

Kakuzi Limited

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Sixty-second ANNUAL GENERAL MEETING of the members will be held at the Nairobi Safari Club, Lilian Towers, University Way, Nairobi, on Friday 21st September, 1990, at 11.30 a.m. for the following purposes:-

1. To confirm the minutes of the Annual General Meeting held on 22nd September, 1989.
2. To receive the accounts for the year ended 28th February 1990, together with the reports of the Directors and of the Auditors.
3. To confirm the interim dividend of 8% paid (payable to non-resident members) on 23rd March, 1990 and to declare a final dividend of 14%.
4. To elect Directors.
5. To confirm the Directors' remuneration.
6. To authorise the Board to fix the Auditors' remuneration.
7. To transact any other business which may be transacted at an Annual General Meeting.

By Order of the Board
EASTERN PRODUCE KAKUZI SERVICES LIMITED
Secretaries

NAIROBI
21st June, 1990.

Notes:

A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company. A form of proxy is on the last page.

The Executive Director has a service contract with the company, a copy of which is available for inspection at the company's registered office during normal business hours from the date of this notice until the date of the annual general meeting when it will also be available during the meeting and at the place of the meeting for fifteen minutes prior thereto.

The final dividend will, if approved, be paid on 28th September 1990 to members on the register at the close of business on 10th September 1990. Payment to non-resident members is subject to approval from Central Bank of Kenya.

Kakuzi Limited

CHAIRMAN'S STATEMENT

The profit after tax attributable to Kakuzi shareholders was marginally better this year than last, but it came from very different sources. With the collapse of coffee prices following termination of I.C.O. Agreement we made a small loss on that crop, but fortunately the tea market was strong, the crop was higher, and the pre-tax profit of Siret nearly trebled, demonstrating the importance of diversification.

STATISTICS		1989/90	1988/89
COFFEE			
Kakuzi and Kaguru		1,585 tonnes	1,455 tonnes
mature coffee		850 ha (2,100 acres)	848 ha
immature coffee		-	2 ha
Garton (51% owned)		426 tonnes	443 tonnes
mature coffee		278 ha (687 acres)	268 ha
immature coffee		6 ha (15 acres)	16 ha
TEA			
Siret		1,903,979 kgs of made tea	1,772,613 kgs
bought leaf		85,668 kgs of made tea	92,814 kgs
Total		<u>1,989,647</u> kgs of made tea	<u>1,865,427</u> kgs
mature tea		872 ha (2155 acres)	840 ha
immature tea		8 ha (20 acres)	32 ha
LIVESTOCK			
Cattle sold		1,019 head	1,074 head
Average price realized (Shs.)		5,233/-	5,338/-
Total herd at 28/2/1990		6,792 head	6,632 head
HORTICULTURE			
Passion Fruit sold		52 tonnes	-
Average Price (Shs.)		9/98 per kg	-

THE ESTATES

COFFEE

Production

We had a better crop than expected at Makuyu, averaging 1,865 kgs per hectare, or 14.9 cwt per acre, with little problem from disease or pests, but the Garton crop was again disappointing. Quality was generally good.

Kakuzi Limited

CHAIRMAN'S STATEMENT *(Continued)*

Sales

There was sharp fall in world coffee prices following the failure in June 1989 of the International Coffee Organization to agree on a renewal of export quotas for member countries. Average receipts per tonne were K£ 1,568 for Kakuzi and K£ 1,510 for Garton, compared to K£ 2,354 and K£ 2,327 respectively in the previous year, and it is generally known that the Coffee Board paid out substantially more for coffee received in its Pool year ended 30th September 1989 than it realized from sales.

Kakuzi made an operating loss on coffee of K£ 9,786 (compared to a profit of K£ 1,142,420 in 1988/89) and Garton a loss of K£ 34,292 (compared to a profit of K£ 355,269).

