UNGA GROUP LIMITED

1990

UNGA HOUSE, WESTLANDS, NAIROBI

REPORT AND ACCOUNTS 31 JULY

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 1990

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UNGA GROUP LIMITED

DIRECTORS AND OFFICIALS

DIRECTORS	D N Ndegwa, CBS, FCIB, MA.	—Chairman
	F W Wanganju, B Comm., CPA(K), AMKIM.	—Group Managing
	R Kemoli	
	J G Kiereini, EGH, EBS, SS.	
	J J Mvoyi	
SECRETARY	J P G Gachoya, B Comm., FCIS.	
REGISTERED OFFICE	Chester House, Koinange Street, P O Box 30096, Nairobi.	
REGISTRARS	Livingstone Registrars Limited, P O Box 30029, Nairobi.	
AUDITORS	Gill & Johnson, P O Box 40092, Nairobi.	
BANKERS	Barclays Bank of Kenya Limited, Queensway House Branch, P O Box 30011, Nairobi.	

UNGA GROUP LIMITED

NOTICE OF THE MEETING

NOTICE IS HEREBY GIVEN that the sixty third annual general meeting of UNGA GROUP LIMITED will be held in the Tinga Tinga Room, Norfolk Hotel, Harry Thuku Road, Nairobi on Friday, 8 February 1991 at 11.30 a.m. for the following purposes:-

1. To consider the accounts and the reports of the directors and auditors for the year ended 31 July 1990.

2. To approve the dividend for the year.

3. To re-elect a retiring director:— Mr D N Ndegwa retires by rotation and, being eligible, offers himself for re-election.

4. To approve the remuneration of the directors.

5. To authorise the directors to fix the remuneration of the auditors.

6. To transact any other competent business.

BY ORDER OF THE BOARD

J P G GACHOYA
Secretary

Nairobi
21 December 1990

PROXIES:
A member entitled to attend and vote may appoint a proxy to attend and vote on his behalf. A proxy need not also be a member.

NOTE:
Shareholders are reminded that all queries concerning shares should be addressed to the company's registrars, Livingstone Registrars Limited, P O Box 30029, Nairobi.

UNGA GROUP LIMITED

CHAIRMAN'S STATEMENT

Once again, I am honoured to present my statement, report and accounts of the company to shareholders for the year ended 31 July, 1990.

DIRECTORATE

Mr G K Mwai resigned from the board on 30 March 1990 upon his retirement from the group. On your behalf, I commend Mr Mwai for his distinguished service to the group over the years.

RESULTS

The problems in procurement of raw materials, especially wheat and the effects of reduction of margins for wheat flour, maize meal and bread continued throughtout the year leading to disastrous results. The loss was shs 64.6m compared to a profit of shs 8m in the previous year. This adverse result was brought about mainly by the losses suffered by Unga Limited and Elliot's Bakeries Limited.

DIVIDEND

In spite of the poor results, your directors have recommended a final dividend only of shs 0.80 per share to be paid on 8 February 1991.

INVESTMENTS

I have briefly outlined above the losses suffered by Unga Limited and Elliot's Bakeries Limited. Unga Limited operated at 55% of licensed capacity as restrictions on wheat supplies continued with the resultant unutilised investment, idle staff and reduced supplies to consumers. Consequently, supplies of flour to bakeries and by-products to animal feeds manufacturers were also reduced.

A review of wheat flour and bread prices was announced on 16 November 1990 and its effect, against a background of reduced supplies of wheat, is being studied.

Other companies in the group faced operational problems. Ufuta Limited had to rely to a large extent on processing semi-refined imported palm oil and local copra. Unga Feeds Limited has done well after animal feeds price decontrol, but this has also enabled competitors to venture into this business leading to much price undercutting. Proctor and Allan Limited's new products continue to gain acceptability in the market, albeit slowly.

Elianto Kenya Limited operated profitably and it is now set to do even better after the establishment of a joint venture between Kenya National Mills Limited and CPC Europe (Group) Limited involving Elianto Kenya Limited and CPC Kenya Limited, their respective subsidiaries.

High financing charges form a major share of operating costs.

