

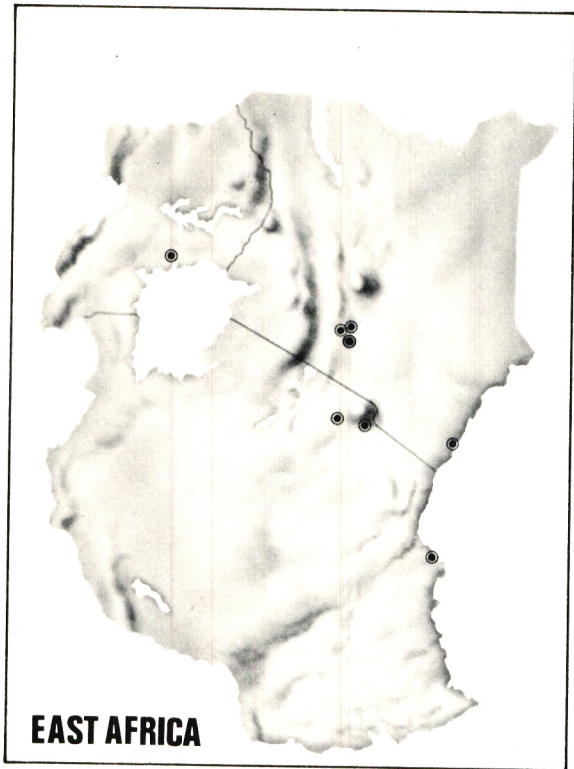
# **EAST AFRICAN BREWERIES LIMITED**



**Report and Accounts  
for the year ended 30 June 1974**

657-3

EA B L



### **THE GREAT SIZE OF EAST AFRICA**

Distances in East Africa are vast. Despite this our beers are distributed regularly and in first-class condition to even the remotest parts of Kenya, Uganda and Tanzania.

The maps on this page show the size of East Africa compared to Europe. The dark 'shadow' of East Africa cast over Europe is exactly to scale. The actual map of East Africa shows the location of the breweries in the East African Breweries Group.

# Board of Directors

Sir Michael Blundell, KBE (Chairman) (Kenyan)  
B. H. Hobson (Deputy Chairman and Managing Director) (Kenyan)  
K. S. N. Matiba (Deputy Managing Director) (Kenyan)  
N. G. Ajania, FCA (Financial Director) (Tanzanian)  
Dr. M. J. Alier (Ugandan)  
C. Goodall (British)  
The Hon. G. Masbay, MP (Kenyan)  
J. M. Muchura (Kenyan)  
D. A. Omari, MBE (Kenyan)  
The Hon. C. W. Rubia, EBS, MP (Kenyan)  
H. Slade, EBS (Kenyan)  
G. P. Taylor (British)  
R. O'B. Wilson (Kenyan)

REGISTERED OFFICE: TUSKER HOUSE, RUARAKA, NAIROBI

SECRETARY: L. W. Wambaa, ACIS

## SUBSIDIARY COMPANIES:

Kenya Breweries Limited  
Uganda Breweries Limited

## ASSOCIATED COMPANIES:

Tanzania Breweries Limited  
Guinness East Africa Limited  
Seychelles Breweries Limited

NATIONAL ASSEMBLY

ACIS

Location

KENYA NATIONAL ASSEMBLY

Accession: 10013371

Call No: 657-3 EABL



## ***Notice of the Meeting***

NOTICE IS HEREBY GIVEN that the fifty-second Annual General Meeting of shareholders will be held at the Outspan Hotel, Nyeri on Thursday, 21 November 1974 at 11.00 a.m.

### **Ordinary business**

- 1 To receive the accounts for the year ended 30 June 1974, and the report of directors and auditors thereon.
- 2 To confirm the payment of the interim dividend of 50 cents per share, and to consider the recommendation of the Board to declare a final dividend of Sh. 1/25 per share on the issued and fully paid capital, such dividend to be payable on or about 16 December 1974, to shareholders appearing on Register on 21 November, 1974.
- 3 To elect directors in accordance with the Company's Articles of Association.
- 4 To consider the recommendation of the Board that fees to directors entitled under Article 83, with effect from 1 July 1974, be approved at the rate of K£9,200 per annum, and shall be divisible among the directors as they may decide.
- 5 To fix the auditors' remuneration.
- 6 To transact any other ordinary business of the Company.

A shareholder entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf. A proxy need not be a member of the Company.

By Order of the Board

L. W. WAMBAA

*Secretary*

P.O. Box 30161, Nairobi

30 October 1974

*A perforated form of proxy is provided on page 27 which shareholders who do not propose to be at the meeting are requested to complete and return to the Registered office of the Company so as to arrive not later than 11.00 a.m. on Wednesday, 20 November 1974.*

# Tangazo la Mkutano

ILANI INATOLEWA kwamba Mkutano wa Mwaka wa hamsini na mbili wa wenyehisa utafanywa katika Hoteli ya Outspan, Nyeri, siku ya Alhamisi, tarehe 21 Novemba 1974. saa tano ya asubuhi.

## Shughuli za kawaida

- 1 Kupokea hesabu za mwaka uliomalizika tarehe 30 Juni 1974, na taarifa ya wakurugenzi na ya wakaguzi wa hesabu.
- 2 Kuthibitisha malipo ya mgao wa muda ya senti 50 kwa hisa, na kufikiria mapendekezo ya Halmashauri ya kutangaza mgao wa mwisho wa Sh. 1/25 kwa hisa kwa rasilmali iliyotolewa na kulipwa kwa ukamilifu. Mgao huu utalipwa tarehe 16 Desemba 1974, au karibu yake, kwa wenye hisa walioandikishwa tarehe 21 Novemba, 1974.
- 3 Kuwachagua wakurugenzi kwa kufuata Kanuni za Kampuni zinavyohusika na Kampuni hii.
- 4 Kufikiria mapendekezo ya Halmashauri kwamba ada za wakurugenzi kama zinavyostahili kwa kufuata Kanuni 83, tokea tarehe 1 Julai 1974, zikubaliwe kwa kiasi cha K£9,200 kwa mwaka, na zitagawanywa kati ya wakurugenzi kama watakavyoamua.
- 5 Kuweka malipo ya wakaguzi wa hesabu.
- 6 Kutekeleza shughuli yo yote nyingine ya Kampuni hii.

Mwenye hisa anayestahili kuhudhuria na kupiga kura anaweza kumchagua mwakilishi kuhudhuria na kumpigia kura kwa niaba yake. Si lazima mwakilishi kuwa mwanachama wa Kampuni hii.

Kwa Amri ya Halmashauri

L. W. WAMBAA

*Katibu*

P.O. Box 30161, Nairobi

Oktoba 30 1974

*Fomu iliyotayarishwa kwa mwakilishi imetolewa penye ukurasa 27. Wenye hisa wote ambao hawakusudii kuwako mkutanoni, wanaombwa kujaza fomu hii na kuirudisha kwenye Afisi Kuu ya Kampuni hii, ifike kabla ya saa tano asubuhi kupita, siku ya Jumatano, tarehe 20 Novemba 1974.*

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## Chairman's Statement

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*To be submitted to the shareholders at the fifty-second Annual General Meeting of the Company to be held at the Outspan Hotel, Nyeri, on Thursday 21 November 1974 at 11.00 a.m. The directors have pleasure in presenting to the shareholders the accounts for the year ended 30 June 1974.*

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Once again I am able to report that your Company has had a successful year.