TEA

Production

Despite heavy losses from severe hail storms in August and October, this was a better year for crop, due to adequate rain and increased fertilizer application. The new block of tea, with a further 8 ha planted early in the year, is also now contributing. Quality has been fair, and I believe could be improved.

Sales

The market strengthened significantly, with the average price paid for Kenya teas in the Mombasa Auction improving from Shs 24/26 per kg in 1988 to Shs 31/34 in 1989, and to Shs 36/92 for the period to the end of April 1990. This was due to a large shortfall in production, mainly for climatic reasons, in Sri Lanka and South India, and to the appearance of strong new buying support from Russia, now the largest tea importer in the world following a reduction in its own crop.

As a result Siret's own teas achieved an average price of Shs 36/02 per kg, compared to Shs 24/96 in 1988/89, and the Company's operating profit increased dramatically from K£ 482,413 to K£ 1,523,016.

LIVESTOCK

The operating profit fell from K£ 142,309 to K£ 81,000, mainly because we sold rather fewer cattle at a slightly lower price, and costs were increased by a more realistic allocation of overheads. The sheep covered their direct costs but the pilot pig project again made a loss due to the uneconomic cost of feedstuff. Unless this problem can be resolved in the very near future, this unit will be closed down.

DEVELOPMENT AND DIVERSIFICATION

The Ngenya Dam is now substantially complete and is full of water, creating a lake 4 kms long. It remains to finish the draw off works, and also to extend the existing furrow which supplies water from the Thika river to our land at Kituamba so that it discharges into the new dam, and helps to keep it topped up.

Kakuzi Limited

CHAIRMAN'S STATEMENT *(Continued)*

To help finance this large investment the Company has sold off 1,484 ha of land, subdivided into 1,026 plots, at the eastern end of our property, realizing some Shs 10 million net from the transaction, and hopefully providing a stable local labour force for our future development. It has also negotiated and drawn down a loan of Shs 25 million from the Kenya Commercial Finance Co Ltd, and has arranged increased overdraft facilities with its bankers.

Steady and encouraging progress has been made on our passion fruit project. 6 ha were planted during the year, and the rate of planting has been increased to 1 ha per month since March 1990. Production in the year totalled 52 tonnes of which the majority was exported as fresh fruit. There has been strong competition among horticultural exporters to buy the quality fruit for which Kakuzi has already acquired a name. We still hope to set up a joint venture for the production of pineapples, but negotiations have been delayed by events beyond Kakuzi's control.

PROFITS AND DIVIDENDS

The profit after tax attributable to Kakuzi shareholders was K£ 1,697,102, 2% higher than the K£ 1,662,662 earned in the previous year. The operating profit was actually more than 9% down on 1988/89, but this was partially compensated for by a lower tax charge, attributable to allowances on the dam. Your Directors have decided to recommend the payment of a final dividend of 14%, the same as last year, which will make a total distribution of 22% (1988/89: 22%), which is covered 2.36 times by the profit earned this year.

PROSPECTS

The coffee crop for 1990/91 is expected to be at least as good as that harvested last year. The market has improved a little but the prospects remain very uncertain. Your Directors feel that whilst we should exercise reasonable economy to minimize losses on this crop, the cost of production is largely a factor of yield, and we should not take any steps which will affect the ability of the bushes to bear at economic levels in the future.

Tea production to the end of June was 45% ahead of last year, due to the early arrival of the long rains. The market has fallen back sharply in recent months due to heavy crops in the major producing countries and what is hoped to be but a temporary cessation of Russian buying, but the trend is again upwards and I am optimistic about the long term prospects. The opportunities for diversification into horticulture, given our resources of land and water and our easy access to Nairobi's market and its international airport are very exciting, but it will take time and investment to translate these into increased profits. While finance is available from the banks, it will be expensive, and your Directors will give careful thought to whether it may be preferable to sell some less productive assets.

Substantial progress has been achieved in the last year, and for this we should all be grateful to the management and all our employees for their hard work and their devotion to the interest of your Company.

