Annual Report and Financial Statements for year ended 30 June 1997

Ripoti ya Hesabu za Mwaka uliomalizika 30 Juni 1997

contents
yaliyomo

A galaxy of Gold Medal winners

financial calendar
Kalenda ya fedha

For the year ended 30 June 1997

Financial Calendar
Interim results announced on 20 February 1997
Final results announced on 2 September 1997.

Annual Report
Issued on 30 September 1997
75th Annual General Meeting
to be held on 22 October 1997.

Dividends
Interim
Announced on 20 February 1997
Closing date 17 April 1997
Paid on 16 May 1997
Final
Announced on 2 September 1997
Closing date 30 September 1997
Payable on or about 21 November 1997

Share Price
The Market price per share on
2 September 1997 was Kshs 50.00

Ya mwaka uliomalizika 30 Juni 1997

Kalenda ya Fedha
Matokeo ya muda yalitangazwa 20 Februari 1997.
Matokeo ya mwisho yalitangazwa 2 Septemba 1997

Ripoti ya Fedha
Ripoti ya Mwaka ilitolewa 30 Septemba 1997
Mkutano mkuu wa mwaka wa 75 utafanywa
22 Oktoba 1997

Mgao
Wa muda
Ulitangazwa 20 Februari 1997
Daftari ikafungwa 17 Aprili 1997
Ulilipwa 16 Mei 1997
Wa Mwisho
Ulitangazwa 2 Septemba 1997
Daftari ikafungwa 30 Septemba 1997
Utalipwa mnamo tarehe 21 Novemba 1997

Bei ya Hisa
Bei ya Hisa ilikuwa Kshs 50.00 kwa kila moja
tarehe 2 Septemba 1997.

corporate information

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

Managing Director
M.J. Karanja

Group Finance Director
M.B.R. Charleson

Non Executive Directors
R. Kemoli
I.K. Cheluget
D.J. Nyanjom
J.K. Mwangi
D.H.C. Hampshire
S.S. Lesirma

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

Registrar
G.K. Kamau, CISA, CPS (K)

Registered Office
Tusker House,
P.O. Box 30161 Nairobi, Kenya.
Telephone 864000
Fax 802054 Telex 22628

Auditors
Deloitte & Touche
P.O. Box 40092 Nairobi, Kenya.

Advocates
Kaplan & Stratton
P.O. Box 40111 Nairobi, Kenya.

Subsidiary Companies
Uganda Breweries Limited
Central Glass Industries Limited

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

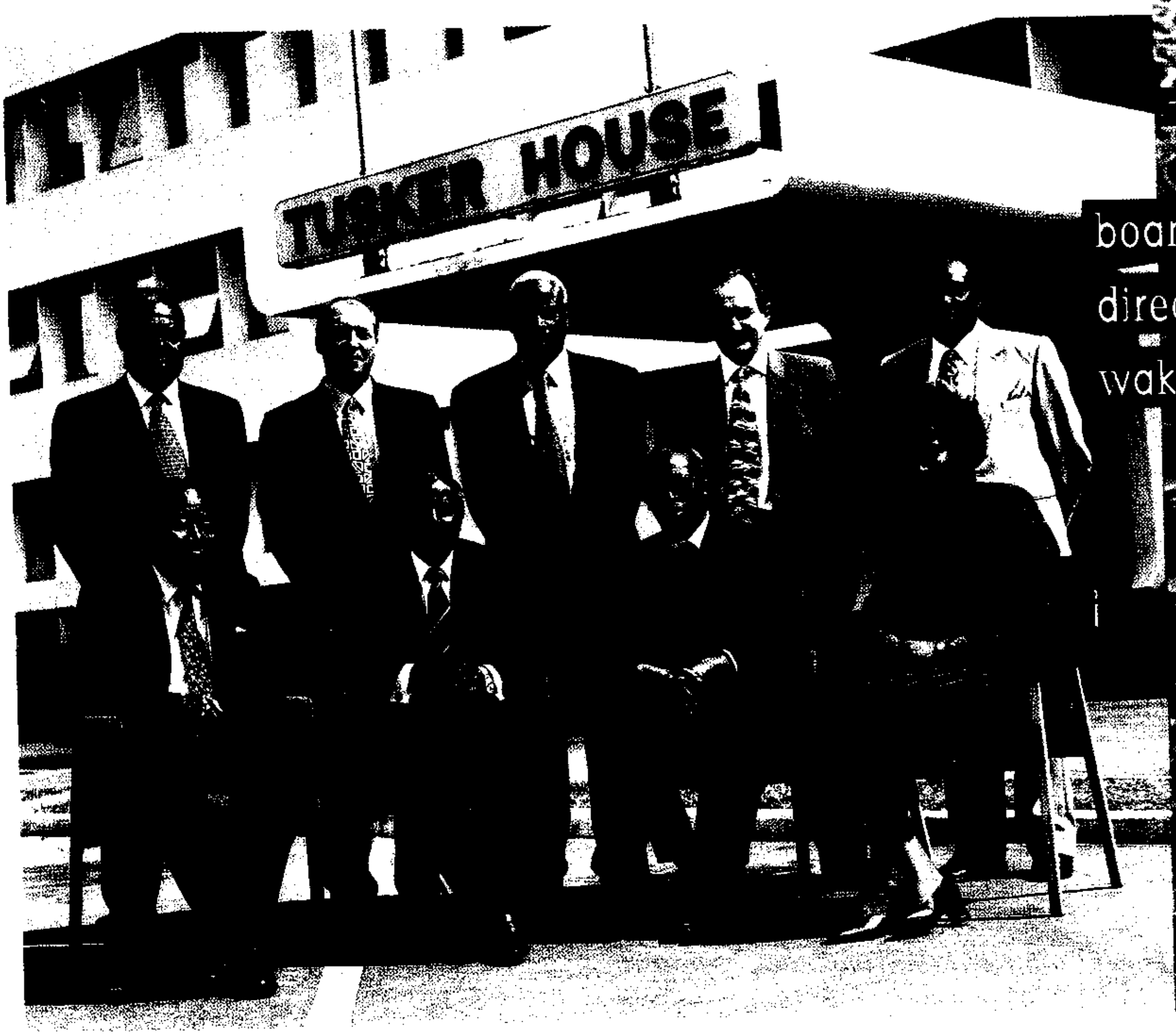
Standard Chartered Bank of Kenya Limited
P.O. Box 72585 Nairobi, Kenya.

Co-operative Bank of Kenya Limited
P.O. Box 48231 Nairobi, Kenya.

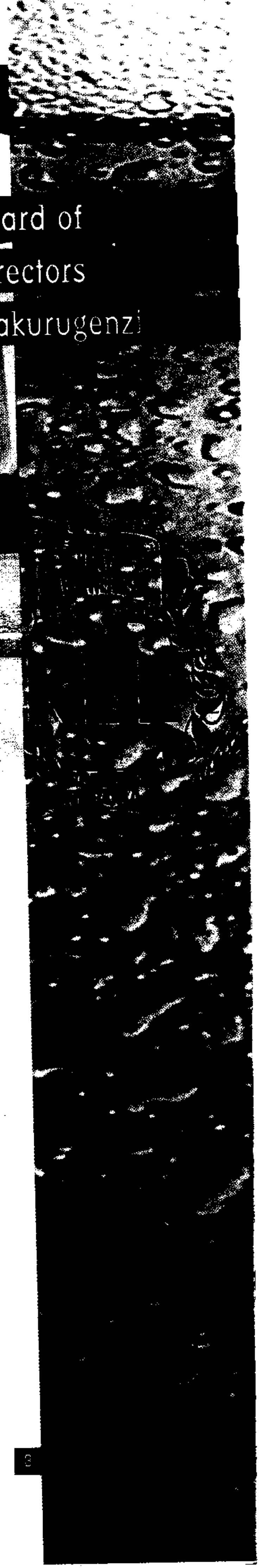
Commercial Bank of Africa Limited
P.O. Box 45136 Nairobi, Kenya.

ABN Amro Bank
P.O. Box 30262 Nairobi, Kenya.

2007/0848



board of directors wakurugenzi



Sitting from left are

D.J. Nyanjom	**Director**
J.G. Kiereini	**Chairman**
M.J. Karanja	**Managing Director**
J.N. Muhoho (Mrs)	**Company Secretary**

Standing from left are

R. Kemoli	**Director**
M.B.R. Charleson	**Group Finance Director**
J.K. Mwangi	**Director**
D.H.C. Hampshire	**Director**
I.K. Cheluget	**Director**

Not present in the group is

S.S. Lesirma (Permanent Secretary to the Treasury of Kenya)	**Director**

notice of meeting

tangazo la mukutano

Notice of Meeting

Notice is hereby given that the Seventy fifth Annual General meeting of the Shareholders will be held at Rift Valley Sports Club, Nakuru on Wednesday 22 October 1997 at 10.00 am.

Ordinary Business

1. To receive and adopt the financial statements for the year ended 30 June 1997 and the reports of the Directors and the Auditors thereon.

Dividend

2. To confirm payment of the interim dividend of Kshs 2.00 per share, and to approve payment of a final dividend of Kshs 4.00 per share on the ordinary share capital payable on or about 21 November 1997 to shareholders registered at the close of business on 30 September 1997.

Directors

3. To re-elect Mr. M.B.R. Charleson who retires by rotation under Article 97 and being eligible offers himself for re-election.
4. To re-elect the Permanent Secretary to the Treasury of Kenya who retires under Article 97 and being eligible offers himself for re-election.
5. To re-elect Mr. Richard Kemoli who retires by rotation under Article 94 and being eligible offers himself for re-election.
6. To re-elect Mr. D. Nyanjom who retires by rotation under Article 94 and being eligible offers himself for re-election. Being 72 years old, Mr. Nyanjom falls under the provision of Section 186 (5) of the Companies Act.
7. To confirm the Directors' remuneration.

Auditors

8. To authorise the Directors to fix the Auditors' remuneration.

Any other business

9. To transact any other ordinary business of the company.

A shareholder entitled to attend and vote may appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

By Order of the Board

J.N. Muhoho (Mrs)
Secretary
30 September 1997

A form of proxy is on page 35 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 am on 18 October 1997.

Tangazo la Mkutano

Tangazo linatolewa hapa kwamba Mkutano Mkuu wa mwaka wa Sabini na tano wa wenyehisa utafanywa katika Rift Valley Sports Club, Nakuru siku ya Jumatano tarehe 22 Oktoba 1997, saa nne asubuhi.

Shughuli za Kawaida

1. Kupokea taarifa ya fedha ya mwaka uliomalizika tarehe 30 Juni 1997 na taarifa ya Wakurugenzi na Wakaguzi wa Vitabu vya Hesabu.

Mgao

2. Kuthibitisha malipo ya mgao wa muda wa Kshs 2.00 kwa kila hisa, na kupitisha mgao wa mwisho wa Kshs 4.00 kwa kila hisa. Malipo haya yanatarajiwa kulipwa mnamo tarehe 21 Novemba 1997 kwa wenyehisa walioandikishwa kwenye daftari ya kampuni tarehe 30 Septemba 1997.

Wakurugenzi

3. Kumchagua tena Bw. M.B.R. Charleson ambaye anastaafu kulingana na masharti na kanuni za kampuni nambari 97, na kwa vile anaweza kuchaguliwa tena anajitolea kuchaguliwa.
4. Kumchagua tena Katibu Mkuu wa wizara ya fedha ya Kenya ambaye anastaafu kulingana na masharti na kanuni za kampuni nambari 97, na kwa vile anaweza kuchaguliwa tena anajitolea achaguliwe.
5. Kumchagua tena Bw. Richard Kemoli ambaye anastaafu kulingana na masharti na kanuni za kampuni nambari 94, na kwa vile anaweza kuchaguliwa tena anajitolea achaguliwe.
6. Kumchagua tena Bw. D.J. Nyanjom ambaye anastaafu kulingana na masharti na kanuni za kampuni nambari 94. Akiwa mwenye umri wa miaka sabini na mbili (72), Bw. Nyanjom yuko chini ya kifungo 186 (5) kulingana na sheria za makampuni.
7. Kuthibitisha malipo ya wakurugenzi.

