

Kakuxi Limited

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Kakuxi Limited

COMPANY INFORMATION

DIRECTORS:

C.A. Gardner (Chairman) (British)
F.R. Bibby (Executive) (British)
P.C.B. Benson, M.B.E. (British)
Sir Charles Markham, Bt. (Kenyan)
Dr. B.M. Gecaga, C.B.S., (Kenyan)
M.C. Perkins, F.C.A. (British)
Dr. T.R. Fowkes (British) - (Alternate to M.C. Perkins)

SECRETARY:

J.L.G. Maonga,
P.O. Box 30572,
Nairobi.

REGISTRAR:

Mrs. M. Pandit,
College House, Koinange Street,
P.O. Box 30572,
Nairobi.

**LONDON TRANSFER
AGENTS:**

Kenya Commercial Bank Limited,
International Division,
London Representative Office,
24/25 New Bond Street,
London W1Y 9HD.

REGISTERED OFFICE:

College House, Koinange Street,
P.O. Box 30572,
Nairobi.

AUDITORS:

Gill & Johnson,
P.O. Box 40092,
Nairobi.

BANKERS:

Kenya Commercial Bank Limited,
P.O. Box 30081,
Nairobi.

SUBSIDIARY COMPANIES:

Siret Tea Company Limited	(100% owned)
Kaguru Limited	(100% owned)
Estates Services Limited	(80% owned)
Garton Limited	(51% owned)

Kakuzi Limited

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Sixty-fourth ANNUAL GENERAL MEETING of the members will be held at the Tinga Tinga Room, The Norfolk Hotel, Harry Thuku Road, Nairobi, on Monday 12th October 1992, at 11.30 a.m. for the following purposes:-

1. To confirm the minutes of the Annual General Meeting held on 11th October 1991.
2. To receive the accounts for the year ended 29th February 1992, together with the reports of the Directors and of the Auditors.
3. (a) To confirm the interim dividend of 10% paid (payable to non- resident members) on 27th March 1992 and to declare a final dividend of 15%.

Special Business

(b) To propose the following ordinary resolution for the consideration of the members:-

"IN THE EVENT THAT Exchange Control approval from Central Bank of Kenya for the payment of the dividends due to the non-resident shareholders for years ended 28th February 1989, 28th February 1990 and 28th February 1991 shall not have been received on or before 31st October 1992, the Directors of the Company are HEREBY AUTHORISED to arrange to purchase convertible foreign exchange bearer certificates in sums sufficient to effect payment of such dividends and charge the costs including any premium incurred in the purchase of such certificates to the Company's Profit and Loss Account."

4. To elect Directors.
5. To confirm the Directors' remuneration.
6. To authorise the Board to fix the Auditors' remuneration.
7. To consider the following resolution, which will be proposed as a **special resolution**:-
"THAT the directors fees be increased to Shs. 60,000 per annum with effect from 1st March, 1992."
8. To transact any other business which may be transacted at an Annual General Meeting.

By Order of the Board

C.A. GARDNER
Chairman

NAIROBI
7th July 1992

Notes:

A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his/her 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 16th October 1992 to members on the register at the close of business on 30th September 1992. Payment to non-resident members is subject to approval from Central Bank of Kenya.

Kakuzi Limited

CHAIRMAN'S STATEMENT

This was a very much better year for the Company, with improved prices for coffee, a record tea crop at higher prices and considerably greater contributions from both livestock and horticulture all helping to boost the profit attributable to the Kakuzi shareholders from shs 25.4 million in 1990/91 (and shs 33.9 million in 1989/90) to a more satisfactory shs 48.4 million.