C A GARDNER
Chairman

Nairobi.
21st June, 1990

Kakuzi Limited

REPORT OF THE DIRECTORS TO THE MEMBERS FOR THE YEAR ENDED 28TH FEBRUARY 1990

The directors have pleasure in presenting their report together with the accounts for the year ended 28th February 1990.

PRINCIPAL ACTIVITIES

The principal activities of the company and its subsidiaries are the growing and processing of coffee and tea, cattle ranching and horticulture, all in Kenya.

DIRECTORS

The directors who held office since 1st March 1989 are listed below together with their interests in the share capital of the company:

	Number of stock units held at 28.2.1990		Number of stock units held at 28.2.1989	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
C.A. Gardner	-	2	-	2
F.R. Bibby	150	-	150	-
P.C.B. Benson	296	-	296	-
Sir Charles Markham	2,368	-	2,368	-
Dr. B.M. Gecaga	7,136	-	7,136	-
M.C. Perkins	-	200	-	200

There has been no change in these interests since 28th February 1990 to date.

Mr C.A. Gardner and Dr B.M. Gecaga retire by rotation and, being eligible, offer themselves for re-election.

None of the directors had a material interest in any contract of significance during or at the end of the financial year.

RESULTS AND DIVIDENDS

The results for the year are shown on page 9 of these accounts. An interim dividend of 8% (1989 - 8%) amounting to K£261,333 (1989 - K£261,333) was declared payable on 23rd March 1990. The directors recommend a final dividend of 14% (1989 - 14%) amounting to K£457,333 (1989 - K£457,333), payable on 28th September 1990.

RESERVES

The movements in reserves are shown in notes 14 and 15 of the notes to the accounts.

Kakuzi Limited

REPORT OF THE DIRECTORS TO THE MEMBERS FOR THE YEAR ENDED 28TH FEBRUARY 1990 *(Continued)*

SUBSTANTIAL INTERESTS

There were the following interests in the issued capital of the company:

- (i) Eastern Produce (Holdings) PLC advised the company that it has an interest of 34.19% (1989 - 32.30%).
- (ii) Lawrie Group PLC advised the company that it has an interest of 7.53% (1989 - 7.53%).
- (iii) Kenya Reinsurance Corporation has an interest of 5.70% (1989 - 5.70%).

AUDITORS

Gill & Johnson have indicated their willingness to continue in office in accordance with section 159 (2) of the Companies Act.

APPROVAL OF ACCOUNTS

The accounts were approved at a meeting of directors held on 21st June 1990.

By Order of The Board
EASTERN PRODUCE KAKUZI SERVICES LIMITED
Secretaries

Nairobi
21st June 1990

Kakuzi Limited

REPORT OF THE AUDITORS TO THE MEMBERS OF KAKUZI LIMITED

We have examined the accounts on pages 9 to 20 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 28th February 1990 and of the profit and source and application of funds of the group for the year ended on that date.

GILL & JOHNSON
Certified Public Accountants (Kenya)

Nairobi.
21st June 1990

Kakuzi Limited

CONSOLIDATED BALANCE SHEET 28TH FEBRUARY 1990

	1990	1989	
	K£	K£	Note
FIXED ASSETS	18,382,535	14,485,989	9
INVESTMENTS	98,943	106,151	10
CURRENT ASSETS			
Stocks and stores	3,185,562	2,174,257	11
Coffee proceeds receivable	407,427	965,880	
Debtors	507,769	692,521	
Short term deposits	1,600,000	4,656,110	
Bank balances and cash	108,609	134,496	
CURRENT LIABILITIES	5,809,367	8,623,264	
Creditors	1,582,724	1,213,428	12
Taxation	721,926	1,148,446	
Dividends (gross)	718,666	457,333	
NET CURRENT ASSETS	2,786,051	5,804,057	
Financed by:			
SHARE CAPITAL	3,266,667	3,266,667	13
CAPITAL RESERVE	6,811,735	7,132,547	14
REVENUE RESERVE	10,413,520	9,114,272	15
MINORITY INTEREST IN SUBSIDIARY	775,607	882,711	
	21,267,529	20,396,197	
	21,267,529	20,396,197	

