



NATIONAL
INDUSTRIAL
CREDIT
LIMITED

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ANNUAL REPORT
& ACCOUNTS
1993

*L*iberalisation, privatisation and other economic reforms have been major issues in the world over the past few years. Many nations which considered the free market an anathema have begun to see the light. Under the controlled economic system, prices were normally kept down to uneconomic levels and, therefore, when controls were removed the trend was for upward prices. This has tended to cause fear and pessimism in the community at large.

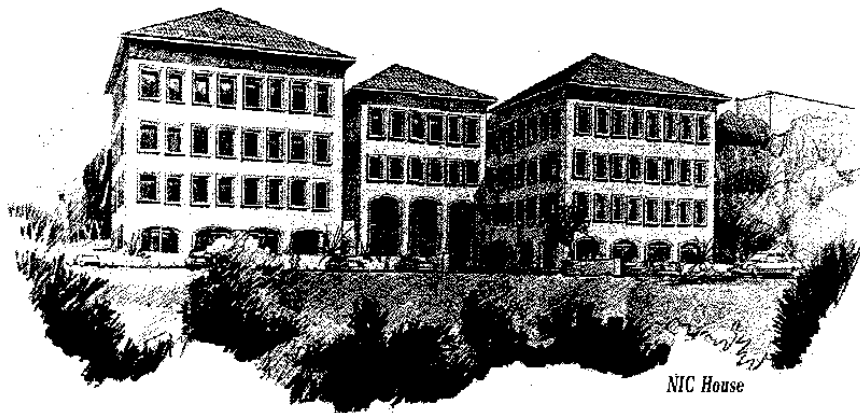
*I*n the long run it can be expected that an open economy will bring about competition and efficiency so that the provider of goods and services receives a fair reward and the consumer receives better value for money.

*I*n the world of finance in Kenya the cost of money reached the highest levels ever seen with Treasury Bills returning rates in excess of 70% p.a. for most of 1993. Maximum interest rates paid on deposits rose from 19% p.a. at the beginning of the year to as much as 57% p.a. in the second half of 1993. During the year we raised interest rates for our borrowers, but not by as much as the general increase in interest rates.

*I*n the years to come we will continue to strive to offer our services at competitive rates because we believe that this is the only sure way to keep ahead of our competitors and this is in the best interests of our clients.



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1. National Industrial Credit Bank Limited -- Periodic
2. Banks and banking -- Kenya -- Periodicals

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2007/0588



DIRECTORS AND OFFICIALS

BOARD OF DIRECTORS P.O. Nyakiamo, E.G.H., E.B.S. (Chairman)
*P.J. Bolton (Managing Director)
*R.A. Bird
*R.A.G. Escott
P.R. Hechle
A.C. Juma
J. Mbatia
F.M. Mbiru
R.G. Ridley
M. N. Wahome (Alternate to R.A. Bird)
*P.C. Watford (Alternate to R.A.G. Escott)

*British

COMPANY SECRETARY A.A. Mulla

AUDITORS Deloitte & Touche
Ring Road, Westlands
P.O. Box 40092, Nairobi

REGISTERED OFFICE NIC House
Masaba Road
P.O. Box 44599, Nairobi

REGISTRARS AND TRANSFER OFFICE Barclays Advisory and Registrar Services Limited
P.O. Box 30120, Nairobi

BANKERS Barclays Bank of Kenya Limited
Union Towers
P.O. Box 45174, Nairobi

Barclays Bank of Kenya Limited
NIC House
P.O. Box 72058, Nairobi

In my last Chairman's Report I anticipated a difficult 1993 for the economy of Kenya and this turned out to be an accurate forecast. The year saw the most radical reforms and changes in the Kenyan economy for generations, with the liberalisation of imports and the exchange rate mechanism, the

"The year saw the most radical reforms and changes in the Kenyan economy for generations, ..."

withdrawal of price controls on nearly all items, considerable incentives to exporters, very high interest rates as a consequence

of the exceptional increase in discount rates on Treasury Bills, Parastatal reforms and reductions in the Civil Service. The year also saw unprecedented levels of inflation during the first nine months, and a sharp drop in the value of the Kenya Shilling against major currencies.

I am pleased to report that, notwithstanding these difficult trading conditions and radical changes in the Kenyan economy, National Industrial Credit Limited achieved a pre-tax profit of Shs. 287 million for the year, an increase of 117% on the profit of 1992.

The improvement is mainly due to exceptional earnings on investment of surplus funds in Treasury Bills which were realising an effective rate of up to 70% for most of the year, and the necessary increase in our lending rates in July because of very high market rates for deposits, which moved upwards in line with Treasury Bill rates.

Our Balance Sheet continued to grow with total assets up by 20% to Shs. 3,236 million and customer deposits increased by 15% to Shs. 2,395 million to fund lendings of Shs. 2,203 million which were up by 17%. The increase in our lendings did not keep pace with inflation and excess funds were placed on the Money Market with Banks and Financial Institutions but Treasury Bills were invested in heavily because of the excellent return received for most of the year.

Whilst our pre-tax profit of Shs. 287 million appears to be a very large figure Shs. 102 million of this will be paid to the Government in corporation tax and a

further Shs. 61 million is proposed to be paid to you, the Shareholders, by way of dividend, leaving Shs. 124 million to be placed in Reserves for the expansion of our business. It is also proposed, for the second year running, that your Company issues bonus shares in the ratio of one for every one now held, and subject to your agreement at the Annual General Meeting, and the usual consents, the new shares will be made available as soon as the relevant authorities are received and will qualify for any dividend declared thereafter.

As usual I wish to pay tribute here to our management and staff who have performed especially well in a difficult year. I thank them all on behalf of my co-Directors and, no doubt, our Shareholders for another excellent year's work.

