	18,289
Profit attributable to shareholders	6	178,266	524,045
Dividends (gross)	7	255,942	255,942
(Deficit)/retained profit for the year	16	(77,676)	268,103
Earnings per share (Shs)	8	3.50	10.25

Consolidated Balance Sheet

30 June 1995

	Note	1995 Shs '000	1994 Shs '000
Fixed assets	9	7,525,255	7,635,928
Other investments	11	43,002	43,002
		7,568,257	7,678,930
Current assets			
Stocks	12	3,352,385	3,027,361
Debtors	13	959,006	590,924
Tax recoverable		2,849	2,104
Bank balances and cash		90,462	59,923
		4,404,702	3,680,312
Current liabilities			
Creditors	14	2,281,722	1,871,687
Taxation payable		–	369,834
Loan instalments due within 12 months	17	482,258	369,614
Bank overdrafts (secured)		910,750	628,334
Proposed dividend (gross)		179,159	179,159
		3,853,889	3,418,628
Net current assets		550,813	261,684
		8,119,070	7,940,614
Financed by:			
Share capitsl	15	511,884	511,884
Reserves	16	6,527,873	6,623,425
Shareholders' funds		7,039,757	7,135,309
Long term loans	17	837,712	559,056
Minority interest		241,601	246,249
		8,119,070	7,940,614

The Financial Statements on pages 13 to 23 were approved by the board of directors on 14 September1995 and were signed on its behalf by:

J. G. Kiereini Director

M. J. Karanja Director

Company Balance Sheet

30 June 1995

	Note	1995 Shs '000	1994 Shs '000
Fixed assets	9	5,902,039	6,167,410
Investment in subsidiary companies	10	378,597	410,474
Other investments	11	43,002	43,002
Loan to a subsidiary		150,000	200,000
		6,473,638	6,820,886
Current assets			
Stocks	12	2,874,146	2,566,159
Debtors	13	848,986	483,472
Due from subsidiary companies		11,110	–
Bank balances and cash		17,139	40,522
		3,751,381	3,090,153
Current liabilities			
Creditors	14	1,938,082	1,586,119
Taxation payable		–	369,834
Due to subsidiary companies		3,919	34
Loan instalments due within 12 months	17	212,188	94,000
Bank overdrafts (secured)		710,318	439,028
Proposed dividend (gross)		179,159	179,159
		3,043,666	2,668,174
Net current assets		707,715	421,979
		7,181,353	7,242,865
Financed by:			
Share capital	15	511,884	511,884
Reserves	16	6,242,907	6,485,981
Shareholders' funds		6,754,791	6,997,865
Long term loans	17	426,562	245,000
		7,181,353	7,242,865

The Financial Statements on pages 13 to 23 were approved by the board of directors on 14 September1995 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 1995

	Note	1995 Shs '000	1994 Shs '000
Net cash inflow from operating activities	18(a)	1,194,872	1,046,557
Returns on investments and servicing of finance			
Hire finance charges paid		(7,409)	(4,656)
Interest received		1,783	5
Interest paid		(393,009)	(331,890)
Dividend received		-	5,301
Dividends paid		(246,736)	(258,373)
Dividends paid to minorities		(1,552)	-
Net cash outflow from returns on investments and servicing of finance		(646,923)	(589,613)
Taxation paid		(691,799)	(322,543)
Investing activities			
Purchase of fixed assets		(630,241)	(294,595)
Proceeds on disposal of fixed assets		114,096	7,557
Net cash outflow from investing activities		(516,145)	(287,038)
Financing			
Hire purchase agreements entered into		13,635	36,339
Hire purchase instalment payments		(22,560)	(22,250)
New loans received	18(b)	690,000	267,136
Repayment of amounts borrowed	18(b)	(275,341)	(529,210)
Proceeds from issue of shares		-	108,649
Net cash inflow/(outflow) from financing		405,734	(139,336)
Net cash used in the year		(254,261)	(291,973)
Decrease in cash and cash equivalents	18(c)	(254,261)	(291,973)

Notes to the Financial Statements

For the year ended 30 June 1995

1 **Accounting Policies**

Basis of accounting

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

Basis of consolidation

The group Financial Statements incorporate the Financial Statements of Kenya Breweries Limited and its subsidiaries for the year ended 30 June 1995. Financial Statements of foreign subsidiaries are translated using the closing rate/net investment method.

Uganda Breweries Limited has been incorporated in the consolidation for the first time since the ownership was returned to the group. The comparative figures have been amended accordingly.

Turnover

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

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.

Depreciation

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

Short leasehold land	Over the unexpired period of the lease
Buildings	2 per cent or over the unexpired period of the lease, if less than 50 years
Plant and equipment	3 to 20 per cent
Vehicles: Commercial	20 per cent
Cars	25 per cent

Currencies

The Financial Statements 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, except for those arising on consolidation which are shown as a movement on reserves.

Taxation

Current taxation is provided on the basis of the results for the year as shown in the Financial Statements, 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.

