ICDC

INVESTMENT COMPANY LIMITED

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ANNUAL REPORT AND ACCOUNTS

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ICDC INVESTMENT COMPANY LIMITED

ANNUAL REPORT AND ACCOUNTS
for the year ended 30 June, 1993
RIPOTI NA HESABU
za mwaka uliomalizikia 30 Juni, 1993

Contents Yaliyomo	Page Ukurasa

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1. ICDC Investment Company limited -- periodicals
2. Mutual funds -- Kenya -- periodicals

4530 .I5 A46 I23 1992/1993 c.1

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Corporate Information
Maelezo juu ya Kampuni

Directors:
Mr. C.S. Mbindyo, E.B.S. (Chairman and Managing Director), representing Industrial and Commercial Development Corporation,
Mrs. M. Mwangola,
Mr. F.M. Thuo,
Mr. J.P.N. Simba,
The Permanent Secretary, Ministry of Commerce and Industry,
Mr. S.O. Ayodo, E.G.H.,
Mrs. N.J. Ngigi.

Secretary and Registered Office:
Mr. F.G. Gaciri,
Uchumi House,
P.O. Box 45519,
NAIROBI.

Bankers:
National Bank of Kenya Limited,
National Bank Building,
Harambee Avenue,
P.O. Box 41862,
NAIROBI.

Kenya Commercial Bank Limited
Kencom House,
Moi Avenue,
P.O. Box 30081,
NAIROBI.

Auditors:
Messrs Nyaga Associates & Company,
Certified Public Accountants of Kenya,
Development House,
P.O. Box 41868,
NAIROBI.

Stock Brokers:
Messrs Francis Thuo & Partners Limited,
International House,
P.O. Box 46524,
NAIROBI.

Advocates:
Messrs Ndung'u Njoroge and Kwach,
Bruce House,
P.O. Box 41546,
NAIROBI.

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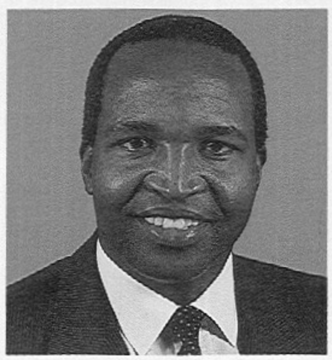
Board of Directors
Halmashauri ya Wakurugenzi

Mr. C.S. Mbindyo, E.B.S.
(Chairman and Managing Director)

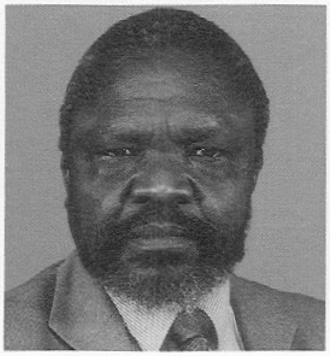
Mrs. M. Mwangola

Mr. F.M. Thuo



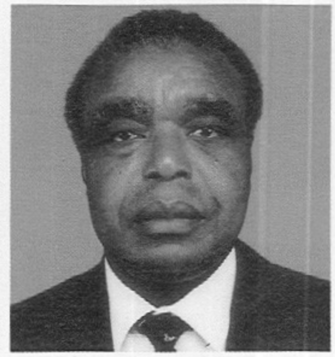
Mr. J.P.N. Simba

Mr. B.B.C. Kang'ela
(Alt. to the Permanent Secretary, Min. of Commerce & Industry)

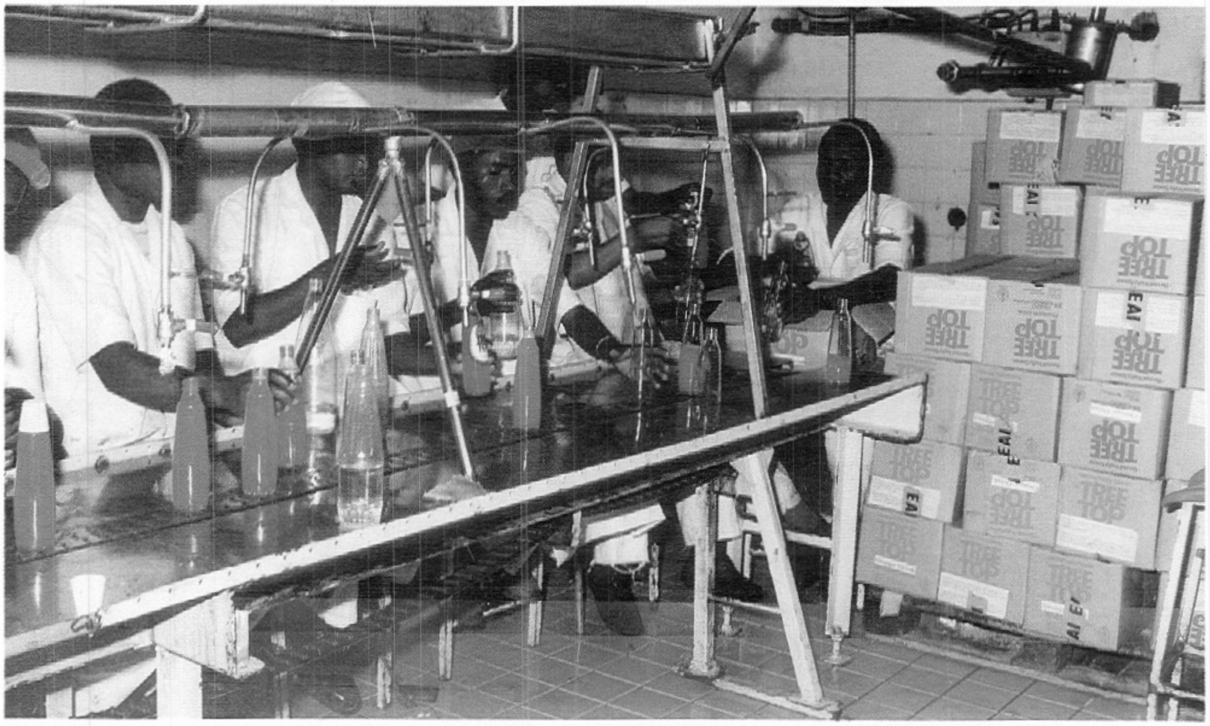


Mr. S.O. Ayodo, E.G.H.

Mrs. N.J. Ngigi



Mr. F.G. Gaciri
Company Secretary



Packing Tree Top inside the factory at the East Africa Industries Limited; Commercial Street Nairobi.