The Group profits before taxation for the year amounted to K£5,492,531 which represents an increase of K£767,085 over the previous year's figure of K£4,725,446: a substantial portion of this increase amounting to K£659,956 is attributable to improved earnings in Kenya Breweries Limited.

Uganda Breweries Limited also showed an increase in profit before taxation over the previous year of U£69,945. Tanzania Breweries Limited declared a slightly lesser dividend than in the previous year and the withholding tax payable on this dividend of T£29,840 is not now allowable against Kenya tax liability. As a result the income

**The control panels in the brewhouse. Top left of this photograph is an illuminated flow chart.**



from associated companies is lower than in the previous year.

On the basis of the 1973 Kenya rate of corporation tax of 40 per cent the increase in Group profits after tax would have been K£337,215, but with the increase in rate of 5 per cent in this tax in the 1974 Kenya budget this figure is reduced to K£160,715, as against K£767,085 increase in profits before taxation. Consequently the profits available for distribution to shareholders or for retention for the purposes of further capital development are K£147,871 better than in the previous year. I refer to the incidence of these heavy taxation burdens in developing countries later in this report. Before commenting on the general outlook in East Africa I must record a note on the distribution policy of your Board in respect of your Groups' profits.

In general the financial position of your Group is strong but your Board—although recommending an increase in the final dividend which is well justified by the year's results, have been influenced in assessing the amount by the need for prudence for the reasons noted below. The general world monetary situation remains at present obscure and your Company has not as yet received substantial sums of money amounting in all to K£556,484 from Tanzania and Uganda which are shown in the accounts but have not been paid. Further, at present the demand for our products is high which is making demands on our financial resources for further extensions to our installations and in respect of which, as I report later, we have negotiated substantial loans. I consider that it is not only wise to draw the attention of shareholders to these factors but also to record that in the event of an improvement in the international situation and the Tanzanian and Uganda payments position shareholders will still be able to benefit from your Board's prudence. In the past your Board has adopted a policy of a bonus issue of shares at regular intervals to shareholders. Today in view of the fact that there are now nearly 25 million issued shares such a policy, at frequent intervals—especially at ratios as in former years—tends to depress the share price on the stock exchange market unduly, and thus acts to the detriment of shareholders.

Your Board, therefore, intends to make these bonus issues when the financial position of the Group warrants this at rather wider intervals than in the past, in order to give the market more time to expand and absorb the new shares so issued. The great majority of our shares are held locally in East Africa and for a number of reasons the ability of the market to absorb large amounts of bonus issues where shareholders wish to sell is limited. *Pari passu* with this policy, and provided that trading conditions and costs of production remain at reasonable levels, shareholders will be compensated by a higher dividend payment than in the past as and when the profits of the Group warrant this.

However, it should be recorded that as in the past there will be a marked increase over the next five years in the asset value of the equity interest held by shareholders. In this connection it is of interest to note that the

continued expansion of our business, financed largely from retained profits together with the equity issue of three million shares to the public two years ago, has meant that the shareholders' interest has risen from K£10,525,960 to K£19,204,837 in the period from June 1971 to June 1974.

I will now comment on the individual operating companies in your Group and on our development requirements as a whole.

## KENYA

Sales for the financial year ending 30 June 1974 rose by 24.15 per cent over the previous 12 months period. In spite of the heavy rains and cold weather experienced throughout Kenya recently, a price increase on beer of 25 cents per 500 ml included in the June 1974 Budget and the recent sharp increase in the cost of living following the oil crisis the expansion of trade is being well maintained to date.

Sales of Guinness Stout in Kenya after a dull period in the early part of the financial year have also moved forward since the new year.

The cost of plant, services, raw material and fuel has escalated very substantially during the year and in the last few months for the first time for many years these increased production costs have not been contained by the benefit of increased turnover. An increase in our margin of 4 cents per bottle permitted by Government at the time of the budget (the first increase in the brewers' margin in Kenya for a decade) was welcome.

During the year malt prices in world markets reached very high levels. These might have had a considerable effect on our profits but fortunately we were able to meet most of our requirements from the purchase of locally grown barley. Our efforts to increase the acreage under barley grown by farmers have met with considerable success and at the end of June 1974 we made monetary advances amounting to K£661,771 to barley farmers. In this way our industry has played a considerable part in the development of the rural economy in Kenya. Despite a marked increase in our malt requirements we were able to process the necessary raw material in our own Maltings due to the extensions to the plant which were completed in time for the season's crop. In view of the large rise in the costs of production to farmers prices for local barley have been substantially increased and this is a trend which may well continue if world cereal prices continue to advance.

In 1973 your Board took the bold decision to construct a barley syrup plant at Ruaraka, the design of which was developed from a small experimental prototype constructed by Messrs. Kroyer in Denmark. No other such plant existed in the international brewing industry and I am happy to report that the plant, developed and constructed out here under the general direction of Mr. Gerald Taylor, our Group Production Director, was commissioned early in 1974. It has performed fully up to expectations with an initial output of 6,000 tons of syrup per annum and plans are already being made to raise this to 10,000 tons.

Apart from our own needs, there is a large local demand for the product from manufacturers in other industries and we shall be able to use in the plant a considerable quantity of barley which hitherto would have been rejected as unsuitable for malting. This is a factor which will substantially help to reduce the risk factor on the price front which is faced by farmers when growing barley for malting purposes. Great interest by other countries has been shown in the operation of this plant and it is likely that a number of companies in the world will follow our example now that the experiment has proved highly successful

#### **UGANDA**

The demand for beer in Uganda continues to exceed the supply and the fact that sales increased during the financial year under review by 3.5 per cent only was due to production limitations together with sporadic water and power interruptions and the lack of ready availability of spares and other requirements in the event of breakdowns, etc. As indicated in my last year's report difficulties with specialist contractors and services together with the lack of availability of certain minor items have tended to delay extensions at Port Bell. Nevertheless substantial additional production will shortly be available.

The universal escalation of materials, plant and fuel prices has also affected production costs in Uganda recently but included in the heavy tax increase in the price of beer following the 1974 Budget was an increase in the brewers' margin which should largely contain rising costs. Together with the increased production available from our new extensions this should achieve an improvement in the net profits of Uganda Breweries Limited commensurate with the extra capital now employed in the business.

In commenting on our industry in Uganda I should like to record that despite great pressure on the country's foreign exchange position and some delays, the authorities have always enabled us to meet our overseas payments for plant and machinery and for the payment of our dividends. The confidence engendered by the Government's cooperation over these payments is reflected in our ability to meet improved sales through expanded production and therefore additional payments to Government, as shown by the table later in this report.

#### **TANZANIA**

In many ways the twelve month period ending 30 June 1974 was an unfortunate one for Tanzania Breweries Limited. Demand continues at least 25 per cent in excess of production capacity in Tanzania in spite of a potential capacity increase of around 12 per cent during the period in question. However, only 8.68 per cent increased sales were achieved and the shortfall on optimum capacity was due mainly to restraints in bottling at Dar es Salaam. Power cuts and temporary water shortages were largely responsible for this although troubles in certain items of the bottling machinery played a part. In marked contrast to the position in Uganda

and Kenya plans for the rapid extension to both Dar es Salaam and Arusha made little progress due to a shortage of cash which blocked the acquisition of plant and machinery necessary to complete the programmes.