With the very high cost of motor vehicles, plant machinery and equipment, 1994 is not likely to be an easy year, but there are some hopeful signs. The cost of money and inflation are now well down on the levels seen earlier in 1993 and donor confidence seems to be returning. On the other hand we will not see the exceptional earnings we benefited from in 1993 and the cost of living continues to escalate, albeit at a slower rate, for all Kenyans. Unfortunately, the spectre of drought is looming in many parts of the country and we therefore pray that the long rains will bring relief. Whilst economic reform and liberalisation can mean hardship in the short term, it is a price worth paying with the promise of a better and stronger economy more able to create real productive jobs in the medium term. 1994 is therefore likely to be another challenging year for your Board and management and only limited growth can be expected.

There have been some changes to your Board of Directors during 1993. Frank Silcock, Finance Director, Mercantile Group, London resigned upon retirement. He was only on the Board for two years but he was always very interested in National Industrial Credit Limited and we thank him for passing on his considerable knowledge and experience to us during his visits to Kenya. Fred Mbiru has been replaced by Morris Wahome, General Manager, Barclays Bank of Kenya Limited as alternate to Bob Bird. Fred, who has retired from Barclays Bank of Kenya Limited after many years of distinguished service has joined as a full member of the Board. Alfred Juma, Managing Director of Avon Rubber Company (Kenya) Limited, has also been appointed a Director.



CHAIRMAN'S REPORT

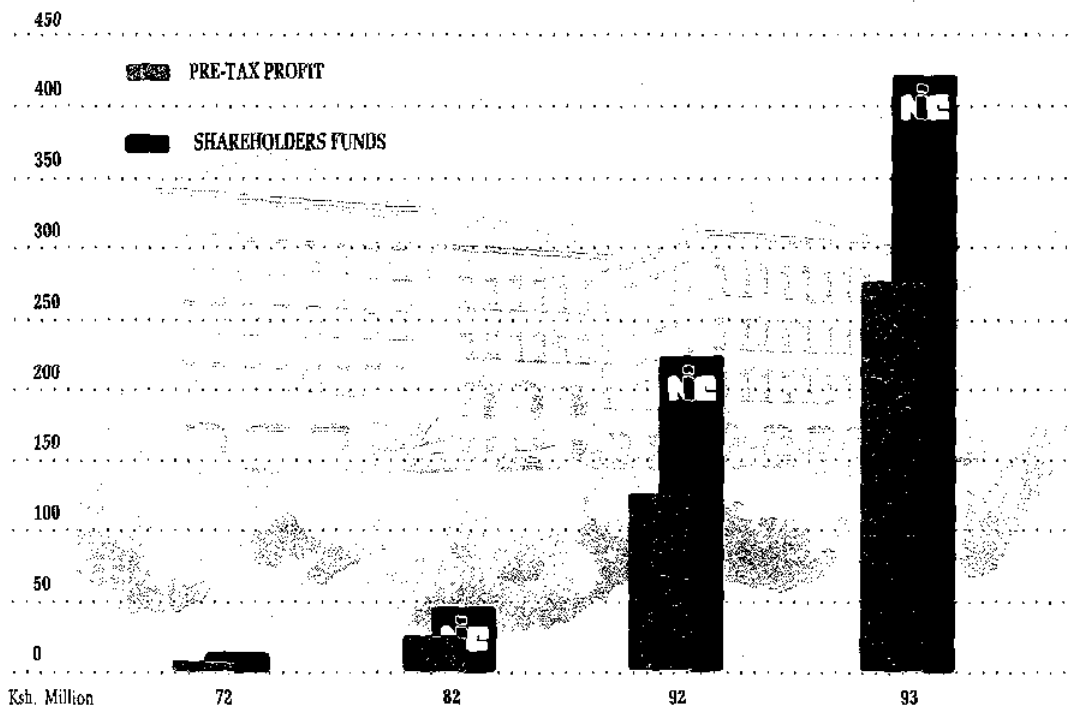
continued

A word on the much publicised proposed sale by our majority shareholder of its 51% shareholding to Credit Finance Corporation Limited in late 1993. The decision to sell the shares was a strategic decision made by Barclays Bank of Kenya Limited based upon their wish to concentrate on their core retail and commercial banking business, where considerable investment is taking place. In the event the sale did not receive the approval of the regulatory authorities for technical reasons but the strategic reasons for disinvestment by Barclays Bank of Kenya Limited remain. However, I am assured and confident that Barclays Bank of Kenya Limited, as already stated by them, will only sell its shareholding in a manner which will protect the interests of National Industrial Credit Limited, its customers, staff and minority shareholders.

"Whilst economic reform and liberalisation can mean some hardship in the short term, it is a price worth paying with the promise of a better and stronger economy more able to create real productive jobs in the medium term."

P.O. Nyakiamo, E.G.H., E.B.S.,
Chairman
31st March 1994

PRE-TAX PROFIT AND SHAREHOLDERS FUNDS





Katika ripoti yangu ya mwisho nilibashiri kwamba mwaka wa 1993 ungekuwa mgumu katika uchumi wa Kenya na ubashiri huu ukawa kweli. Mwaka huo ulikuwa na mabadiliko mengi kiuchumi ambayo Kenya haijashuhudia kwa kipindi kirefu. Kutosimamiwa na serikali uagizaji wa bidhaa kutoka nje na ubadilishaji

wa pesa, kutosimamiwa kwa bei ya karibuu bidhaa zote, vishawishi kwa wale wanaopeleka bidhaa nje, kupanda kwa riba kutokana na

"Mwaka huo ulikuwa na mabadiliko mengi kiuchumi ambayo Kenya haijashuhudia kwa kipindi kirefu."

"discount rate on Treasury Bills", kurekebisha kwa makampuni ya kiserikali na kupunguzwa kwa wafanyakazi wa serikali. Mwaka huo ulishuhudia mabadiliko ambayo hayajawahi kutokea hapo mbeleni na ongezeko la bei za bidhaa katika miezi tisa ya kwanza na pia ukashuhudia kupungua kwa thamani ya shilingi ya Kenya ikilinganishwa na pesa muhimu za kigeni.

Ninajuraha kutangaza kwamba dhidi ya matatizo haya yote na mabadiliko ya kiuchumi nchini, National Industrial Credit Limited ilipata faida ya Sh. 287 milioni kabla ya kulipa kodi, hili likiwa ni ongezeko la asilimia 117 ikilinganishwa na faida ya mwaka wa 1992.