Hand Packaging of Dawaquin tablets inside the factory at the Dawa Pharmaceuticals Limited, Baba Dogo Road, Nairobi.

Staff putting price tags on the various personal care items at the Uchumi Supermarkets Limited, Aga Khan Walk, Nairobi.

ICDC INVESTMENT COMPANY LIMITED

Notice of Annual General Meeting To All Shareholders

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of the Company will be held on Saturday 18th December, 1993 at the Amphitheatre of Kenyatta International Conference Centre, Nairobi at 11.00 a.m. for the purpose of transacting the following Ordinary and Special businesses:

A. Ordinary Business

1. The Secretary to read the notice convening the meeting.
2. To confirm the minutes of the 25th Annual General Meeting held on Saturday 19th December, 1992.
3. To receive and to consider the Audited Accounts for the financial year ended 30th June, 1993 together with the Directors and Auditors reports thereon.
4. To confirm the payment of the Interim Dividend of Shilling 1.00 per share and declare a Final Dividend of Shilling 1.00 per share in respect of the year ended 30th June, 1993.
5. To approve the Directors' remuneration for the year ended 30th June, 1993.
6. To elect Directors in accordance with the Company's Articles of Association.
7. To authorise the Directors to fix the remuneration of the Auditors for the year ended 30th June, 1993.
8. To transact any other ordinary business.

B. Special Business

To pass the following as Special Resolutions:-

1. It was RESOLVED that Article No. 26 of the Company's Memorandum And Articles of Association be, and is, hereby amended by deletion of the words and figures "Two cents Fifty

Ilani ya Mkutano Wa Mwaka Kwa Wenyehisa Wote

ILANI INATOLEWA KWAMBA, MKUTANO MKUU wa ishirini na sita wa Kampuni hii utafanywa Jumamosi tarehe 18 Desemba, 1993 katika ukumbi wa Jumba kuu la Mikutano la Kenyatta, Nairobi saa tano kamili asubuhi kwa madhumuni ya kutekeleza shughuli zifuatazo:

A. Shughuli za Kawaida

1. Kusoma ilani iliyoitisha mkutano.
2. Kuthibitisha kumbukumbu za mkutano wa mwaka wa ishirini na tano uliofanywa Jumamosi tarehe 19 Desemba, 1992.
3. Kupokea na kufikiria Hesabu zilizokaguliwa za mwaka uliomalizikia tarehe 30 Juni, 1993 na Ripoti za Wakurugenzi na Wakaguzi wa Hesabu.
4. Kuthibitisha malipo ya Mgao wa Muda wa Shs. 1.00 kwa kila hisa na kuamua malipo ya Mgao wa Mwisho wa Shs. 1.00 kwa kila hisa kwa mwaka uliomalizika tarehe 30 Juni, 1993.
5. Kutoa Kibali Kuhusu ujira wa wakurugenzi wa mwaka uliomalizikia tarehe 30 June, 1993.
6. Kuwachagua Wakurugenzi kwa mujibu wa Kununi za Kampuni hii.
7. Kuidhinisha Wakurugenzi waweke kipimo kwa ada ya Wakaguzi wa Hesabu ya Mwaka uliomalizikia tarehe 30 Juni, 1993.
8. Kujadili mambo mengine yoyote yanayohusu shughuli za Kampuni na yasiyohitaji ilani maalum.

B. Shughuli Maalum

1. ILIAZIMIWA kwamba katika kifungu cha 26 cha Sheria za Kampuni kisahihishwe kwa kuondolewa majina na tarakimu "Mbili na senti Hamsini (2/50)" na kubadishwa kwa majina na tarakimu "Kumi (10.00)".
2. ILIAZIMIWA kwamba katika kifungu cha 80

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Notice of Annual General Meeting To All Shareholders *(Continued)*

(2/50)" appearing therein and substitution therein with the words and figures "Ten (10.00)".

2. It was RESOLVED that Article No. 80 of the Company's Memorandum And Articles of Association be, and is, hereby amended by deletion of the number "seven" being the maximum number of Directors and substitution therein with the number "nine".

By Order of the Board

F.G. Gaciri
Company Secretary

Nairobi
24th November, 1993

NB: A member entitled to attend and vote at this meeting is entitled to appoint a proxy who need not be a member of the company.

Ilani ya Mkutano Wa Mwaka Kwa Wenyehisa Wote *(Inaendelea)*

cha Sheria za Kampuni kisahihishwe kwa kuondolewa kwa nambari "Saba" ambayo ilikuwa nambari ya upeo ya wakurugenzi na kubadilishwa na kufanywa nambari "Tisa".

Kwa Amri ya Halmashauri ya Wakurugenzi.

F.G. Gaciri
Katibu

Nairobi
24 Novemba, 1993

Kumbusho:
Mwanachama anayestahili kuhudhuria na kupiga kura kwenye mkutano huu ana haki kumteua mwakilishi kuhudhuria na kupiga kura kwa niaba yake. Mwakilishi huyo si lazima awe mwanachama wa kampuni hii.

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Chairman's Statement for the year ended 30th June, 1993

Once again it is my great pleasure to make a statement of the operations of your company.

Mr. C.S. Mbindyo, E.B.S.
(Chairman and Managing Director)

Results

The Company recorded a Gross Income of Kshs. 54.36 million as compared to Kshs. 48.46 million for the previous year, an increase of 12.18%. This increase is mainly attributed to increases in dividend income.

The Net Profit for the year of Kshs. 44.09 million rose by 41.18% from the previous year's Kshs. 31.23 million. This substantial increase is partly attributed to increases in the main source of income as stated above. It is also attributed to continued stringent Management control over the Operating expenses within the environment of hyperinflation that our economy is currently experiencing.

Dividends

The policy of the company has always been to maintain a stable pay out. The Board of Directors therefore declared an Interim Dividend of Shs. 1.00 per share (20%) on 30th June, 1993 and is currently recommending a Final Dividend of Shs. 1.00 per share (20%) making a total dividend of Shs. 2.00 per share (40%) for the year. These well thought out and balanced payouts are based on the increased share capital following the recent Bonus Issue of shares and takes into consideration the company's investment policies.

Investments

Your Directors purchased additional equity investments amounting to Kshs. 87.06 million as compared to Kshs. 47.22 million last year, an increase of Kshs. 39.84 million (84.38%).

These investments were undertaken in profitable dividend paying companies in the quoted as well as the unquoted companies. The investments stated above were spread in the commercial, industrial and financial sectors of the economy. Your Board of Directors will

Taarifa ya Mwenyekiti ya mwaka uliomalizikia tarehe 30 Juni, 1993

Ni furaha yangu mara nyengine tena kutoa taarifa juu ya utendaji kazi wa kampuni yenu.