Wakaguzi

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

Shughuli nyingine

9. Kuzungumza mambo mengine yo yote yanayohusu shughuli za Kampuni.

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

Kwa Amri ya Halmashauri

J.N. Muhoho (Mrs)
Katibu
30 Septemba 1997

Ikiwa mwenyehisa hawezi kuhudhuria mkutano, kuna fomu kwenye ukurasa wa 35 ambayo anatakiwa kujaza na kuituma kwa ofisi kuu ya kampuni ili iweze kufika huko kabla ya saa nane asubuhi tarehe 18 Oktoba 1997.

chairman's statement taarifa ya mwenyekiti

Jeremiah Gitau Kiereini, EGH, EBS, SS: Chairman

Some significant developments in new products, investment in new plant, cost controls and quality management have been achieved at Kenya Breweries in the year under review.

Customer expectations have been met with the introduction of three new products in no less than six months.

Our plan to upgrade core production facilities as stated in my report last year has been completed on schedule. These included an 80,000 unit per hour bottling line at Tusker in Nairobi at a cost of one billion Kenya shillings; and a 40,000 unit per hour bottling line and other improvements at Uganda Breweries at a cost of over eight million US dollars.

Our promise to drive through a staff improvement and multi-skilling initiative has won our first ISO 9002 compliance at our largest brewery – Tusker; and other brewing units are currently moving to win the same badge of excellence.

To our shareholders, I am pleased to confirm that we have been able to balance our investment for future growth with another profitable year.

Maendeleo makuu ya bidhaa mpya, uzuifu gharama, na usimamizi bora yameimarishwa na kampuni yenu katika mwaka unaochunguzwa.

Matumainio ya wateja wetu yametimizwa kwa kuanzishwa bidhaa tatu mpya kwa muda usiozidi miezi sita.

Mipango ya kuimarisha mitambo ya uzalishaji imekamilishwa kwa muda uliotazamiwa kama nilivyowatangazia mwaka uliopita. Hii ni pamoja na mtambo wa kujaza chupa 80,000 kwa saa katika kiwanda cha Tusker Nairobi kwa gharama ya shilingi ya Kenya bilioni moja, na pia mtambo wa kujaza chupa 40,000 kwa saa na marekebisho mengine kwenye kiwanda chetu huko Uganda kwa gharama inayozidi Dolla milioni nane za Marekani.

Ahadi yetu ya kuimarisha ubora wa kazi kwa wafanyakazi wetu na ujuzi mwingi imeshinda sehemu ya kwanza ya shahada ya ISO 9002 katika kiwanda chetu kikubwa zaidi Tusker; na pia sehemu nyingine za kiwanda ziko katika harakati ya kushinda shahada hii ya ubora.

Kwa wenyehisa wetu, nina furaha kuwahakikishia kwamba tumeweza kulinganisha uzalishaji wetu kwa upanuzi wa siku za usoni na mwaka mwingine wa faida.

chairman's statement
taarifa ya mwenyekiti

Results

In the year under review, profit before tax was Kshs 1.2 billion with a satisfactory result from beer sales temporarily depressed by lower returns from Central Glass Industries caused by increased competition and unfavourable export exchange rates.

With the recent commissioning of new bottling lines in Tusker Brewery and Uganda, the Board believes it is now well positioned for the future.

The Board recommends a final dividend of Kshs 4.00, which, together with the interim dividend of Kshs 2.00, makes a total dividend of Kshs 6.00 per ordinary share for the whole year.

KBL Mission

Kenya Breweries – now in its 75th year of operation – was one of the first companies to list on the Nairobi Stock Exchange in 1954.

Our shareholding today contains a strong mix of Kenyan individuals – totalling 23,905; plus institutional money from many of the country's long established pension funds, investment trusts, insurance companies, banks and nominees; and a significant participation by Guinness plc, one of the world's major drinks and brewing corporations. The participation provides access by KBL to Guinness' global research and technical resources. We use this facility extensively.

The results of this partnership continue to provide tangible benefits to both KBL and Guinness.

During the year, the chief executive of Guinness Brewing Worldwide, Brendan O'Neil visited KBL and affirmed in a public statement that Guinness was "very pleased with the partnership".

Matokeo

Katika mwaka tunaouchambua, faida kabla ya kodi ilikuwa shilingi bilioni 1.2 kutokana na uuzaji mwema wa pombe uliokabiliwa na mapato machache kutoka kiwanda cha kutengeneza chupa, yaliyotokana na mashindano makali na hali mbaya ya ubalishanaji wa fedha.

Kutokana na kuanzishwa kwa laini mpya za pombe huko kiwandani Tusker na Uganda, Wakurugenzi wanaamini kuwa kuna mafanikio makubwa kwa siku za usoni.

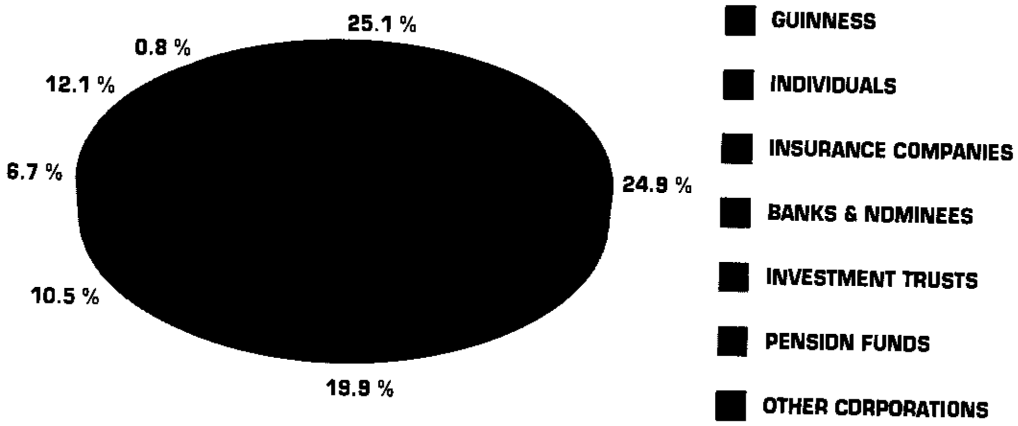
Wakurugenzi wanaidhinisha mgao wa mwisho wa Kshs 4.00 ambao pamoja na mgao wa muda wa Kshs 2.00 unafikia Kshs 6.00 kwa hisa kwa mwaka mzima.

KBL - Ujumbe

Kenya Breweries - sasa ikiwa na miaka 75 tangu ibuniwe - ilikuwa kati ya makampuni ya kwanza kuandikishwa katika shirika la Nairobi Stock Exchange mwaka wa 1954.

Miongoni mwa wenyehisa wetu kuna mchanganyiko maalum wa Wakenya binafsi - Idadi 23,905. Pia fedha za mashirika ya vinywaji kwa muda mrefu hapa nchini kama vile hazina za maisha na malipo ya uzeeni; kampuni za uwekaji rasilmali, kampuni za bima, mabenki na idara zilizochaguliwa kusimamia mali, na pia ule ushirikiano mkuu na Guinness plc - mojawapo ya vinywaji maalum duniani na pia mashirika ya wanywaji. Ushirika huu unaisaidia KBL kuingia katika harakati za utafiti na maarifa ya ufundi ulimwenguni. Tunaitumia nafasi hii vyema.

Matokeo ya ushirika huu yanaendelea kuzipatia KBL na Guinness ufanisi dhahiri.



KBL Share Distribution

During the year, Guinness increased its equity stake in KBL from 21% to 25%.

KBL's tradition of producing pedigree brands is built upon a firm policy of providing good beer at affordable prices. We listen to our customers and we deliver what they want.

This promise is clearly expressed in our mission statement:

To continue being the dominant brewing group in East Africa in terms of sales, profitability, product quality and customer service.

The Competitive Environment

The new competitive environment in the East African beer industry is influencing two positive trends:

- for greater management creativity and efficiency;
- for consumer expectations that products and services will be offered at competitive prices;

There is a third element which is essential for these two influences to work in the best interest of the consumer and our shareholders:

- the regulatory authorities must ensure that taxation of products and conditions for doing business are even-handed.

Tax revenues and the competitive element will suffer otherwise.

The East African governments have made major strides to create a political framework in which a common trading market can now flourish. It could be said that the political harmony process by the Governments of Kenya, Uganda and Tanzania has moved much faster than that essential lubricant for business and investment growth namely – equality in tariffs and trade incentives.

We have seen, however, increased tax discrimination on KBL beers especially in Tanzania where we are now charged Tsh 1100 more per case than Tanzanian made beers.

Investors in the region – and KBL is already a significant one – will only be able to take real advantage when there is greater economic harmony; when all providers of goods and services pay similar taxes; and where both the taxpayer and the government tax recipients will feel the impact of competing products battling for market share at the best prices for consumers.

In this way even-handed tax revenues, especially

Mwakani, Mkurugenzi Mkuu aliye na wadhifa maalum wa kiwanda cha Guinness kote ulimwenguni, Brendan O'Neil alizuru kiwanda chetu na akathibitisha waziwazi kwamba Guinness "imependezwa sana na uhusiano huu."

Guinness iliongeza hisa zake katika KBL kutoka asilimia 21 hadi asilimia 25 mwakani.

KBL imejulikana kwa utengenezaji chapa asili na madhumuni yake ni kutengeneza bia za hali ya juu zaidi kwa bei nafuu. Tunasikiza maoni ya wateja wetu na kuwapa kile wanachotaka.

Ahadi hii inadhihirishwa waziwazi na Wito Wetu:

Kuendelea kuongoza katika kundi la utengenezaji pombe Afrika Mashariki kwa upande wa mauzo, faida, ubora wa bidhaa na huduma za wateja.

Mazingira ya Mashindano

Mazingira mapya ya mashindano katika viwanda vya kutengeneza pombe katika Afrika Mashariki vinavutia mwelekeo kwa njia mbili.

- kuwa mameneja wenye ujuzi mwingi na utendaji mwema
- kuwa matumainio ya wateja kwamba bidhaa na huduma zitatolewa kwa bei nafuu.

Kuna pia jambo la tatu ambalo ni la muhimu kuandamana na haya masharti mawili kwa manufaa ya wateja na wenyehisa wetu.

- idara zenye mamlaka kusimamia kodi za bidhaa lazima zihakikishe kuna hali ya usawa kwa wote wanaohusika.

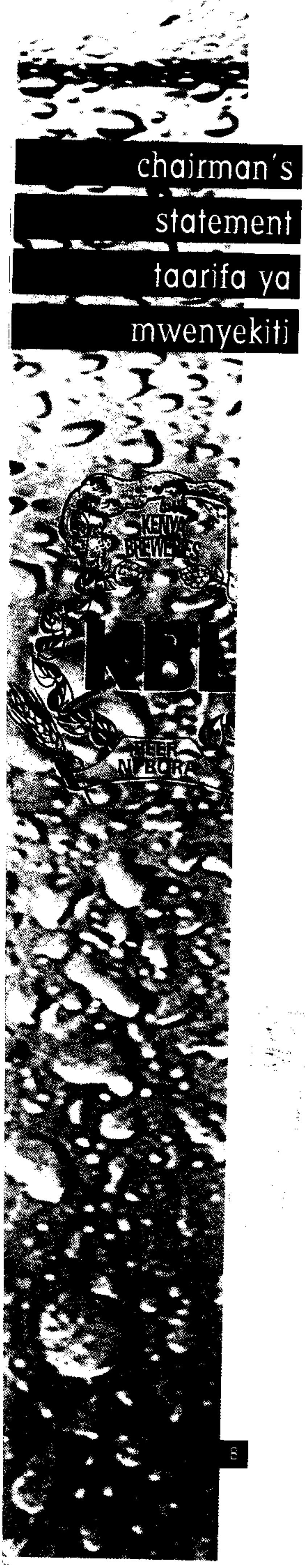
La sivyo ushuru wa mapato na mashindano yataathirika.