Mafanikio haya yalitokana na mapato maalumu kutoka kwa akiba ya "Treasury Bills" ambazo zilikuwa zikipata hadi asilimia 70 karibu mwaka mzima na pia ongezeko la kiwango cha ukopeshaji wetu mwezi wa Julai kuambatana na ongezeko la riba kwa akiba ambayo ilienda juu kufuatia kiwango cha ongezeko cha "Treasury Bills".

Balance Sheet yetu iliendelea kupanuka ikiwa na ongezeko la rasilimali ya asilimia 20 hadi Sh. 3,236 milioni na hazina ya wateja iliongezeka kwa asilimia 15 kufikia Sh. 2,395 milioni kuwezesha ukopeshaji kupanda hadi Sh. 2,203 milioni hili likiwa ni ongezeko la asilimia 17. Ongezeko katika ukopeshaji wetu halikwenda sambamba na ongezeko la bei za bidhaa na pesa za ziada ziliwekwa katika soko la fedha katika Benki na mashirika ya kifedha "Financial Institutions" lakini akiba nyingi iliwekwa kwenye Treasury Bills

sababu ya mapato ya kuridhisha yaliyopatikana kwa kipindi kirefu cha mwaka.

Fajapokuwa faida ya Sh. 287 milioni yaonekana kuwa ni pesa nyingi, Sh. 102 milioni ya pesa hizi zitalipwa kwa serikali kama kodi ya ushirika na zingine Sh. 61 milioni zitalipwa wanahisa kama mgao wa faida. Zitakazosalia Sh. 124 milioni zitawekwa kwa upanuzi wa biashara yetu. Imependekezwa kwa mwaka wa pili mfululizo kwamba kampuni yenu ipeane hisa za ziada kwa kiwango cha hisa moja kwa kila moja inayomilikiwa na hili litatekelezwa kama litakubaliwa katika mkutano mkuu wa mwaka. Iliisa mpyo zitatolewa haraka baada ya kupatikana idhini na zitashirikishwa katika migao ya faida hapo baadaye.

Kama kuwaida natoa pongezi zangu kwa viongozi na wafanyakazi ambao wamefanya vyema katika mwaka mgumu. Nawashukuru wote kwa niaba ya wakurugenzi wenzangu na bila shaka kwa niaba ya wanahisa wetu kwa mwaka mwingine wenye mafanikio.

Kwa sababu ya ongezeko kubwa sana katika bei za magari, mashini na vifaa vingine, mwaka wa 1994, hautarajiwi kuwa rahisi lakini kuna ishara za mafanikio. Bei ya pesa na bidhaa zimepungua zikilinganishwa na hapo mapema 1993. Wafadhili waweonyesha kuwa na imani. Kwa upande mwingine hatuwezi kupata mapato maalum kama tuliyopata mwaka wa 1993 kwa kuwa gharama ya maisha yaendelea kupanda na kwa bahati mbaya, ukame pia unatisha sehemu nyingi za nchi yetu na kwa hivyo tunatarajia mvun ya masika itatuletea mafanikio. Nidhahiri kwamba mabadiliko ya kiuchumi na uhuru wa kibashara waweza kuwa na shida yakiingaliwa kwa muda mfupi, uzuri ni yakiingaliwa kwa muda mrefu kwa kuwa yataimarisha uchumi ambao utaleta matokeo mazuri kikazi. Mwaka wa 1994 utakuwa mwaka mgumu kwa halmashauri yenu na viongozi na kwa hivyo tunatarajia upanuzi mdogo wa biashara yetu.

Kumekuwa na mabadiliko kwenye halmashauri ya wakurugenzi katika mwaka wa 1993. Frank Silcock, mkurugenzi wa pesa, Mercantile Group, London alijiuzulu kwa kufikia umri wa kustaafa. Alikuwa kwenye halmashauri kwa muda wa miaka miwili lakini alikuwa anajihusisha sana na National Industrial Credit Limited na tunamshukuru sana kwa mawaidha na ujuzi aliotupatia katika safari zake nchini Kenya. Nafasi ya Fred Mbiru aliyekuwa mwakilishi wa Bob



RIPOTI YA MWENEKITI

inaendelea

Bird imechukuliwa na Morris Wahome ambaye ni General Manager, Barclays Bank of Kenya Limited. Fred Mbiru ambaye amestaafu kutoka Barclays Bank of Kenya Limited baada ya miaka mingi ya utumishi wenye mafanikio ameungana nasi kama mkurugenzi wa halmashauri yetu. Alfred Juma, mkurugenzi mkuu wa Avon Rubber Company (Kenya) Limited amechaguliwa kama mkurugenzi pia.

Vikigusia kidogo kuhusu uzaji uliotangazwa sana na wanahisa wenye hisa kiasi cha asilimia 51, kwa Credit Finance Corporation Limited mwishoni wa mwaka 1993. Uamuzi huu ulifanywa na Barclays Bank of Kenya Limited ambao walitaka kuzingatia biashara yao ya "retail and commercial banking" ambayo wameitimarisha sana. Uzaji huu haukuidhinishwa kutokana na sababu za kimsingi, hata hivyo sababu za Barclays Bank kuuza hisa zake hazijabadilika.

Vimehakikishiwa kwamba Barclays Bank itakapoamua kuuza hisa zake, itaziuza kwa njio ambayo itazingatia na kujali maslahi ya National

Industrial Credit, wateja wake, wafanya kazi na wanahisa wengine.