The new plant at Proctor and Allan Limited was commissioned in October 1989 and the Nakuru feeds plant, for Unga Feeds Limited, started operations in April 1990. Unga House at Westlands, Nairobi will be ready for occupation early in 1991. With these developments, the renewal and modernisation programme will have been completed and the overall capability of the group will have been raised.

STAFF

On behalf of the board and shareholders, I commend staff for their devotion to duty under very severe circumstances.

D N NDEGWA, CBS, FCIB, MA
Chairman

Nairobi
19 November 1990

UNGA GROUP LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 JULY 1990

The directors present their report together with the accounts of the group for the year ended 31 July 1990.

ACTIVITIES

The company acts as a holding company. The principal activities of the group have continued to be the milling of wheat and maize and the manufacture of bread, animal feeds, cooking oils and related products.

GROUP RESULTS

	1990 shs'000	1989 shs'000
(Loss)/profit before taxation	(56,409)	48,215
Taxation	(31,908)	(43,422)
(Loss)/profit before minority interests	(88,317)	4,793
Minority interests	23,715	3,184
(Loss)/profit after minority interests	(64,602)	7,977
Dividends	(4,165)	(5,206)
Transfer to revenue reserve	(68,767)	2,771

DIVIDENDS

Interim dividend of shs Nil (1989 - shs 0.20) per share	—	1,041
Proposed final dividend of shs 0.80 per share	4,165	4,165
	4,165	5,206

DIRECTORS

The current board of directors is shown on page 2.

G K Mwai resigned on 30 March 1990.

In accordance with articles 88 and 89 of the articles of association, Mr D N Ndegwa retires by rotation and, being eligible, offers himself for re-election.

AUDITORS

Gill & Johnson, having confirmed their willingness, will continue in office in accordance with section 159 (2) of the Companies Act.

BY ORDER OF THE BOARD

J P G GACHOYA
Secretary

Nairobi
29 November 1990

UNGA GROUP LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF UNGA GROUP LIMITED

We have examined the accounts on pages 7 to 17 and have obtained all the information and explanations considered necessary for our audit.

In our opinion:

1 Proper books of account have been kept by the company and the company's balance sheet is in agreement therewith.

2 The accounts, which comply with the Companies Act, give a true and fair view of the state of affairs of the company and the group at 31 July 1990 and of the loss and source and application of funds of the group for the year ended on that date.

GILL & JOHNSON
Certified Public Accountants (Kenya)

Nairobi
20 December 1990

UNGA GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 1990

	Notes	1990 shs'000	1989 shs'000
TURNOVER		2,234,096	2,386,150
(LOSS)/PROFIT BEFORE TAXATION	2	(56,409)	48,215
TAXATION	3	(31,908)	(43,422)
(LOSS)/PROFIT BEFORE MINORITY INTERESTS		(88,317)	4,793
MINORITY INTERESTS		23,715	3,184
(LOSS)/PROFIT AFTER MINORITY INTERESTS	4	(64,602)	7,977
DIVIDENDS - GROSS	5	(4,165)	(5,206)
(DEFICIT)/RETAINED PROFIT FOR THE YEAR	12	(68,767)	2,771
(LOSS)/EARNINGS PER SHARE	6	(shs 12.41)	shs 1.53

UNGA GROUP LIMITED

CONSOLIDATED BALANCE SHEET

31 JULY 1990

	Notes	1990 shs'000	1989 shs'000
ASSETS EMPLOYED:			
FIXED ASSETS	7	1,566,900	1,586,515
NATIONALISED ASSETS IN UGANDA	9	34,264	34,264
CURRENT ASSETS			
Stocks	10	166,038	169,360
Debtors		64,579	73,119
Deposits, bank and cash balances		36,373	81,548
		266,990	324,027
CURRENT LIABILITIES			
Creditors		177,979	158,826
Taxation		31,757	44,772
Dividends - gross		4,165	5,206
Long term loans repayable within one year	13	88,931	74,231
Finance leases	14	2,279	7,318
Bank overdrafts (secured)		240,419	188,126
		545,530	478,479
NET CURRENT LIABILITIES		(278,540)	(154,452)
		1,322,624	1,466,327
FINANCED BY:			
SHARE CAPITAL	11	26,033	26,033
RESERVES	12	916,188	990,027
SHAREHOLDERS' FUNDS		942,221	1,016,060
LONG TERM LOANS	13	141,909	188,586
FINANCE LEASES	14	303	2,344
MINORITY INTERESTS		238,191	259,337
		1,322,624	1,466,327