Matokeo

Kampuni iliweza kupta Faida ya jumla ya shilingi milioni 54.36 ukilinganisha na shilingi milioni 48.46 mwaka uliopita, ongezeko la asilimia 12.18. Ongezeko hili limesababishwa hasa na ongezeko la mapato ya migao.

Faida Halisi mwaka huu, ya shilingi milioni 44.09 ilipanda kwa asilimia 41.18 kutoka shilingi milioni 31.23 mwaka uliopita. Ongezeko hili kubwa lilisababishwa kwa upande mwengine na shina halisi la mapato kama ilivyoelezwa awali. Lilisababishwa pia na usimamizi bora juu ya matumizi ya pesa katika hali ngumu ya uchumi wetu hivi sasa.

Migao

Msimamo wa Kampuni wakati wowote umekuwa wakudumisha kwa uthabiti ulipaji wake. Wakurugenzi wenu walitangaza na kulipa Mgao wa Kwanza wa shilingi 1.00 kwa kila hisa (yaani asilimia 20) tarehe 30 Juni, 1993 na hivi sasa wana azimia Mgao wa Mwisho wa shilingi 1.00 kwa kila hisa (yaani asilimia 20) na kufanya jumla ya mgao mwaka huu wa shilingi 2.00 kwa kila hisa (yaani asilimia 40) kwa mwaka. Mawazo bora haya na malipo ya kadiri yametokana na ongezeko la raslimali iliyosababishwa na Toleo la hisa za bakshishi na kuzingatia msimamo wa uchumishaji mali.

Uchumishaji wa Mali

Wakurugenzi wenu waliweza kununua mali iliochumishwa nyengine zaidi, ya shilingi milioni 87.06 ukilinganisha na shilingi milioni 47.22 mwaka jana, ongezeko la shilingi milioni 39.84 (yaani asilimia 84.38). Uchumishaji huu ulifanywa kwenye kampuni zinazo fanya faida nzuri ya malipo ya migao katika kampuni zilizo katika baadhi ya orodaha ya soko la hisa na pia Kampuni maalum. Uchumishaji mali huu, uliotajwa hapo awali ulisambazwa katika sehemu za

Chairman's Statement *(Continued)*

continue their efforts in looking for good investment opportunities through the Nairobi Stock Exchange and the unquoted market.

Future Prospects

The economic environment at a global level has shown sluggish growth in the past three years particularly within the developing nations due to depressed commodity prices. This is likely to continue despite some slight improvements in the prices of tea and coffee. In our local situation, the global economic scenarios as stated above have had their effects resulting in lowered purchasing power. These have also been aggravated by the current high inflationary trend which has affected the entire local economy. Some companies where we have investments have been adversely affected by these developments and their results have not been as good as in the previous year. We, however, believe that the current adjustment policies followed by our Government are well poised to deal with the situation adequately and I would like to assure all the Shareholders that your Board and Management have risen up to the those economic challenges and will ride the crests of these economic waves well enough to ensure reasonable returns on your investments.

As stated in my statement last year, the Government had in June, 1991 announced major privatisation proposals of some of its investments in the quoted as well as in the unquoted market.

Your Board and Management will continue to carefully appraise all prospective investments coming into the market and particularly those to be presented by the Privatisation programme with a view to taking up any lucrative investments that are likely to arise.

Acknowledgements:

Finally, I would like to record my sincere gratitude and appreciation to all my colleagues on the Board, Management and Staff whose hard work and dedication has made it possible for us to achieve the good results recorded during the year under review. I also wish to take this opportunity to accord special thanks to the Industrial and Commercial Development Corporation and also all our business associates whose contin-

Taarifa ya Mwenyekiti *(Inaendelea)*

biashara, viwandani na mashirika ya fedha. Wakurugenzi wenu wataendelea na jitihada zao za kutafuta njia nzuri za uchumishaji mali kupitia kwa Soko la Hisa la Nairobi na hata Kampuni maalum.

Matumaini ya Baadaye

Dunia nzima, imeonyesha dalili ya kuzoroteka kwa uchumi, katika kipindi cha miaka mitatu iliyopita, hasa baadhi ya nchi zinazo endelea kwa sababu ya upungufu wa bei za bidhaa. Hali hii inaweza kuendelea hata iwapotokea ongezeko dogo la bei za Chai na Kahawa. Katika hali yetu nchini, hali ngumu ya uchumi duniani kama ilivyoelezwa awali imeleta upungufu wa uwezo wa ununuaji bidhaa. Hivi pia vimezidishwa na ongezeko la hali ya pesa ambayo imedhuru uchumi wote. Katika kampuni nyengine ambazo tulikuwa tumechumisha mali pia nazo zimeadhiriwa mno na hali hiyo na matokeo yao hayakuwa mazuri kama mwaka uliopita. Tunayo matumaini yakwamba mipango inayofuatwa na Serikali yetu hivi sasa imekaa katika hali njema ya kusulihishwa na ningependa kuwahakikishia Wanahisa wote kwamba, Wakurugenzi na Wasimamizi wako tayari kupambana na majaribio haya ya uchumi na watafanya bidii yote kuwezesha mapato kadiri yapatikane kutokana na uchumishaji wenu.

Kama nilivyoeleza katika taarifa yangu mwaka jana, kama Serikali mwezi Juni, 1991 ilitangaza ufaranghanishaji mkubwa wa uchumishaji mali yake baadhi ya kampuni za kawaida na hata kampuni maalum.

Wakurugenzi na Wasimamizi wenu wataendelea na kuchunguza kwa makini uchumishaji mali inayoingia katika soko na hasa ile itakayoletwa na mpango wa ufaraghanishaji na kuchukua uchumishaji mali yoyote mizuri itakayopatikana.

Shukrani

Mwisho, ningependa kuchukuwa nafasi hii kuwashukuru kwa dhati na kuridhika kwangu kwa Wakurugenzi wenzangu, Wasimamizi na Wafanya kazi waliofanya kazi zaidi na kujitolea kwao kumewezesha sisi kupata matokeo mazuri mwaka huu. Ningependa pia kutoa shukrani mahususi kwa Industrial and Commercial Development Corpora-

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Chairman's Statement *(Continued)*

ued support also contributed to the success of the company during the year under review.