	1995 Shs '000	1994 Shs '000
2 **Operating profit**		
Operating profit is arrived at after charging:		
Depreciation	626,744	576,156
Directors' emoluments:		
Fees	899	901
Other	37,640	22,633
Auditors' remuneration	5,521	4,492
And after crediting:		
Profit on sale of fixed assets	75,382	5,014

	1995 Shs '000	1994 Shs '000
3 Interest expense		
Interest on:		
Long term loans	225,099	288,762
Short term loans and bank overdraft	130,194	76,780
Hire purchase agreements	7,714	4,509
	363,007	370,051
4 Exceptional items		
Early retirement benefits paid	646,153	-
Write off of barley syrup plant	10,024	-
	656,177	-
5 Taxation		
Based on the adjusted profit for the year:		
Current tax	302,630	531,335
Drought levy	18,200	-
	320,830	531,335
Under provision in prior years	254	-
	321,084	531,335

The effective tax rate is significantly higher than the standard rate mainly due to excess of depreciation over capital allowances.

At 30 June 1995 there were tax losses in some subsidiary companies amounting to Shs. 814,448,117 (1994 - Shs. 514,007,220) available to be offset against future chargeable income by those companies.

6 Profit attributable to shareholders

A profit of Shs. 12,868,000 (1994 - Shs. 583,288,000) has been dealt with in the books of Kenya Breweries Limited.

7 Dividends (gross)

	1995 Shs '000	1994 Shs '000
Interim paid; Shs. 1.50 per share	76,783	76,783
Final proposed; Shs. 3.50 per share	179,159	179,159
	255,942	255,942

8 Earnings per share

Earnings per share has been calculated on the profit after taxation and minority interest of Shs. 178,266,000 (1994 - Shs. 524,045,000) and on the 51,188,448 ordinary shares in issue as at 30 June 1995.

9 Fixed assets

Group	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
Cost or valuation							
At 1 July 1994	1,337,808	1,673,712	41,438	4,894,455	558,121	254,221	8,759,755
Additions	-	2,829	-	324,490	206,343	87,157	620,819
Capitalised	4,701	2,894	-	246,973	-	(254,568)	-
Disposals	(16,750)	(154)	-	(101,058)	(90,489)	-	(208,451)
Assets written-off	-	-	-	(32,311)	-	(16,148)	(48,459)
Exchange adjustment	-	(23,987)	-	(11,685)	(1,842)	(9,792)	(47,306)
At 30 June 1995	1,325,759	1,655,294	41,438	5,320,864	672,133	60,870	9,076,358
Comprising:							
At cost	5,969	112,897	-	1,588,630	665,276	60,870	2,433,642
At valuation -1988	-	298,249	-	116,681	6,857	-	421,787
-1994	1,319,790	1,244,148	41,438	3,615,553	-	-	6,220,929
	1,325,759	1,655,294	41,438	5,320,864	672,133	60,870	9,076,358
Depreciation							
At 1 July 1994	29,252	73,490	5,566	683,503	332,016	-	1,123,827
Charge for the year	29,224	39,414	5,566	444,717	107,823	-	626,744
Eliminated on disposals	(287)	-	-	(91,785)	(77,665)	-	(169,737)
Eliminated on write-off	-	-	-	(22,287)	-		(22,287)
Exchange adjustment	-	(2,370)	-	(3,693)	(1,381)		(7,444)
At 30 June 1995	58,189	110,534	11,132	1,010,455	360,793	-	[illegible]
Net book value							
At 30 June 1995	1,267,570	1,544,760	30,306	4,310,409	311,340	60,870	7,525,255
At 30 June 1994	1,308,556	1,600,222	35,872	4,210,952	226,105	254,221	7,635,928

Notes to the Financial Statements

continued...

9 Fixed assets (continued)

Company	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
Cost or valuation							
At 1 July 1994	1,337,643	1,244,409	41,438	3,674,172	496,293	95,840	6,889,795
Additions	-	-	-	7,027	188,433	87,157	282,617
Capitalised	4,701	2,894	-	123,558	-	(131,153)	-
Disposals	(16,750)	(154)	-	(15,342)	(86,956)	-	(119,202)
Assets written-off	-	-	-	(32,311)	-	(16,148)	(48,459)
At 30 June 1995	**1,325,594**	**1,247,149**	**41,438**	**3,757,104**	**597,770**	**35,696**	**7,004,751**
Comprising:							
At cost	5,804	3,001	-	141,551	597,770	35,696	783,822
At valuation -1994	1,319,790	1,244,148	41,438	3,615,553	-	-	6,220,929
	1,325,594	**1,247,149**	**41,438**	**3,757,104**	**597,770**	**35,696**	**7,004,751**
Depreciation							
At 1 July 1994	29,252	31,328	5,566	359,542	296,697	-	722,385
Charge for the year	29,224	31,387	5,566	322,723	94,987	-	483,887
Eliminated on disposals	(287)	-	-	(6,271)	(74,715)	-	(81,273)
Eliminated on write-off	-	-	-	(22,287)	-	-	(22,287)
At 30 June 1995	**58,189**	**62,715**	**11,132**	**653,707**	**316,969**	**-**	**1,102,712**
Net Book Value							
At 30 June 1995	**1,267,405**	**1,184,434**	**30,306**	**3,103,397**	**280,801**	**35,696**	**5,902,039**
At 30 June 1994	1,308,391	1,213,081	35,872	3,314,630	199,596	95,840	6,167,410

Included in the group additions are exchange gains amounting to Shs. 9,422,000 [1994 - Shs. 58,366,000]. Fixed assets with a cost of Shs. 6,621,000 (1994 - Shs. 6,899,000) were fully depreciated at 30 June 1995. The normal depreciation charge in respect of these assets for the year would have been Shs. 1,413,000 (1994 - Shs. 1,474,000).