Serikali za nchi za Afrika Mashariki zimepiga hatua kubwa na kutekeleza siasa zitakazowezesha soko la jumuia kunawiri. Inasemekana kwamba uhusiano mwema wa kisiasa kati ya serikali za Kenya, Uganda and Tanzania umekwenda kasi zaidi kushinda upanuzi wa biashara na ukuzaji wa raslimali yaani usawa katika kiwango cha ushuru na vitega uchumi.

Tumeona ongezeko la ubaguzi katika utozaji ushuru kwa pombe za KBL nchini Tanzania ambapo tunatozwa sasa ushuru wa Tsh 1100 kwa kila sanduku zaidi ya pombe inayotengenezewa Tanzania.

Wawekaji rasilimali katika kanda hii - na KBL ni muhimu - wataweza kupata manufaa halisi kukiwa na mwafaka wa kiuchumi; wakati watoaji bidhaa na huduma watakapolipa ushuru sawa; wakati

chairman's statement taarifa ya mwenyekiti



from the great majority of low income consumers, will be achieved.

Sales of KBL brands in Tanzania in this financial year are being affected by the Tanzanian government's decision to give preferential rates of tax to non East African made beers. We challenged this decision at the time; and continue to lobby strongly for a review. It is not our intention to lobby the Kenyan Treasury to take similar punitive measures as this is contrary to the spirit of the East African Treaty of Co-operation; and would not be in KBL's long term interests.

In fact, KBL is firmly committed to establishing its own brewery in Tanzania which will enable it to re-build its market base and where it can compete on equal terms with other local breweries.

The immediate growth potential in Tanzania is greater than in Kenya, where KBL has a strong consumer following and adequate brewing capacity for the next decade; and in Uganda, where the brewery capacity is catering for the growth in consumption, and we enjoy strong market share.

Our development initiatives will focus on Tanzania in the immediate future.

The Kenyan Beer Tax System

We have been consistently outspoken during the year on the subject of beer tax system in Kenya. The continued imbalance in tax revenues to the government between malted beers and a range of high alcoholic drinks which hide under the umbrella of traditional beer was reduced only slightly in the June 1997 budget which raised traditional beers from 10% to 15% whilst beer brewed from malt was reduced from 105% to 100% and to 95 % on 28 August 1997. In the same budget, taxes on our Citizen and Guinness brands were raised from 55% to 60%!

The weighted duty reduction on KBL beers was only 5.22%.

When the market shifts to traditional brands, the government continues to be the loser as beer tax revenues from these brands earn less than malted beers. The excise duty rate in Uganda is 65% compared to Kenya's 95%. Kenya's high tax rate has caused the beer market to decline in the last 3 years; whereas both consumption and tax revenues have increased in Tanzania and Uganda over this same period.

wanaolipa ushuru na wanaopokea ushuru serikalini watakoposikia pigo la bidhaa zikishindania ugawaji wa masoko kwa bei nafuu kwa wateja.

Kwa njia hii hata mapato ya serikali kwa kodi hasa kutokana na wateja wengi wenye mapato madogo itatimizwa.

Mauzo ya chapa za KBL huko Tanzania katika mwaka huu wa hesabu yanatatizwa na serikali ya Tanzania kukata kauli kutoza ushuru wenye mapendeleo kwa bia inayotengenezwa na nchi nyingine mbali na ile ya Afrika Mashariki. Tulipinga vikali uwamuzi huu na tunaendelea kutia bidii ili uchunguzwe. Si nia yetu kuishawishi Wizara ya Fedha ya serikali hapa nchini kuchukua hatua za kuadhibu kama hizi kwa kuwa hii haiambatani na moyo wa mkataba wa umoja wa nchi za Afrika Mashariki; na hayambatani pia na matumainio ya kampuni yenu siku za usoni.

Kwa kweli KBL ina madhumuni ya kuanza kiwanda cha utengenezaji bia huko Tanzania ili kujijenga tena katika soko na kutuwezesha tushindane katika masharti sawa na viwanda vya bia Tanzania.

Upanuzi wa ghafula nchini Tanzania ni wa haraka zaidi kuliko nchini Kenya, ambapo KBL ina wanywaji bia wengi na utengenezaji bia maalum kwa miaka kumi ijayo; na huko Uganda ambapo utengenezaji bia unatosheleza mahitaji ya wanywaji wanaoongezeka na tunafurahia kugawana kwa masoko.

Hivi karibuni tutaelekeza harakati zetu za maendeleo huko Tanzania.

Utozaji Ushuru wa Bia ya Kenya

Mwakani tumezungumzia sana juu ya njia zinazotumiwa kutozwa bia ushuru nchini. Njia isiyo sawa ya mapato ya ushuru inayolipwa serikali baina ya bia iliyochachishwa na pombe nyingine nyingi kali zijulikanazo kama pombe za kienyeji ulipunguzwa kidogo tu mwezi wa sita mwaka 1997 kwenye makadirio ya hesabu mwaka wa serikali na kuongeza ushuru katika pombe za kienyeji kutoka asilimia 10 hadi asilimia 15 - ili hali pombe iliyochachishwa ilipunguzwa kutoka asilimia 105 hadi asilimia 100na sasa kwa asilimia 95 kwanzia tarehe 27 Agosti 1997. Kwenye taarifa hiyo bia aina ya Citizen na Guinness zilipanda ushuru kutoka asilimia 55 hadi asilimia 60!

Kwa jumla upungufu wa ushuru wa bia za KBL ulikuwa asilimia 5.22.

Soko linapogeuka kutegemea pombe za kienyeji, serikali huendelea kupoteza mapato ya ushuru kwa

Citizen Leads a Three Product Launch in Six Months

Despite these anomalies, we have successfully developed our own new brands to satisfy Kenyan beer drinkers' needs for quality products at competitive prices.

The three recent additions to the KBL Brand Portfolio

In December 1996, Citizen Lager was launched. The creation of Citizen is a world first. No other brewery corporation has ever made a quality beer from 100% unmalted barley. Citizen is therefore taxed in the barley beer tariff band which is 60% versus 100% for malt beers.

We are thus able to sell Citizen at a retail price that is 13% lower than our other products. It has proved a popular beer at the price conscious end of the market; and is making inroads into the income sectors which have only been offered low (tax cost) traditional beers.

We introduced a Citizen Special five months later; and the brand is now our third largest seller. In March this year, we launched Guinness in a 500 ml bottle – 'Guinness Kubwa' to complement the 300 ml dumpy bottle. The brands continue to perform very well.

Our export brands continue to perform profitably in over ten foreign country markets in Europe, Canada, Japan and Africa. Such sales demonstrate that KBL products compete successfully in tough foreign markets.

Brand Marketing

Our marketing activity continues to accelerate to ensure maximum customer satisfaction, through the choices of products in various bottle sizes and alcohol content and its countrywide availability. Budgets have been expanded to meet this requirement. All brands continue to enjoy customer loyalty.

sababu ushuru unaotozwa hizi pombe ni wa chini mno ukilinganishwa na pombe zilizochachishwa. Nchini Uganda, kadiri ya ushuru ni asilimia 65 ili hali ikilinganishwa na hapa nchini ya asilimia 95. Utozaji kodi wa juu hapa nchini umesababisha soko la pombe kushuka chini mno katika miaka tatu iliopita; ili hali unywaji pombe umeongezeka na pia mapato ya kodi nchini Tanzania na Uganda kwa muda kama huo.

Citizen Yaongoza Chapa Tatu kwa Miezi Sita

Mbali na desturi hii isiyo ya kawaida tumefaulu katika chapa zetu mpya na kutosheleza mahitaji ya wateja wetu hapa nchini kwa kuuza pombe ya hali ya juu kwa bei nafuu.

Citizen Lager ilizinduliwa Desemba mwaka 1996. Kuzinduliwa Citizen ni wa kwanza ulimwenguni. Hakuna kiwanda kingine cha kutengeneza pombe kilichowahi kutengeneza pombe asilimia 100 isiyochachishwa. Ushuru unaotozwa Citizen ni wa kiwango cha pombe isiyochachishwa ambao ni ailimia 60 ilkilinganishwa na asilimia 100 kwa pombe iliyochachishwa.

Hivi sasa tunaweza kuuza bia aina ya Citizen kwa bei ya rejareja iliyo asilimia 13 chini zaidi ya bia nyingine tunazotengeneza. Imedhihirika kwamba ni bia maarufu kwa wateja wanaotunza pesa, na ambayo inapendwa na wenye mapato ya chini.

Tulileta bia aina Citizen Special miezi mitano baadaye na sasa hivi ndiyo bia ya tatu inayonunuliwa sana.

Mwezi Machi mwaka huu, tulizindua aina Guinness Kubwa kwenye chupa ya 500 ml kwa nia ya kutia sifa ile chupa fupi ya 300 ml. Chapa hii inaendelea kupendelewa zaidi.

Chapa zetu tunazouza nchi za nje zimeendelea kuleta faida kutoka masoko zaidi ya kumi katika Europa, Canada, Japan na Afrika. Mauzo haya yanadhihirisha kwamba chapa za KBL zinaendelea kufanya vyema katika masoko ya ng'ambo.

Uuzaji wa Bidhaa

Juhundi zetu za uuzaji zinaendelea kwa kasi na tunahakikisha kwamba wateja wanatosheka kikamilifu, kwa njia ya uchaguzi wa chapa katika chupa za vipimo tofauti na pia kiasi cha ukali wa pombe. Makadilio yameongezwa ili kuhudumia shughuli hii. Chapa zetu zote zinafurahia kuitikiwa na wateja.

Sifa za chapa zinaendelea kutunzwa katika soko, Brand image is projected on a broad range of fronts utilising an increasing variety of media and promotional options.

We are one of the three major sponsors of the National Premier Football League. The name of KBL and its brands go naturally together with football – the sport most Kenyans play.

In rugby, the Tusker Safari Sevens provided another highlight in the calendar; and KBL's long established Festivals of Golf and Darts remain very popular events in the sporting calendar. All these activities play a major role in enhancing brand loyalty.

Performance Audit and Training

The marketing drive is matched by various initiatives to re-appraise all aspects of our operations. We have a range of internal and management audits in process to ensure that our operations continue to perform at their best.

The ongoing training and manpower development initiative expanded to cover specific programmes for 1044 employees – management, executives and unionised. Coupled with the ISO 9002 programme at Tusker, which has since moved to the Kisumu Brewery, and the multi-skilling exercise, I can report that manpower levels have continued to drop through natural attrition.

We are a leaner company with a more ve, work force.

Much more needs to be done. The re-appraisal process will address key operational issues that will lead to other substantial cost savings and efficiencies as we move into the 1998 financial year.

Production Capacity

Demand in Kenya for beer has been falling for five years due largely to the tax cost element referred earlier in my report. Commercial beers subjected as they are to taxes of 100% and more have driven drinkers to the much cheaper traditional beer alternatives, especially in the rural markets where 80% of Kenyans reside.

Whilst we have to contend with this issue, Kenya Breweries has still invested over 1 billion shillings in a new bottling line, empty bottle

tunapowatangazia wateja wetu kwa njia mbali mbali zinazoongezeka.

Sisi ni baadhi ya wadhamini watatu wakubwa wa Ligi Kuu ya Soka nchini. Kwa kawaida jina la KBL na chapa zetu huwa sambamba na mchezo wa soka – mchezo unaopendwa na kuchezwa na Wakenya wengi.

Katika mchezo wa rugby Tusker Safari Sevens ilisifika sana mwakani; katika michezo mingine kama vile gofu na darts ambayo KBL ilianzisha - iliendelea kuwa maarufu na ya muhimu katika kalenda yetu. Michezo hii yote inasaidia kutia sifa chapa zetu.