Charles Stephens Mbindyo, E.B.S.
Chairman

Nairobi
14th September, 1993

Taarifa ya Mwenyekiti *(Inaendelea)*

tion na pia wenzetu wote katika biashara ambao himaya yao pia imeweza kuleta mafanikio ya kampuni mwaka huu.

Charles Stephens Mbindyo, E.B.S.
Mwenyekiti

Nairobi
14 Septemba, 1993

FUNGUA UCHUMI ICDC

ICDC INVESTMENT COMPANY LIMITED

Report of the Directors to the Members

The Directors have pleasure in submitting their Report and Audited Accounts for the year ended 30th June, 1993.

Results	**Shs.**	**Shs.**
Net Profit for the year before tax	44,667,088.25	
From which is deducted tax amounting to	(570,403.45)	
Leaving Profit after taxation of		44,096,684.80
To which is added: Retained Profit brought forward	110,644,799.00	
Add (Deduct): Adjustments in respect of prior years	2,814,949.05	
Bonus Issue	(3,473,470.00)	
Write back of unclaimed Dividends	1,203,300.05	
Write off of cancelled Dividend Income of prior years	(14,458,377.60)	96,731,200.50
Resulting in Profit available for distribution		140,827,885.30
Dividends		
Directors' recommend:-		
(a) Interim Dividend of Shs. 1.00 per share	15,700,947.00	
(b) Final Dividend of Shs. 1.00 per share	15,700,947.00	31,401,894.00
Leaving Profit Retained to be carried forward of		109,425,991.30

Ripoti ya Wakurugenzi kwa Wanachama

Wakurugenzi wana furaha kwa kutoa Ripoti yao pamoja na Hesabu zilizokaguliwa kwa mwaka uliomalizikia tarehe 30 Juni, 1993

Matokeo	**Shs.**	**Shs.**
Faida Halisi ya mwakani kabla kodi	44,667,088.25	
Kutokana na hapo tumeondoa kodi ya kiasi cha	(570,403.45)	
Ikibakisha Faida baada ya kodi		44,096,684.80
Ambayo inaongezwa mabaki ya faida ya miaka iliyopita	110,644,799.00	
Ongeza (Ondoa): Marekebisho ya miaka iliyopita	2,814,949.05	
Toleo la Bakshishi	(3,473,470.00)	
Kufutwa Kwa Migao ambayo haijadaiwa	1,203,300.05	
Kufutiliwa Mbali kwa Mapato ya Migao ya miaka iliyopita	(14,458,377.60)	96,731,200.50
Na kufanya jumla ya Faida za kugawanya za		140,827,885.30
Migao ya Faida		
Wakurugenzi wapendekeza:-		
(a) Mgao wa Kwanza wa Shilingi. 1.00 kwa kila hisa	15,700,947.00	
(b) Mgao wa Mwisho wa Shilingi 1.00 kila hisa	15,700,947.00	31,401,894.00
Na Kubakisha Faida zilizowekwa za		109,425,991.30

Report of the Directors to the Members *(Continued)*

Directorate
In accordance with article 88 of the Company's Memorandum and Articles of Association, Mr. F.M. Thuo and The Permanent Secretary, Ministry of Commerce and Industry retire by rotation and all being eligible, offer themselves for re-election.

Auditors
Messrs Nyaga Associates and Company continue in office in accordance with Section 159(2) of the Companies Act (Cap. 486).

By Order of the Board

F.G. Gaciri
Company Secretary

Nairobi
14th September, 1993

Ripoti ya Wakurugenzi kwa Wanachama *(Inaendelea)*

Wakurugenzi
Kwa mujibu wa masharti ya kanuni za Kampuni, Bw. F.M. Thuo na Katibu wa Kudumu wa Wizara ya Biashara na Viwanda wanastaafu kwa zamu na kwa kuwa wote wanastahili, wanajitolea kwa kuchaguliwa tena.

Wakaguzi wa Hesabu
Wakaguzi wa hesabu, Mabwana Nyaga Associates and Company, wataendelea na kazi yao kwa kufuata masharti ya Sehemu 159(2) ya Sheria za Kampuni (Sura. 486).

Kwa Amri ya Halmashauri ya Wakurugenzi

F.G. Gaciri
Katibu

Nairobi
14 Septemba, 1993

Auditors' Report to the Members

The accounts set out on pages 14 and 15 are in agreement with the books which in our opinion have been properly kept. We obtained the information and explanations we required.
In our opinion, the accounts read in conjunction with notes 1 to 15 on pages 16 to 20 comply with the Companies Act (Cap. 486) and give a true and fair view of the state of affairs of the company as at 30th June, 1993 and profit and source and application of funds for the year ended on that date.

Nyaga Associates & Company
Certified Public Accountants of Kenya
Development House,
P.O. Box 41868,
NAIROBI.

Nairobi
6th October, 1993

Ripoti ya Wakaguzi wa Hesabu kwa Wanachama

Hesabu zilizoonyeshwa katika ukurasa wa 14 na 15 zinaafikiana na vitabu, ambavyo kwa maoni yetu vimewekwa kwa njia sahihi. Tulipata habari pamoja na maelezo tuliyotaka. Kwa maoni yetu hesabu zilizoonyeshwa pamoja na maelezo penye kurasa 16 hadi 20 zinalingana na Sheria za Kampuni (Sura 486) na zinaonyesha habari ya kweli na ya haki ya hali na mambo yalivyokuwa tarehe 30 Juni, 1993 na faida na mapato na matumizi ya fedha za kampuni hii kwa mwaka uliomalizikia tarehe hiyo.

Nyaga Associates & Company
Mahasibu wa Raia Walioidhinishwa Kenya
Development House,
S.L.P. 41868,
NAIROBI.