In my report for 1973 I drew attention to the serious effects on the profits of Tanzania Breweries Limited and hence on our ability to find or retain the capital for further development occasioned by the imposition of an additional tax on beer which we were not allowed to pass on to the consumer and were forced to pay ourselves. As a result our cash position as we had foreseen became serious and Tanzania Breweries Limited reached the limit of the overdraft facilities which the National Bank were prepared to agree for our operations. After considerable delay an increase in the brewers' margin of profit was agreed by price control and it looked as if our profitability and cash flow position would be restored at least temporarily to a degree where a sound financial proposition could be placed before the East African Development Bank on behalf of Tanzania Breweries Limited for the capital sums of money required for substantially increased production.

However, almost immediately the general position drastically changed. Due to the general increase of world raw material prices following upon the steep rise in the price of fuel oils, our costs of production in malt, bottles, plastic cases, electricity, transport and fuel rose markedly. World price increases were also reflected in a considerable rise in the cost of new plant and machinery and the general position was further aggravated by substantial wage increases and a new development tax which has been imposed upon Tanzanian industry. As a result any possibility of a sound financial development plan with an agreed phased repayment programme satisfactory to would-be lenders vanished. This situation can only be met either by reducing the tax impositions of Government on the industry, which were further increased by an additional 75 cents per bottle in the Tanzania Budget in June 1974, thus releasing money for further development, or by allowing an increase in the price of beer to the consumer.

The new prices for beer arising from the tax increases in the June 1974 Budget have already met with some criticism from the public and it is understandable that Government is reluctant to attract further criticism by sanctioning still higher prices. However, the matter is urgent in that at present Tanzania Breweries Limited is unable to pay a reasonable dividend, meet its agreed loan repayments nor find the money for capital extensions which would be of great value to the Government and people of Tanzania.

At the time when our industry was nationalised by the Government of Tanzania, I gave a personal assurance that we would do our utmost to make a success of the new arrangements which would result from the decision to nationalise our enterprise.

This undertaking we have done our best to carry out and the general financial results to Government have been rewarding but I would suggest that the time has come for a



joint and constructive discussion between the Government's advisers and ourselves on the general financial position of the industry so that the same forward looking position can be achieved as exists in Kenya and Uganda.

Finally I would like to pay tribute to the whole-hearted and understanding cooperation which our majority shareholders, the National Development Corporation of Tanzania has afforded to try and help with these many difficulties which have recently beset Tanzania Breweries Limited.

#### **Seychelles Breweries Limited**

In the first year of operation, the above company—in which your Group has a small investment, suffered a loss, which was anticipated as part of the initial progress of the brewery.

However, the loss was mainly due to the fact that capital funds phased for repayment were loaned in foreign currencies which moved adversely to the Seychelles rupee. In addition owing to price control regulations at the time of severe increases in production costs (as elsewhere recorded) profit margins were reduced but this situation has now been remedied and improved results are expected for the current year.

#### **Localization**

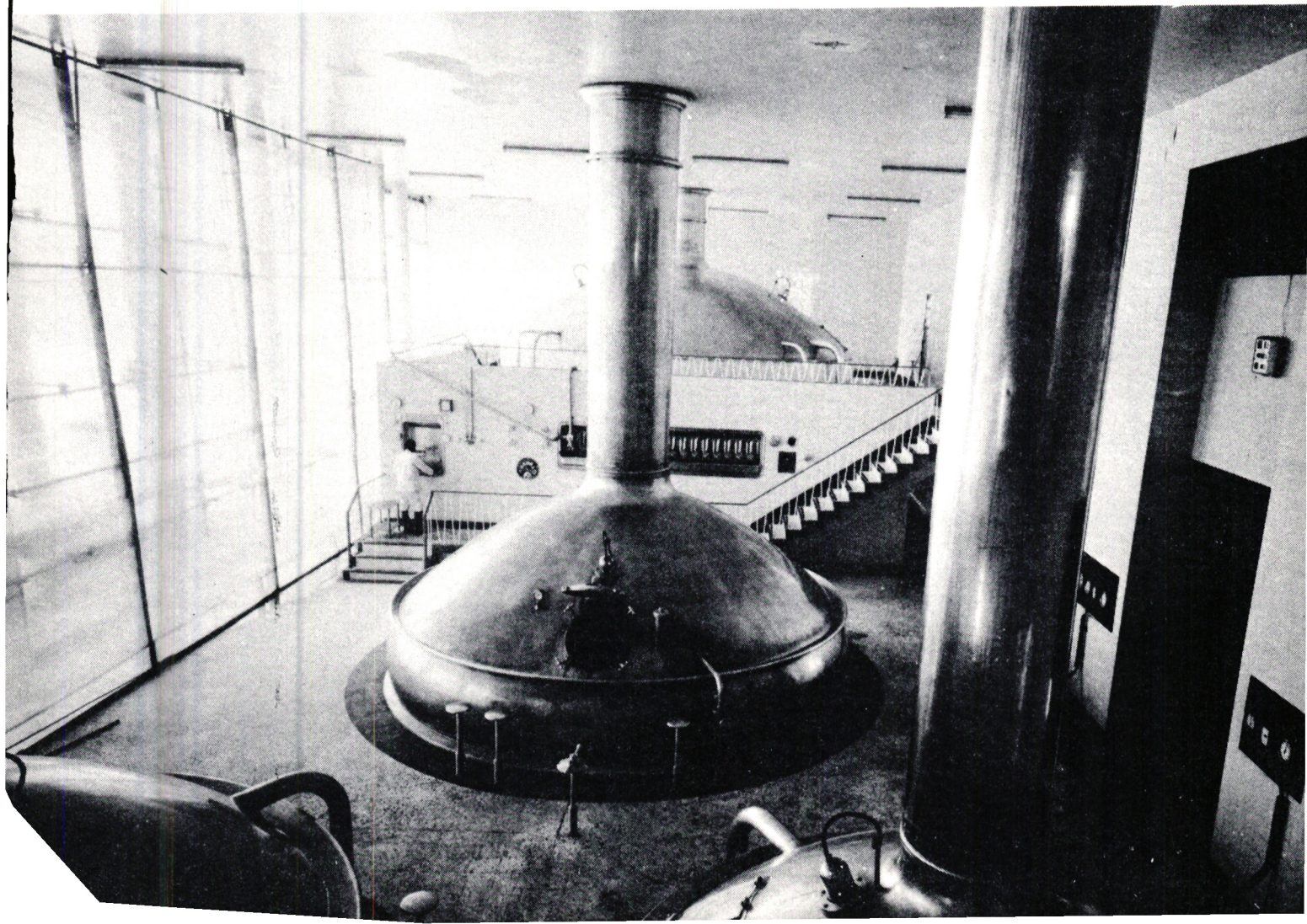
With the exception of engineering this has presented us throughout the Group with no insurmountable difficulties and is nearing

completion. To some extent the key to our success has been that your Board has never accepted headlong localization for its own sake or indulged in what is known in this context as 'window dressing'. Your Board is, therefore, pleased to record that our local executives have been able to carry on the business of the Company as efficiently as in the past. Despite the vast increase in the size of our undertaking, good standards have been set and maintained.

In our industry, however, which is one of the most technically complex of any and which includes multiple fields of higher technology particularly on the consultancy side, the localization of key engineering posts has not proved an easy problem. Indeed in the brewing industry, even in the most highly developed countries where minimal employment of foreigners is only required, some recruitment from world sources in particular technical fields still takes place and it would be idle and unrealistic to say that this must not continue in East Africa to a limited degree.