STATISTICS

1991/92

1990/91

COFFEE

Kakuzi	Production	1,452 tonnes	1,417 tonnes
	Area	814 ha	814 ha
Garton (51% owned)	Production	360 tonnes	295 tonnes
	Area	284 ha	284 ha

TEA

Siret and Kaboswa Estates

from estate leaf	2,426,802	kgs made tea	2,048,972	kgs
from bought leaf	83,858	kgs made tea	163,369	kgs
Total	2,510,660	kgs made tea	2,212,341	kgs
mature tea	880	ha	872	ha
immature tea	-		8	ha

LIVESTOCK

Cattle sold	1196	head	1348	head
Average price realised (shs)	5,812	per head	5,497	per head
Total herd at 29th February	5,616	head	5,876	head

HORTICULTURE

Passion fruit sold	599	tonnes	184	tonnes
Average price (shs)	13/70	per kg	10/95	per kg
Green Beans sold	144	tonnes	-	
Average price (shs)	14/88	per kg	-	

THE ESTATES

COFFEE

Production

The weather was reasonable for coffee, although the flowering for the late crop was disappointing. We continued to lose bushes at Makuyu from fusarium, but pests were not a major problem. The Garton crop recovered slightly but is still poor.

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Kakuzi Limited

CHAIRMAN'S STATEMENT *(Continued)*

Sales

There was a further improvement in Auction prices and it seems that good Kenya coffee does command a premium over other washed Arabicas. Average receipts from the Coffee Board of Kenya were shs 46,943 per tonne for Kakuzi (1990/91 shs 39,540) and shs 50,522 for Garton (1990/91 shs 49,175). Discussions continue at the International Coffee Organisation on the reintroduction of export quotas, but I am not at all sure that anything will come of them or whether they would actually benefit the Kenyan Producers in the long run.

As a result of the slightly higher crop and the much improved prices the operating profit on coffee was shs 13.3 million compared to shs 2.8 million in 1990/91, and the profit on Garton increased to shs 3.3 million from shs 1.3 million.

TEA

Production

The rainfall in Nandi District was not particularly heavy but was well distributed. Combined with an absence of serious hail damage this enabled us to harvest a record crop. The new fluid bed tea drier, together with a second hand locomotive boiler purchased from Kenya Railways, was successfully installed in February and March 1992, and will only begin to have a positive effect on tea quality during the current year.

Sales

There were further substantial increases in world production in 1991 and the average price of Kenya tea sold in the London Auctions continued to decline, from 112.4p in 1991 to 101.1p in 1992. However in the Mombasa Auctions the average price paid increased from shs 34/20 to shs 39/57 due to the ongoing devaluation of the Kenya shilling. The overall price received from the sale of Siret teas rose from shs 32/24 per kg in 1990/91 to shs 36/70 in 1991/92 and this helped to increase the operating profit on tea from shs 23.4 million to shs 37.4 million.

LIVESTOCK

Although we sold fewer cattle at a marginally higher price, a more realistic valuation of the closing stock, a worthwhile profit on the sheep instead of a loss, due to the establishment of excellent local outlets for lamb, and a reduction in the loss on the pig project, which has since been closed down, all contributed to this Division nearly trebling its operating profit to shs 2.1 million.

Kakuzi Limited

CHAIRMAN'S STATEMENT *(Continued)*

HORTICULTURE

No further land was planted to passion fruit, but the 18.5 ha. planted previously was all in full production by the middle of the year, and the crop was more than three times greater than in the previous year. A high proportion of the crop was exported as fresh fruit by air to Europe. Another new venture was green beans. We started planting 6 ha. in May, 1991, and achieved very satisfactory yields particularly with a variety recently developed in Holland for canning. There is apparently a large and growing market for green beans in cans and glass jars.

Two further blocks of pineapples, totalling 218 ha, were planted through our project agreement with Del Monte Kenya Ltd, and the crop has continued to develop well. The pump house at the Ngenya dam and the 2.4 kms pipeline to the holding dam at Kasioni has been completed and ensures that adequate water is available for the irrigation of this major project, and for the coffee at the eastern end of the property.

PROFITS AND DIVIDENDS

The profit after tax attributable to the Kakuzi shareholders increased from shs 25,371,000 in 1990/91 to shs 48,403,000 in 1991/92. The Directors have already declared an interim dividend increased from 8% to 10%, and now feel able to recommend a final dividend increased from 12% to 15%, making a total of 25% (compared to 20% for 1990/91), which is covered 3 times by the profits earned this year.