C.A. Gardner }
F.R. Bibby }
Directors }

Kakuzi Limited

BALANCE SHEET 28TH FEBRUARY 1990

	1990	1989	
	K£	K£	
FIXED ASSETS			
INVESTMENTS	462,991	462,989	10
CURRENT ASSETS			
Stocks and stores	1,647,792	1,255,492	11
Coffee proceeds receivable	146,298	579,688	
Debtors	314,262	500,278	
Amounts due by subsidiary companies	1,064,922	482,384	
Short term deposits	250,000	3,700,000	
Bank balances and cash	68,899	46,062	
CURRENT LIABILITIES			
Creditors	1,284,776	1,013,903	12
Taxation	59,099	793,931	
Dividends (gross)	718,667	457,333	
NET CURRENT ASSETS			
	2,062,542	2,265,167	
	1,429,631	4,298,737	
	15,620,384	14,573,670	
Financed by:			
SHARE CAPITAL	3,266,667	3,266,667	13
CAPITAL RESERVE	4,956,539	5,277,061	14
REVENUE RESERVE	7,397,178	6,029,942	15
	15,620,384	14,573,670	
C.A. Gardner			
F.R. Bibby			
Directors			

Kakuzi Limited

STATEMENT OF SOURCE AND APPLICATION OF FUNDS OF KAKUZI LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED 28TH FEBRUARY 1990

	1990	1989
	K£	K£
SOURCE OF FUNDS		
Operating profit	2,220,155	2,452,877
Investment income	355,827	510,936
Adjustments for items not involving the movement of funds:		
Depreciation	470,848	442,250
Profit on sale of fixed assets	(522,723)	(41,271)
FUNDS GENERATED FROM OPERATIONS	2,524,107	3,364,792
FUNDS FROM OTHER SOURCES		
Proceeds on sale of fixed assets	839,645	62,242
Proceeds on redemption of loan stock	7,210	
TOTAL SOURCE OF FUNDS	3,370,962	3,427,034
APPLICATION OF FUNDS		
Purchase of fixed assets	4,684,316	584,071
Purchase of trade investment	2	1,178
Dividends paid:		
Parent company shareholders	639,531	558,156
Minority shareholder	98,000	98,000
Taxation paid	1,314,504	819,892
	6,736,353	2,061,297
NET (APPLICATION)/SOURCE OF FUNDS	(3,365,391)	1,365,737
The net (application)/source of funds is represented by the following (decrease)/increase in working capital:		
Stocks and stores	1,011,305	488,995
Debtors and coffee proceeds receivable	(743,205)	310,415
Creditors	(551,494)	(68,674)
	(283,394)	730,736
Movement in net liquid funds:		
Short term deposits	(3,056,110)	601,281
Bank balances and cash	(25,887)	33,720
(DECREASE)/INCREASE IN WORKING CAPITAL	(3,365,391)	1,365,737

STATEMENT OF GROUP ACCOUNTING POLICIES FOR THE YEAR ENDED 28TH FEBRUARY 1990

BASIS OF ACCOUNTING

The group prepares its accounts on the historical cost basis of accounting modified to include, where appropriate, the revaluation of certain fixed assets.

CONSOLIDATION

The consolidated accounts comprise the accounts of the parent company and all subsidiaries for the year ended 28th February.

ASSOCIATED COMPANIES

An associate is a company in which the group interest is more than 20% and not more than 50% and where significant commercial and financial influence is exercised.

✓ TURNOVER

Coffee turnover is based on actual amounts received to 31st May 1990. Tea turnover is based on gross produce proceeds and other sales are based on invoiced values.