Nevertheless we are sparing no effort or expense to train local people for our specialist engineering posts. Engineers cannot be trained in a hurry but, given the time, we have every expectation of achieving our objective and making satisfactory progress. It is essential that we do so because apart from the general policy of your Board in supporting the wishes of Government in this respect, it is becoming

**A modern, well equipped brewhouse at Tusker, Ruaraka**



increasingly difficult firstly to attract the technical experts we require from overseas and secondly at a time of world inflation prohibitively expensive in salaries and terms of employment.

#### **East African Breweries Limited— Technical Services Division**

In view of the very large commitments to Kenya Breweries Limited, Tanzania Breweries Limited, Uganda Breweries Limited and others in the field of extensions and new works in the brewing and malting field, our Technical Services Division has been greatly strengthened and with the continued support of Allied Breweries Limited and of the world research combine of which they are members, the Group is now self-sufficient locally in the field of planning, design and supervision of new works of the magnitude which we require. In this connection we have also established a service company in which Kenya Breweries Limited are to be major shareholders which will be staffed by professional architects, quantity surveyors and structural engineers experienced in brewery work.

This company in conjunction with our technical services staff will also be in a position to provide a complete organisation to the Group operating companies and to other brewery concerns as well as the provision of design and consulting work to outside non-brewing industries. As a result not only will East African Breweries now be able to save considerable sums in professional fees and foreign exchange in its development programme but it should also be able to offer comprehensive services outside East Africa to earn foreign exchange from overseas.

#### **Development Plan—General**

Shareholders will wish to receive a full analysis of the large development plans which the upward spiral of demand for our products has made necessary and, above, all, on the provision of the financial resources with which to implement them. I must sound a cautionary note on the general difficulty of providing finance for the further expansion of industry generally which now assails developers especially in a capital intensive industry such as ours. In the past in East Africa an expanding industry could largely finance further progress from retained profits from within the industry itself with the minimum of outside borrowing.

This position no longer holds good due to two main factors. Firstly the very large increases in the cost of all basic constructional materials both local and from overseas together with the inflated prices of all machinery and equipment most of which comes from a few overseas suppliers of international repute. Secondly, the very heavy inroads which Government taxation in one form or another is making on the profits of industry. The table appended below shows the imbalance between the amounts taken by Governments and those paid in dividends to shareholders.

The incidence of Government taxation will further increase as a result of the increase in sales tax announced by all three Governments in the June budget.

<i>Country</i>	<i>Year Ended</i>	<i>Government Taxation (Total)</i>	<i>Dividends to shareholders</i>
UGANDA	30.6.74	U£4,922,365	U£352,800
TANZANIA	31.12.73	T£11,149,962	T£530,500
KENYA	30.6.74	K£16,835,671	K£2,160,007

I draw attention to this because a position has now been reached where it is impossible for us to find sufficient immediate finance from our own resources for further development and we have had to seek assistance from either local or overseas banking sources on a long term basis. So far, as shareholders will see, we have been reasonably successful but there are clear indications that in the present world monetary situation the supply of developmental finance is unlikely to be easily available in the future except on almost prohibitive conditions. When it is realised that in order to meet present consumption demands the equivalent of a major new brewery is required each year in Kenya alone and that the ultimate cost of the brewery at Kisumu is likely to exceed K£12 million, the magnitude of the problem becomes manifest.

It can, however, be overcome either by a reduction in the amount taken by the Governments annually from the industry or by an increase in the price of our products or a combination of both in order to generate the monetary requirements for this essential new development. I particularly stress this matter because for an industry such as ours which is almost entirely controlled and owned by East Africans it is difficult to find large amounts of capital from overseas and we must rely on local financial resources including our own. At the moment large amounts of money for development purposes are becoming increasingly difficult to obtain in all three East African countries. There is also an advantage to the foreign exchange position of each of the three East African countries in allowing industry to generate locally sufficient retained profits for further development. With this background in mind I should like to put before shareholders the overall position, in each country.

#### **Kenya**

It is anticipated that over the next five years the demand for beer in Kenya may increase to more than double the present level and the recently enlarged Technical Services Division of East African Breweries has been deeply involved over a six month period in planning for the increased production capacity which will be necessary in order to meet such an increase.

As recorded, the major problems which have become apparent in the last twelve months have been the severe escalation in the costs of both plant and buildings and the delays which are now being experienced in obtaining delivery of specialised brewery plant and equipment from abroad. These problems, which are worldwide, have necessitated very careful consideration of various alternatives for increasing production. Those on which we have now embarked are the use of advances in brewing technology and

the introduction of systems which will use to the maximum degree over a seven day week existing plant and machinery. These measures will allow for a much higher utilisation of both existing and proposed production facilities. There will also be an overall increase in the number of persons for whom employment can be found, which will help to a certain extent to meet the unemployment problem in Kenya.

The capital development plan for the five year period July 1974 to June 1979 will still necessitate, however, a total capital expenditure of K£20.7 million, of which K£8.7 million is for extensions to the breweries; K£4.4 million for increased maltings and silos capacity; and K£7.6 million for the purchase of additional bottles, crates, transport etc., and for the construction of staff housing and depot buildings. All expenditure has been planned on a flexible basis so that adjustments can be made according to the pattern of sales demand and the availability of finance.

The large scale extensions to the maltings and silos are necessary if we are to continue to use all locally produced malt. Not only is it much cheaper than malt imported from abroad but also this policy saves the country very considerable sums in foreign exchange and provides the increasing number of cereal farmers with a ready outlet for their barley.

In addition to the K£20.7 million capital required for the five year development plan it is proposed to start work on the plot for a new brewery at Kisumu in 1975. It had been the intention of your Board to bring the Kisumu brewery into production at an early date but the increased costs of construction of this new installation together with the introduction of improved and new techniques at Ruaraka and elsewhere has meant that it is more profitable to use the financial resources originally earmarked for this project in expanding our existing facilities.

I should also record however that the large increase in the estimate for this brewery is not only due to a rise in the cost of plant and materials, but also to the fact that when completed it will have a capacity far in excess of our original planning, which in turn has been forced upon us by the estimated upward surge in demand for our products. Initially money will be spent on preparing the site and in building part of the full case store, together with the offices and buildings which will provide depot and administrative facilities, whilst detailed planning is carried out for the full scale brewery, which will take place thereafter on a phased basis to lighten the load on our financial resources.

The Board of Directors consider that if present consumption trends continue the whole of the amount required for development will eventually be made available from the East African Breweries Limited Group's own resources from retained profits and other cash flow income generated principally by the expansion of the existing production facilities. Much of the capital expenditure however falls in the first half of the five year period and therefore a long term loan of K£7.1 million has been negotiated from a consortium of local financial interests at

current rates of interest. Our thanks are due to The First National Bank of Chicago who have negotiated and are managing this loan on our behalf, as already reported in the Press. The loan amounts will be drawn as to K£3.7 million by 15 December 1974 and the balance of K£3.4 million in the period between 15 June 1975 and March 1976 according to the needs of the development plan.

Repayments commence on a phased basis at the end of March 1976 and continue at agreed intervals until December 1979. Provided that sales continue to increase as at present, your Directors consider that the proposals outlined above can be sustained by the capacity of your Kenya installations without detriment to the interest of shareholders. Our existing loan from Barclays Bank International and The Standard Bank Limited will be repaid in full as planned by June 1976.

### **Uganda**

Phased V and VI of the development plan for Uganda Breweries Limited have now been largely completed at a cost of U£ 1,251,232. This has been financed from retained profits and a long term loan of U£350,000 from the Development Finance Corporation of Uganda. Approximately U£ 250,000 will be needed to finalise the programme which will raise the capacity of the Port Bell Brewery to 300,000 metric cases of beer per month. The Board of Uganda Breweries Limited had hoped that increase in capacity would be sufficient to meet demand for several years ahead but there are already indications from increased sales that further planning for Phase VII will be required sooner than was expected.