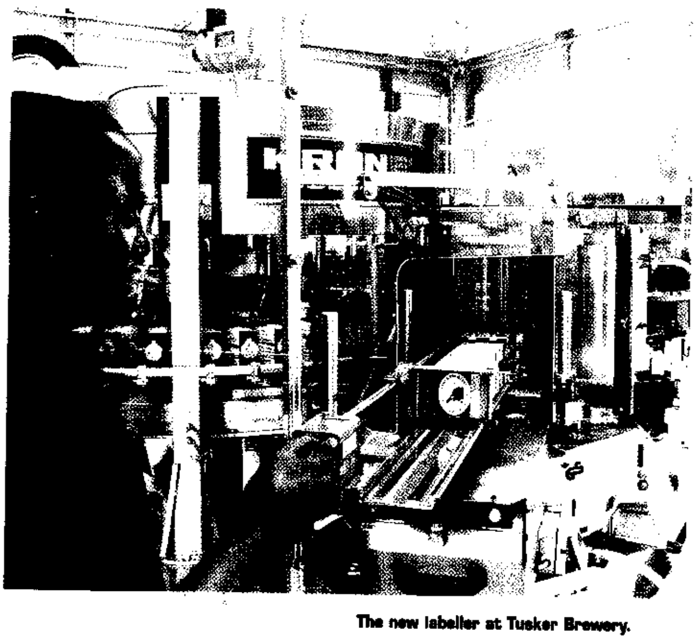
Tekelezo la ukaguzi na mafundisho

Jitihada za uuzaji zinakabiliwa na jukumu la kukadiri njia zetu zote za uuzaji. Tuna mipango ya kukagua jinsi tunavyofanya kazi ili kuhakikisha tunatekeleza uuzaji kwa hali ya juu.

Juhudi za sasa hivi za mafunzo ya wafanyakazi zimehusisha mafundisho maalum ya wafanyakazi 1044 wakiwa mameneja, wakurugenzi na wale wanaowakilishwa na vyama vya wafanyakazi. Ikiambatana na shahada ya ISO 9002 huko Tusker, ambayo kwa sasa imepelekwa kwenye kiwanda cha pombe huko Kisumu, naweza kutangaza kwamba idadi ya wafanyakazi haijapungua isipokuwa upungufu unaoletwa na mambo ya kawaida ya kustaafu.

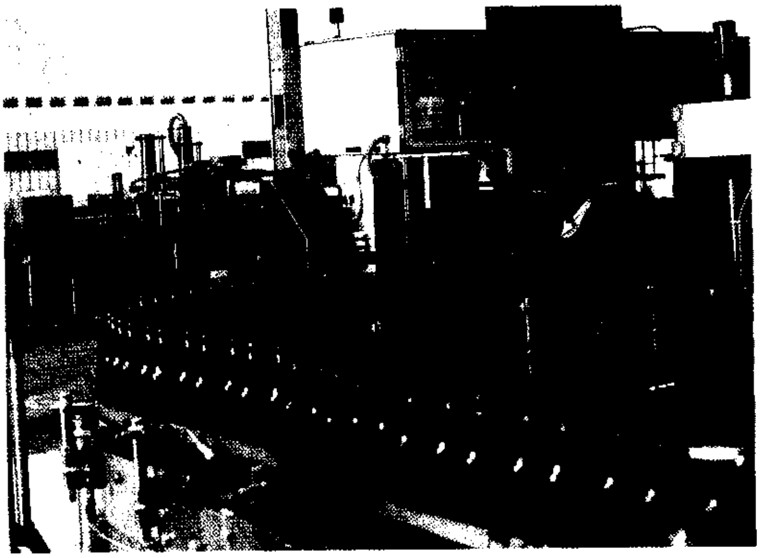
Kampuni yetu ina wafanyakazi wenye ujuzi mwingi.

Mengine mengi yanatakikana kufanywa. Uchambuzi huu utatoa shughuli nyingi za utendaji utakapoelekea kupunguzwa kwa gharama na ustadi tunapoingia mwaka wa hesabu wa 1998.



The new labeller at Tusker Brewery.

inspectors, fill height and full crate checkers at Tusker which, through greater efficiencies, will reduce production costs considerably.



Taking KBL into the second millineum: The utra-modern state of the art bottling line installed at the Tusker Brewery recently.

In Uganda a similar modernisation programme has been completed so that costs and capacity will benefit. Therefore we have modern plant easily able to cope with future demand in Kenya and Uganda for the next five years and beyond.

In Tanzania we plan to commence construction of our own brewery in Moshi before the end of the year.

Central Glass Industries

CGI had to contend with many difficulties beyond its immediate control which put pressure upon its sales and profitability. Power rationing necessitated the commissioning of a generator which at least

Manufacturing high quality bottles for the domestic and export markets.

Kiasi cha Uzalishaji

Mahitaji ya bia humu nchini yameedelea kushuka kwa muda wa miaka mitano hasa kutokana na ushuru ambao nilizungumzia hapo awali. Pombe itengenezwayo kibiashara hutozwa ushuru hadi asilimia mia na imewabidi wateja wengi kuanza kutumia pombe ya kienyeji ya bei ya chini, hasa mashambani ambapo asilimia 80 ya wananchi huishi.

Ingawa tumekabiliwa na tatizo hili, Kenya Breweries imetumia zaidi ya shilingi bilioni moja kuweka mtambo mpya wa kujaza bia, ukaguzi wa chupa tupu, kiwango kinachotakikana kujaza chupa na uchunguzi wa chupa zilizo katika sanduku katika kiwanda cha Tusker ambapo kwa ustadi itapunguza sana gharama ya uzalishaji.

Nchini Uganda mipango mipya ya aina hii imekamilika ili kupunguza gharama na kuongeza nafasi za uzalishaji. Kwa hivyo tuna mitambo ya kisasa inayoweza kukabiliana na mahitaji ya bia siku za usoni hapa nchini na pia huko Uganda kwa miaka mitano ijayo na zaidi.

Huko Tanzania tunatarajia kuanzisha kiwanda kipya mjini Moshi kabla ya mwisho wa mwaka huu.

Central Glass Industries

CGI ilikumbwa na matatizo mengi ambayo hayangeweza kutatuliwa haraka na hii ilisababisha shinikizo kwa mauzo na faida. Ugawaji wa nguvu za umeme uliibidisha kununuliwa kwa mtambo unaotoa nguvu za umeme na kuwezesha uzalishaji hadi asilimia 50 wakati wa ukosefu wa nguvu za umeme ingawaje kwa bei ya juu kuliko kawaida.

Uzalishaji uliendelea kwa hali ya juu na chupa milioni 71 zilitengenezwa ikiwa ni

chairman's statement taarifa ya mwenyekiti

enabled up to 50% production during outages, but at a much higher cost than normal.

Production continued at a high capacity with 71 million bottles made of which 46.7% were exported. Unfavourable US dollar exchange rates worked against the expected margins. CGI's future performance potential depends upon growth in the local economy – something which is not foreseen for 1998.

New Barley Variety

Barley grown in Kenya still costs more than world market averages. Kenya Breweries has researched on a new variety HKBL 308-5 which will be released as a replacement for Bima variety in November 1997. It is hoped that the introduction of the new variety coupled with efforts for improved crop husbandry will make the locally produced barley price more competitive. If this is not achieved, then we may have to consider importing barley – something which would work against our long standing commitment to support local agriculture to the tune of Kshs 1 billion per year.

The Future

We entered the year aware that we had a demanding schedule of developments to complete. This could not have been done without the full commitment, energy and loyalty of our management team and equally of all our work force. I would like to record mine and the board's thanks for their help in what proved a very exacting and demanding year.

I would like to thank our shareholders too for their continued support. Your elected board members will continue to ensure we meet the challenges of change and growth of what is now a very competitive environment.

We have worked closely with our bankers, suppliers and advisers in all the developments for the year and we thank them for their help and enthusiastic participation.

To our customers, I say we will continue to give you value for your shilling. We know what East Africans want to drink better than anyone else; and we will continue to be the most creative and efficient brewing company in East Africa.

Kenya is entering a period of increased political

asilimia 46.7 ambazo ziliuzwa nchi za nje. Ubadilishanaji wa fedha usiofaa wa Dolla za Marekani uliathiri mapato yaliyotegemewa. Utendaji wa CGI's wa siku za usoni utategemea kuimarika kwa hali ya uchumi nchini - Jambo ambalo halibashiriwi mwaka wa 1998.

Chaguo Jipya la Shayiri

Shayiri inayokuzwa Kenya imeendelea kuwa ghali zaidi ikilinganishwa na soko la kadiri la dunia. Kenya Breweries imefanya utafiti wa chaguo jipya HKBL 308-5 ambalo lilitolewa kama badilisho la aina Bima mnamo Novemba 1997. Inatarajiwa kwamba kuanzishwa kwa chaguo hili jipya na sera mpya ya kilimo itawezesha bei ya shayiri ikuzwayo hapa nchini kuwa ya ushindani. Kama hii haitawezekana basi itatubidi kuagiza shayiri kutoka nchi za nje – jambo ambalo litaathiri nia yetu ya kusaidia ukulima hapa nchini kwa kiasi kifikacho shilingi bilioni moja kwa mwaka.

Siku za Usoni

Tulianzisha mwaka tukijua tuna jukumu zito la kuimarisha maendeleo. Hii haingewezekana bila ya kujitolea, nguvu na pia unyenyekevu wa kundi la mameneja na wafanyakazi wote kwa jumla. Ningependa kutoa shukurani zangu na pia za wakurugenzi kwa usaidizi huu kwani ulikuwa mwaka mgumu zaidi.

Ningependa pia kuwashukuru wenyehisa wetu kwa kuendelea kutuunga mkono. Wakurugenzi wenu wataendelea kuhakikisha wameweza kukabiliana na mabadiliko na vile vile kukua jambo ambalo liko katika mazingira yenye ushindani.

Tumefanya kazi kwa uhusiano mwema sana na mabenki, wasaidizi na pia washauri kwa maendeleo katika mwaka na tunawashukuru kwa usaidizi na kushiriki kwa bidii.

Ningewahakikishia wateja wetu kwamba tutaendelea kuwapatia bidhaa zenye thamani kwa pesa zao. Tunatambua kile watu wa Afrika Mashariki wanapenda kunywa vyema zaidi ya wengine, na tutaendelea kuwa wavumbuzi na wazalishaji bora katika Afrika Mashariki.

Kenya imeanza kufunikwa na mawimbi mazito ya siasa wakati harakati za uchaguzi mkubwa zimechacha. Usimamizi wa uchumi wakati kama huu activity as the general election process moves into high gear. The management of the economy at such a time requires vision and commitment to foster growth and prevent inflationary pressures taking hold. We at KBL have made real strides in creating a cost efficient organisation. In the employment field, up to half a million people earn an income either directly or indirectly from the beer industry. KBL is one of the major providers of tax revenue in all three East African countries.

We will work diligently to ensure better and more efficient production. In turn we will depend upon the support of the government's regulatory bodies to ensure sound and equitable tax levies within the drinks industry. In this framework, we will continue to run a profitable company and fulfill the aims of our corporate mission.

J. G. Kiereini
Chairman

unahitaji busara ili kuendeleza ukuzaji na pia kuzuia mfumko wa bei. Sisi katika KBL tumepiga hatua halisi kuunda kampuni inayoendeshwa vyema kifedha. Mintarafu ya wanfanyakazi, takriban nusu milioni wanapata riziki zao kutoka uchumi huu, kwa njia moja ama nyingine. KBL ni moja ya makampuni makubwa yanayolipa kodi katika Afrika Mashariki.

Tutafanya kazi kwa bidii kuhakikisha uzalishaji mwema na wa hali ya juu. Kadhalika tutategemea usaidizi wa mamlaka ya serikali inayohakikisha usawa katika ushuru unaotozwa viwanda vya kinywaji. Kwa mpango huu, tutaendelea kujenga kampuni yenye faida na kutimiza shabaha ya wito wetu.

J.G. Kiereini
Mwenyekiti

report of the directors

The directors have pleasure in presenting the audited financial statements for the year ended 30 June 1997 to be submitted to the shareholders at the Seventy fifth annual general meeting of the company to be held at Rift Valley Sports Club, Nakuru on Wednesday 22 October 1997 at 10.00 a.m.

Activities

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

Consolidated Profit & Loss Account

		Kshs'000	Kshs'000
Profit before taxation			1,157,946
Taxation			251,348
Profit before minority interest			906,598
Minority interest			35,720
Profit attributable to shareholders			870,878
Dividends			
Interim paid	: Kshs 2.00 per share	131,043	
Final proposed	: Kshs 4.00 per share	262,086	393,129
Retained profit transferred to revenue reserve			477,749

Directors

Mr. A.G. Alcock resigned from the Board on 30 June 1997 and in accordance with article 95 of the Articles of Association, Mr. M.B.R. Charleson was appointed to the Board on 1 July 1997. He retires and being eligible offers himself for re-election.