DEPRECIATION

The basis of depreciation is to write off the cost or valuation of fixed assets evenly over their estimated useful lives at the following annual rates:

Leasehold land	Over the period of leases
Buildings, dams, water supply and fencing	2% to 20%
Plant, machinery and tools	7.5%
Motor vehicles, tractors, trailers and implements	10% to 25%
Furniture, fittings and equipment	12.5%

No depreciation is provided on agricultural development other than specific horticultural development where the productive life cycle of the crop is used as the period of depreciation. The costs of replanting and upkeep of developed areas are charged to revenue.

STOCKS AND STORES

The valuation of tea stocks is at prices subsequently realised or at estimated net realisable value. This basis is not in agreement with generally accepted accounting practice as, in the opinion of the directors, it is more appropriate that the results of the year reflect those of the season's crop.

Livestock and other stocks are valued at the lower of cost and net realisable value. Cost, where appropriate, includes an element of overheads.

DEFERRED TAXATION

Deferred taxation is provided using the liability method on timing differences where, in the opinion of the directors, there is reasonable probability that such taxation will become payable in the foreseeable future.

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1990

1. CURRENCY

The accounts are expressed in Kenya currency. K£1 represents twenty shillings.

2. TURNOVER AND OPERATING PROFIT

		Turnover		Operating profit/(loss)	
		1990	1989	1990	1989
		K£	K£	K£	K£
Kakuzi:	Coffee	✓ 2,485,933	3,424,837	(9,786)	1,142,420
	Livestock	346,200	336,440	81,000	142,309
	Other crops	46,341	386	(78,844)	(25,324)
	Other operating income		-	739,061	355,790
		<u>2,878,474</u>	<u>3,761,663</u>	<u>731,431</u>	<u>1,615,195</u>
Siret:	Tea	✓ 3,327,493	2,090,656	1,523,016	482,413
Garton:	Coffee	643,192	1,030,459	(34,292)	355,269
Total		<u>6,849,159</u>	<u>6,882,778</u>	<u>2,220,155</u>	<u>2,452,877</u>

Turnover of coffee includes proceeds received after 31st May 1989 in respect of the previous year's production:

Kakuzi	K£45,132 (1989 - K£379,615)
Garton	K£91,381 (1989 - K£278,577)

Operating profit is stated after charging:

	1990		1989	
	Group K£	Company K£	Group K£	Company K£
Directors' remuneration:				
Fees	12,950	9,000	12,795	8,996
Other	36,030	35,745	36,124	35,874
Depreciation	470,848	294,809	442,250	269,584
Auditors' remuneration	36,537	21,962	33,291	20,891
and after crediting:				
Profit on sale of fixed assets	<u>522,723</u>	<u>514,153</u>	<u>41,271</u>	<u>33,917</u>

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1990 *(Continued)*

	1990 K£	1989 K£
3. INVESTMENT AND OTHER INCOME		
Interest receivable	351,324	506,808
Income from trade investments	4,503	4,128
	<u>355,827</u>	<u>510,936</u>
4. TAXATION		
The charge comprises:		
Income tax at 42.5% (1989 - 45%) on the taxable profit for the year	887,984	1,190,041
	<u>887,984</u>	<u>1,190,041</u>
The tax charge has been reduced by the allowance, for tax purposes, of costs capitalised in these accounts. At 28th February 1990, there were business tax losses amounting to K£1,327,000 to be carried forward (1989 - nil).		
5. DEFERRED TAXATION		
In accordance with the accounting policy, no provision for deferred taxation is made as, in the opinion of the directors, it is not probable that such taxation will become payable in the foreseeable future. The amount of potential deferred tax liability not provided in the group accounts is nil (1989-K£ 29,525).		
6. DIVIDENDS		
Dividends are shown gross and comprise:		
Interim	261,333	261,333
Final (proposed)	457,333	457,333
	<u>718,666</u>	<u>718,666</u>
7. RETAINED PROFIT/(LOSS)		
Parent company	1,046,714	921,609
Subsidiary companies	(68,278)	22,387
	<u>978,436</u>	<u>943,996</u>
8. EARNINGS PER STOCK UNIT		
Earnings per stock unit are the profits attributable to each of the 13,066,666 stock units of Sh 5 each in issue on 28th February 1990 based on the consolidated profit after tax, after deducting the minority shareholder's interest in a subsidiary.		