Nairobi
6 Oktoba, 1993

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LIMITED

Balance Sheet
as at 30th June, 1993

Assets Emloyed:	**Notes**	**1993 Shs.**	**1992 Shs.**
Fixed Assets	7	64,495,964.15	64,506,573.00
Investments	8	241,809,982.65	160,701,565.40
Net Current Assets (Liabilities)	9	(4,308,964.20)	74,456,998.75
		301,996,982.60	299,665,137.15
Financed by:			
Share Capital	10	78,504,735.00	75,000,000.00
Reserves	11	223,492,247.60	224,665,137.15
Shareholders' Funds		301,996,982.60	299,665,137.15

The Accounts on pages 14 and 15 were approved by the Board of Directors on 14th September, 1993 and the following were authorised to sign them on their behalf:

C.S. Mbindyo, E.B.S.
Director

F.M. Thuo
Director

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LIMITED

Profit and Loss Account
for the year ended 30th June, 1993

	Notes	1993 Shs.	1992 Shs.
Turnover		54,364,551.50	48,463,947.95
Profit before taxation	2	44,667,088.25	33,546,069.65
Taxation	3	(570,403.45)	(2,316,490.95)
Profit after taxation		44,096,684.80	31,229,578.70
Dividends paid and proposed	4	(31,401,894.00)	(27,562,514.00)
Retained Profit for the year		12,694,790.80	3,667,064.70
Earnings per share	6	2.81	2.02

Statement of Retained Profits

	Notes	1993 Shs.	1992 Shs.
Retained profit brought forward		110,644,799.00	104,277,524.55
Bonus Issue	11	(3,473,470.00)	—
Write-off of cancelled Dividends	12	(14,458,377.60)	—
Write-back of unclaimed Dividends	11	1,203,300.05	—
Prior Year Adjustments	5	2,814,949.05	2,750,209.75
Retained Profit for the Year		12,694,790.80	3,667,064.70
Profit Carried Forward		109,425,991.30	110,644,799.00

Notes to the Accounts for the year ended 30th June, 1993

1. **Accounting Policies**

1.1 **Basis of Accounting**
The company prepares its accounts on historical costs basis modified to include the revaluation of specified leasehold premises.

1.2 **Depreciation**
Leasehold premises are amortised by equal instalments over the remaining term of the lease.

1.3 **Dividends**
Only dividends received or declared and receivable are included in the income for the year.

1.4 **Consolidation**
The company has not consolidated the accounts of its subsidiaries as required by Kenya Accounting Standard No. 11 because in the opinion of the directors, the business of the holding company and that of the subsidiaries are so different that they cannot reasonably be treated as a single undertaking.

1.5 **Bad and Doubtful Debts**
Specific provision is made for all known Bad and Doubtful Debts. Bad Debts are written off when all reasonable steps to recover them have been taken without success.

2. **Profit for the year**

	1993 Shs.	1992 Shs.
This is stated after charging:		
Directors fees	124,000.00	123,239.10
Management fees (Note 15)	3,710,566.15	2,556,028.60
Auditors remuneration (including Value Added Tax)	60,180.00	60,180.00
Lease amortisation	10,608.85	10,608.85
And after crediting:		
Investment Income – Quoted	22,712,506.65	5,116,926.70
– Unquoted	26,580,189.75	31,611,447.20
Gain on disposal of investments	—	940,899.80

3. **Taxation**

	1993 Shs.	1992 Shs.
Provision at 35% on the operating profit for the year as adjusted for tax purposes (1992 - 37 ½%)	570,403.45	2,316,490.95
Balance Sheet		
Current year's provision	570,403.45	2,316,490.95
Instalment tax paid during the year	(344,531.65)	(1,079,319.30)
	225,871.80	1,237,171.65

Tax assessments have been agreed with the Income Tax Department up to and including the year ended 30th June, 1988. However, all respective Provisional and Final Tax Returns have been made and the estimated tax (if any) paid up to date.

4. **Dividends paid and proposed**

	1993 Shs.	1992 Shs.
Interim Dividend 20% (1992 - 20%)	15,700,947.00	12,562,514.00
Final Dividend 20% (1992 - 20%)	15,700,947.00	15,000,000.00
	31,401,894.00	27,562,514.00

5. **Prior year adjustments**

	1993 Shs.	1992 Shs.
Over provision of Final Dividend in 1992 (1991)	1,602,486.00	2,763,486.00
Tax provision offset against Withholding Tax	1,237,171.65	—
Over accrual of Dividend Income – Withholding Tax erroneously deducted	(14,300.30)	(13,276.25)
Over accrual of Rent Income and Recoverable Expenses	(10,408.30)	—
	2,814,949.05	2,750,209.75

6. **Earnings per share**

	1993 Shs.	1992 Shs.
The calculation of earnings per share is based on the following: Net Operating Profit for the year	44,096,684.80	30,288,678.90
Shares in issue at the Balance Sheet Date	15,700,947	15,000,000

7. **Fixed Assets**

	Leasehold Premises		
Cost or Valuation	**Consulate Chambers Shs.**	**Uhuru Highway plot Shs.**	**Total Shs.**
As at 1.7.92	718,750.00	64,000,000.00	64,718,750.00
As at 30.6.93	718,750.00	64,000,000.00	64,718,750.00
Depreciation			
As at 1.7.92	212,177.00	—	212,177.00
Charge for year	10,608.85	—	10,608.85
As at 30.6.93	222,785.85	—	222,785.85
Net book value			
As at 30.6.93	495,964.15	64,000,000.00	64,495,964.15
As at 30.6.92	506,573.00	64,000,000.00	64,506,573.00

The Uhuru Highway plot was valued by the ICDC professional valuers for Shs. 64 million as at 27th March, 1992 using an open market basis and the valuation results were incorporated in the previous accounts.

8. **Investments**

	1993 Shs.	1992 Shs.
Quoted (at cost)	99,530,694.65	41,882,251.90
Provision for loss	—	(525,728.75)
	99,530,694.65	41,356,523.15
Unquoted (at cost)	146,108,353.00	130,135,779.00
Provision for loss	(3,829,065.00)	(14,112,591.00)
	142,279,288.00	116,023,188.00
Loans to a Subsidiary Company 22% per annum	—	3,321,854.25
	241,809,982.65	160,701,565.40

The market value of the quoted investments is based on the middle market price of the Nairobi Stock Exchange as at 30th June, 1993. This was net Shs. 191,066,091.20 (1992 - Shs. 55,634,361.20) Unquoted investments were valued by the directors on 30th June, 1993 using net book value basis at net Shs. 566,077,286.20 (1992 - Shs. 497,429,251.25)

Reclassification of Investment – Uchumi Supermarkets Limited (Pages 24 and 25)
The Company's entire investment in Uchumi Supermarkets Limited was reclassified during the year from the Unquoted Investments to the Quoted Investments category. This was consequent to the conversion of the par value of the shares from Shs. 20/- each to Shs. 5/- per share and the subsequent floatation of the Uchumi Supermarkets Limited's shares at the Nairobi Stock Exchange Limited in December, 1992. During year, the Company also acquired 400,000 ordinary shares of par value of Shs 5/- each as Bonus Issue besides purchasing 3,600,000 ordinary shares of par value of Shs. 5/- each at total cost of Shs. 52,200,000/-.