10 Investment in subsidiary companies

	1995 Shs '000	1994 Shs '000
Wholly owned; at cost:		
Salopia Limited	200	1,113
Allsopps (E.A.) Sales Limited	2	2
	202	1,115
Uganda Breweries Limited 64% owned; at cost	25,034	25,034
Central Glass Industries Limited 84% owned; at cost less provision	353,361	384,325
	378,597	410,474

11 Other investments

Unquoted:		
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

Notes to the Financial Statements

continued...

	Group 1995 Shs '000	Group 1994 Shs '000	Company 1995 Shs '000	Company 1994 Shs '000
12 Stocks				
Finished goods	603,637	546,871	491,712	446,239
Raw materials	1,344,251	729,061	1,272,310	1,020,284
Consumables	1,264,113	1,715,922	1,025,091	1,089,202
Goods in transit	140,384	35,507	85,033	10,434
	3,352,385	3,027,361	2,874,146	2,566,159
13 Debtors				
Trade debtors	381,893	197,663	302,642	92,278
Barley advances	34,782	102,350	34,782	102,350
Recoverable indirect taxes	542,331	290,911	511,562	288,844
	959,006	590,924	848,986	483,472
14 Creditors				
Trade creditors	738,937	920,671	572,213	757,824
VAT and excise duty	773,307	566,598	773,307	566,598
Unpaid dividends	36,884	27,974	36,884	27,974
Hire purchase creditors	38,744	47,669	38,744	47,669
Other creditors	693,850	308,775	516,934	186,054
	2,281,722	1,871,687	1,938,082	1,586,119
15 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

16 Reserves	Share Premium Shs '000	Capital Reserve Shs '000	Revenue Reserve Shs '000	Total Shs '000
Group				
At 1 July 1994:				
As previously stated	1,058	5,176,655	1,194,573	6,372,286
Prior year adjustment*	-	248,060	3,079	251,139
As restated	1,058	5,424,715	1,197,652	6,623,425
Deficit for the year	-	-	(77,676)	(77,676)
Realised surplus on disposal of fixed assets	-	(14,143)	14,143	-
Exchange adjustment	-	(15,891)	(1,985)	(17,876)
At 30 June 1995	1,058	5,394,681	1,132,134	6,527,873
Company				
At 1 July 1994	1,058	5,175,119	1,309,804	6,485,981
Realised surplus on disposal of fixed assets	-	(14,143)	14,143	-
Deficit for the year	-	-	(243,074)	(243,074)
At 30 June 1995	1,058	5,160,976	1,080,873	6,242,907

***Prior year adjustment relates to the change in treatment of interest in Uganda Breweries Limited.**

Notes to the Financial Statements

continued...

17 Long term loans

	Group		Company	
	1995	1994	1995	1994
	Shs '000	Shs '000	Shs '000	Shs '000
Overseas bank loan repayable in semi-annual instalments by 31 May 1994	–	68,086	–	–
Secured bank loans repayable in semi-annual instalments by 30 June 1995	–	24,000	–	24,000
Secured bank loans repayable in semi-annual instalments by 31 December 1995	151,478	192,448	–	–
Secured bank loans repayable in semi-annual instalments by 30 June 1997	40,000	48,000	–	–
Secured bank loans repayable in semi-annual instalments by 30 November 1997	250,000	–	250,000	–
Secured bank loans repayable in semi-annual instalments by 31 December 1997	176,000	249,000	125,000	175,000
Secured bank loans repayable in semi-annual instalments by 30 June 2000	360,000	120,000	–	–
Secured bank loans repayable in semi-annual instalments by 31 October 2000	78,742	87,136	–	–
Secured bank loans repayable in semi-annual instalments by 31 January 2001	120,000	140,000	120,000	140,000
Secured bank loans repayable in semi-annual instalments by 31 March 2003	143,750	–	143,750	–
	1,319,970	928,670	638,750	339,000
Less instalments due within 12 months	482,258	369,614	212,188	94,000
	837,712	559,056	426,562	245,000

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

18 Notes to the cash flow statement:

	1995	1994
	Shs '000	Shs '000
(a) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	1,515,352	1,401,836
Depreciation charges	626,744	576,156
Write-off of capital work in progress	16,148	–
Profit on sale of fixed assets	(75,382)	(5,014)
Exchange differences	(1,481)	(9,173)
Early retirement benefits paid	(646,153)	–
Dividend write back	(296)	(230)
Increase in: Stocks	(335,076)	(899,771)
Debtors	(362,107)	(118,794)
Creditors	457,123	101,547
Net cash inflow from operating activities	1,194,872	1,046,557
(b) Analysis of changes in long term loans during the year		
Balance at 1 July	928,670	1,227,006
Foreign exchange adjustment	(12,456)	31,277
New loans received	690,000	267,136
Repayment of amounts borrowed	(275,341)	(529,210)
Exchange differences	(10,903)	(67,539)
Balance at 30 June	1,319,970	928,670

Notes to the Financial Statements

continued...