The accounts on pages 7 to 17 were approved by the board of directors on 29 November 1990 and were signed on its behalf by:

D N NDEGWA *Director*

F W WANGANJU *Director*

UNGA GROUP LIMITED

COMPANY BALANCE SHEET

31 JULY 1990

	Notes	1990 shs'000	1989 shs'000
ASSETS EMPLOYED:			
FIXED ASSETS	7	5,202	7,319
INVESTMENTS IN SUBSIDIARIES	8	905,136	943,962
NATIONALISED ASSETS IN UGANDA	9	28,277	28,277
CURRENT ASSETS			
Debtors		457	481
Due from subsidiary companies		20,505	22,367
Deposits, bank and cash balances		3,208	5,166
		24,170	28,014
CURRENT LIABILITIES			
Creditors		12,716	9,879
Due to group company		1,489	18
Taxation		1,060	1,288
Dividends - gross		4,165	5,206
Long term loan repayable within one year	13	—	10,200
Finance leases	14	808	1,040
Bank overdraft		—	247
		20,238	27,878
NET CURRENT ASSETS		3,932	136
		942,547	979,694
FINANCED BY:			
SHARE CAPITAL	11	26,033	26,033
RESERVES	12	916,211	952,583
SHAREHOLDERS' FUNDS		942,244	978,616
FINANCE LEASES	14	303	1,078
		942,547	979,694

The accounts on pages 7 to 17 were approved by the board of directors on 29 November 1990 and were signed on its behalf by:

D N NDEGWA *Director*

F W WANGANJU *Director*

UNGA GROUP LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 JULY 1990

	1990 shs'000	1989 shs'000
SOURCE OF FUNDS:		
(Loss)/profit before taxation	(56,409)	48,215
Items not involving the movement of funds:		
Depreciation of fixed assets	116,549	87,726
Loss on exchange	17,552	11,578
Profit on disposal of fixed assets	(1,572)	(1,223)
Funds generated from operations	76,120	146,296
Funds from other sources:		
Shares issued by subsidiary	—	5,570
Proceeds on disposal of fixed assets	4,653	2,633
Loans received	24,515	82,000
Finance leases entered into	—	2,078
INFLOW OF FUNDS	105,288	238,577
APPLICATION OF FUNDS:		
Taxation paid	44,923	33,840
Dividends paid	10,224	9,608
Fixed assets purchased	97,479	188,232
Loans repaid	74,044	93,312
Finance leases repaid	7,080	8,760
Shares purchased in subsidiary	21	6,803
OUTFLOW OF FUNDS	233,771	340,555
NET OUTFLOW OF FUNDS	(128,483)	(101,978)
REPRESENTED BY:		
Movement in working capital:		
Stocks	(3,322)	(53,790)
Debtors	(8,540)	(21,604)
Creditors	(19,153)	106,809
	(31,015)	31,415
Movements in liquid funds:		
Deposits, bank and cash balances	(45,175)	(59,935)
Bank overdrafts	(52,293)	(73,458)
NET MOVEMENT IN WORKING CAPITAL	(128,483)	(101,978)

UNGA GROUP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 1990

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING
The company prepares its accounts on the historical cost basis of accounting, modified to include the revaluation of certain assets.

CONSOLIDATION
The consolidated accounts incorporate the accounts of Unga Group Limited and its subsidiaries, all of which are made up to 31 July.

TURNOVER
Turnover represents net sales to and rent receivable from external customers during the year.

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

FIXED ASSETS
Fixed assets are stated at cost or as professionally revalued on an existing use basis. Professional valuations are carried out every three years. The last valuation was at 31 July 1989.

LEASED ASSETS
Assets acquired under finance leases are capitalised at the date of the agreement. The interest element of each instalment is charged to the profit and loss account at the time each instalment falls due.