		1993	1992
9.	**Net Current Assets (Liabilities)**		
	Current Assets	**Shs.**	Shs.
	Bank balances	13,186,938.20	40,013,832.50
	Debtors and prepayments	26,096,514.60	47,095,055.05
	Less:		
	Provision for bad and doubtful debts	(2,785,403.00)	(7,763,865.10)
		23,311,111.60	39,331,189.95
	Industrial and Commercial Development Corporation	7,221,714.05	28,977,025.75
	Dividend tax account	6,502,619.15	—
		50,222,383.00	108,322,048.20
	Current Liabilities		
	Creditors and accruals	11,959,833.70	327,513.60
	Taxation (Note 3)	225,871.80	1,237,171.65
	Compensating tax	6,502,619.15	—
	Unclaimed dividends	4,441,128.55	4,737,850.20
	Dividends payable	31,401,894.00	27,562,514.00
		54,531,347.20	33,865,049.45
	Net Current Assets (Liabilities)	(4,308,964.20)	74,456,998.75

		1993	1992
10.	**Share Capital**		
	Authorised	**Shs.**	Shs.
	20,000,000 Ordinary Shares of Shs. 5.00 each	100,000,000.00	100,000,000.00
	Issued and fully paid		
	15,700,947 Ordinary Shares of Shs 5.00 each (1992 - 15,000,000)	78,504,735.00	75,000,000.00

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11. **Reserves**

	Surplus arising on revaluation Shs.	Share Premium Shs.	Retained Profit Shs.	Total Shs.
As at 1.7.92	17,674,974.05	96,345,364.10	110,644,799.00	224,665,137.15
Retained profit for the year	—	—	12,694,790.80	12,694,790.80
Write-back of unclaimed fractional over payments (1989) Rights Issue	—	289.25	—	289.25
Write-back of un-claimed dividends	—	—	1,203,300.05	1,203,300.05
Bonus Issue	—	—	(3,473,470.00)	(3,473,470.00)
Premium on sale of Bonus Issue fractional shares	—	45,628.90	—	45,628.90
Prior year adjustments (Note 5)	—	—	2,814,949.05	2,814,949.05
Write-off of cancelled dividends (Note 12)	—	—	(14,458,377.60)	(14,458,377.60)
As at 30.6.93	17,674,974.05	96,391,282.25	109,425,991.30	223,492,247.60
As at 30.6.92	17,674,974.05	96,345,364.10	110,644,799.00	224,665,137.15

12. **Cancelled Dividends**
At their Extraordinary General Meeting held on 17th December, 1991 the shareholdrs of E.A.I. Ltd cancelled the previously declared dividends not having been paid amounting to Shs. 14,458,377.60 in respect of 1989 and 1990.

13. **Capital Commitments**

	1993 Shs.	1992 Shs.
Authorised by the directors but not contracted for – Additional equity in Nairobi Bottlers Limited (150,000 ordinary shares of par Shs. 20/- each) at cost.	—	11,500,000.00
Authorised by the directors and contracted for – Equity in General Motors Kenya Limited – 24,226 'C' ordinary shares of par Shs. 20/- each (1992 – 72,675 'C') at cost	9,690,400.00	29,070,000.00

No provision has been made in these accounts for the above commitments.

14. **Contingent Liabilities**
There were no Contingent Liabilities as at the Balance Sheet Date.

15. **Management Fees**
Management fees is payable to the Industrial and Commercial Development Corporation and is agreed at the greater of Shs. 2,000,000.00 or 6.5% of the Net Operating Profit for the year before charging such fees. It then incorporates Value Added Tax at 18% of the management fees payable.

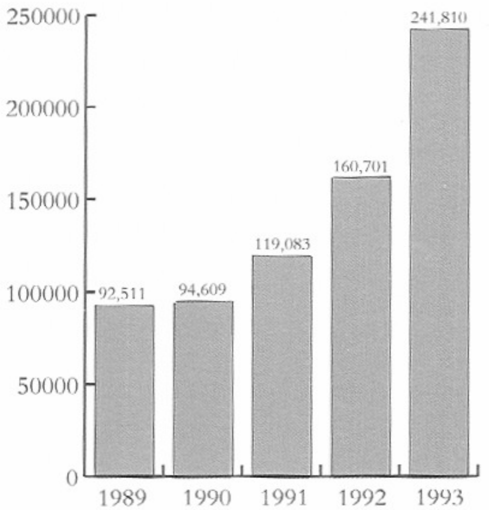
Statement of Source and Application of Funds for the year ended 30th June, 1993

Source of Funds	1993 Shs.	1992 Shs.
Profit for the year before tax and extraordinary gain	44,667,088.25	32,605,169.85
Extraordinary Gain	—	940,899.80
	44,667,088.25	33,546,069.65
Adjustment for items not involving the movement of funds:		
Write-off of cancelled Dividend Income of prior years	(14,458,377.60)	—
Write off of provisions for Loss of Investments	(13,446,754.75)	—
Gain on disposal of investments	—	(940,899.80)
Bonus Issue of shares	3,473,470.00	—
Lease amortisation	10,608.85	10,608.85
Write back of unclaimed dividends	(1,203,300.05)	—
Prior year adjustments	2,814,949.05	2,750,209.75
Write back of unclaimed Rights Issue proceeds	(289.25)	—
Provision for Loss of Investments	2,637,500.00	4,632,007.50
Write back of over provision of tax in the previous year	(44,385.70)	—
Funds Generated from Operations	24,450,508.80	39,997,995.95
Funds From Other Sources		
Disposal of investments	—	1,912,439.40
Issue of shares at a premium	76,893.90	—
Total Sources	24,527,402.70	41,910,435.35

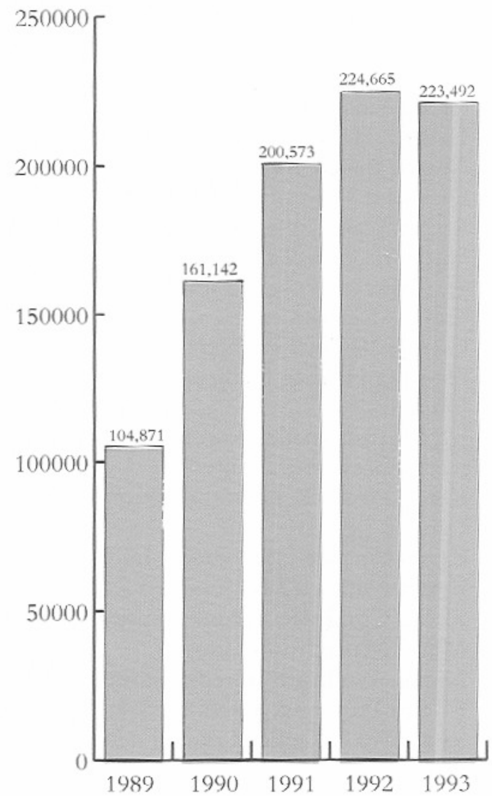
Statement of Source and Application of Funds
for the year ended 30th June, 1993 *(Continued)*