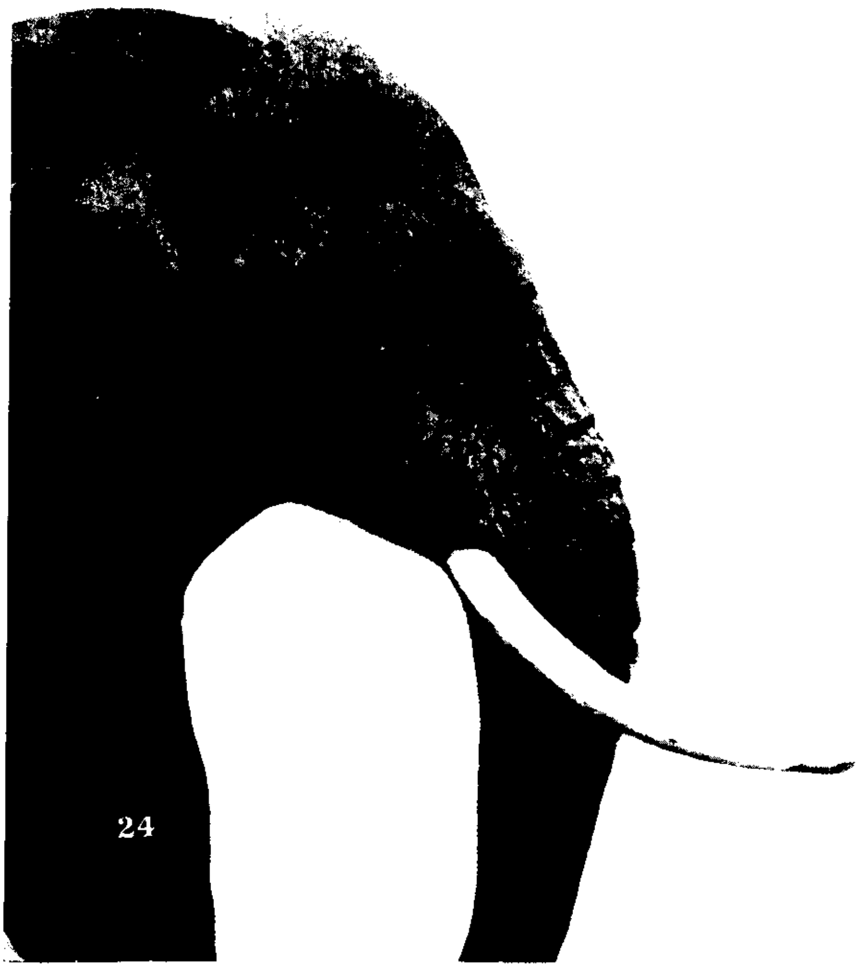
18 Notes to the cash flow statement: (continued)

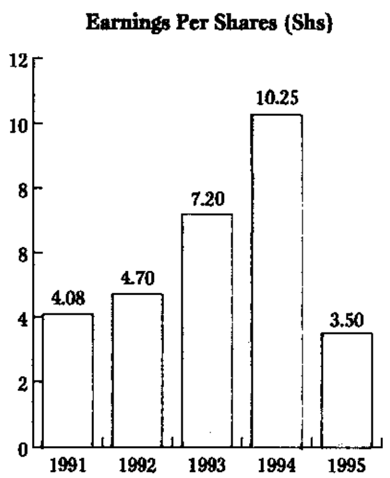
	1995 Shs '000	1994 Shs '000
(c) Analysis of changes in cash and cash equivalents		
Balance at 1 July	(568,411)	(272,778)
Decrease in cash and cash equivalents	(254,261)	(291,973)
Foreign exchange adjustment	2,384	(3,660)
Balance at 30 June	(820,288)	(568,411)
(d) Analysis of balances of cash and cash equivalents		
Bank balances and cash	90,462	59,923
Bank overdrafts	(910,750)	(628,334)
	(820,288)	(568,411)