DEPRECIATION
Depreciation is calculated to write off the cost or valuation of fixed assets in equal annual instalments over their estimated useful lives. The annual rates generally in use are:

Freehold land	Nil
Freehold buildings	2.5%
Leasehold land	period of lease
Long leasehold buildings	2.5%
Short leasehold buildings	period of lease
Plant and machinery	4% - 33.3%
Furniture and fittings	10% - 20%
Motor vehicles	25% - 33.3%
Silos	Shorter of 50 years or the unexpired period of the lease for the land on which they are built.

INVESTMENTS IN SUBSIDIARIES
The investments in subsidiaries are stated at directors' valuation based on the net asset value of each subsidiary company at the balance sheet date.

STOCKS
Stocks are stated at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in purchasing or manufacturing the stocks plus an allocation of normal overhead expenditure attributable to the processes through which they have passed.

FOREIGN CURRENCIES
Assets and liabilities expressed in foreign currencies are translated into Kenya shillings at the rates of exchange ruling at the balance sheet date. Transactions during the year in foreign currencies are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in the profit and loss account.

		1990 shs'000	1989 shs'000
2	**(LOSS)/PROFIT BEFORE TAXATION**		
	The (loss)/profit before taxation is arrived at after charging:		
	Depreciation (note 7)	116,616	87,793
	Less: Capitalised in work in progress	67	67
		116,549	87,726
	Auditors' remuneration	2,845	2,716
	Directors' emoluments —		
	Fees for services as directors	130	145
	Other emoluments	2,068	1,311
	Interest payable on — long term loans	31,475	31,559
	— short term loans and bank overdrafts	28,670	15,125
	— finance leases	1,134	2,224
	Loss on exchange	17,552	11,578
	and after crediting:		
	Interest receivable on loans and deposits	7,041	15,670
	Rent receivable	29,013	23,086
	Profit on sale of fixed assets	1,572	1,223
3	**TAXATION**		
	Based on the adjusted profit for the year at 42.5% (1989 - 45%)	32,223	43,461
	Adjustment for previous years	(315)	(39)
		31,908	43,422

At 31 July 1990, there were tax losses in subsidiary companies amounting to shs 331,707,000 (1989 - shs 130,569,000) to be carried forward.

4 PROFIT AVAILABLE FOR APPROPRIATION

A profit of shs 8,119,000 (1989 - shs 16,805,000) is dealt with in the accounts of Unga Group Limited.

		1990 shs'000	1989 shs'000
5	**DIVIDENDS - GROSS**		
	Interim dividend of shs Nil (1989 - shs 0.20) per share	—	1,041
	Proposed final dividend of shs 0.80 per share	4,165	4,165
		4,165	5,206

6 (LOSS)/EARNINGS PER SHARE

(Loss)/earnings per share has been calculated on the loss after minority interests of shs 64,602,000 (1989 - profit of shs 7,977,000) and on 5,206,529 ordinary shares.

UNGA GROUP LIMITED

NOTES TO THE ACCOUNTS

(Continued)

7 FIXED ASSETS

	GROUP				COMPANY
	Land and buildings shs'000	Plant and machinery shs'000	Work in progress shs'000	Total shs'000	Plant and machinery shs'000
COST OR VALUATION					
At 1 August 1989	547,373	887,528	186,159	1,621,060	11,395
Additions	5,254	10,860	81,432	97,546	514
Transfers	53,312	148,331	(201,643)	—	—
Disposals	—	(8,745)	—	(8,745)	(3,213)
Adjustment on previous revaluation	—	2,536	—	2,536	—
At 31 July 1990	605,939	1,040,510	65,948	1,712,397	8,696
Comprising:					
Valuation - 1989	539,792	829,137	—	1,368,929	—
Cost	66,147	211,373	65,948	343,468	8,696
	605,939	1,040,510	65,948	1,712,397	8,696
DEPRECIATION					
At 1 August 1989	—	34,545	—	34,545	4,076
Charge for the year	14,573	102,043	—	116,616	2,156
Eliminated on disposals	—	(5,664)	—	(5,664)	(2,738)
At 31 July 1990	14,573	130,924	—	145,497	3,494
NET BOOK VALUE					
At 31 July 1990	591,366	909,586	65,948	1,566,900	5,202
At 31 July 1989	547,373	852,983	186,159	1,586,515	7,319
Land and buildings comprise:					
Freehold	26,932				
Long leasehold	378,464				
Short leasehold	185,970				
	591,366				

The net book value of plant and machinery includes shs 9,662,000 (1989 - shs 22,785,000) in respect of assets that were the subject of finance leases.