Mr. Benjamin K. Kipkulei resigned from the Board on 1 January 1997 and in accordance with article 95 of the Articles of Association, the Permanent Secretary to the Treasury of Kenya was appointed to the Board on 2 September 1997. He retires and being eligible offers himself for re-election.

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

In accordance with article 94 of the Articles of Association, Mr. O.J. Nyanjom retires by rotation and being eligible offers himself for re-election. Being 72 years of age he falls under the provision of section 186 (5) of the Companies Act.

Auditors

Gill & Johnson and Deloitte & Touche are operating names of the same practice. At the request of the directors, the audit report has been signed using the name Deloitte & Touche. Accordingly, Deloitte & Touche 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
2 September 1997

Wakurugenzi wana furaha kuwasilisha taarifa ya fedha iliyokaguliwa ya mwaka uliomalizika 30 Juni 1997 ambayo itatolewa kwa wenyehisa kwenye mkutano wa mwaka wa Sabini na tano wa kampuni, utakaofanywa Rift Valley Sports Club, Nakuru tarehe 22 Oktoba 1997 saa nne asubuhi.

Shughuli

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

Faida na Hasara ya kundi		**Kshs'000**	**Kshs'000**
Faida kabla ya kutoa kodi			1,157,946
Kodi			251,348
Faida kabla ya kutenga kundi la wachache			906,598
Faida ya kundi la wachache			35,720
Faida ya wenyehisa			870,878
Mgao			
Mgao wa muda uliolipwa	: Kshs 2.00 kila hisa	131,043	
Mgao wa mwisho ulipendekezwa	: Kshs 4.00 kila hisa	262,086	393,129
Faida iliyotengwa na kuwekwa kwenye akiba kuu			477,749

Wakurugenzi

Bwana A.G. Alcock alistaafu kwenye halmashauri ya wakurugenzi tarehe 30 Juni 1997. Kulingana na sharti nambari 95 la maagizo na masharti ya kampuni, Bwana M.B.R. Charleson aliteuliwa kama mkurugenzi tarehe 1 July 1997. Anastaafu, na kwa vile anaweza kuchaguliwa, amejitolea kuchaguliwa tena.

Bwana Benjamin K. Kipkulei alijiuzulu kama mkurugenzi tarehe 1 Januari 1997 na kwa mujibu wa sharti nambari 95 ya masharti ya kampuni, Katibu Mkuu wa wizara ya fedha wa Kenya aliteuliwa kama mkurugenzi tarehe 2 Septemba 1997. Anaondoka kitini mwake kwa zamu, na kwa kuwa anastahili kuchaguliwa amejitolea kuchaguliwa tena.

Kufuatia sharti nambari 94 la masharti ya kampuni, Bwana Richard Kemoli anastaafu kwa zamu, na kwa vile anaweza kuchaguliwa tena, amejitolea achaguliwe.

Kufuatia sharti nambari 94 la kanuni na maagizo ya kampuni, Bwana O.J. Nyanjom anastaafu kwa zamu, na kwa vile anaweza kuchaguliwa tena, amejitolea achaguliwe. Kwa vile ametimiza miaka sabini na mbili (72) yuko chini ya kifungo 186 (5) kulingana na sheria za makampuni.

Wakaguzi

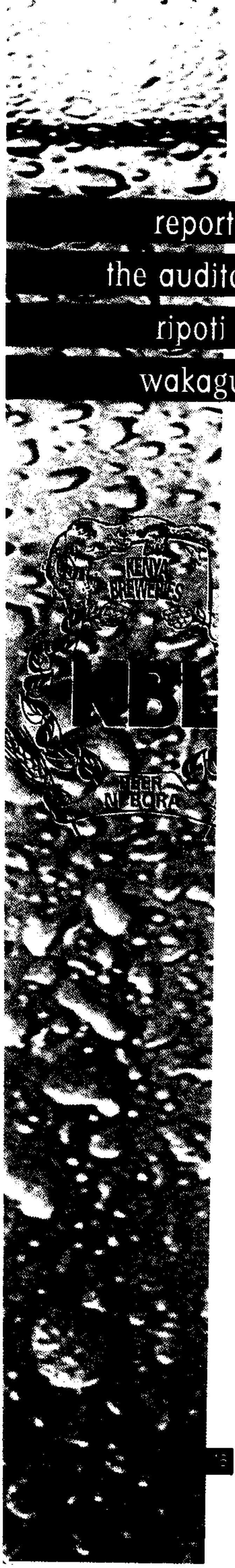
Gill & Johnson na Deloitte & Touche ni majina ya wakaguzi wetu. Kwa minajili ya wakurugenzi taarifa hii imetiwa sahihi kwa kutumia jina la Deloitte & Touche. Kwa hivyo, Deloitte & Touche wataendelea na kazi hii kufuatia kifungu nambari 159 (2) cha sheria za kampuni.

Wafanyikazi

Wakurugenzi wana furaha kubwa kwa mara nyingine tena, kutoa shukrani zao kwa wafanyikazi wote wa kampuni kwa juhudi zao.

Kwa Amri ya Halmashauri

J.N. Muhoho (Mrs)
Katibu
2 Septemba 1997



report of the auditors
ripoti ya wakaguzi

Deloitte & Touche

To the members of Kenya Breweries Limited

We have audited the financial statements on pages 17 to 29 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 misstatement. 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 statement 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 1997 and of the profit and cash flows of the group for the year ended on that date.

Deloitte & Touche
Certified Public Accountants

Nairobi

2 September 1997

Kwa wenyehisa wa Kenya Breweries Limited

Tumekagua taarifa za fedha katika ukurasa za 17 hadi 29 na tumepata habari na maelezo yote yanayohitajika 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 vinavyokubalika kwa kawaida. Viwango hivi vinahitaji kupanga na kutekeleza ukaguzi ili kupata uhakika iwapo taarifa hizo za fedha hazina kasoro. Ukaguzi unahusu upimaji ili kupata ushahidi unaothibitisha kiasi kinachoonyeshwa katika taarifa za fedha, pia kupima mbinu zilizotumika na makadirio muhimu yaliyofanywa na wakurugenzi na kuthamini kwa jumla taarifa za fedha iliyotolewa.

Kwa maoni yetu:

a) kampuni imetunza vitabu vya hesabu kwa ukamilifu, na taarifa za fedha za kampuni zinaambatana na vitabu hivyo.

b) taarifa za fedha zinaambatana na zinakubaliana na sheria za makampuni na zinaonyesha picha halisi za hali ya kampuni na kweli lake kama ilivyokuwa tarehe 30 Juni 1997 pamoja na mapato na mielekeo ya fedha katika mwaka unaomalizika tarehe hiyo.

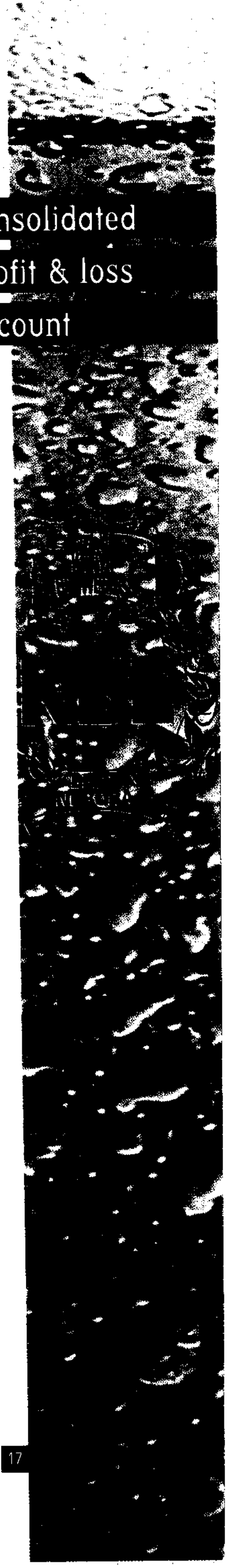
Deloitte & Touche
Certified Public Accountants

Nairobi

2 Septemba 1997

Deloitte Touche Tohmatsu International

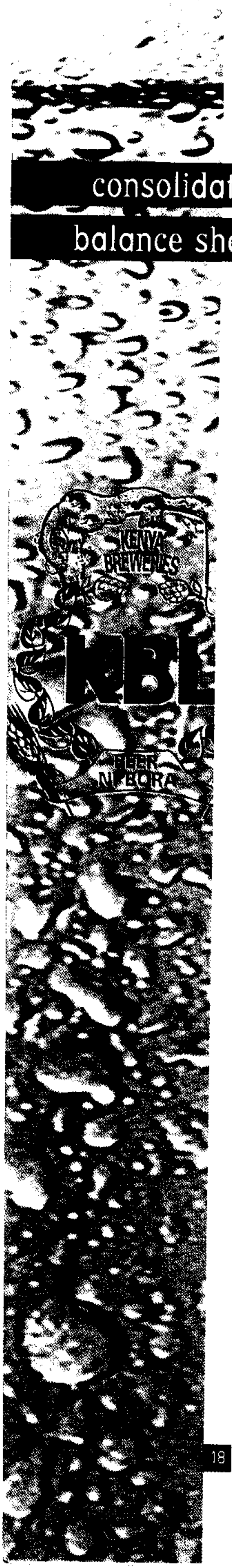
consolidated profit & loss account



For the year ended 30 June 1997

	Note	1997 Kshs'000	1996 Kshs'000
Turnover:			
Gross		**22,952,678**	22,351,009
Indirect taxes		**12,102,768**	12,005,479
Net		**10,849,910**	10,345,530
Operating profit	2	**1,373,890**	1,650,964
Interest receivable	3	**36,669**	23,200
Interest payable	3	**(385,753)**	(401,025)
Profit before exceptional items		**1,024,806**	1,273,139
Exceptional items	4	**133,140**	(338,907)
Profit before taxation		**1,157,946**	934,232
Taxation	5	**(251,348)**	(428,709)
Profit before minority interest		**906,598**	505,523
Minority interest		**(35,720)**	(87,657)
Profit attributable to shareholders	6	**870,878**	417,866
Dividends (gross)	7	**(393,129)**	(327,608)
Retained profit for the year	16	**477,749**	90,258
Earnings per share (Kshs)	8	**13.29**	6.45

consolidated balance sheet



30 June 1997

	Note	1997 Kshs'000	1996 Kshs'000
FIXED ASSETS	9	**8,841,379**	8,255,677
OTHER INVESTMENTS	11	**83,273**	80,614
		8,924,652	8,336,291
CURRENT ASSETS			
Stocks	12	**3,386,634**	3,389,104
Debtors	13	**879,948**	660,284
Taxation recoverable		**47,856**	-
Bank balances and cash		**190,183**	137,540
		4,504,621	4,186,928
CURRENT LIABILITIES			
Creditors	14	**2,297,534**	2,166,999
Taxation payable		**8,061**	82,548
Loan instalments due within 12 months	17	**255,957**	192,015
Proposed dividend (gross)		**262,086**	229,326
Bank overdrafts (secured)		**661,312**	896,471
		3,484,950	3,567,359
NET CURRENT ASSETS		**1,019,671**	619,569
		9,944,323	8,955,860
Financed by:			
SHARE CAPITAL	15	**655,216**	655,216
RESERVES	16	**7,896,456**	7,457,305
SHAREHOLDERS' FUNDS		**8,551,672**	8,112,521
LONG TERM LOANS	17	**1,116,477**	591,745
MINORITY INTEREST		**276,174**	251,594
		9,944,323	8,955,860

The financial statements on pages 17 to 29 were approved by the board of directors on 2 September 1997 and were signed on its behalf by:

J. G. Kiereini – Director

M. B. R. Charleson – Director

30 June 1997

company balance sheet

	Note	1997	1996
FIXED ASSETS	9	**7,027,415**	6,674,395
INVESTMENT IN SUBSIDIARY COMPANIES	10	**425,911**	425,451
OTHER INVESTMENTS	11	**83,273**	80,614
LOANS TO A SUBSIDIARY COMPANY		**453,367**	264,834
		7,989,966	7,445,294
CURRENT ASSETS			
Stocks	12	**2,812,007**	2,834,792
Debtors	13	**696,396**	492,586
Due from subsidiary companies		**14,558**	12,740
Taxation recoverable		**47,856**	-
Bank balances and cash		**11,548**	17,461
		3,582,365	3,357,579
CURRENT LIABILITIES			
Creditors	14	**1,931,836**	1,850,921
Taxation		-	81,984
Due to subsidiary companies		-	4,250
Loan instalments due within 12 months	17	**48,750**	58,750
Proposed dividend (gross)		**262,086**	229,326
Bank overdrafts (secured)		**604,669**	729,702
		2,847,341	2,954,933
NET CURRENT ASSETS		**735,024**	402,646
		8,724,990	7,847,940
Financed by:			
SHARE CAPITAL	15	**655,216**	655,216
RESERVES	16	**7,420,711**	6,994,911
SHAREHOLDERS' FUNDS		**8,075,927**	7,650,127
LONG TERM LOANS	17	**649,063**	197,813
		8,724,990	7,847,940

The financial statements on pages 17 to 29 were approved by the board of directors on 2 September 1997 and were signed on its behalf by:

J. G. Kiereini – Director

M. B. R. Charleson – Director

consolidated cash flow statement

For the year ended 30 June 1997

	Note	1997	1996
		Kshs'000	Kshs'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	18 (a)	**1,920,917**	2,038,156
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Hire purchase interest		**(14,062)**	(18,121)
Interest received		**36,669**	23,200
Interest paid		**(352,485)**	(357,147)
Dividend received		**-**	8,603
Dividends paid		**(326,584)**	(270,407)
Dividends paid to minorities		**-**	(3,049)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		**(656,462)**	(616,921)
TAXATION PAID		**(373,657)**	(343,479)
INVESTING ACTIVITIES			
Purchase of fixed assets	18 (b)	**(1,405,598)**	(539,487)
Proceeds on disposal of fixed assets		**238,995**	111,501
Increase of shareholding in a subsidiary company		**-**	(46,855)
Purchase of investments		**(3,119)**	(37,612)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(1,169,722)**	(512,453)
FINANCING			
Hire purchase instalment payments		**(32,144)**	(30,601)
New loans received	18 (c)	**861,105**	137,863
Repayment of amounts borrowed	18 (c)	**(257,876)**	(693,346)
Proceeds from issue of shares		**-**	84,481
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		**571,085**	(501,603)
INCREASE IN CASH AND CASH EQUIVALENTS	18 (d)	**292,161**	63,700

notes to the financial statements

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, all of which are made up to 30 June. The financial statements of foreign subsidiaries are translated using the closing rate/net investment method.

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 freehold land. Other assets are depreciated to write off the cost or valuation in equal annual instalments at the following annual rates:

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 shilllings 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. Exchange differences are dealt with in the profit and loss account.

Taxation

Current taxation is provided on the basis of the results for the year as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred taxation is accounted for to the extent that it is probable that the relevant timing differences will reverse in the foreseeable future.

2 OPERATING PROFIT

	1997 Kshs'000	1996 Kshs'000
Operating profit is arrived at after charging:		
Depreciation	**666,519**	645,355
Directors' emoluments:		
Fees	**927**	862
Other	**59,828**	41,888
Auditors' remuneration	**6,509**	6,103
and after crediting:		
Profit on sale of fixed assets other than residential properties	**11,443**	29,763

		1997 Kshs'000	1996 Kshs'000
3	**INTEREST**		
	Interest receivable:		
	Bank deposits	**36,669**	23,200
	Interest payable:		
	Long term loans	**289,400**	287,569
	Short term loans and bank overdrafts	**82,006**	95,698
	Hire purchase arrangements	**14,347**	17,758
		385,753	401,025
4	**EXCEPTIONAL ITEMS**		
	Early retirement benefits paid	**-**	338,907
	Profit on sale of company residential properties	**133,140**	-
		133,140	338,907
5	**TAXATION**		
	Based on the adjusted profit for the year:		
	Current taxation	**248,932**	428,709
	Under provision in prior years	**2,416**	-
		251,348	428,709

The profit for taxation purposes is significantly lower than the profit before taxation mainly due to excess of capital allowances over depreciation.

At 30 June 1997 there were tax losses in subsidiary companies amounting to Kshs 849,162,000 (1996 - Kshs 761,295,000) available to be offset against future chargeable income by those companies.

6 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

A profit after taxation of Kshs 825,923,000 (1996 - Kshs 239,591,000) has been dealt with in the books of Kenya Breweries Limited.

7 DIVIDENDS (gross)

		1997 Kshs'000	1996 Kshs'000
Interim paid;	Kshs 2.00 per share	**131,043**	98,282
Final proposed;	Kshs 4.00 per share	**262,086**	229,326
		393,129	327,608

8 EARNINGS PER SHARE

Earnings per share has been calculated on the profit after taxation and minority interest of Kshs 870,878,000 (1996 - Kshs 417,866,000) and on the 65,521,577 ordinary shares in issue during the year.

9 FIXED ASSETS

GROUP	Freehold properties	Long leasehold properties	Short leasehold properties	Plant and equipment	Motor vehicles	Capital work in progress	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
COST OR VALUATION							
At 1 July 1996	1,675,073	1,989,629	44,955	5,468,993	617,222	394,136	10,190,008
Exchange adjustments	-	(21,456)	-	(19,284)	(2,742)	(7,636)	(51,118)
Additions	-	711	-	20,423	182,644	1,201,820	1,405,598
Transfers	-	84,643	-	1,447,763	-	(1,532,406)	-
Disposals	(54,500)	(40,262)	(5,250)	(210)	(15,538)	-	(115,760)
Written-off	-	-		(2,500)	-	(120)	(2,620)
Adjustments	(4,941)	(2,800)	-	(11,586)	-	-	(19,327)
At 30 June 1997	**1,615,632**	**2,010,465**	**39,705**	**6,903,599**	**781,586**	**55,794**	**11,406,781**
Comprising:							
At cost	8,963	456,695	-	3,190,073	781,586	55,794	4,493,111
At valuation 1988	-	-	-	102,812	-	-	102,812
At valuation 1994	1,226,140	1,200,130	39,705	3,610,714	-	-	6,076,689
At valuation 1996	380,529	353,640	-	-	-	-	734,169
	1,615,632	**2,010,465**	**39,705**	**6,903,599**	**781,586**	**55,794**	**11,406,781**
DEPRECIATION							
At 1 July 1996	6,430	70,925	13,045	1,488,245	355,686	-	1,934,331
Exchange adjustments	-	(3,664)	-	(6,249)	(1,688)	-	(11,601)
Charge for the year	39,021	53,030	3,742	459,486	111,240	-	666,519
Eliminated on disposals	(2,583)	(3,751)	(1,843)	(170)	(13,001)	-	(21,348)
Eliminated on write-offs	-	-	-	(1,917)	-	-	(1,917)
Adjustments	(170)	(412)	-	-	-	-	(582)
At 30 June 1997	**42,698**	**116,128**	**14,944**	**1,939,395**	**452,237**	**-**	**2,565,402**
NET BOOK VALUE							
At 30 June 1997	**1,572,934**	**1,894,337**	**24,761**	**4,964,204**	**329,349**	**55,794**	**8,841,379**
At 30 June 1996	1,668,643	1,918,704	31,910	3,980,748	261,536	394,136	8,255,677

Fixed assets with a cost of Kshs 311,220,000 (1996 - Kshs 196,939,000) were fully depreciated at 30 June 1997. The normal depreciation charge in respect of these assets for the year would have been Kshs 52,220,000 (1996 - Kshs 48,139,000).

During the year, an arbitration awarded a subsidiary company Kshs 11,586,000 against a loan received in the form of fixed assets. Fixed assets and loans payable have been adjusted accordingly.

9 FIXED ASSETS (continued)

COMPANY	Freehold properties Kshs'000	Long leasehold properties Kshs'000	Short leasehold properties Kshs'000	Plant and equipment Kshs'000	Motor vehicles Kshs'000	Capital work in progress Kshs'000	Total Kshs'000
COST OR VALUATION							
At 1 July 1996	1,674,908	1,595,630	44,955	3,891,743	545,550	260,513	8,013,299
Additions	-	-	-	16,297	169,028	764,948	950,273
Transfers	-	67,017	-	945,604	-	(1,012,621)	-
Disposals	(54,500)	(33,500)	(5,250)	-	(8,552)	-	(101,802)
Written off	-	-	-	(2,500)	-	(120)	(2,620)
Adjustments	(4,776)	(2,800)	-	-	-	-	(7,576)
At 30 June 1997	**1,615,632**	**1,626,347**	**39,705**	**4,851,144**	**706,026**	**12,720**	**8,851,574**
Comprising:							
At cost	8,963	72,577	-	1,240,430	706,026	12,720	2,040,716
At valuation 1994	1,226,140	1,200,130	39,705	3,610,714	-	-	6,076,689
At valuation 1996	380,529	353,640	-	-	-	-	734,169
	1,615,632	**1,626,347**	**39,705**	**4,851,144**	**706,026**	**12,720**	**8,851,574**
DEPRECIATION							
At 1 July 1996	6,430	17,019	13,913	991,110	310,432	-	1,338,904
Charge for the year	39,021	45,163	2,874	319,098	96,217	-	502,373
Eliminated on disposals	(2,583)	(2,728)	(1,843)	-	(7,465)	-	(14,619)
Written back on write offs	-	-	-	(1,917)	-	-	(1,917)
Adjustments	(170)	(412)	-	-	-	-	(582)
At 30 June 1997	**42,698**	**59,042**	**14,944**	**1,308,291**	**399,184**	**-**	**1,824,159**
NET BOOK VALUE							
At 30 June 1997	**1,572,934**	**1,567,305**	**24,761**	**3,542,853**	**306,842**	**12,720**	**7,027,415**
At 30 June 1996	1,668,478	1,578,611	31,042	2,900,633	235,118	260,513	6,674,395

Fixed assets with a cost of Kshs 286,266,000 (1996 - Kshs 175,999,000) were fully depreciated at 30 June 1997. The normal depreciation charge in respect of these assets for the year would have been Kshs 47,429,000 (1996 - Kshs 42,507,000).

10 INVESTMENT IN SUBSIDIARY COMPANIES

	1997 Kshs'000	1996 Kshs'000
Unquoted:		
Wholly owned; at cost:-		
Salopia Limited	**200**	200
Allsopps (E.A.) Sales Limited	**2**	2
	202	202
Uganda Breweries Limited 74% owned; at cost	**72,349**	71,889
Central Glass Industries Limited 84% owned; at cost less provision	**353,360**	353,360
	425,911	425,451

11 OTHER INVESTMENTS

	1997 Kshs'000	1996 Kshs'000
Unquoted:		
4,000 ordinary shares in Sen-Tech Limited at cost – 20%	**400**	400
555,000 ordinary shares in Nairobi Bottlers Limited at cost – 17.45%	**42,602**	42,602
Kilimanjaro Modern Breweries Limited	**40,271**	37,612
	83,273	80,614

12 STOCKS

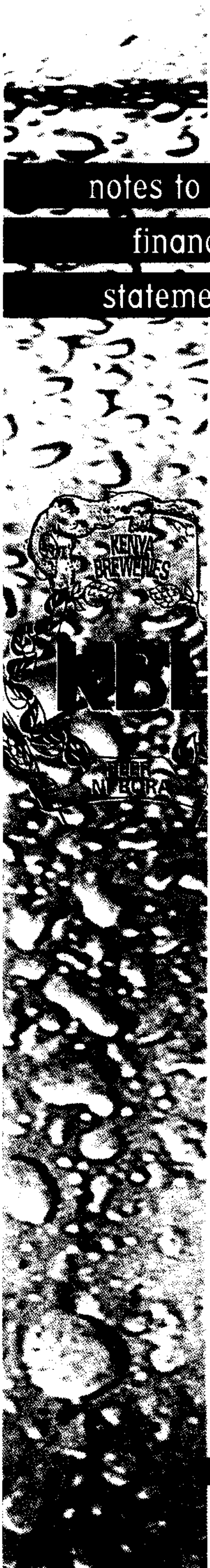
	GROUP		COMPANY	
	1997 Kshs'000	1996 Kshs'000	1997 Kshs'000	1996 Kshs'000
Finished goods	**643,304**	679,456	**525,584**	593,479
Raw materials	**1,315,170**	1,384,029	**1,230,853**	1,087,240
Consumables	**1,284,522**	1,215,775	**953,822**	1,069,262
Goods in transit	**143,638**	109,844	**101,748**	84,811
	3,386,634	3,389,104	**2,812,007**	2,834,792

