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1. Tea trade -- Kenya -- periodicals
2. Tea trade -- Limuru -- Kenya

**THE LIMURU TEA COMPANY LIMITED**  
**REPORT AND ACCOUNTS FOR THE**  
**YEAR ENDED 31ST DECEMBER 1990**

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THE LIMURU TEA COMPANY LIMITED  
DIRECTORS AND OFFICIALS

BOARD OF DIRECTORS

J.A. Wood	Chairman
M.W. Harley	
D.A. Harrison	
I.P. Mbogua	
M.K.A. Sang	
T.F. Robley	Alternate to M.K.A. Sang

COMPANY SECRETARY

C.A. Ouda, F.C.I.S., C.P.S. (K)

REGISTERED OFFICE

Norfolk Towers  
Kijabe Street  
P.O. Box 42011  
NAIROBI

AUDITORS

Coopers & Lybrand  
Queensway House  
Kaunda Street  
P.O. Box 30158  
NAIROBI

ADVOCATES

Hamilton Harrison & Mathews  
ICEA Building  
Kenya Avenue  
P.O. Box 30333  
NAIROBI

BANKERS

Standard Chartered Bank Kenya Limited  
Moi Avenue  
P.O. Box 72585  
NAIROBI

2007/1194

## THE LIMURU TEA COMPANY LIMITED

### NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Sixth annual general meeting of THE LIMURU TEA COMPANY LIMITED will be held in the boardroom of Brooke Bond Kenya Limited, Norfolk Towers, Kijabe Street Nairobi, on 8th May 1991 at 11.00 a.m for the following purposes:-

1. To receive and consider the balance sheet and accounts of the company for the year ended 31st December 1990 and the report of the directors and auditors thereon.
2. To approve the payment of a final dividend.
3. To approve the directors remuneration of Shs. 40,000 for the year ended 31st December 1990.
4. To re-elect directors.
5. To authorize the directors to fix the auditors' remuneration.

#### BY ORDER OF THE BOARD

C. A. Ouda  
Secretary

15th April 1991

A member entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the company.

A form of proxy is on page 13 and must be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.

# THE LIMURU TEA COMPANY LIMITED

## REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and audited accounts for the year ended 31st December 1990.

### ACTIVITY

There has been no change in the company's activity during the year. It continues to grow tea and delivers green leaf to Mabroukie factory for manufacture.

### RESULTS AND DIVIDENDS:

	Shs.	Shs.
Profit after taxation		8,478,148
Less: Interim dividend	(2,000,000)	
Final dividend proposed	<u>(6,200,000)</u>	<u>(8,200,000)</u>
Retained profit transferred to revenue reserves		<u>278,148</u>
Earnings per share		Shs. 42.39
Dividend per share		Shs. 41.00

The improved result is attributable to the higher crop yield.

### BOARD OF DIRECTORS

The present board of directors is set out on page 2.

Mr. A. Hughes resigned from the board of directors with effect from 21st March 1990 and Mr. D. A. Harrison joined the board with effect from the same date.

Mr. D. A. Harrison retires in accordance with Article 101 of the company's Articles of Association and being eligible offers himself for re-election.

Mr. J. P. Mbogua retires in accordance with Article 100 of the company's Articles of Association and being eligible offers himself for re-election.

### AUDITORS

Coopers & Lybrand continue in office in accordance with Section 159 (2) of the Companies Act (Cap. 486).

### BY ORDER OF THE BOARD

C. A. Ouda  
SECRETARY

14th February 1991

**THE LIMURU TEA COMPANY LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
THE LIMURU TEA COMPANY LIMITED**

We have audited the accounts set out on pages 6 to 11. The accounts are in agreement with the books which have been properly kept. We obtained the information and explanations we required.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st December 1990 and of its profit and source and application of funds for the year then ended and comply with the Companies Act (Cap. 486).

Coopers & Lybrand  
Certified Public Accountants of Kenya

Nairobi  
12th April 1991

THE LIMURU TEA COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31ST DECEMBER, 1990

	Note	1990 Shs.	1989 Shs.
TURNOVER		<u>24,828,406</u>	<u>21,901,066</u>
PROFIT BEFORE TAXATION	2	14,756,385	12,909,434
TAXATION	3	<u>6,278,237</u>	<u>5,600,000</u>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		8,478,148	7,309,434
DIVIDENDS	4	<u>8,200,000</u>	<u>7,000,000</u>
RETAINED PROFIT		<u>278,148</u>	<u>309,434</u>
EARNINGS PER SHARE	5	<u>42.39</u>	<u>36.55</u>
STATEMENT OF REVENUE RESERVES			
AT 1st JANUARY		5,810,016	5,500,582
RETAINED PROFIT FOR THE YEAR		<u>278,148</u>	<u>309,434</u>
AT 31st DECEMBER		<u>6,088,164</u>	<u>5,810,016</u>

Report of the Auditors - Page 5

The notes on pages 9 to 11 form part of these accounts

# THE LIMURU TEA COMPANY LIMITED

## BALANCE SHEET - 31 ST DECEMBER 1990

CAPITAL EMPLOYED	NOTE	1990 Shs.	1989 Shs.
FIXED ASSETS	6	16,788,905	16,955,899
TRADE INVESTMENTS - at cost		260	260
CURRENT ASSETS			
Stocks		53,420	82,848
Debtors		12,129	7,135
Group Company		11,599,862	11,257,685
Bank and cash balances		427,829	66,528
		12,093,240	11,414,196
CURRENT LIABILITIES			
Creditors		665,585	591,388
Current Taxation		4,757,712	5,565,658
Dividends		6,522,310	5,554,659
		11,945,607	11,711,705
NET CURRENT ASSETS / (LIABILITIES)		147,633	(297,509)
FINANCED BY:-			
ORDINARY SHARE CAPITAL	7	4,000,000	4,000,000
RESERVES	8	12,936,798	12,658,650
SHAREHOLDERS' FUNDS		16,936,798	16,658,650

..... Director  
J. A. WOOD

..... Director  
M.W. HARLEY

The accounts were approved by the Board of Directors on February 14th 1991  
Report of the Auditors - Page 5  
The notes on pages 9 to 11 form part of the accounts.