PROSPECTS

The Siret tea crop including bought leaf to the end of June 1992 was 607,845 kgs made tea, 24.7% below production during the same period in 1991, due to the very severe drought which prevailed in the early months of the year. Prices on the other hand have been considerably stronger because Sri Lanka, South India and Central Africa suffered even more from drought than did Kenya. Your Directors have decided to bring forward to this year the replacement of the remaining old conventional driers and the skip fermenting units, and this should significantly improve the quality of our teas.

Kakuxi Limited

CHAIRMAN'S STATEMENT *(Continued)*

We have had an excellent early coffee crop at Makuyu, with 1,412 tonnes harvested to the end of June 1992 compared to 1,039 tonnes for the same period in 1991 and prospects for the late crop also look favourable. Production of passion fruit and beans is well ahead of budget and last year, and there is every indication that the harvest from the first block of pineapples, due in September, will be up to expectations.

Nurseries have been established for our first block of 100 ha of plantation eucalyptus to be put out in the short rains this year. This is, of course, a long term venture, but I believe that poles and firewood will soon be very scarce and expensive in this part of Kenya.

Shareholders will be well aware that Kenya is going through a period of great political uncertainty, with inflation, unemployment and violent crime increasing rapidly and an acute shortage of foreign exchange threatening the availability of essential inputs such as fertilisers and agricultural chemicals. In such circumstances it is prudent to increase our stock holdings and conserve our cash resources, while continuing our development and diversification programme at a sensible pace.

Our management staff have worked particularly hard and skillfully in producing, harvesting and processing the increased crops which have contributed to the much improved results this year, and I am sure all the shareholders will endorse my expression of sincere thanks to them.

C.A. GARDNER
CHAIRMAN

Nairobi
7th July, 1992

Kakuzi Limited

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 29TH FEBRUARY 1992

The directors have pleasure in presenting their report together with the accounts for the year ended 29th February 1992.

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 1991 are listed below together with their interests in the share capital of the company:

	Number of stock units held at 29.2.1992		Number of stock units held at 28.2.1991	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
C.A. Gardner	15,927	-	7,835	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
Dr. T.R. Fowkes	-	200	-	-

Sir Charles Markham and Mr F.R. Bibby retire by rotation and, being eligible, offer themselves for re-election.

Dr. T.R. Fowkes was appointed an alternate director to Mr. M.C. Perkins on 25th June 1991. (Exchange Control approval for his appointment was given on 12th August, 1991.)

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

SECRETARY

To comply with the Certified Public Secretaries of Kenya Act (Cap 534), Mr J.L.G. Maonga was appointed Company Secretary in place of Eastern Produce Kakuzi Services Limited with effect from 1st November 1991.

RESULTS AND DIVIDENDS

The results for the year are shown on page 10 of these accounts. An interim dividend of 10%(1991 - 8%) amounting to Shs 6,533,333(1991 - Shs 5,226,666) was declared payable on 27th March 1992. The directors recommend a final dividend of 15%(1991 - 12%) amounting to Shs 9,800,000(1991 - Shs 7,840,000) , payable on 16th October 1992.

Kakuxi Limited

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 29TH FEBRUARY 1992 (Continued)

RESERVES

The movements in reserves are shown in notes 13 and 14 of the notes to these accounts.

SUBSTANTIAL INTERESTS

The following were the substantial interests in the issued capital of the company:

- (i) Linton Park PLC and subsidiaries held 44.29% (1991 - 42.83%). Lawrie Group PLC is deemed to be interested in these stock units by virtue of its shareholding in Linton Park PLC. Camellia Investments PLC is deemed to be interested in these stock units by virtue of its shareholding in Lawrie Group PLC.
- (ii) Kenya Reinsurance Corporation has an interest of 5.70% (1991 - 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 7th July 1992.

By Order of the Board

F.R. BIBBY
Director

Nairobi
7th July 1992

Kakuzi Limited

REPORT OF THE AUDITORS TO THE MEMBERS OF KAKUZI LIMITED

We have examined the accounts on pages 10 to 22 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 29th February 1992 and of the profit and cash flow of the group for the year ended on that date.