### **Tanzania**

I have already referred elsewhere to the need for increased production capacity in Tanzania. A preliminary estimate indicates that at least T£4.5 million will be required for larger installations in all departments at Dar es Salaam and Arusha. However until the profitability of the industry can be established on a long term and rational basis in which the interests of all participants, Government, shareholders, workers and consumers are equally considered, no possibility appears to exist of finding the necessary finance. I must reiterate that it is much in the interests of the Government and people of Tanzania who will greatly benefit from the increased revenue flowing from greater production by our industry that the present difficult situation is resolved.

Finally, I must on behalf of all Directors and our shareholders record our thanks to our staff in all spheres of our operations for their work during the year. Almost everywhere in our installations production has been maintained willingly and cheerfully despite in some areas difficulties over spares and the provision of public services such as water supplies and in others the disruption caused by major building operations.

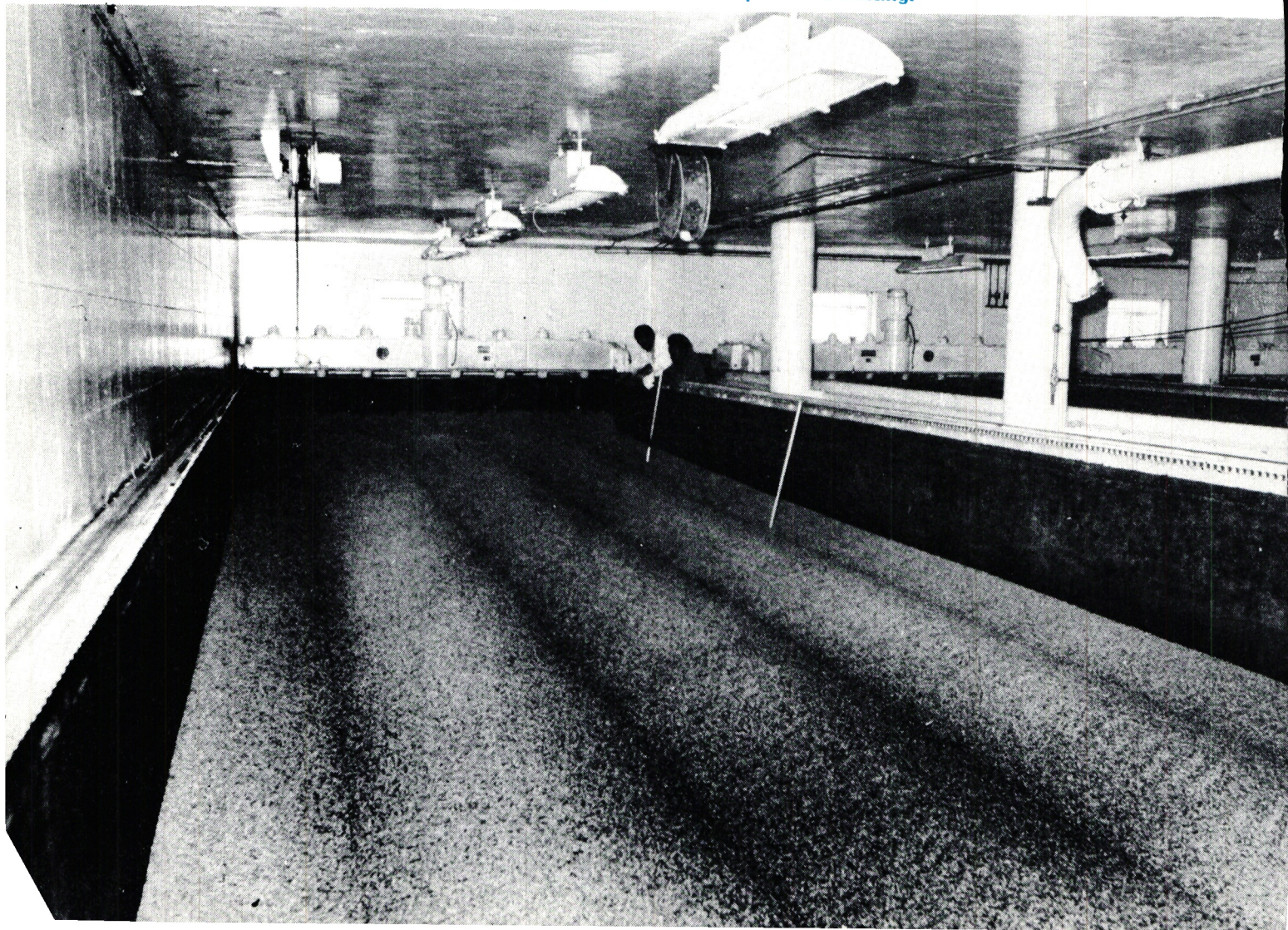
I should like to mention that we have lost the services of both Mr D. Gray and Mr C. W. Rubia on retirement and resignation respectively. Mr Gray, who was our Technical

Director in charge of engineering for many years, has served us well and truly and played a major part in our growth and success, in management, brewing, development and engineering. Mr Rubia, who resigned shortly after the end of the year under review on account of pressure of work, served for many years ably and with dedication. Having had a long and wide experience at Board level, he contributed immensely in the healthy growth of our Company. Both your Board and the shareholders are indebted to them.

I must also record our debt to Allied Breweries Limited for their continuing help and advice in our development plans and assistance over the implementing of new brewing techniques all of which have contributed to our increased productive capacity.

Michael Blundell  
CHAIRMAN

The "Saladin box system" of compartment malting.



## Taarifa ya Mwenyekiti

*Itakayotolewa kwa wenyekiti kwenye Mkutano Mkuu wa Kampuni wa kila mwaka ambao ni wa hamsini na mbili utakaofanywa Outspan Hotel, Nyeri, tarehe 21 November 1974, siku ya Alhamisi saa tano asubuhi. Wakurugenzi wanapendezwa kuwatolea wenyekiti hesabu za mwaka uliomalizika tarehe 30 Juni 1974.*

Kwa mara nyingine naweza kuwaarifu kwamba Kampuni yenu imekuwa na mwaka ulioipatia faida.

Jumla ya faida za mwaka mzima za Kundi la makampuni haya imetimu K£5,492,531 ambayo inaonyesha ongezeko la K£767,085 ikilinganishwa na ile ya mwaka uliopita ya K£4,725,446. Fungu kubwa la ongezeko hili ambalo linatimu K£659,956 limeweza kupatikana kwa sababu ya kusitawishwa kwa njia za mapato katika Kenya Breweries Limited.

Uganda Breweries Limited pia imejipatia ongezeko la faida ya kabla kodi kutolewa ikilinganishwa na ile ya mwaka uliopita ya U£69,945. Tanzania Breweries Limited ilitangaza mgao uliopunguzwa kidogo ukilinganishwa na ule wa mwaka uliopita na Kodi ya Mapato ya T£29,840 inayotozwa mgao huu ambao hairuhusiwi katika kodi ya Kenya. Kwa sababu hiyo mapato ya pesa ya makampuni yetu yamepungua kuliko yalivyokuwa mwaka uliopita.