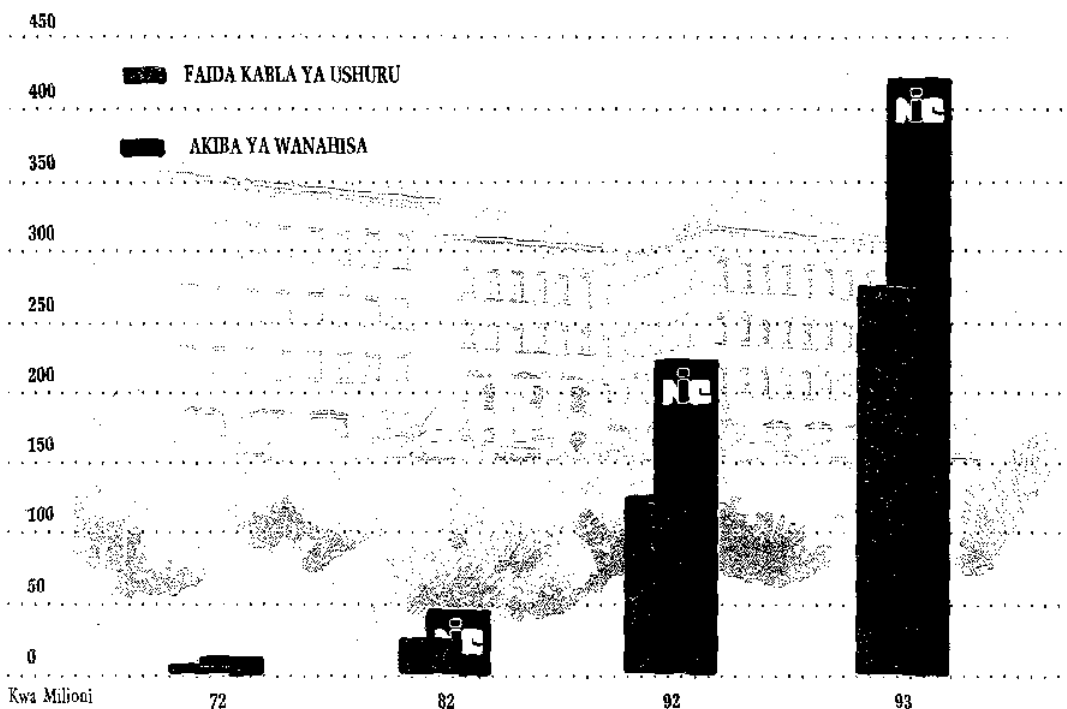
P.O. Nyakiamo, E.G.H., E.B.S.,

Mwenyekiti

31 Machi 1994

"Nidhahiri kwamba mabadiliko ya kiuchumi na uhuru wa kibiashara waweza kuwa na shida yakiangaliwa kwa muda mfupi, uzuri ni yakiangaliwa kwa muda mrefu kwa kuwa yataimorisha uchumi ambao utaleta matokeo mazuri kikazi."

FAIDA NA AKIBA YA WANAHISA



NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the thirty fourth Annual General Meeting of the shareholders will be held at the office of the Company, 2nd Floor, NIC House, Masaba Road, above the Uhuru Highway, Bunyala Road roundabout (across the railway bridge), Nairobi on Thursday, 12th May, 1994, at 12.00 noon for the following purposes:

1. To receive and consider the Accounts for the year ended 31st December, 1993 and the Directors' and Auditors' Reports thereon.
2. To approve payment of a first and final dividend of 70% on the paid-up capital of Shs. 87,891,000.
3. To approve the payment of fees to the Directors for the year ended 31st December, 1993.
4. To re-appoint the auditors and authorise the Directors to fix their remuneration.
5. To elect Directors in accordance with the Articles of Association.
6. Issue of Bonus Shares
 - a) To consider and, if thought fit, pass the following which will be proposed as an ORDINARY RESOLUTION "That the capital of the Company be increased to Shillings one hundred and seventy five million seven hundred and eighty one thousand two hundred and fifty only (Shs.175,781,250) by the creation of seventeen million five hundred and seventy eight thousand one hundred and twenty five (17,578,125) ordinary shares of Shillings five (Shs.5/-) each to rank pari passu in all respects with the existing ordinary shares of the Company".
 - b) To consider and, if thought fit, pass the following

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his/her behalf. Such proxy need not be a member of the company. To be valid proxy forms must be deposited at the Registered Office of the Company not less than 48 hours before the appointed time of the Meeting. A form of proxy is enclosed.

which will be proposed as an ORDINARY RESOLUTION "That it is desirable in pursuance of Article 136 of the Articles of Association to capitalise the sum of Shillings eighty seven million eight hundred and ninety thousand six hundred and twenty five only (Shs. 87,890,625) standing to the credit of the Profit and Loss account of the Company and accordingly that such sum be capitalised and that the Directors be and are hereby authorised and directed to appropriate such sum to the holders of ordinary shares registered at the close of business on a day to be fixed by the Company and advised to shareholders through the Press being not more than thirty days after the receipt by the Company of the necessary consent from the relevant authorities from whom permission has been sought, in proportion to the number of ordinary shares held by them respectively on such date and to apply such sum on behalf of such holders in paying up in full at par seventeen million five hundred and seventy eight thousand one hundred and twenty five (17,578,125) of the unissued shares in the capital of the Company, such shares to be allotted, distributed and credited as fully paid up to and amongst such holders in the proportion of one new ordinary share for every one ordinary share then held, and that such new shares shall rank for all purposes pari passu with the existing issued ordinary shares of the Company and that the Directors be and are hereby also authorised generally to do and effect all acts and things required to give effect to this Resolution and to deal with fractions in such manner as they should think fit subject always to the Articles of Association of the Company".

7. Special Business

To consider and, if thought fit, pass the following Resolution pursuant to section 186(5) of the Companies Act (Cap 486). "That Mr. Robert George Ridley having attained the age of 70-years prior to this Annual General Meeting be re-elected as a Director of the Company."