13 DEBTORS

	GROUP 1997	GROUP 1996	COMPANY 1997	COMPANY 1996
Trade debtors	**246,492**	274,658	**113,677**	122,400
Barley advances	**147,162**	100,472	**147,162**	100,472
VAT and Excise duty recoverable	**192,023**	179,418	**190,622**	140,470
Other debtors	**294,271**	105,736	**244,935**	129,244
	879,948	660,284	**696,396**	492,586

14 CREDITORS

	GROUP 1997	GROUP 1996	COMPANY 1997	COMPANY 1996
Trade creditors	**668,553**	798,231	**513,961**	545,178
VAT and Excise duty payable	**779,283**	685,664	**779,283**	685,664
Unpaid dividends	**77,290**	43,736	**77,290**	43,736
Hire purchase creditors	**26,494**	58,638	**26,494**	58,638
Other creditors	**745,914**	580,730	**534,808**	517,705
	2,297,534	2,166,999	**1,931,836**	1,850,921



15 SHARE CAPITAL

	GROUP		COMPANY	
	1997	1996	**1997**	1996
	Kshs'000	Kshs'000	**Kshs'000**	Kshs'000
Authorised:				
100,000,000 (1996 - 100,000,000)				
ordinary shares of Kshs 10 each	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Issued and fully paid:				
65,521,577 (1996 - 65,521,577)				
ordinary shares of Kshs 10 each	**655,216**	655,216	**655,216**	655,216

16 RESERVES

	Share Premium Kshs'000	Capital Reserve Kshs'000	Revenue Reserve Kshs'000	Total Kshs'000
GROUP				
At 1 July 1996	70,178	6,260,718	1,126,409	7,457,305
Exchange adjustments	-	(17,181)	(14,423)	(31,604)
Revaluation surplus realised on disposal of fixed assets	-	(80,679)	80,679	-
Retained profit for the year	-	-	477,749	477,749
Revaluation adjustments	-	(6,994)	-	(6,994)
At 30 June 1997	**70,178**	**6,155,864**	**1,670,414**	**7,896,456**
COMPANY				
At 1 July 1996	70,178	6,024,809	899,924	6,994,911
Revaluation surplus realised on disposal of fixed assets	-	(74,103)	74,103	-
Retained profit for the year	-	-	432,794	432,794
Revaluation adjustments	-	(6,994)	-	(6,994)
At 30 June 1997	**70,178**	**5,943,712**	**1,406,821**	**7,420,711**

17 LONG TERM LOANS

	GROUP		COMPANY	
	1997	1996	**1997**	1996
	Kshs'000	Kshs'000	**Kshs'000**	Kshs'000
Secured bank loan repayable in semi-annual instalments by 30 June 1997	-	24,000	-	-
Secured bank loan repayable in semi-annual instalments by 31 December 1997	**13,000**	63,000	**10,000**	30,000
Secured bank loan repayable in semi annual instalments by 30 June 2000	**204,000**	288,000	-	-
Secured bank loan repayable in semi-annual instalments by 31 October 2000	**41,972**	66,151	-	-
Secured bank loan repayable in semi-annual instalments by 31 January 2001	**80,000**	100,000	**80,000**	100,000
Secured bank loan repayable in semi-annual instalments by 31 March 2003	**107,813**	126,563	**107,813**	126,563
Secured syndicated bank loan repayable in instalments after 30 June 1997	**367,897**	65,287	-	-
Convertible loan (unsecured)	**57,752**	50,759	-	-
Secured syndicated bank loan repayable in instalments with effect from 1 January 1999	**500,000**	-	**500,000**	-
	1,372,434	783,760	**697,813**	256,563
Less instalments due within 12 months	**255,957**	192,015	**48,750**	58,750
	1,116,477	591,745	**649,063**	197,813

The convertible loan is payable by Uganda Breweries Limited (UBL) to Guinness Overseas Limited (GOL). It is convertible, at GOL's option, into UBL's stock units at anytime up to May 1998, at Ushs 10 per unit.

18. NOTES TO THE CASH FLOW STATEMENT

(a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1997 Kshs'000	1996 Kshs'000
Operating profit	**1,373,890**	1,650,964
Depreciation charges	**666,519**	645,355
Write-off of fixed assets (net)	**703**	1,324
Profit on sale of fixed assets other than residential properties	**(11,443)**	(29,763)
Exchange differences	**(5,923)**	609
Early retirement benefits paid	**-**	(338,907)
Dividends written back	**(231)**	(182)
Increase in stocks	**(13,200)**	(49,002)
(Increase)/decrease in debtors	**(221,883)**	287,750
Increase/(decrease) in creditors	**132,485**	(129,992)
Net cash inflow from operating activities	**1,920,917**	2,038,156

(b) ANALYSIS OF PURCHASE OF FIXED ASSETS

	1997	1996
Additions per note 9	**1,405,598**	593,747
Hire purchase finance	**-**	(54,260)
	1,405,598	539,487

(c) ANALYSIS OF CHANGES IN LONG TERM LOANS DURING THE YEAR

	1997	1996
Balance at 1 July	**783,760**	1,319,970
Foreign exchange adjustment	**(8,455)**	(8,910)
New loans received	**861,105**	137,863
Interest and charges capitalised	**5,486**	28,183
Repayment of amounts borrowed	**(257,876)**	(693,346)
Adjustment (see Note 9)	**(11,586)**	-
Balance at 30 June	**1,372,434**	783,760

(d) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1997	1996
Balance at 1 July	**(758,931)**	(820,288)
Foreign exchange adjustment	**(4,359)**	(2,343)
Increase in cash and cash equivalents	**292,161**	63,700
Balance at 30 June	**(471,129)**	(758,931)

(e) ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

	1997	1996
Bank balances and cash	**190,183**	137,540
Bank overdrafts	**(661,312)**	(896,471)
	(471,129)	(758,931)

19 DEFERRED TAXATION

	GROUP		COMPANY	
	1997	1996	**1997**	1996
	Kshs'000	Kshs'000	**Kshs'000**	Kshs'000
Potential deferred taxation liability/ (asset) amounted to:				
Excess capital allowances over depreciation	**230,618**	131,105	**182,135**	114,078
Tax losses available to be offset against future chargeable income	**(297,207)**	(266,649)	**-**	-
	(66,589)	(135,544)	**182,135**	114,078

20 CAPITAL COMMITMENTS

	GROUP 1997 Kshs'000	GROUP 1996 Kshs'000	COMPANY 1997 Kshs'000	COMPANY 1996 Kshs'000
Contracted but not provided in the financial statements	**234,288**	1,196,979	**176,263**	766,488
Authorised but not contracted	**192,699**	448,888	**153,698**	285,634

21 CONTINGENT LIABILITIES

	GROUP 1997 Kshs'000	GROUP 1996 Kshs'000	COMPANY 1997 Kshs'000	COMPANY 1996 Kshs'000
Guarantees in respect of bank advances to barley farmers	**45,104**	31,463	**45,104**	31,463
Guarantee in respect of bank facilities to a foreign subsidiary company	**-**	-	**-**	22,238
Guarantee in respect of bank facilities to a local subsidiary company	**-**	-	**263,643**	465,050
Guarantees in respect of bank loans to staff	**17,217**	19,342	**14,217**	19,342
Pending legal case	**200,000**	-	**200,000**	-
	262,321	50,805	**522,964**	538,093

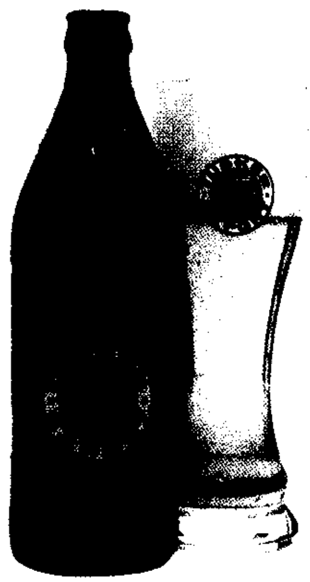
five year review of profits and earnings

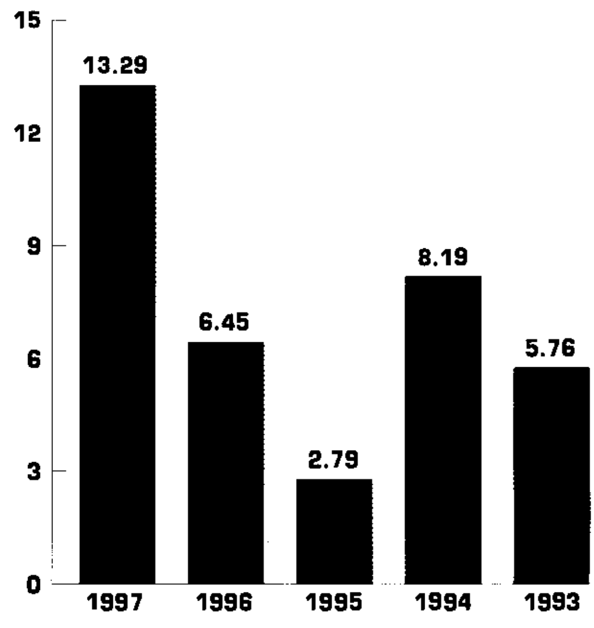
	1997 Kshs'000	1996 Kshs'000	1995 Kshs'000	1994 Kshs'000	1993 Kshs'000
Profit before exceptional items	**1,024,806**	1,273,139	1,154,128	1,031,790	561,396
Income from investment	-	-	8,603	5,301	-
	1,024,806	1,273,139	1,162,731	1,037,091	561,396
Exceptional items	**133,140**	(338,907)	(656,177)	-	-
Profit before taxation	**1,157,946**	934,232	506,554	1,037,091	561,396
Taxation	**251,348**	428,709	321,084	531,335	192,800
Profit before minority interest	**906,598**	505,523	185,470	505,756	368,596
Minority interest	**(35,720)**	(87,657)	(7,204)	18,289	-
Profit attributable to shareholders	**870,878**	417,866	178,266	524,045	368,596
Dividends	**393,129**	327,608	255,942	255,942	179,159
Retained profit/(loss) for the year	**477,749**	90,258	(77,676)	268,103	189,437
Earnings per ordinary share (KShs)	**13.29**	6.45	2.79	8.19	5.76
Dividend per ordinary share (KShs)	**6.00**	5.00	5.00	5.00	3.50
Number of issued shares in millions as at 30 June	**65.5**	65.5	51.2	51.2	51.2

Notes

(i) A 1 for 4 bonus shares was issued in 1996.

(ii) A scrip dividend issue of 1,536,017 ordinary shares was made in January 1996.