Kwa kufuata kipimo cha Kenya cha mwaka wa 1973 cha Kodi ya Mashirika ambacho ni pasenti 40, ongezeko la faida za Kundi la makampuni haya baada ya kodi kutolewa lingekuwa K£337,215, lakini kwa sababu ya ongezeko la pasenti 5 la kipimo cha kodi lililofanywa katika Makisio ya mwaka wa 1974 ya Pesa za Serikali ya Kenya, hesabu hii imepunguzwa kuwa K£160,715 katika ongezeko la faida la K£767,085 kabla ya kodi kutolewa. Kwa hivyo, faida zilizopatikana kwa kugawanywa wenyekiti au kwa kuwekwa kwa matumizi zaidi ya kusitawisha rasimali ni K£147,871 fungu lililo kubwa kupita lile la mwaka uliopita.

Nafikiria shida ya kiasi cha juu sana cha kodi katika nchi zinazositawi kama inavyoonyeshwa baadaye katika taarifa hii. Kabla ya kutaja habari ya hali kwa jumla ilivyo Afrika ya Mashariki, ni lazima niwakumbushe maelezo juu ya maongozi ya Halmashauri yenu kuhusu ugawaji wa faida za Kampuni yenu. Kama ilivyo, hali ya pesa ya Kampuni yenu ni imara lakini Halmashauri yenu—ingawa inapendekeza nyongeza katika mgao wa mwisho wa hisa, jambo ambalo linastahili kulingana na faida za mwaka mzima zilizopatikana, fungu lililokadiriwa limefikiriwa likiwa na haja ya busara kwa sababu nilizozieleza hapa chini. Hivi sasa hali ya pesa ya ulimwengu inaendelea kuwa katika hali isiyo-fahamika wazi vile vile Kampuni yenu haijaweza kulipata fungu kubwa la pesa la jumla ya K£556,484 kutoka Tanzania na Uganda ambalo limeonyeshwa katika hesabu lakini halijalipwa.

Zaidi ya hayo, hivi sasa kuna mahitaji

makubwa ya bidhaa yetu na jambo hili linaleta haja ya kutumia pesa zetu kwa kupanusha zaidi nafasi za viwanda na kama nilivyoeleza baadaye, tumekwisha fanya mashauri ya kuomba fungu kubwa la mkopo. Nafikiria kwamba ni jambo linalofaa kuwafahamisha wenyekiti mambo haya na pia kuwakuambusha kwamba kama nafuu ikitokea katika hali ya pesa ya ulimwengu na Tanzania na Uganda zikitoa malipo yake, wenyekiti watazidi kufaidiwa na busara ya Halmashauri yenu.

Katika siku zilizopita Halmashauri yenu ilikuwa ikifuata njia ya kuwatolea wenyekiti bakshishi ya toleo la hisa kwa muda maalum. Sasa kwa kuwa idadi ya hisa zilizotolewa inakaribia kutimu milioni 25 njia kama hiyo ya kutoa bakshishi muda hata muda, hasa kwa kufuata kile kiasi cha miaka iliyopita, inaelekea kuleta upungufu usiofaa wa thamani ya hisa, na kuwa jambo lisiloleta faida kwa wenyekiti. Kwa hivyo, Halmashauri yenu, sasa inakusudia kutoa bakshishi hizo wakati hali ya pesa ya Kampuni ikiwezesha jambo hilo kufanywa na lifanywe baada ya muda ulio mrefu zaidi kuliko ilivyokuwa hapo mbeleni, kusudi kutoa nafasi kwa uuzaji kusitawi zaidi na hisa zo zote mpya zitokeazo kununuliwa. Fungu lililo kubwa la hisa zetu liko nchini Afrika ya Mashariki na kwa sababu kadha wa kadha uwezo wa ununuzi wa mafungu makubwa ya bakshishi za matoleo ya hisi yatokeapo wakati wenye hisa wakitaka kuza hisa zao, ni mdogo.

Kwa kufuatana na maongozi haya, na ikiwa hali za biashara na gharama za ufanyizaji wa bidhaa zitaendelea kuwa za kiasi chenye nafuu, wenye hisa watafaidika kwa kupata malipo ya mgao yaliyo ya juu zaidi kuliko ilivyokuwa hapo mbeleni na wakati faida ya Kampuni zitakapoliwezesha jambo hilo kufanyika. Hata hivyo, inapasa kukumbukwa kwamba kama ilivyokuwa katika wakati uliopita, kutakuwako na ongezeko kubwa mnamo muda wa miaka mitano ijayo la thamani ya faida za hisa walizo nazo wenyekiti. Juu ya jambo hili, inafaa kufahamiwa kwamba kuendelea kupanushwa kwa biashara yetu, kwa gharama ambayo zaidi inalipwa na faida zilizowekwa pamoja na zile za lile toleo la hisa milioni tatu zilizoziwa watu miaka miwili iliyopita, inaonyesha kwamba faida za wenyekiti zimepanda kutoka K£10,525,960 hadi K£19,204,837 katika muda kutoka Juni 1971 hadi Juni 1974.

Sasa nitaongea juu ya kampuni moja moja zinazoendesha kazi katika Kundi lenu pia nitaongea juu ya mahitaji yetu ya usitawi kwa jumla.

### KENYA

Uuzaji kwa mwaka wa fedha uliomalizika tarehe 30 Juni 1974, ulipanda kwa kiasi cha pasenti 24.15 kuzidi ule wa miezi 12 uliyopita. Ingawa mahali pengi katika nchi yote ya Kenya, juzi juzi kulikuwa na mvua nyingi na hali ya anga yenye baridi, ongezeko la bei ya bia la senti 25 kwa ml. 500 lililowekwa mwezi wa Juni 1974 katika Makisio ya Mapato na Matumizi ya Pesa za Serikali, gharama ya kuishi iliyopanda sana iliyotokea baada ya ule mzozo wa mafuta, mpaka hivi sasa kupanushwa kwa biashara yetu kurafadhiwa vizuri.

Baada ya muda wa upungufu wa uuzaji wa Guinness Stout uliotokea Kenya katika sehemu ya mwanzo ya mwaka wa pesa, sasa uuzaji huu unaendelea vizuri tangu mwanzo wa mwaka mpya.

Gharama za mashini za kazi, utumishi, vifaa vya kufanyizia vitu vingine na mafuta zimepanda sana katika muda wa mwaka huu na mnamo muda wa miezi michache iliyopita, kwa mara ya kwanza katika muda wa miaka mingi, ingawa gharama hizi hazikuweza kuzuliwa na faida ya ongezeko la mapato, nyongeza ya senti 4 kwa chupa moja iliyoruhusiwa na Serikali katika kipimo chetu cha faida, imepokewa kwa furaha. (Hiyo ndiyo nyongeza ya kwanza kufanyiwa kipimo chetu cha faida nchini Kenya katika muda wa miaka kumi.)

Katika muda wa mwaka huu, bei za ulimwengu za kimea cha bia zimefikia kiasi cha juu sana. Jambo hili lingeweza kuleta matokeo mabaya katika faida zetu lakini kwa bahati tuliweza kuyatimiza mahitaji yetu yaliyo mengi kwa kununua shayiri inayokuzwa nchini. Juhudi zetu za kuzidisha ukuzaji wa wakulima wa shayiri zimefanikiwa sana na iliipofikia mwisho wa mwezi wa Juni, 1974 tulikuwa tumetoa mikopo ya pesa inayotimu K£661,771 kwa wakulima wa shayiri. Kwa njia hiyo, kazi yetu imefanya msaada mkubwa katika usitawi wa uchumi wa Kenya wa sehemu za mashambani.