	1993 Shs.	1992 Shs.
Application of Funds		
Additions to investments	87,067,771.50	47,222,484.95
Dividends paid	13,397,514.00	15,000,000.00
Tax paid	—	3,884,416.35
	100,465,285.50	66,106,901.30
Increase (Decrease) in Working Capital	(75,937,882.80)	(24,196,465.95)
Analysis of Changes in Working Capital		
Increase (Decrease) in debtors	(31,272,770.90)	(1,412,499.95)
Decrese (Increase) in creditors	(17,838,217.60)	11,467,404.95
	(49,110,988.50)	10,054,905.00
Movement in net liquid funds:		
Increase (Decrease) in bank balances	(26,826,894.30)	(34,251,370.95)
	(75,937,882.80)	(24,196,465.95)

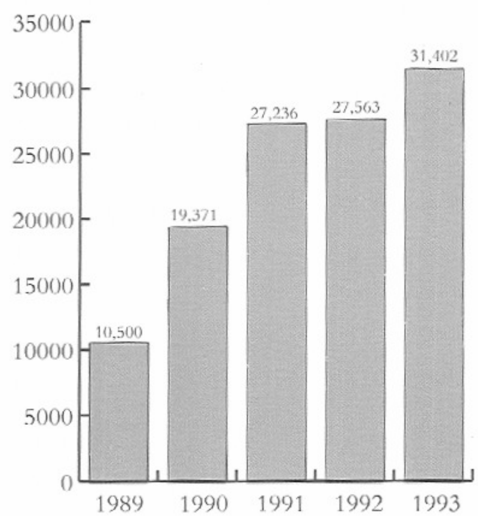
Five Years Financial Review (Expressed in Shs. '000)



Investments - 5 Years Review



Reserves - 5 Years Review



Dividends Paid and Proposed (Gross) - 5 Years Review

Investments
as at 30th June, 1993

Quoted Investments (Gross)

	1993		1992	
	Units	Cost Shs.	Units	Cost Shs.
1. Barclays Bank of Kenya Limited	105,633	2,973,971.20	105,633	2,973,971.20
2. Brooke Bond Kenya Limited	3,140	32,203.00	3,140	32,203.00
3. B.A.T. Kenya Limited	132,587	11,170,422.10	132,587	11,170,422.10
4. Credit Finance Corporation Limited	9,600	10,000.00	9,600	10,000.00
5. C.M.C. Holdings Limited	32,404	398,130.80	29,459	398,130.80
6. Crown Berger Kenya Limited	225,000	3,686,746.50	—	—
7. Diamond Trust of Kenya Limited	269,905	4,214,163.80	269,905	4,214,163.80
8. East African Cables Limited	111,880	478,479.25	74,587	478,479.25
9. East African Packaging Industries Limited	12,400	104,305.65	12,400	104,305.65
10. East African Oxygen Limited	10,000	271,625.00	—	—
11. Express Kenya Limited	18,576	91,468.50	18,576	91,468.50
12. George Williamson (Kenya) Limited	15,338	338,082.20	15,338	338,082.20
13. Housing Finance Company of Kenya Limited	2,250	15,800.00	—	—
14. Jubilee Insurance Company Limited	50,073	705,877.45	50,073	705,877.45
15. Kenya Breweries Limited	384,002	6,527,112.70	384,002	6,527,112.70
16. Kenya Power & Lighting Company Limited	29,802	1,119,294.85	29,802	1,119,294.85
17. Kenya Finance Corporation Limited	42,500	565,669.00	42,500	565,669.00
18. Kenya National Mills Limited	4,788	52,481.80	4,788	52,481.80
19. Kenya Commercial Bank Limited	75,340	2,436,788.40	75,340	2,436,788.40
20. Motor Mart Group Limited	26,000	1,130,720.00	26,000	1,130,720.00
21. National Industrial Credit Limited	51,831	768,477.15	41,465	768,477.15
22. Nation Printers & Publishers Limited	4,698	18,800.00	4,698	18,800.00
23. Sasini Tea & Coffee Limited	179,228	6,047,972.60	179,228	6,047,972.60
24. Standard Chartered Bank Kenya Limited	58,450	1,312,196.65	58,450	1,312,196.65
25. The East African Portland Cement Company Limited	8,000	89,840.30	8,000	89,840.30
26. Total Kenya Limited	33,000	770,065.75	33,000	770,065.75
27. The East African Bag & Cordage Company Limited (In Receivership)	—	—	100,133	525,728.75
28. Uchumi Supermarkets Limited (Note 8)	6,000,000	54,200,200.00	—	—
		99,530,694.65		41,882,251.90

ICDC
INVESTMENT COMPANY
LIMITED

Investments
as at 30th June, 1993

Unquoted Investments (Gross)