BY ORDER OF THE BOARD

A. A. Mulla - Company Secretary
P. O. Box 44599, Nairobi
11th April 1994



Mnatangoziwa ya kuwa Mkutano Mkuu wa kila Mwaka wa wenye hisa utafanywa tarehe kumi na mbili Mei 1994 saa sita mchana katika ofisi ya Kampuni, ghorofa ya pili, jumba la NJC, Masoba Road, karibu na Uhuru Highway/Bunyala Road round-about, Nairobi. Madhumuni ya mkutano ni yafuatayo:

1. Kupokea na kuzingatia hesabu za mwaka ulioishia tarehe 31 Desemba 1993, na ripoti za Wakurugenzi na Wakoguzi wa hesabu.
2. Kuidhinishwa malipo ya kwanza na mwisho ya mgao wa faida ya asilimia 70 katika rasilimali iliyolipwa kamili ya Sh. 87,891,000.
3. Kuidhinishwa kulipwa Wakurugenzi ada za mwaka uliomalizikia tarehe 31 Desemba 1993.
4. Kuchagua Wakoguzi wa hesabu na kuwaamuru Wakurugenzi kuamua juu ya ujira wao.
5. Kuchagua Wakurugenzi kulingana na Kanuni za Kampuni.
6. Utoaji Bakshishi za hisa
 - a) Kufikiria pendekezo lifuatalo na likiamuliwa kuwa la kufaa lipitishwe kama AZIMIO LA KAWAIDA, "Kwamba rasilimali ya Kampuni iongezwe hodi Sh. 175,781,250 kwa kuongeza hisa 17,578,125 za kawaida za Sh 5 kila moja kuwa sawa kwa vyo vyote vile na hisa zote zilizopo za kawaida za Kampuni".
 - b) Kufikiria pendekezo lifuatalo na likiamuliwa kuwa la kufaa lipitishwe kama AZIMIO LA KAWAIDA "Kwamba ingfaa kuambatana na Nakala 136 ya Nakala za Kampuni kutumia Sh. 87,890,625 zilizowekwa katika akiba ya Faida na Hasara ya Kampuni na hivyo basi kiasi hicho kitumiwe na kwamba Wakurugenzi wawe na wanaidhinishwa hapa na kuamuriwa kutumia kiasi hicho cha pesa kwa kusudi la wanachama wenye hisa za kawaida walioandikishwa katika siku ombayo itaamuliwa na Kampuni na kuarifiwa wanachama wenye hisa kupitia magazeti katika muda usiozidi siku 30 baada ya Kampuni kupokea idhini inayohitajika kutoka kwa Idara zinazohusika ambazo kibali chao kimeombwa, kwa kadiri ya idadi ya hisa za kawaida ambazo walimiliki kila mmoja katika tarehe kama hiyo na kutumia pesa hizo kwa niaba ya wanachama kama hao wenye hisa katika kulipia kamili kiasi sawa na 17,578,125 za hisa ambazo hazijatolewa katika rasilimali ya Kampuni, hisa kama hizo zigawanywe kama hisa zilizolipwa kamili miongoni mwa wanachama kama hao wenye hisa kwa kadiri sawa na

hisa moja mpya ya kawaida kwa kila hisa moja ya kawaida zilizomilikiwa wakati huo na kwamba hisa kama hizo mpya ziwe sawa kwa vyo vyote vile na hisa zilizopo za kawaida za Kampuni na kwamba Wakurugenzi wawe na wanaidhinishwa pia hapa kwa jumla kuzingatia na kutekeleza amri zote na maswala yote yanayohitajika kufanya azimio hili litumike na kufanya hesabu kwa njia ambayo wanafikiria kufaa kutegemea wakati wote Nakala za Kampuni.

7. Shughuli Maalum

Kuzingatwa na ikifikiriwa ni sawa, lipitishwe azimio lifuatalo kulingana na kifungu cha 186(5) cha Sheria za Makampuni (Cap 486) kwamba "Bw. Robert George Ridley kwa kufikia umri wa miaka 70 kabla ya Mkutano Mkuu wa mwaka huu achaguliwe tena kuwa Mkurugenzi wa Kampuni".

KWA AMRI YA HALMASHAURI YA KAMPUNI

A. A. Mulla - Katibu
P. O. Box 44599, Nairobi
11 Aprili, 1994

*F*ahamu: Mwanachama mwenye haki ya kuhudhuria na kupiga kura ana haki ya kuchagua mwakilishi kuhudhuria na kupiga kura kwa niaba yake. Mwakilishi huyo si lazima awe ni mwanachama wa Kampuni. Uwakilishi kutimu fomu za uwakilishi lazima ziwasilishwe kwenye Afisi ya Kampuni masaa 48 kabla ya wakati uliowekwa wa mkutano. Fomu ya uwakilishi imo pamoja na tangazo hili.

REPORT OF THE DIRECTORS



The directors have pleasure in presenting their report and the accounts for the year ended 31st December 1993.

ACTIVITIES

The company continues in the hire purchase business and provides the services of a financial institution.

	Sh 000's
RESULTS	
Profit before taxation	287,126
Taxation thereon	101,825
Profit after taxation	185,301
Dividends - proposed	61,523
Transferred to reserves	123,778

DIVIDEND

The directors recommend a first and final dividend for the year of Sh3.50 per share, representing 70% on the issued share capital.

BONUS ISSUE

The directors recommend, subject to all the relevant approvals being obtained as necessary, to make a bonus issue to shareholders of one fully paid Sh 5 share for every one such share held.

Shareholders will be advised of the date of closure of the register on receipt of the relevant approvals.

SUBSIDIARY COMPANY

The company acquired 25,000 ordinary shares, representing the total issued share capital of National Industrial Credit Trustees Limited, during the year. The subsidiary company did not trade during the year. Largely as a consequence of this, and the insignificance of the amounts involved, the directors are of the opinion that consolidation of this subsidiary would be of no real value to the members.

DIRECTORS

The present members of the Board of Directors are shown on page 3.

Mr F.M. Mhiru and Mr A.C. Juma were appointed directors on 16th February 1993 and 19th April 1993 respectively.

Mr F.A. Silcock resigned as a director on 26th July 1993.

AUDITORS

Deloitte & Touche will continue in office in accordance with the provisions of Section 159(2) of the Companies Act.

BY ORDER OF THE BOARD

A. A. Mulla
Secretary
Nairobi
9th February, 1994



RIPOTI YA WAKURUGENZI

Wakurugenzi wanafuraha kutoa ripoti yao na hesabu ya mwaka hadi tarehe 31 Desemba, 1993.