UNGA GROUP LIMITED

NOTES TO THE ACCOUNTS

(Continued)

8 INVESTMENTS IN SUBSIDIARIES

	1990 shs'000	1989 shs'000
Shareholding at directors' valuation:		
At 1 August 1989	943,962	681,163
Additions	1,500	—
(Deficit)/surplus on revaluation	(40,326)	262,799
At 31 July 1990	905,136	943,962

9 NATIONALISED ASSETS IN UGANDA

The amounts shown in the balance sheets represent the net asset values of investments in Bread Limited and Uganda Grain Milling Company Limited and the amounts due on loan and current accounts as at 5 May 1976 when these companies were nationalised.

Following the enactment of the Expropriated Properties Act 1983 by the Uganda Parliament, an application to repossess all the group interest and assets in Bread Limited and Uganda Grain Milling Company Limited was submitted on 19 May 1983. Full provision for these assets is included in the nationalised assets reserve (note 12).

	1990 shs'000	1989 shs'000
10 STOCKS		
Finished products	35,280	35,366
Raw materials	69,210	79,253
Production supplies	32,544	42,488
Others	29,004	12,253
	166,038	169,360
11 SHARE CAPITAL		
Authorised:		
6,200,000 ordinary shares of shs 5 each	31,000	31,000
1,800,000 undenominated shares of shs 5 each	9,000	9,000
	40,000	40,000
Issued and fully paid:		
5,206,529 ordinary shares of shs 5 each	26,033	26,033

UNGA GROUP LIMITED

NOTES TO THE ACCOUNTS

(Continued)

12 RESERVES

	Nationalised assets shs'000	Capital shs'000	Share premium shs'000	Revenue shs'000	Total shs'000
GROUP					
At 1 August 1989	33,361	777,553	2,144	176,969	990,027
Deficit for the year	—	—	—	(68,767)	(68,767)
Realised on disposal of fixed assets	—	(655)	—	655	—
Adjustment on previous revaluations	—	1,927	—	—	1,927
Changes in shareholding	—	(6,999)	—	—	(6,999)
At 31 July 1990	33,361	771,826	2,144	108,857	916,188

	Nationalised assets shs'000	Capital shs'000	Share premium shs'000	Revenue shs'000	Total shs'000
COMPANY					
At 1 August 1989	28,277	841,576	—	82,730	952,583
Retained profit for the year	—	—	—	3,954	3,954
Revaluation of investments in subsidiaries	—	(40,326)	—	—	(40,326)
At 31 July 1990	28,277	801,250	—	86,684	916,211

UNGA GROUP LIMITED

NOTES TO THE ACCOUNTS

(Continued)

13 LONG TERM LOANS

	1990 shs'000	1989 shs'000
GROUP		
Secured bank loans repayable in semi-annual instalments by 1992; interest at 13.5% and 16% per annum	8,000	12,000
Secured bank loans repayable in monthly instalments by 1992; interest at 14.5% and 19% per annum	28,234	43,634
Secured bank loan repayable by 1990; interest at 15% per annum	—	10,200
Secured bank loan repayable in semi-annual instalments by 1994; interest at 18% per annum	45,000	50,000
Secured bank loan repayable in semi-annual instalments by 1994; interest at 18% per annum	27,996	—
Bridging bank loan to be refinanced by a consortium secured debenture loan; interest at the ruling bank rate	24,515	—
Secured USAID loan repayable in semi-annual instalments by 1995; interest at 16% per annum	11,000	12,000
Unsecured bank loan repayable in monthly instalments by 1994; interest at 18% per annum	17,662	20,000
Secured consortium debenture loan repayable in quarterly instalments by 1994; interest at 16% per annum	20,930	24,753
Secured loan in Swiss Francs from a supplier of capital equipment converted to a local bank loan in March 1990; interest at 7.5% per annum	—	29,046
Secured loans in Deutsche Marks from a supplier of capital equipment each repayable in semi-annual instalments by 1991; interest at 10% per annum	22,642	29,033
Unsecured loan in Pounds Sterling from a supplier of capital equipment converted to a local bank loan in September 1990; interest at 10.1% per annum	24,861	32,151
	230,840	262,817
Less: repayable within one year	(88,931)	(74,231)
	141,909	188,586
COMPANY		
Secured bank loan repayable by 1990; interest at 15% per annum	—	10,200
Less: repayable within one year	—	(10,200)
	—	—