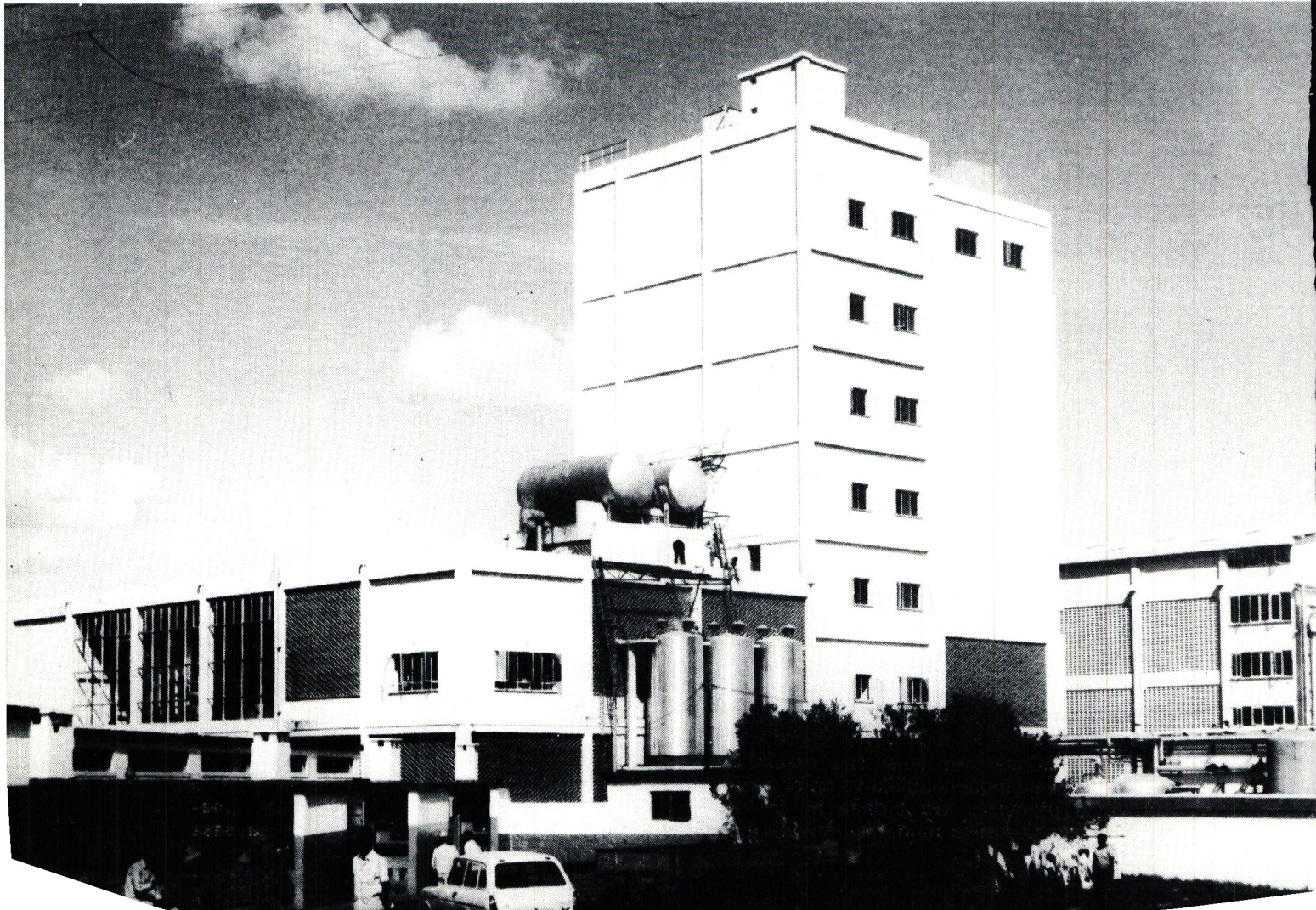
Ingawa mahitaji yetu ya kimea cha bia yalikuwa makubwa, tuliweza kuvitengeneza

vifaa vinavyohitajiwa kwenye kiwanda chetu wenyewe cha kazi za kimea kwa sababu kazi za kupanusha mashini zetu za kazi zilikamilishwa kwa wakati unaofaa wa mazao ya msimu. Kwa sababu ya ongezeko kubwa la gharama za wakuzaji wa shayiri, bei za shayiri inayokuzwa nchini imeongezwa sana na hili ni jambo ambalo linaelekea kuwa litaendelea ikiwa bei za ulimwengu za nafaka hii zitaendelea kupanda.

Katika mwaka wa 1973, Halmashauri yenu ilikata shauri la busara la kujengwa kwa Mtambo wa Kutengeneza Asali ya Shayiri huko Ruaraka. Mpango wenyewe ulisitawishwa kutokana na jaribio moja dogo la kwanza la kuunda mtambo wa namna hiyo uliofanywa na Kampuni ya Kroyer nchini Denmark. Haku kuwa na mtambo wote mwingine wa namna hiyo kwenye viwanda vya ulimwengu vya utengenezaji wa bia na ninafurahi kuwarifu kwamba mtambo huu uliositawishwa na kuundwa huku kwa kufuata uongozi wa Bw. Gerald Taylor, Mkurugenzi wetu wa Kazi za Bidhaa, ulianzishwa kazi zake mapema katika mwaka wa 1974. Umetimiza kazi yake iliyo-tarajiwa kwa ukamilifu kwa kutoa tani 6,000 za mwanzo za asali kwa mwaka na sasa mipango imekwisha anzishwa ya kukizidisha kiasi hicho kufikia tani 10,000.

Mbali na mahitaji yetu wenyewe, kuna mahitaji makubwa nchini ya bidhaa hii kutoka kwa waundaji wa viwanda vingine na tutaweza

**The new barley syrup plant which is now in production at Ruaraka. The tall building is the machine tower and silos. On the left is the plant room.**



kuutumia mtambo huu kwa fungu kubwa la shayiri ambayo ingekataliwa kwa kutofaa kwa ufanyizaji wa kimea cha bia. Hili ni jambo ambalo litasaidia sana kupunguza hatari ya hasara inayoweza kuwapata wakulima wanaokuza shayiri kwa madhumuni ya ufanyizaji wa kimea cha bia. Nchi nyingine zimevutiwa sana na matokeo ya kazi za mtambo huu na inaelekea kwamba makampuni mengi mengine ya ulimwengu yatafuata mfano wetu kwa kuona kwamba majaribio ya mtambo huu sasa yamefaulu sana.

### UGANDA

Mahitaji ya bia ya Uganda yanaendelea kuzidi kiasi kinachoweza kupatikana na kwa kuwa katika muda wa mwaka huu wa fedha uuzaji uliongezeka kwa kiasi cha pasenti 3-5 tu, ni kwa sababu ya upungufu wa nafasi za ufanyizaji wa bidhaa hii pamoja na shida za upungufu wa maji na stima zinazotokea mara kwa mara na pia upungufu wa spea za mashini zinazoweza kupatikana mara moja pamoja na ukosefu wa vifaa vingine vinavyotakiwa kazi ikisimama na kadhalika.

Kama ilivyoonyeshwa katika taarifa yangu ya mwaka uliopita, shida za kuwapata makandarasi wenye ujuzi na mafundi wa kazi nyingine pamoja na ukosefu wa vitu vingine vidogo vidogo, mambo hayo yameleta kucheleweshwa kwa kupanushwa kwa kiwanda cha Port Bell. Hata hivyo ongezeko kubwa la ufanyizaji wa bidhaa hii litapatikana baada ya muda mfupi ujao.