SHUGHULI

Kampuni inaendeleza biashara ya kuuza kwa kukopesha kwa malipo ya polepole na pia inatoa huduma kama shirika la kifedha (Financial Institution).

	Sh 000's
MATOKEO	
Faida kabla ya kodi	287,126
Kodi iliotozwa	101,825
	<hr/>
Faida baada ya kodi	185,301
Mgao wa faida unaozimiwa	61,523
	<hr/>
Kuwekwa akiba	123,778
	<hr/>

MGAO WA FAIDA

Wakurugenzi wamependekeza mgao wa kwanza na wa mwisho wa mwaka wa shilingi 3.50 kwa kila hisa, hii ni asilimia 70 kwa hisa zilizotolewa.

UTOAJI BAKSHISHI ZA HISA

Wakurugenzi wapendekeza kama idhini ikipatikana kutoka kwa idara zinazohusika, kutolewa bakshishi za hisa kwa wanahisa kwa kiwango cha hisa moja ya Shilingi 5 kwa kila hisa moja.

Wanahisa watajulishwa wakati wa kufungwa kwa orodha ya majina ya wanahisa, idhini ikipatikana kutoka kwa idara zinazohusika.

KAMPUNI YA KANDO (SUBSIDIARY COMPANY)

Kampuni ilinunua mwakani hisa za kawaida 25,000 ikiwa ni hisa zote za National Industrial Credit Trustees Ltd (NICT). NICT haikufanya biashara mwakani. Kwa sababu hizi na kwa vile pesa zinahusika ni kidogo sana, wakurugenzi wameonelea hakuna haja ya kuweka pamoja hesabu za NICT na zile za kampuni.

WAKURUGENZI

Wanahalmashauri ya wakurugenzi waliopo wameonyeshwa ukurasa wa 3.

Bw. F.M. Mbiru na Bw. A.C. Juma walichaguliwa kama wakurugenzi tarehe 16 Februari 1993 na tarehe 19 Aprilli 1993.

Bw. F.A. Silcock alistaafu kama mkurugenzi tarehe 26 Julai 1993.

WAKAGUZI

Wakaguzi, Deloitte & Touche wataendelea kukagua hesabu kwa mujibu wa kifungu 159(2) cha sheria za Makampuni.

KWA AMRI YA HALMASHAURI

A. A. Mulla
Katibu
Nairobi
9 Februari, 1994

REPORT OF THE AUDITORS TO THE MEMBERS OF NATIONAL INDUSTRIAL CREDIT LIMITED



We have examined the accounts on pages 13 to 20 and have obtained all the information and explanations considered necessary for our audit.

In our opinion proper books of account have been kept by the company and the accounts, which are in agreement therewith, comply with the Companies Act and give a true and fair view of the state of the company's affairs at 31st December 1993 and of its profit and source and application of funds for the year ended on that date.

Deloitte & Touche
Certified Public Accountants (Kenya)

P. O. Box 40092, Nairobi
28th February, 1994

RIPOTI YA WAKAGUZI KWA WANAHISA WA NATIONAL INDUSTRIAL CREDIT LIMITED



Tumekagua hesabu zilizoko kwenye kurasa 13 mpaka 20 na tumepatiwa habari na maelezo yote muhimu kwa ukaguzi wetu.

Kwa maoni yetu vitabu vya hesabu vimewekwa kwa njia sahihi na kampuni na tarakimu za hesabu, ambazo zinakubaliana na vitabu hivyo, zinaambatana na sheria za makampuni na zinaeleza ukweli na maoni ya haki jinsi hali ilivyo katika kampuni kufikia tarehe 31 Desemba 1993 na kuhusu faida na mapato na matumizi ya fedha kwa mwaka ulioishia tarehe hiyo.

Deloitte & Touche
Certified Public Accountants (Kenya)

P. O. Box 40092, Nairobi
28 Februari, 1994



PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1993

	Notes	1993 Sh 000's	1992 Sh 000's
Profit before taxation	2	287,126	132,413
Taxation	3	101,825	43,394
Profit after taxation		185,301	89,019
Dividends (gross) - Proposed		61,523	24,610
Retained profit for the year	11	123,778	64,409
Earnings per share	4	Sh. 10.54	Sh. 5.06

BALANCE SHEET

31st December 1993

	Notes	1993 Sh 000's	1992 Sh 000's
ASSETS			
Cash and short term funds	5	704,967	455,547
Investments	6	9,775	57,375
Advances and other accounts	7	2,343,462	2,064,980
Deferred loans receivable		14,294	15,780
Investment in subsidiary company	8	500	-
Fixed assets	9	162,744	94,896
		<u>3,235,742</u>	<u>2,688,578</u>
LIABILITIES			
Deposits		2,460,849	2,249,148
Other liabilities		201,379	117,507
Taxation		67,928	30,548
Amount due to group company		609	2,600
Bank overdraft		21,868	37,283
Unpaid dividends (gross)		616	437
Proposed dividend (gross)		61,523	24,610
		<u>2,814,772</u>	<u>2,462,133</u>
CAPITAL RESOURCES			
Share Capital	10	87,891	70,313
Reserves	11	333,079	156,132
		<u>420,970</u>	<u>226,445</u>
		<u>3,235,742</u>	<u>2,688,578</u>

The accounts on pages 13 - 20 were approved by the Board of Directors on 9th February 1994 and were signed on its behalf by:

P.O. Nyakiamo E.G.H., E.B.S.	} Directors
P.J. Bolton	



STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 31st December 1993

	1993 Sh 000's	1992 Sh 000's
SOURCE OF FUNDS		
Profit before taxation	287,126	132,413
Adjustment for items not involving the movement of funds:		
Depreciation	7,489	6,862
Profit on disposal of fixed assets	-	(719)
	<hr/>	<hr/>
Funds generated from operations	294,615	138,556
Funds from other sources:		
Proceeds on disposal of fixed assets	-	743
	<hr/>	<hr/>
INFLOW OF FUNDS	<hr/> 294,615	<hr/> 139,299
APPLICATION OF FUNDS		
Purchase of shares in subsidiary	500	-
Bonus issue expenses	177	-
Expenditure on fixed assets	4,413	90,003
Taxation paid	64,445	44,816
Dividends paid	24,431	17,442
	<hr/>	<hr/>
OUTFLOW OF FUNDS	<hr/> 93,966	<hr/> 152,261
	<hr/> 200,649	<hr/> (12,962)
REPRESENTED BY:		
INCREASE/(DECREASE) IN WORKING CAPITAL		
Cash and short term funds	249,420	151,977
Investments	(47,600)	(58,113)
Advances and other accounts	278,482	140,420
Deferred loans receivable	(1,486)	7,804
Deposits	(211,701)	(227,321)
Other liabilities	(83,872)	(26,622)
Amount due to group company	1,991	(2,600)
Bank overdraft	15,415	1,493
	<hr/> 200,649	<hr/> (12,962)

NOTES TO THE ACCOUNTS



1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The company prepares its accounts under the historical cost convention, modified to include the revaluation of certain assets.

INVESTMENT IN SUBSIDIARY COMPANY

Investment in subsidiary company is stated at cost.

The results of the subsidiary company are not consolidated (see report of the directors).

DEPRECIATION

Depreciation is calculated to write off the cost of fixed assets in equal instalments at the following annual rates:

Long leasehold land and short leasehold land and buildings	Over the period of lease
Long leasehold buildings	2%
Furniture, fittings and equipment	20%
Motor vehicles	20%

BAD AND DOUBTFUL DEBTS

Specific provisions are made against advances when, in the opinion of the directors, recovery is doubtful. In addition, general provisions are maintained, based on management's evaluation of the portfolios of hirers' balances and other exposures, in respect of losses which, although not specifically identified are known from experience to be present in any such portfolio.

UNEARNED FINANCE CHARGES

The provision for unearned finance charges is calculated on a basis such as to allocate charges earned to the appropriate accounting period, using "the rule of 78ths".

CURRENT TAXATION

Current 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.

DEFERRED TAXATION

Deferred taxation is provided on timing differences between the accounting and taxation treatment of income and expenditure where, in the opinion of the directors, a significant liability to taxation will crystallise in the foreseeable future.

	1993 Sh 000's	1992 Sh 000's
2 PROFIT BEFORE TAXATION		
The profit before taxation is arrived at after charging:		
Contribution to Deposit Protection Fund	2,536	1,620
Depreciation	7,489	6,862
Directors' emoluments		
Fees	530	270
Other	10,283	6,884
Pension to past chairman	418	331
Auditors' remuneration - current	615	400
- prior year	74	70
and after crediting:		
Profit on disposal of fixed assets	-	719
Income from investments	2,941	17,499
	<hr/>	<hr/>

3 TAXATION

(a) CURRENT TAX

Based on the chargeable profit for the year at 35% (1992 - 37.5%)	102,309	43,461
Over provision in prior years	(484)	(67)
	<hr/>	<hr/>
	101,825	43,394
	<hr/>	<hr/>

(b) DEFERRED TAX

At 31st December 1993 there was a potential deferred tax asset amounting to Sh 8,892,382 (1992 - Sh 3,638,698) arising out of the different treatment of certain items for accounting and taxation purposes.

4 EARNINGS PER SHARE

Earnings per share are calculated on the profit after taxation of Sh 185,301,000 (1992 - Sh 89,019,000) and on the number of shares in issue at the year end. Due to the bonus issue during the year, the 1992 comparative figure has been amended in line with generally accepted accounting practice.

NOTES TO THE ACCOUNTS *continued*

	1993 Sh 000's	1992 Sh 000's
5 CASH AND SHORT TERM FUNDS		
Cash	9	2
Bearer bonds	129,080	186,875
Treasury bills	575,878	268,670
	<u>704,967</u>	<u>455,547</u>
6 INVESTMENTS - unquoted at cost		
K£500,000 - 10.75% Kenya Government stock 2000	9,775	9,775
Treasury bonds	-	47,600
	<u>9,775</u>	<u>57,375</u>
Directors' valuation	<u>9,775</u>	<u>57,375</u>
7 ADVANCES AND OTHER ACCOUNTS		
Hirers' balances (after provision for bad and doubtful debts)	3,012,924	2,273,815
Less: Unearned finance charges	(809,731)	(399,772)
	<u>2,203,193</u>	<u>1,874,043</u>
Monies at call	90,000	135,000
Other debtors and prepayments	50,269	55,937
	<u>2,343,462</u>	<u>2,064,980</u>
Hirers' balances include amounts receivable over a period of up to four years.		
8 INVESTMENT IN SUBSIDIARY COMPANY		
National Industrial Credit Trustees Limited (100% shareholding)		
Shares at cost	<u>500</u>	<u>-</u>



NOTES TO THE ACCOUNTS *continued*

9 FIXED ASSETS	Long leasehold land and buildings Sh 000's	Short leasehold land and buildings Sh 000's	Furniture fittings and equipment Sh 000's	Motor vehicles Sh 000's	Total Sh 000's
COST					
At 1st January 1993	75,225	6,890	18,277	5,914	106,306
Additions	1,781	-	2,632	-	4,413
Disposals	-	-	(58)	-	(58)
Surplus on revaluation	67,994	-	-	-	67,994
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1993	145,000	6,890	20,851	5,914	178,655
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Comprising:					
At cost	-	6,890	20,851	5,914	33,655
At valuation - 1993	145,000	-	-	-	145,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	145,000	6,890	20,851	5,914	178,655
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1st January 1993	1,335	689	6,788	2,598	11,410
Charge for the year	1,595	689	4,070	1,135	7,489
On disposals	-	-	(58)	-	(58)
Written back on revaluation	(2,930)	-	-	-	(2,930)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1993	-	1,378	10,800	3,733	15,911
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31st December 1993	145,000	5,512	10,051	2,181	162,744
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1992	73,890	6,201	11,489	3,316	94,896
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Long leasehold land and buildings were valued as at 31st December 1993 by Lloyd Masika Limited, registered valuers, on an open market basis.