	Group 1995 Shs '000	Group 1994 Shs '000	Company 1995 Shs '000	Company 1994 Shs '000
19 Capital commitments				
Contracted but not provided in the Financial Statements	18,592	439,597	391	92,879
Authorised but not contracted	1,312,545	245,362	1,310,002	244,062
20 Contingent liabilities				
Guarantees in respect of bank advances to barley farmers	54,693	29,163	54,693	29,163
Guarantee in respect of bank facilities to a foreign subsidiary	-	-	28,931	18,092
Guarantee in respect of bank facilities to a local subsidiary company	-	-	701,243	369,817
Guarantee in respect of overseas loan to a subsidiary company	-	-	-	68,086
	54,693	29,163	784,867	485,158
21 Deferred taxation				
Potential deferred taxation liability amounted to:				
Excess capital allowances over depreciation	343,824	269,143	121,161	95,554
Tax losses available to be offset against future chargeable income	(285,057)	(179,903)	-	-
	58,767	89,240	121,161	95,554

Five year review of Profit and Earnings

	1995 Shs '000	1994 Shs '000	1993 Shs '000	1992 Shs '000	1991 Shs '000
Trading profit	1,154,128	1,031,790	561,396	372,089	348,137
Income from investment	8,603	5,301	-	-	617
	1,162,731	1,037,091	561,396	372,089	348,754
Exceptional Items	656,177	-	-	-	-
Profit before taxation	506,554	1,037,091	561,396	372,089	348,754
Taxation	321,084	531,335	192,800	131,300	139,965
Profit before Minority Interest	185,470	505,756	368,596	240,789	208,789
Minority Interest	(7,204)	18,289	-	-	-
Profit attributable to shareholders	178,266	524,045	368,596	240,789	208,789
Dividends	255,942	255,942	179,159	140,768	123,706
(Deficit)/Retained Profit for the year	(77,676)	268,103	189,437	100,021	85,083
Earnings per ordinary share (Shs)	3.50	10.25	7.20	4.70	4.08
Dividend per ordinary share (Shs)	5.00	5.00	3.50	2.75	2.50
Number of issued shares in millions	51.2	51.2	51.2	51.2	42.7