	1993		1992	
	Units	Cost Shs.	Units	Cost Shs.
1. African Retail Traders (Kenya) Limited	1,172,600	2,622,381.50	1,172,600	2,622,381.50
2. Ceramic Industries (E.A.) Limited (In Receivership)	—	—	711,600	3,657,011.00
3. Chloride Exide Kenya Limited	41,157	1,899,990.00	41,157	1,899,990.00
4. Dawa Pharmaceuticals Limited	250,000	5,000,000.00	250,000	5,000,000.00
5. East Africa Industries Limited	2,374,120	20,319,230.00	2,374,120	20,319,230.00
6. East African Fine Spinners Limited	205,000	6,150,000.00	205,000	6,150,000.00
7. Eveready Batteries Kenya Limited	876	4,030,400.00	876	4,030,400.00
8. Eslon Plastics of Kenya Limited	146,561	427,120.00	146,561	427,120.00
9. General Motors Kenya Limited	48,449	19,379,600.00	—	—
10. Jacaranda Hotel (Mombasa) Limited	250,000	5,000,000.00	250,000	5,000,000.00
11. Kenya Taitex Mills Limited	220,000	4,400,000.00	220,000	4,400,000.00
12. Kenya Wine Agencies Limited	12,461,968	12,145,285.00	12,461,968	12,145,285.00
13. Kisii Bottlers Limited	266,666	5,333,320.00	266,666	5,333,320.00
14. Kenya National Properties Limited	1,015,000	20,300,000.00	1,015,000	20,300,000.00
15. Minet ICDC Insurance Brokers Limited	19,164	3,302,921.50	19,164	3,302,921.50
16. Mount Kenya Bottlers Limited	267,024	5,340,480.00	267,024	5,340,480.00
17. Mather & Platt (Kenya) Limited	7,326	2,020,000.00	7,326	2,020,000.00
18. Nairobi Bottlers Limited	725,000	23,014,000.00	575,000	11,500,000.00
19. NAS Airport Services Limited	53,600	1,010,025.00	53,600	1,010,025.00
20. Rift Valley Bottlers Limited	89,547	1,661,435.00	89,547	1,661,435.00
21. Salt Manufacturers Kenya Limited	72,875	1,460,600.00	72,875	1,460,600.00
22. Seracoating Limited (In Receivership)	59,578 ¼	1,191,565.00	59,578 ¼	1,191,565.00
23. The Raymond Woollen Mills (Kenya) Limited	15,000	100,000.00	15,000	100,000.00
24. Tiger Shoe CompanyLimited (In Receivership)	—	—	418,334	9,264,015.00
25. Uchumi Supermarkets Limited (Note 8)	—	—	500,000	2,000,000.00
		146,108,353.00		130,135,779.00
Loans to a Subsidiary Company 22% per annum		—		3,321,854.25
Total Investments (Gross)		245,639,047.65		175,339,885.15

ICDC
INVESTMENT COMPANY
LIMITED

Ten Years Financial Review (Expressed in Shs. '000)

Results	**1993**	1992	1991	1990	1989	1988	1987	1986	1985	1984
Revenue (Gross)	54,365	48,464	45,576	43,129	28,336	33,184	32,279	22,378	20,367	19,957
Net profit after taxation	44,097	31,230	33,153	34,454	21,587	29,615	31,021	20,037	18,190	17,893
Undistributed Profit brought forward	100,204	106,978	98,311	83,550	73,071	54,779	41,809	30,877	22,092	18,141
	144,301	138,208	131,464	118,004	94,658	84,394	72,830	50,914	40,282	36,034
Dividents Paid and Proposed	31,402	27,563	27,236	19,371	10,500	10,490	10,477	9,313	9,313	9,313
Profit Capitalised	3,473	—	—	—	—	—	3,310	—	—	4,435
	34,875	27,563	27,236	19,371	10,500	10,490	13,787	9,313	9,313	13,748
	109,426	110,645	104,228	98,633	84,158	73,904	59,043	41,601	30,969	22,286
Assets Employed:										
Fixed Assets	64,496	64,507	46,842	45,867	45,527	27,764	560	570	581	591
Investments	241,810	160,701	119,083	94,609	92,511	88,939	80,666	64,137	62,921	62,921
Net Current Assets (Liabilities)	(4,309)	74,457	109,648	81,011	6,833	12,913	28,790	25,521	17,094	9,401
	301,997	299,665	275,573	221,487	144,871	129,616	110,016	90,228	80,596	72,913
Financed By:										
Share Capital	78,505	75,000	75,000	55,345	30,000	30,000	29,936	26,610	26,610	26,610
Reserves	223,492	224,665	200,573	161,142	104,871	94,616	79,580	62,118	51,486	42,803
Shareholders' Fund	301,997	299,665	275,573	216,487	134,871	124,616	109,516	88,728	78,096	69,413
Loan Capital	—	—	—	5,000	10,000	5,000	500	1,500	2,500	3,500
	301,997	299,665	275,573	221,487	144,871	129,616	110,016	90,228	80,596	72,913
Ratios Expressed in Shs. per share										
Earnings per share	2.81	2.02	2.21	3.11	3.60	4.87	4.86	3.76	3.41	3.36
Dividend per share	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Dividend cover–Times	1.40	1.13	1.22	1.78	2.05	2.82	2.96	2.15	1.95	1.92
Net asset value per share	19.25	19.97	18.37	19.55	22.47	20.77	18.29	16.67	14.67	13.04

ICDC
INVESTMENT COMPANY
LIMITED

Proxy

I/We ....

of ....

being member(s) of ICDC Investment Company Limited, hereby appoint

....

of ....

or failing him the duly appointed Chairman of the meeting to be my/our proxy, to vote for me/us and on my/our behalf at the 26th Annual General Meeting of the company, to be held on Saturday 18th December, 1993 at 11.00 a.m. or at any adjournment thereof.

As witness my/our hand(s) this ....day of ....1993.

Signature ....

Notes:
1. This proxy is to be delivered to the Secretary's office not later than 11.00 a.m., Thursday 16th December, 1993.
2. In the case of a Corporation the proxy must be under the Common Seal or under the hand of an Officer or Attorney duly authorised.

Mwakilishi

Mimi/Sisi ....

wa ....

kwa kuwa mwanachama/wanachama wa ICDC Investment Company Limited

ninamteua/tumemteua ....

wa ....

kama hayuko, Mwenyekiti wa mkutano huu aliyeteuliwa kama ipasavyo awe mwakilishi wangu/wetu, anipigie kura kwa niaba yangu/yetu katika Mkutano Kuu wa Mwaka was ishirini na sita wa kampuni hii utakaofanywa mnamo Jumamosi tarehe 18 Desemba, 1993 saa tano kamili au tarehe yoyote nyingine utakaoahirishwa.

Kama ilivyoshuhudiwa kwa sahihi yangu/yetu siku hii ya ....

Mwezi wa 1993

Sahihi ....

Maelezo:
1. Uwakilishi huu upelekwe kwenye afisi ya Katibu wa Kampuni kabla ya saa tano kamili asubuhi, tarehe 16 Decemba, 1993, ukikosekana hautakuwa na haki yoyote.
2. Kwa Shirika, lazima uwakilishi uwe na Muhuri wa Kawaida wa shirika hilo au uwe na sahihi ya Afisa au Mwakilishi aliyeidhinishwa.

ICDC
INVESTMENT COMPANY
LIMITED

FOLD 2
PILI KUNJA HAPA

FOLD 1
KWANZA KUNJA HAPA

STAMP

The Company Secretary,
ICDC INVESTMENT COMPANY LIMITED,
Uchumi House,
P.O. Box 45519,
NAIROBI.

FOLD 3
HALAFU KUNJA HAPA

INSERT FLAP INSIDE
SASA INGIZA KARATASI HII
NDANI YA MKUNJO KAMA BAHASHA