Earnings per share (Kshs)

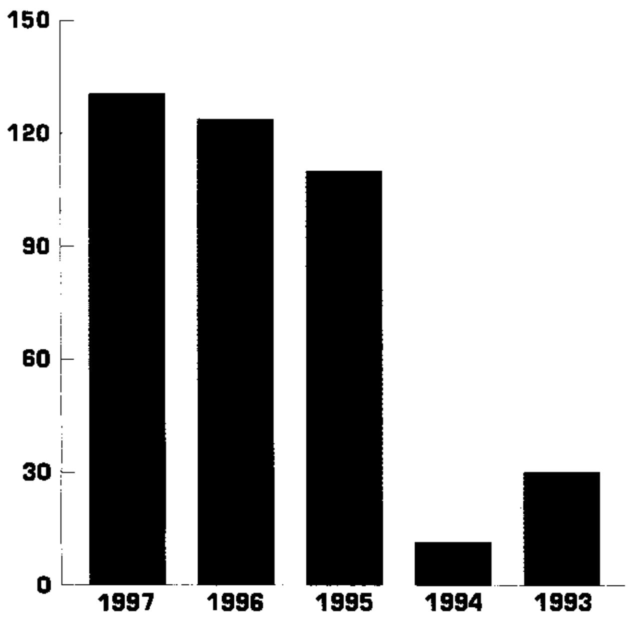
five year review of assets employed

	1997 Kshs'000	1996 Kshs'000	1995 Kshs'000	1994 Kshs'000	1993 Kshs'000
ASSETS EMPLOYED					
Fixed assets	**8,841,379**	8,255,677	7,525,255	7,635,928	2,673,497
Investments	**83,273**	80,614	43,002	43,002	43,002
Ugandan assets	**-**	-	-	-	25,034
Long term liabilities	**(1,116,477)**	(591,745)	(837,712)	(559,056)	(505,852)
Minority interest	**(276,174)**	(251,594)	(241,601)	(246,249)	-
Net current assets/(liabilities)	**1,019,671**	619,569	550,813	261,684	(315,236)
NET ASSETS	**8,551,672**	8,112,521	7,039,757	7,135,309	1,920,445
FINANCED BY					
Share Capital	**655,216**	655,216	511,884	511,884	511,884
Reserves	**7,896,456**	7,457,305	6,527,873	6,623,425	1,408,561
SHAREHOLDERS' FUNDS	**8,551,672**	8,112,521	7,039,757	7,135,309	1,920,445
NET CURRENT ASSETS/(LIABILITIES)					
Stocks	**3,386,634**	3,389,104	3,352,385	3,027,361	1,928,546
Debtors	**927,804**	660,284	961,855	593,028	445,949
Creditors	**(2,561,552)**	(2,441,562)	(2,763,980)	(2,611,135)	(2,223,804)
Proposed dividend	**(262,086)**	(229,326)	(179,159)	(179,159)	(153,565)
Net liquid funds	**(471,129)**	(758,931)	(820,288)	(568,411)	(312,362)
	1,019,671	619,569	550,813	261,684	(315,236)
NET ASSETS PER ORDINARY SHARE (KSHS)	**130.52**	123.81	110.02	111.52	30.01

Notes

(i) A 1 for 4 bonus shares was issued in 1996.

(ii) A scrip dividend issue of 1,536,017 ordinary shares was made in January 1996.



Net Assets per ordinary share (Kshs)

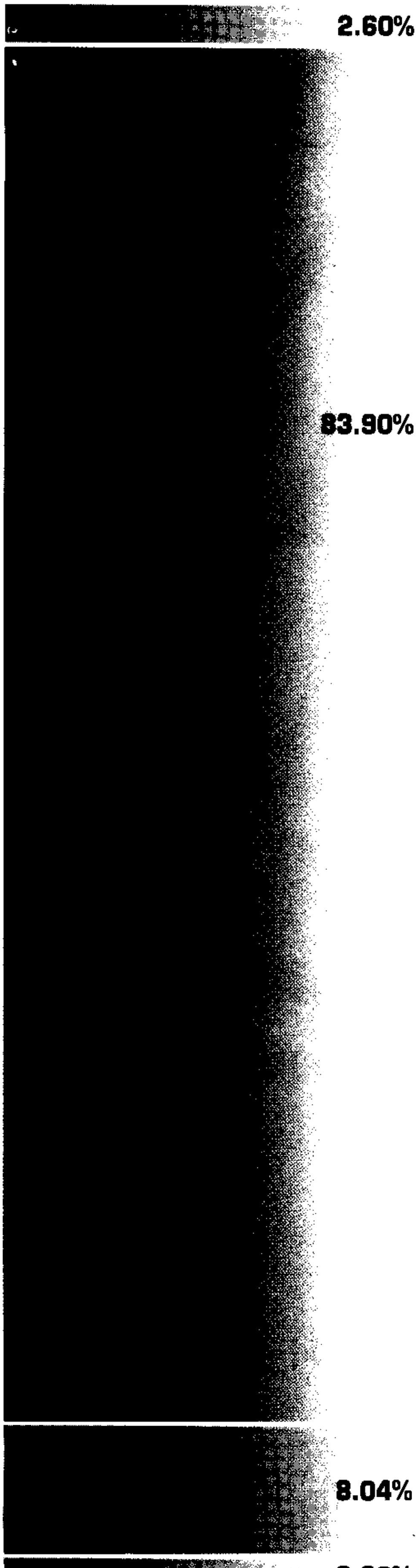
statement of value added

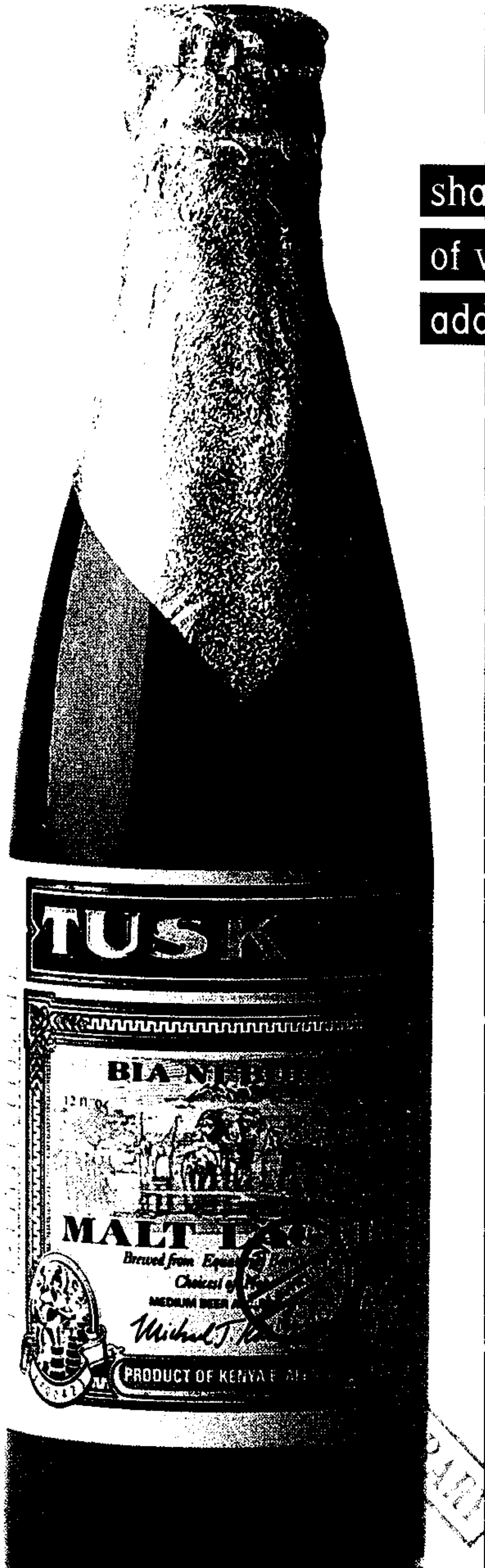
	1997 Kshs'000	
TURNOVER	22,952,678	
Less:		
Cost of material, supplies and services bought and depreciation set aside	7,933,048	
VALUE ADDED	15,019,630	
Add: Non-trading credits:		
Profit on sale of fixed assets	144,583	
	15,164,213	
Minority share of profit in subsidiaries	(35,720)	
	15,128,493	
THIS WAS SHARED AS FOLLOWS:-		%
To employees as payroll excluding P.A.Y.E.	1,216,030	8.04
To Governments as taxes	12,692,501	83.90
To banks and other lenders	349,084	2.30
To shareholders	393,129	2.60
Retained in the group	477,749	3.16
	15,128,493	100.00

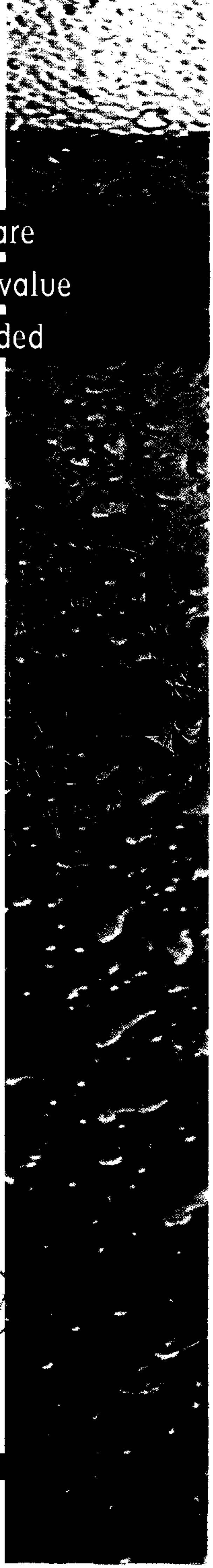
taarifa ya ongezeko la thamana

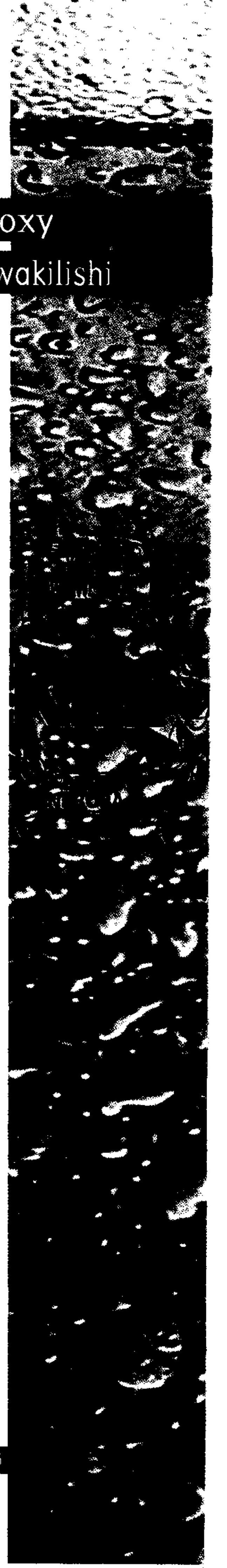
UUZAJI	22,952,678	
Toa:		
Gharama za vifaa, bidhaa zilizonunuliwa, huduma zilizolipwa na upungufu wa thamani	7,933,048	
THAMANI ILIYOONGEZWA	15,019,630	
Ongeza: faida zisizohusu biashara:		
Faida kutokana na kuuzwa kwa maliasli	144,583	
	15,164,213	
Faida ya kundi la wachache	(35,720)	
	15,128,493	
FEDHA HIZI ZILITUMIWA IFUATAVYO:-		%
Kwa wafanyikazi kama gharama ya mishahara bila kodi ya binafsi	1,216,030	8.04
Ushuru wa Serikali	12,692,501	83.90
Malipo kwa benki na kampuni zingine zilizotukopesha pesa	349,084	2.30
Mgao kwa wenyehisa	393,129	2.60
Zilizobaki kwa kundi	477,749	3.16
	15,128,493	100.00

share
of value
added









proxy

mwakilishi

Proxy

I/WE ____________________

Share A/C No ____________________

of (address) ____________________

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

of (address) ____________________

or failing him ____________________

of (address) ____________________

the duly appointed chairman of the meeting to be my/our Proxy, to vote on my/our behalf at the 75th Annual General Meeting of the company to be held on 22 October 1997 at 10:00 a.m. or at any adjournment thereof.

As witness to my/our hands this ____________________ day of ____________ 1997

Signature ____________________

Notes: 1. This Proxy is to be delivered to the company's address not later than 10:00 a.m. on Saturday 18 October 1997, failing which it will be invalid.

2. In 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 kama mwenyekiti wa mkutano wa mwaka wa sabini na nne wa kampuni utakaofanywa siku ya Ijumaa, tarehe 22 Octoba 1997 saa nne asubuhi ama siku yoyote ile iwapo mkutano uta ahirishwa.

Kama ushahidi ninatia/tunatia sahihi hii/hizi tarehe ____________________ Mwezi ____________ 1997

Sahihi ____________________

Ukumbusho: 1. Uwakilishi huu utumwe kwa afisi kuu ya kampuni kabla ya saa nne asubuhi Jumamosi, tarehe 18 Octoba 1997, 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

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