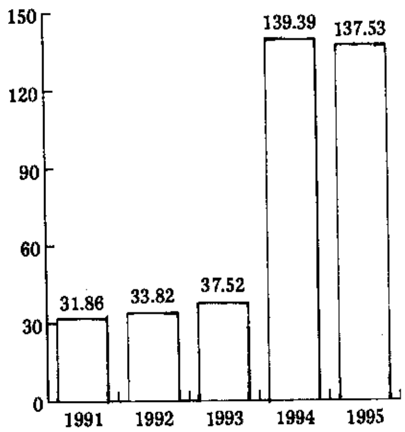


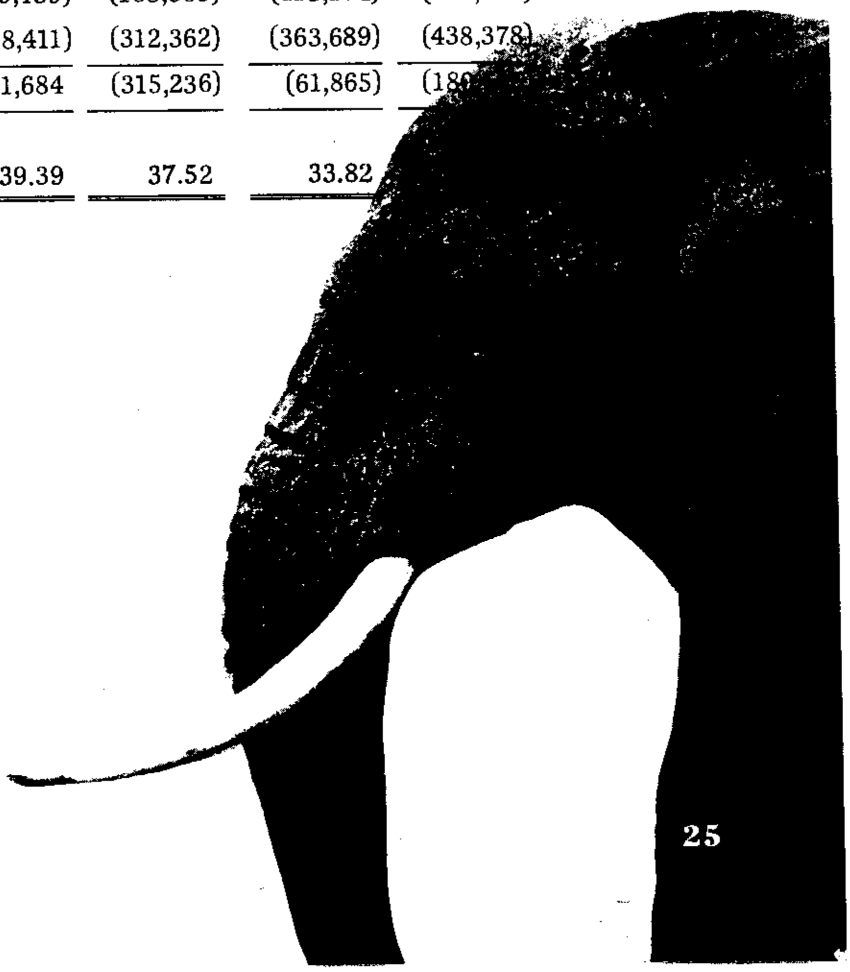


Five year review of Assets Employed

	1995	1994	1993	1992	1991
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
Assets employed					
Fixed assets	7,525,255	7,635,928	2,673,497	2,169,029	2,225,128
Investment	43,002	43,002	43,002	400	702
Tanzanian assets	–	–	–	25,311	28,927
Ugandan assets	–	–	25,034	25,034	25,034
Long term liabilities	(837,712)	(559,056)	(505,852)	(426,901)	(468,179)
Minority interest	(241,601)	(246,249)	–	–	–
Net current Assets/(Liabilities)	550,813	261,684	(315,236)	(61,865)	(180,625)
Net Assets	7,039,757	7,135,309	1,920,445	1,731,008	1,630,987
Financed by					
Share Capital	511,884	511,884	511,884	511,884	426,570
Reserves	6,527,873	6,623,425	1,408,561	1,219,124	1,204,417
Shareholders' Funds	7,039,757	7,135,309	1,920,445	1,731,008	1,630,987
Net current Assets/(Liabilities)					
Stocks	3,352,385	3,027,361	1,928,546	1,446,966	1,281,799
Debtors	961,855	593,028	445,949	298,517	223,229
Creditors	(2,763,980)	(2,611,135)	(2,223,804)	(1,328,485)	(1,144,898)
Proposed dividend	(179,159)	(179,159)	(153,565)	(115,174)	(102,377)
Net liquid funds	(820,288)	(568,411)	(312,362)	(363,689)	(438,378)
	550,813	261,684	(315,236)	(61,865)	[illegible]
Net Assets per ordinary share (Shs)	137.53	139.39	37.52	33.82	[illegible]

Net Assets Per Ordinary Share (Shs)





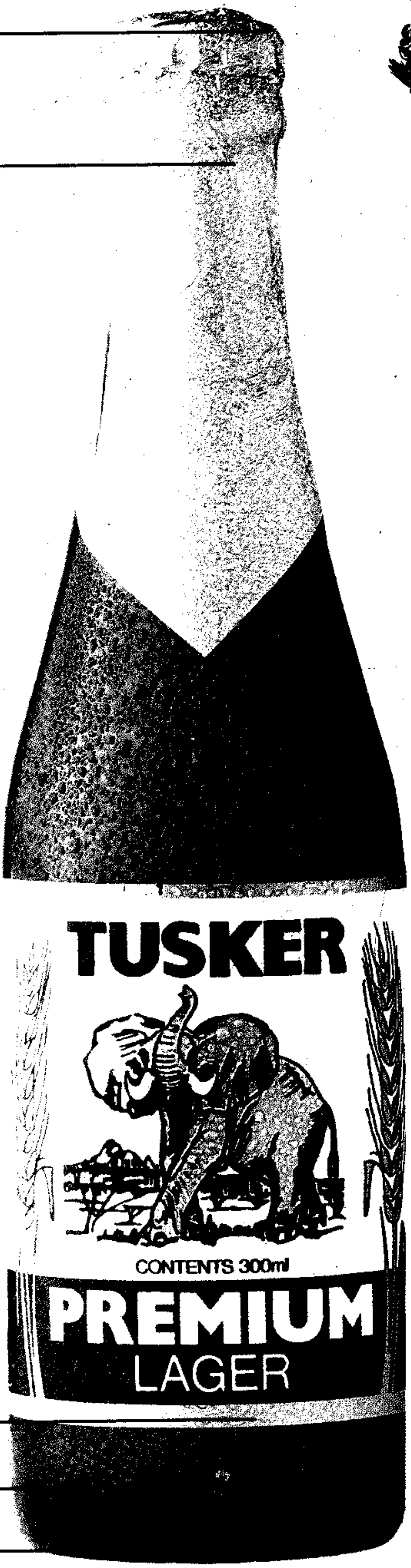
Statement of Value Added
Taarifa ya ongezeko la Thamani

		1995 Shs '000	%
Turnover *Uuzaji kwa jumla*		20,170,961	
Less: Cost of Material, supplies and services bought and depreciation set aside *Toa:* *Gharama za vifaa, bidhaa zilizonunuliwa, huduma zilizolipwa na upungufu wa thamani*		6,563,779	
Value Added *Thamani iliyoongezwa*		13,607,182	
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*	75,382		
Investment income *Faida ya ushirikaji*	8,603	83,985	
		13,691,167	
Minority share of profit in subsidiaries *Faida ya kundi ya wachache*		(7,204)	
		13,683,963	
This was shared as follows:- ***Fedha hizi zilitumiwa ifuatavyo:***			
To employees as payroll and early retirement costs, excluding P.A.Y.E. *Kwa walipo na wanaostaafu mapema kama gharama ya mishahara bila kodi ya binafsi*		1,509,364	11.03
To Governments as taxes *Ushuru wa Serikali*		11,633,326	85.02
To banks and other lenders *Malipo kwa benki na kampuni zingine zilizotukopesha pesa*		363,007	2.65
To shareholders * *Migao kwa wenyehisa* *		178,266	1.30
		13,683,963	100.00

* Excludes Kshs. 77,676,000 paid from revenue reserve.