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1990 *(Continued)*

9. FIXED ASSETS

GROUP

	Leasehold land, buildings, improvements, dams and development K£	Plant, machinery and tools K£	Motor vehicles, tractors, and implements K£	Furniture, fittings and equipment K£	Total K£
COST OR VALUATION					
At 1st March 1989	15,886,336	503,225	1,194,414	222,775	17,806,750
Additions	4,478,302	23,107	158,366	24,541	4,684,316
Disposals	(324,022)	-	(26,552)	-	(350,574)
At 28th February 1990	20,040,616	526,332	1,326,228	247,316	22,140,492
Comprising:					
Cost	9,842,313	223,368	1,211,788	215,591	11,493,060
Valuation in 1978	10,198,303	302,964	114,440	31,725	10,647,432
	20,040,616	526,332	1,326,228	247,316	22,140,492
DEPRECIATION					
At 1st March 1989	2,016,424	340,918	829,251	134,168	3,320,761
Charge for the year	270,429	40,254	138,463	21,702	470,848
Disposals	(7,100)	-	(26,552)	-	(33,652)
At 28th February 1990	2,279,753	381,172	941,162	155,870	3,757,957
NET BOOK VALUE					
At 28th February 1990	17,760,863	145,160	385,066	91,446	18,382,535
At 1st March 1989	13,869,912	162,307	365,163	88,607	14,485,989

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1990 *(Continued)*

9. FIXED ASSETS *(continued)*

COMPANY

	Leasehold land, buildings, improvements, dams and development K£	Plant, machinery and tools K£	Motor vehicles, tractors, trailers and implements K£	Furniture, fittings and equipment K£	Total K£
COST OR VALUATION					
At 1st March 1989	10,609,213	128,921	849,413	177,772	11,765,319
Additions	4,377,844	7,872	121,875	19,958	4,527,549
Disposals	(324,022)	-	(15,819)	-	(339,841)
At 28th February 1990	14,663,035	136,793	955,469	197,730	15,953,027
Comprising:					
Cost	7,699,465	58,927	872,399	174,730	8,805,521
Valuation in 1978	6,963,570	77,866	83,070	23,000	7,147,506
	14,663,035	136,793	955,469	197,730	15,953,027
DEPRECIATION					
At 1st March 1989	1,211,811	87,569	554,331	99,664	1,953,375
Charge for the year	160,755	10,653	104,808	18,593	294,809
Disposals	(7,100)	-	(15,819)	-	(22,919)
At 28th February 1990	1,365,466	98,222	643,320	118,257	2,225,265
NET BOOK VALUE					
At 28th February 1990	13,297,569	38,571	312,149	79,473	13,727,762
At 1st March 1989	9,397,402	41,352	295,082	78,108	9,811,944

The properties owned by the group and the company are held as leasehold with an unexpired period in excess of 900 years, with the exception of two properties, one of which was revalued at K£450,000 and has an unexpired period of 64 years, and another which cost K£77,250 and has an unexpired period of 76 years.

In accordance with the group accounting policy certain assets have not been depreciated. These amount to:

1990		1989	
Group K£	Company K£	Group K£	Company K£
4,321,093	2,331,815	4,228,440	2,285,007

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1990 *(Continued)*

10. INVESTMENTS

	1990		1989	
	Group K£	Company K£	Group K£	Company K£
Shares in subsidiary companies at cost	-	408,664	-	408,664
Shares in associated companies at cost	40,001	40,001	40,001	40,001
Other investments — all at cost:				
Unquoted:				
Kenya Transit and Trading Company Limited (Directors' valuation 1990 and 1989 K£30,000)	28,059	-	28,059	-
Trade:				
Ketepa loan	7,087	-	14,297	-
Kenya Planters' Co-operative Union Limited loan stock	23,796	14,326	23,794	14,324
	<u>98,943</u>	<u>462,991</u>	<u>106,151</u>	<u>462,989</u>

The investments in the associated companies consist of a 40% (1989 - 40%) interest in Estates Services Limited and a 50% (1989 - 50%) interest in Eastern Produce Kakuzi Services Limited, both of which operate in Kenya. In view of the immateriality of the amounts involved, the results of the associated companies are not incorporated in the consolidated accounts.