UNGA GROUP LIMITED

14 FINANCE LEASES

	GROUP		COMPANY	
	1990	1989	1990	1989
	shs'000	shs'000	shs'000	shs'000
Secured liabilities under finance leases expiring by 1992	2,582	9,662	1,111	2,118
Less: repayable within one year	2,279	7,318	808	1,040
	303	2,344	303	1,078

15 CONTINGENT LIABILITIES

	1990	1989
	shs'000	shs'000
GROUP		
Guarantees given to finance houses on behalf of distributors and transporters	301	250
COMPANY		
Guarantees in favour of Barclays Bank of Kenya Limited for loans and other banking facilities to subsidiaries	212,011	189,678

16 CAPITAL COMMITMENTS

Commitments at the year end for which no provision has been made in these accounts:

	1990	1989
GROUP		
Contracted	20,159	78,456
Authorised but not contracted	41,988	14,744

UNGA GROUP LIMITED

GROUP FIVE YEAR FINANCIAL REVIEW

		1990 shs'000	1989 shs'000	1988 shs'000	1987 shs'000	1986 shs'000
RESULTS						
Turnover		2,234,096	2,386,150	2,233,270	2,045,827	1,897,885
(Loss)/profit before taxation		(56,409)	48,215	41,425	112,503	155,553
Taxation		(31,908)	(43,422)	(25,706)	(79,008)	(84,128)
(Loss)/profit after taxation		(88,317)	4,793	15,719	33,495	71,425
Minority interest		23,715	3,184	(408)	(3,660)	(27,925)
Extraordinary item		—	—	869	—	963
Ordinary dividends		(4,165)	(5,206)	(5,206)	(5,206)	(5,206)
Transfer to reserves		(68,767)	2,771	10,974	24,629	39,257
ASSETS EMPLOYED						
Fixed assets		1,566,900	1,586,515	1,100,970	1,030,377	800,208
Nationalised assets in Uganda		34,264	34,264	34,264	34,264	34,264
Net current (liabilities)/assets		(278,540)	(154,452)	(39,367)	61,149	133,514
		1,322,624	1,466,327	1,095,867	1,125,790	967,986
FINANCED BY:						
Share capital		26,033	26,033	26,033	26,033	26,033
Reserves		916,188	990,027	681,017	673,679	570,871
Shareholders' funds		942,221	1,016,060	707,050	699,712	596,904
Long term loans		141,909	188,586	193,066	232,966	59,021
Finance leases		303	2,344	7,805	—	—
Minority interest		238,191	259,337	187,946	193,112	312,061
		1,322,624	1,466,327	1,095,867	1,125,790	967,986
RATIOS:						
Shareholders' funds per share	shs	180.97	195.15	135.80	134.39	114.65
(Loss)/profit after taxation and minority interest to:						
Turnover	%	(2.89)	0.33	0.68	1.46	2.29
Capital employed	%	(5.96)	0.66	1.69	3.20	6.63

UNGA GROUP LIMITED

FORM OF PROXY

I/We ....

of .... being a member/members

of Unga Group Limited hereby appoint ....

.... and failing him/her ....

and failing him/her the duly appointed chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the sixty third annual general meeting of the company to be held on Friday, 8 February 1991 at 11.30 a.m. and at any adjournment thereof.

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

....

(Signed)

NOTES:

1. If you are unable to attend this meeting personally this form of proxy should be completed and returned to the Secretary, Unga Group Limited, PO Box 30096, Nairobi, to reach him not later than 24 hours before the time appointed for holding the meeting.

2. A person appointed to act as a proxy need not be a member of the company.

3. If the appointer be a corporation, this form must be under its common seal or under the hand of an officer or attorney authorised in writing.

UNGA GROUP LIMITED