* *Tarakimu hizi hazionyeshi Kshs. 77,676,000 ambayo ililipwa kutoka kwa akiba ya faida.*

Employees 11.03 %

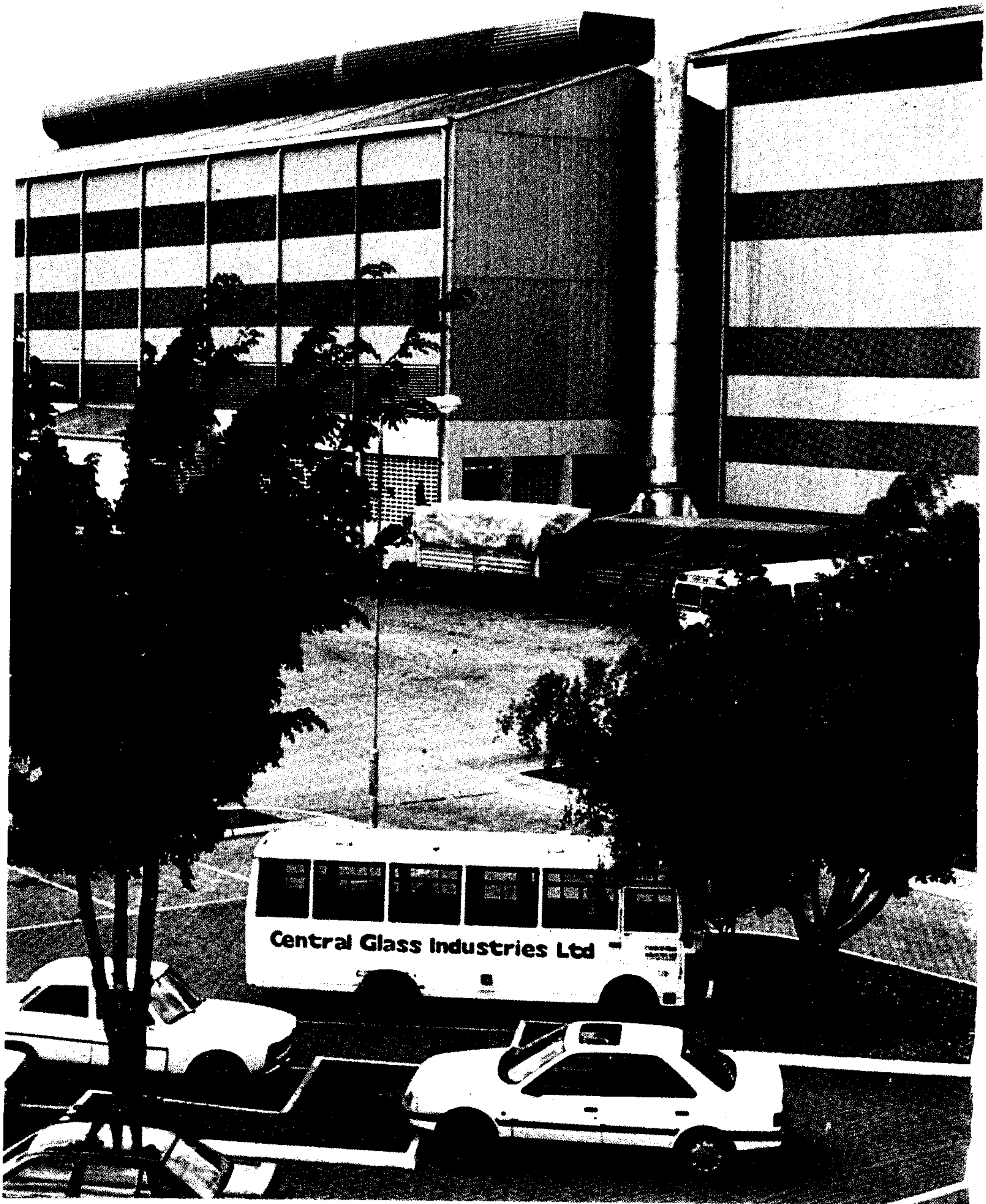


Government 85.02 %

Banks 2.65 %

Shareholders 1.30 %

A side view of the Ultra-modern Central Glass Industries plant



PROXY

1/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 73rd Annual General Meeting of the company to be held on1·December 1995 at 10.00 a.m. or at any adjournment thereof.

As witness to my/our hands this ....day of..1995

Signature..

Notes: 1. This Proxy is to be delivered to the company's address not later than 10:00 a.m. on Wednesday 29 November 1995, failing which it will be invalid.
2. I case of a corporation, the proxy must be under its common seal.

MWAKILISHI

Mimi/Sisi..*Acaunti ya hisa No.*..

wa (anuani)..

kama mwanachama/wanachama wa Kenya Breweries Limited, namchagua

....