GILL & JOHNSON
Certified Public Accountants (Kenya)

Nairobi.
24th July 1992

Kakuzi Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 29TH FEBRUARY 1992

	Note	1992 Shs '000	1991 Shs '000
OPERATING PROFIT	2	48,989	26,023
INVESTMENT AND OTHER INCOME	3	6,117	3,200
PROFIT BEFORE TAXATION		55,106	29,223
TAXATION	4	5,513	3,338
PROFIT AFTER TAXATION		49,593	25,885
MINORITY INTEREST		1,190	514
PROFIT ATTRIBUTABLE TO MEMBERS OF KAKUZI LIMITED	5	48,403	25,371
DIVIDENDS	6	16,333	13,067
RETAINED PROFIT FOR THE YEAR	14	32,070	12,304
		Shs	Shs
EARNINGS PER STOCK UNIT	7	3.70	1.94

Kakuxi Limited

CONSOLIDATED BALANCE SHEET 29TH FEBRUARY 1992

	Note	1992 Shs '000	1991 Shs '000
FIXED ASSETS	8	402,439	379,244
EXPENDITURE ON PINEAPPLES		15,437	-
INVESTMENTS	9	618	1,979
CURRENT ASSETS			
Stocks and stores	10	57,797	58,180
Coffee proceeds receivable		14,036	9,463
Debtors		18,146	13,489
Taxation recoverable		3,801	1,597
Short term deposits		57,000	38,013
Bank balances and cash		3,483	3,036
		154,263	123,778
CURRENT LIABILITIES			
Creditors	11	36,167	30,694
Taxation		735	330
Dividends (gross)		16,333	13,067
Loans repayable within one year	15	4,599	3,585
		57,834	47,676
NET CURRENT ASSETS		96,429	76,102
		514,923	457,325
Financed by:			
SHARE CAPITAL	12	65,333	65,333
CAPITAL RESERVE	13	113,229	113,384
REVENUE RESERVE	14	275,537	243,426
SHAREHOLDERS' FUNDS		454,099	422,143
MINORITY INTERESTS IN SUBSIDIARIES		16,233	16,026
LOANS	15	44,591	19,156
		514,923	457,325

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



Kakuxi Limited

COMPANY BALANCE SHEET 29TH FEBRUARY 1992

	Note	1992 Shs '000	1991 Shs '000
FIXED ASSETS	8	376,020	352,565
EXPENDITURE ON PINEAPPLES		15,437	-
INVESTMENTS	9	10,665	9,963
CURRENT ASSETS			
Stocks and stores	10	56,275	55,903
Coffee proceeds receivable		7,949	4,079
Debtors		17,191	12,765
Amounts due by subsidiary companies		2,870	264
Taxation recoverable		3,801	1,502
Short term deposits		50,000	34,013
Bank balances and cash		2,607	2,597
		140,693	111,123
CURRENT LIABILITIES			
Creditors	11	34,627	29,716
Amounts due to subsidiary companies		8,000	8,289
Dividends (gross)		16,333	13,067
Loans repayable within one year	15	4,599	3,585
		63,559	54,657
NET CURRENT ASSETS		77,134	56,466
		479,256	418,994
Financed by:			
SHARE CAPITAL	12	65,333	65,333
CAPITAL RESERVE	13	99,090	99,131
REVENUE RESERVE	14	270,242	235,374
SHAREHOLDERS' FUNDS		434,665	399,838
LOANS	15	44,591	19,156
		479,256	418,994