Included in furniture, fittings and equipment are assets with a cost of Sh 946,000 (1992 - Sh 1,004,000) which were fully depreciated. The normal depreciation charge on these assets would have been Sh 189,000 (1992 - Sh 201,000).

10 SHARE CAPITAL

	1993 Sh 000's	1992 Sh 000's
Authorised, issued and fully paid		
17,578,125 (1992 - 14,062,500) ordinary shares of Sh 5 each	87,891	70,313
	<hr/>	<hr/>

At the annual general meeting held on 14th May 1993, the shareholders approved that the authorised share capital of the company be increased by the creation of 3,515,625 ordinary shares of Sh 5 each. At the same annual general meeting the shareholders also approved a bonus issue of one fully paid Sh 5 share for every four such shares held.

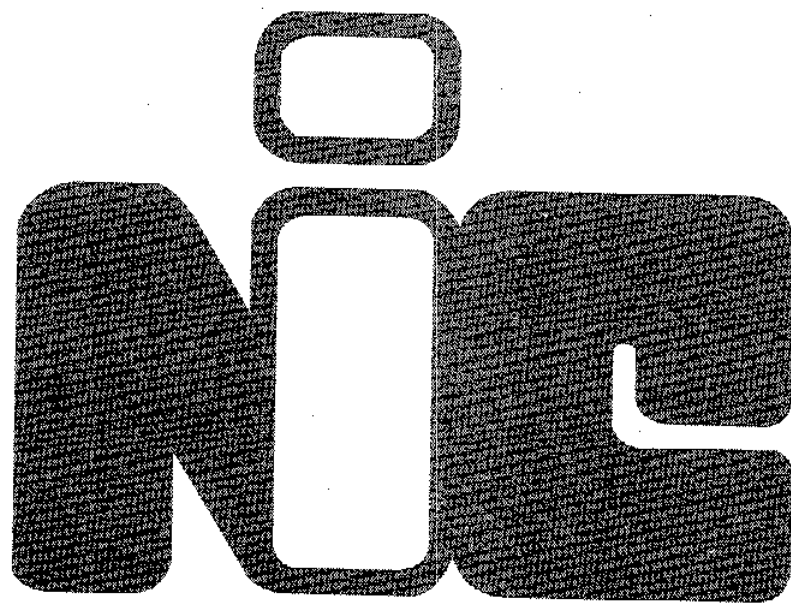
NOTES TO THE ACCOUNTS *continued*

11 RESERVES	Revaluation Sh 000's	Share premium Sh 000's	Revenue Sh 000's	Total Sh 000's
At 1st January 1993	-	2,319	153,813	156,132
Bonus issue	-	-	(17,578)	(17,578)
Surplus on revaluation of fixed assets	70,924	-	-	70,924
Bonus issue expenses	-	(177)	-	(177)
Retained profit for the year	-	-	123,778	123,778
At 31st December 1993	70,924	2,142	260,013	333,079



PERFORMANCE HISTORY

YEAR	FINANCE PROVIDED	PROFIT BEFORE TAX	TAXATION	DIVIDENDS PAID	FUNDS RETAINED	SHARE- HOLDERS FUNDS
1960	15,812	(670)	-	-	(670)	3,330
1970	42,088	5,604	2,190	3,310	1,040	8,970
1980	249,908	25,745	11,788	6,750	7,208	38,150
1981	290,457	25,266	13,686	7,312	4,268	44,457
1982	300,746	27,840	14,112	10,125	3,603	47,939
1983	333,623	34,061	14,764	11,812	7,485	55,339
1984	397,960	25,987	11,939	10,125	3,923	59,154
1985	522,202	31,621	14,873	11,250	5,499	64,595
1986	694,619	34,660	16,220	11,250	7,190	71,726
1987	768,416	42,353	19,890	11,250	11,212	81,816
1988	936,381	50,312	25,996	12,375	11,940	93,603
1989 (18 mths)	1,090,378	71,501	36,023	16,875	18,603	112,147
1990	1,428,641	60,307	26,721	14,063	19,523	131,631
1991	1,600,090	83,580	34,965	17,578	31,037	162,036
1992	1,874,043	132,413	43,394	24,610	64,409	226,445
1993	2,203,193	287,126	101,825	61,523	123,776	420,970



N A T I O N A L I N D U S T R I A L C R E D I T



PROXY

The Secretary,
National Industrial Credit Limited,
NIC House,
Masaba Road,
P. O. Box 44599,
Nairobi.

PROXY

I/We.....

of.....

being a member/members of National Industrial Credit Limited, and entitled to.....

votes hereby appoint.....

.....

of.....

or failing him.....

of.....

as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on

12th May, 1994, and at any adjournment thereof.

As witness my/our hand this..... day of.....1994.

Signature (s) of.....

NOTE: In case of a Corporation, the Proxy must be made under its Common Seal.

WAKALA (AJENTI)



Katibu,
National Industrial Credit Limited,
NIC House,
Masaba Road,
P. O. Box 44599,
Nairobi.

WAKALA (AJENTI)

Mimi/Sisi
wa anuani hii
nikiwa mwanachama/tukiwa wanachama wa National Industrial Credit Limited na nikiwa/tukiwa na haki ya kura
.....
namchagua/twamchagua
wa sanduku la posta
na akiwa hotapata nafasi nimechagua/tumechagua
wa sanduku la posta
.....
akiwa mwakilishi wangu/wetu kunipigia/tupigia kura kwa niaba yangu/yetu katika Mkutano wa Mwaka wa Kampuni
utakaofanyika tarehe 12 Mei 1994 au tarehe yoyote iwapo mkutano utahairishwa. Nashuhudia/twashuhudia kwa
mkono/mikono wangu/yetu siku hii ya tarehe
mwezi wa. 1994.

Sahihi

ELEWA: Mwakala akiwa anawakilisha kampuni yoyote au shirika nilazima atumie muhuri rasmi wa Kampuni hiyo
(Common Seal).