**THE LIMURU TEA COMPANY LIMITED**  
**STATEMENT OF SOURCE AND APPLICATION OF**  
**FUNDS FOR THE YEAR ENDED 31 ST DECEMBER, 1990**

SOURCE OF FUNDS	1990	1989
	Shs.	Shs
Profit before taxation	14,756,385	12,909,434
Items not involving the movement of funds:		
Depreciation of fixed assets	466,384	521,882
Profit on disposal of fixed assets	—	(10,000)
<b>FUNDS FROM OPERATIONS</b>	<b>15,222,769</b>	<b>13,421,316</b>
<b>FUNDS FROM OTHER SOURCES</b>		
Proceeds on sale of fixed assets	—	10,000
<b>TOTAL FUNDS GENERATED</b>	<b>15,222,769</b>	<b>13,431,316</b>
<b>APPLICATION OF FUNDS</b>		
Dividends paid	(7,232,349)	(4,784,661)
Taxation paid	(7,086,183)	(3,849,236)
Capital Expenditure	(299,390)	(987,398)
	(14,617,922)	(9,621,295)
<b>MOVEMENT IN WORKING CAPITAL</b>	<b>604,847</b>	<b>3,810,021</b>
Stocks	(29,428)	(30,621)
Debtors	4,994	(2,472)
Creditors	(74,197)	(289,127)
Group Company	342,177	4,268,277
	243,546	3,946,057
Increase/ (Decrease) in net liquid funds	361,301	(136,036)
	<u>604,847</u>	<u>3,810,021</u>

Report of the Auditors- page 5  
The notes on pages 9 to 11 form part of these accounts.

# **THE LIMURU TEA COMPANY LIMITED** **FORM OF PROXY**

I/We..... (Please use block letters)  
hereby appoint John Alan Wood or failing him Michael Winlack Harley both of whom are directors of The Limuru Tea Company Limited as my /our proxy to vote for me/us and on my/our behalf at the sixty-sixth annual general meeting of the company to be held on 8th May 1991 and at any adjournment thereof. I/ We desire to vote on the resolutions set out in the notice of the meeting as shown in the table below. (Please tick the appropriate space).

## **RESOLUTIONS**

1. Adopt the report and accounts
2. Declare a dividend
3. Approve the directors' remuneration
4. Re-elect the following directors:  
(a) D A Harrison  
(b) J P Mbogua
5. Authorize the directors to fix the auditors remuneration

Resolution	For	Against
1		
2		
3		
4 (a)		
4 (b)		
5		

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

Signature (s) .....

in the company not less than 48 hours before the meeting

## **THE LIMURU TEA COMPANY LIMITED**

### **NOTES TO THE ACCOUNTS - 31ST DECEMBER 1990**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets. The following is a summary of the more important accounting policies used.

#### **TURNOVER:**

Turnover represents the value of sales net of charges paid to the manufacturers, selling agents and county council cess paid to Limuru County Council.

#### **FIXED ASSETS:**

Fixed assets are stated at cost, or as revalued on an existing use basis. Provision is made for depreciation on the straight line method designed to write off the original cost or valuation of fixed assets, other than freehold land, over their anticipated useful lives. Development costs include direct costs and attributable overheads incurred in bringing tea into production which occurs in the fourth year after planting. The annual depreciation rates in use are:

Leasehold land	— in equal instalments over the useful life of the lease.
Tea development	— from year 4 onwards a graduated scale is adopted that increases the annual depreciation charge from 0.6% in year 4 to 2% in year 10. The depreciation rate remains at 2% thereafter for the remaining part of the asset's useful life.
Buildings	— in equal instalments over the useful life of the asset which will not exceed 40 years.
Plant	— 7%
Vehicles	— 10% - 20%
Fixtures and fittings	— 7%

#### **STOCKS:**

Stocks represent consumable estate stores valued at the lower of cost and net realisable value.

#### **TAXATION:**

Taxation is provided in the profit and loss account on the basis of the profit included therein, adjusted according to the fiscal laws of Kenya. Provision is made at the rate ruling at the year end for deferred taxation except in respect of taxation which can reasonably be expected to continue to be deferred for the foreseeable future.

986\*

876

21,124

(Sh'000)

PROFIT BEFORE TAXATION	14,756	12,909	8,124	11,780
TAXATION	<u>6,278</u>	<u>5,600</u>	<u>3,500</u>	<u>5,185</u>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	8,478	7,309	5,064	6,595
DIVIDENDS	<u>8,200</u>	<u>7,000</u>	<u>4,800</u>	<u>6,400</u>
PROFIT RETAINED	<u>278</u>	<u>309</u>	<u>264</u>	<u>195</u>
EARNINGS PER SHARE (Shs.)	42.39	36.55	25.32	32.98
DIVIDEND PER SHARE (Shs.)	41.00	35.00	24.00	32.00

\* NOTE: 1986 figures were for 18 month period ended 31st December 1986.