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

Kakuzi Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 29TH FEBRUARY 1992

	Note	1992 Shs '000	1991 Shs '000
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	<u>63,402</u>	<u>39,226</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		3,352	3,811
Loan interest paid		(8,357)	(3,455)
Dividends paid		(8,302)	(13,944)
Dividends paid to minorities		(1,470)	-
		<u> </u>	<u> </u>
NET CASH OUTFLOW FROM INVESTMENTS AND SERVICING OF FINANCE		<u>(14,777)</u>	<u>(13,588)</u>
TAXATION PAID		<u>(7,402)</u>	<u>(19,044)</u>
INVESTING ACTIVITIES:			
Purchase of fixed assets		(37,641)	(23,168)
Expenditure on pineapples		(15,437)	-
Purchase of subsidiary company	C	(1,263)	-
Proceeds on sale of fixed assets		653	710
Proceeds on sale of investment		2,921	-
		<u> </u>	<u> </u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(50,767)</u>	<u>(22,458)</u>
FINANCING:			
Loan received		30,000	25,000
Loan repayments		(3,551)	(2,259)
		<u> </u>	<u> </u>
NET CASH INFLOW FROM FINANCING		<u>26,449</u>	<u>22,741</u>
INCREASE IN CASH AND CASH EQUIVALENTS	B	<u>16,905</u>	<u>6,877</u>

Kakuxi Limited

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 29TH FEBRUARY 1992

	1992 Shs '000	1991 Shs '000	
A Reconciliation of operating profit to net cash inflow from operating activities:			
Operating profit (excluding loan interest)	57,761	29,812	
Depreciation charges	14,412	11,382	
Profit on sale of fixed assets	(607)	(517)	
Profit on sale of investment	(2,360)	-	
Decrease in stocks and stores	383	5,531	
Increase in debtors and coffee proceeds receivable	(6,250)	(5,259)	
Increase/(decrease) in creditors	63	(1,723)	
Net cash inflow from operating activities	<u>63,402</u>	<u>39,226</u>	
B Increase in cash and cash equivalents:			
Bank balances and cash	418	864	
Short term deposits	16,487	6,013	
	<u>16,905</u>	<u>6,877</u>	
C Analysis of acquisition of a subsidiary company:			
Net assets acquired:		Discharged by:	
	Shs '000		Shs '000
Fixed assets	12	Associate holding	800
Debtors	215	Cash paid	1,263
Short term deposits	2,500	Minority interest	487
Bank balance	29	Capital reserve	(114)
Creditors	(230)		
Taxation	(90)		
	<u>2,436</u>		<u>2,436</u>

Kakuxi Limited

STATEMENT OF GROUP ACCOUNTING POLICIES FOR THE YEAR ENDED 29TH FEBRUARY 1992

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 29th February.

TURNOVER

Coffee turnover is based on actual amounts received to 31st May 1992. Tea turnover is based on gross produce proceeds and other sales are based on invoiced values.

DEPRECIATION

Depreciation is provided 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 freehold land and agricultural development other than specific horticultural development where the production 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.

EXPENDITURE ON PINEAPPLES

Expenditure on growing of pineapples is deferred and written off based on anticipated harvest for the first three year cycle on a field by field basis. Future costs of replanting and upkeep will be charged to revenue.

STOCKS AND STORES

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

COFFEE PROCEEDS RECEIVABLE

Coffee proceeds receivable represent coffee valued on the basis of net proceeds received up to 31st May 1992.

TAXATION

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

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

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH FEBRUARY 1992

1. CURRENCY

The accounts are expressed in Kenya currency.

2. TURNOVER AND OPERATING PROFIT

	Turnover		Operating profit/(loss)	
	1992	1991	1992	1991
	Shs '000	Shs' 000	Shs '000	Shs' 000
Kakuzi: Coffee	68,145	56,018	13,348	2,824
Tea	94,384	87,020	37,396	23,382
Livestock	8,518	9,184	2,123	736
Other crops	13,478	2,883	2,270	1,068
Other operating (loss)	-	-	(9,686)	(3,296)
	<u>184,525</u>	<u>155,105</u>	<u>45,451</u>	<u>24,714</u>
Estates Services: Interest	-	-	254	-
Garton: Coffee	18,201	14,530	3,284	1,309
Total:	<u>202,726</u>	<u>169,635</u>	<u>48,989</u>	<u>26,023</u>

Turnover of coffee includes proceeds received after 31st May 1991 in respect of the previous year's production:

Kakuzi	Shs 4,610,455 (1991 - Shs 2,705,880)
Garton	Shs 5,396,058 (1991 - Shs 5,236,520)

Operating profit is stated after charging:

	1992		1991	
	Group	Company	Group	Company
	Shs '000	Shs '000	Shs '000	Shs '000
Directors' remuneration:				
Fees	307	238	259	238
Pensions	317	317	240	239
Past director's pension	20	20	20	20
Other	921	897	650	643
Depreciation	14,412	13,296	11,382	10,185
Auditors' remuneration	1,055	900	937	795
Loan interest	8,772	8,772	3,789	3,789
and after crediting:				
Profit on sale of investment	2,360	2,360	-	-
Profit on sale of fixed assets	<u>607</u>	<u>605</u>	<u>517</u>	<u>456</u>

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH FEBRUARY 1992 (Continued)

11. CREDITORS

Creditors at 29th February 1992 include Shs 15,336,679 (1991 - Shs 10,571,840) representing that part of the interim and final dividends for the years ended 28th February 1989, 28th February 1990 and 28th February 1991 payable to non-resident shareholders pending receipt of approval from the Central Bank of Kenya.

	1992 Shs '000	1991 Shs '000
12. SHARE CAPITAL		
Authorised:		
20,000,000 shares of Shs 5 each	<u>100,000</u>	<u>100,000</u>
Issued and converted into stock:		
13,066,666 units of Shs 5 each fully paid	<u>65,333</u>	<u>65,333</u>

	1992 Group Shs '000	Company Shs '000
13. CAPITAL RESERVE		
At 1st March 1991	113,384	99,131
Transfer to revenue reserve of revaluation surplus realised on sale of fixed assets	(41)	(41)
Deficit on acquisition of a subsidiary	(114)	-
At 29th February 1992	<u>113,229</u>	<u>99,090</u>

14. REVENUE RESERVE

At 1st March 1991	243,426	235,374
Transfer from capital reserve of revaluation surplus realised on sale of fixed assets	41	41
Retained profit for the year	<u>32,070</u>	<u>34,827</u>
At 29th February 1992	<u>275,537</u>	<u>270,242</u>

Kakuzi Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 29TH FEBRUARY 1992 (Continued)

	1992		1991	
	Group Shs '000	Company Shs '000	Group Shs '000	Company Shs '000
15. LOAN				
Secured loan repayable in monthly instalments by 1995; interest at 19% p.a.	19,190	19,190	22,741	22,741
Loan repayable in monthly instalments by 1999; interest at 19% p.a. (see note below)	30,000	30,000	-	-
	<u>49,190</u>	<u>49,190</u>	<u>22,741</u>	<u>22,741</u>
Less: repayable within one year	4,599	4,599	3,585	3,585
	<u>44,591</u>	<u>44,591</u>	<u>19,156</u>	<u>19,156</u>

Note:

The company has given an undertaking to execute further legal charge(s) and debenture(s) as appropriate if ever called upon to do so.

	1992		1991	
	Group Shs '000	Company Shs '000	Group Shs '000	Company Shs '000
16. CAPITAL COMMITMENTS				
Contracts for capital expenditure not provided for	<u>1,105</u>	<u>1,105</u>	<u>6,834</u>	<u>6,834</u>
Authorised by the respective boards of directors but not contracted for	<u>26,339</u>	<u>25,184</u>	<u>7,232</u>	<u>7,232</u>

17. CONTINGENT LIABILITIES

The main contractors of Ngenya dam are claiming shs 28 million over the contracted cost. The matter is now under arbitration. However, it is the opinion of the company's consulting engineers that no payment is due under the claim.

Kakuzi Limited

FORM OF PROXY (ANNUAL GENERAL MEETING)

I/We
ofbeing 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 Tinga Tinga Room,
The Norfolk Hotel, Harry Thuku Road, Nairobi, Kenya on the Twelfth day of October 1992
and at any adjournment thereof.

As witness my/our hand(s) this day of 1992

Signature

Please indicate with a tick in the spaces below how you wish your vote to be cast:-

The Special Resolution (Item 7 in the
notice of the above mentioned meeting)

FOR
☐

AGAINST
☐

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 Registrar,
Kakuzi Limited,
P.O. Box 30572,
NAIROBI,
Kenya.**

FOLD 1

FOLD 3

INSERT FLAP INSIDE