11. STOCKS AND STORES

	1990		1989	
	Group K£	Company K£	Group K£	Company K£
Tea	1,122,623	-	707,784	-
Livestock	747,211	733,068	702,315	702,315
General stores	1,315,728	914,724	764,158	553,177
	<u>3,185,562</u>	<u>1,647,792</u>	<u>2,174,257</u>	<u>1,255,492</u>

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1990 *(Continued)*

12. CREDITORS

Creditors at 28th February 1990 include K£ 507,131 (1989-K£ 689,329) representing that part of the interim and final dividends for the years ended 29th February 1988 and 28th February 1989 payable to non-resident shareholders pending receipt of approval from the Central Bank of Kenya. Payment of dividends for the year ended 28th February 1988 in respect of non-resident shareholders was made on 6th April 1990.

13. SHARE CAPITAL

	1990 K£	1989 K£
Authorised: 20,000,000 shares of Sh 5 each	5,000,000	5,000,000
Issued and converted into stock: 13,066,666 units of Sh 5 each fully paid	3,266,667	3,266,667

14. CAPITAL RESERVE

	1990	
	Group K£	Company K£
At 1st March 1989	7,132,547	5,277,061
Transfer to revenue reserve of revaluation surplus on fixed assets disposed of during the year	(320,812)	(320,522)
At 28th February 1990	6,811,735	4,956,539

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1990 *(Continued)*

15. REVENUE RESERVE

	1990	
	Group K£	Company K£
At 1st March 1989	9,114,272	6,029,942
Transfer from capital reserve of revaluation surplus on fixed assets disposed of during the year	320,812	320,522
Retained profit for the year	978,436	1,046,714
At 28th February 1990	<u>10,413,520</u>	<u>7,397,178</u>

16. CAPITAL COMMITMENTS

	1990		1989	
	Group K£	Company K£	Group K£	Company K£
Contracts for capital expenditure not provided for	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Authorised by the respective boards of directors but not contracted for	<u>1,150,000</u>	<u>1,050,000</u>	<u>4,200,000</u>	<u>4,000,000</u>

Kakuzi Limited

FORM OF PROXY (ANNUAL GENERAL MEETING)

I/We
of being a member/members of Kakuzi
Limited, do hereby appoint
or failing him, the duly appointed Chairman of the meeting to be my/our Proxy, to vote for
me/us at the Annual General Meeting of the Company to be held at the Nairobi Safari
Club, Lilian Towers, University Way, Nairobi, Kenya on the Twenty-first day of
September 1990 and at any adjournment thereof.

As witness my/our hand(s) this day of 1990

Signature

Unless otherwise indicated, the Proxy will vote as he/she thinks fit.

Notes:

- (1) In the case of joint holders, only one need sign as the vote of the senior holder who tenders a vote will alone be counted. Seniority will be determined by the order in which the names appear in the Register of Members. The names of all the joint holders should be stated.
- (2) If the appointor is a corporation, the Proxy must be executed under its common seal or under the hand of an Officer or Attorney duly authorised in writing.
- (3) To be valid, this proxy must be deposited at the Registered Office of the Company not less than 24 hours before the time appointed for holding the meeting.

FOLD 2

STAMP

**The Secretaries,
Kakuzi Limited,
P.O. Box 30572,
NAIROBI,
Kenya.**

FOLD 1

FOLD 3

INSERT FLAP INSIDE