....*wa (anuani)*..

ama akikosa yeye..

wa (anuani)..*ama akikosa yeye, basi namchagua yule aliyechaguliwa kuwa mwenyekiti wa mkutano mkuu wa mwaka wa sabini na tatu wa kampuni utakaofanywa siku ya Ijumaa, tarehe 1 Desemba 1995, saa nne asubuhi ama siku yoyote ile iwapo mkutano uta ahirishwa.*

Kama ushahidi ninatia/tunatia sahihi hii/hizi tarehe..*Mwezi*..............................*1995*

Sahihi..

Ukumbusho: 1. *Uwakilishi huu utumwe kwa afisi kuu ya kampuni kabla ya saa nne asubuhi Jumatano, tarehe 29 Novemba 1995, ikikosa hivyo uwakilishi huo hautafaa kitu.*
2. *Kwa upande wa makampuni, uwakilishi ni lazima uwe umebandikwa ule muhuri wao wa kawaida.*

FOLD 2
PILI KUNJA HAPA

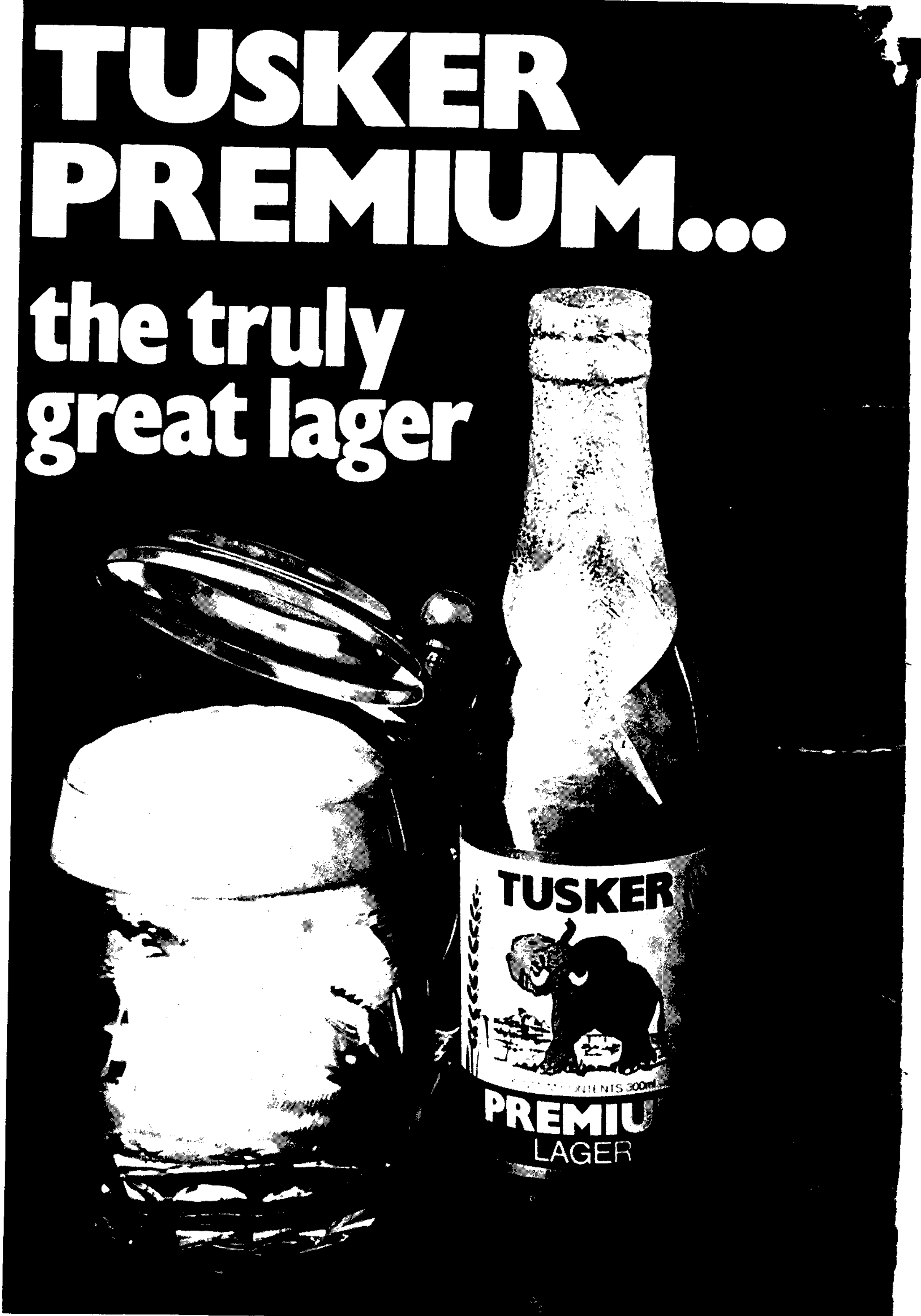
STAMP

Company Registrar
KENYA BREWERIES LIMITED
P.O. BOX 30161,
NAIROBI, KENYA

FOLD 1
KWANZA KUNJA HAPA

FOLD 3
HALAFU KUNJA HAPA

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


TUSKER
PREMIUM...
the truly
great lager
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