Bei za juu sana zilizotokea kila mahali ulimwenguni za vyombo, mashini na mafuta, zimeleta gharama kubwa kwa kazi za utengenezaji wa bia Uganda hivi juu lakini kwa kuongezwa sana kwa kodi katika bei ya bia baada ya Makisio ya mwaka wa 1974 ya Mapato na Matumizi ya Pesa za Serikali, kuliwekwa ongezeko la kipimo cha faida cha wafanyizaji wa bia ambacho kingeweza kusa- idia sana kwa kupunguza gharama zinazozidi. Pamoja na ongezeko la ufanyizaji wa bidhaa hii linalopatikana kutokana na sehemu zetu mpya zilizopanushwa, jambo hili lingefaa kuleta jumla ya faida kwa Uganda Breweries Limited likilinganishwa na rasilmali zaidi ambayo sasa inatumiwa katika biashara hii.

Nikitaja juu ya kiwanda chetu nchini Uganda ningependa kuwakumbusha kwamba mbali na shida kubwa za nchi hii zinazotokana na pesa za kigeni na kucheleweshwa kwa mambo mengine, Serikali ya nchi hiyo sikuzote imetwezesha kuyalipa madeni yetu ya nchi za ng'ambo ya ununuzi wa mitambo na mashini na kutoa malipo ya migao yetu. Imani inayonyeshwa na Serikali ya huko kwa ushirika wake katika malipo ya mahitaji yetu inatusaidia sana na kutwezesha kutimiza uuzaji wetu unaotokana na kupanushwa kwa kazi zetu na kwa hivyo, kuna malipo zaidi kwa Serikali kama ilivyoonyeshwa baadaye katika taarifa hii.

### TANZANIA

Kwa mambo mengi, muda wa miezi kumi na miwili uliomalizikia tarehe 30 Juni 1974, ulikuwa ni wa bahati mbaya kwa Tanzania Breweries Limited. Mahitaji yanaendelea kuzidi utoaji wa bidhaa kwa kiasi cha pasenti 25 nchini Tanzania ingawa kulikuwa na ongezeko kubwa la ufanyizaji wa bidhaa hii la kiasi cha pasenti 12 katika muda wa mwaka huu

Hata hivyo, ongezeko la uuzaji lililofikiwa limekuwa pasenti 8-68 tu na ukosefu wa kukifikia kiasi cha juu kilitokana na shida za kazi za kuitia bia chupani huko Dar es Salaam. Kukosekana kwa stima ambako hutokea wakati mwingine na upungufu wa maji utokeo muda hata muda ndizo zilizokuwa sababu kubwa ijapokuwa shida za kupatikana kwa vifaa vya mashini za kazi za chupa pia zilisumbua. Hali ikiwa tofauti na ile ya Uganda na Kenya kwa mipango ya haraka ya kupanusha viwanda, maendeleo ya Dar es Salaam na Arusha yamekuwa madogo sana kwa sababu ya upungufu wa pesa ambao ndio uliozuia kupatikana kwa mitambo na mashini zinazohitajika kwa kuikamilisha mipango yote.

Katika taarifa yangu ya mwaka wa 1973 nilionyesha jinsi hali ya faida za Tanzania Breweries Limited ilivyokuwa mbaya na ukosefu wa uwezo wetu wa kupata au kuweka pesa kwa usitawi zaidi ambao ulitokana na nyongeza ya kodi inayotowza bia na ambayo hatukuruhusiwa kuititisha ilipwe na watumiaji kwa hivyo tulilazimika kuilipa wenyewe. Kwa sababu hiyo, hali ya pesa tuliyo- kuwa tukiitazamia ikawa mbaya sana na kampuni hii ya Tanzania Breweries Limited ikafikia kiwango cha mwisho cha msaada wa kukopa ambao National Bank ilikuwa tayari kukubali kututolea kwa kazi zetu.

Baada ya kucheleweshwa sana kwa kuongeza kiasi cha kipimo cha faida katika kazi ya utengenezaji wa bia kilikubaliwa na usimamizi wa bei na ikaelekea kwamba hali ya faida na mapato ya pesa itaweza kurekebishwa kwa kiasi hata kama ni kwa muda tu ili kutuwezesha kuitolea East African Development Bank maazimio yetu ya fedha kwa niaba ya Tanzania Breweries Limited kwa mkopo wa fungu kubwa la pesa zinazohitajiwa kwa kuongeza kazi za ufanyizaji wa bia.

Hata hivyo, karibu wakati ule ule, hali iligeuka sana. Kwa sababu ya bei za ulimwengu za vifaa vya kufanyizia vitu vingine ziliongezeka na kufuatwa na ongezeko kubwa sana la bei za mafuta, gharama zetu za kazi za ufanyizaji wa kimea, chupa, masanduku ya plastiki, pamoja na gharama nyingine kama za stima, uchukuzi na mafuta zikapanda sana.

Kuongezeka kwa bei za vitu ulimwenguni kulisababisha ongezeko kubwa sana la gharama za mitambo na mashini na hali ikazidi kufanywa kuwa mbaya zaidi kwa sababu ya kuongezwa kukubwa kwa mishahara na kodi mpya ya usitawi iliyowekeka kazi za viwanda katika nchi ya Tanzania. Kwa sababu hiyo, uwezekano wote wa kutayarisha mpango thabiti wa maendeleo ya mapato ya fedha ukiwa na utaratibu wa kurudisha mkopo kwa hao waliokuwa tayari kutoa mkopo, uliharibika. Hali hii inaweza kurekebishwa pengine kwa kupunguzwa kwa kodi zinazowekwa na Serikali kwa kazi za viwanda, ambazo zilizidishwa zaidi kwa nyongeza ya senti 75 kwa chupa katika Makisio ya Tanzania ya Mapato na Matumizi ya pesa yaliyofanywa mwezi wa Juni 1974, kwa sababu njia hiyo ingewe- zeshwa pesa zipatikane kwa usitawi zaidi, au kuruhusu ongezeko la bei ya bia kwa watu- miaji.

Bei mpya za bia zilizotokana na kuongezwa kwa kodi katika Makisio ya Pesa za Serikali yaliyofanywa mwezi wa Juni 1974, yamekwisha laumiwa na watu wengine na sasa

inafahamika kwamba Serikali haipendelei kufanya mambo ambayo yataleta lawama zaidi kwa kuongeza bei zaidi. Hata hivyo, jambo hilo ni la haraka sana kwa sababu hali ilivyo ya Tanzania Breweries Limited, haiwezeshi kampuni hii kulipa mgao unaofaa, kutimiza maafikiano yake ya malipo ya mikopo wala kuweza kupata pesa za kupanusha kazi zake ambazo zingekuwa na faida kubwa kwa Serikali na wananchi wa Tanzania.

Wakati kiwanda chetu kilipotaifishwa na Serikali ya Tanzania, nilitoa ahadi binafsi kwamba tutajaribu kama tutakavyoweza kufanya mpango huo mpya kufaulu, mpango utakaotokana na kutaifishwa kwa kampuni yetu.

Tumejitahidi kama tulivyoweza kuitekeleza ahadi hiyo na mapato ya pesa kwa Serikali yamefaidi, lakini kwa maoni yangu wakati umefika wa kufanya mashauriano thabiti kati yetu na washauri wa Serikali juu ya hali ya fedha ya kiwanda hiki ili kwamba hali ya maendeleo mema ya mbeleni kama ile iliyoko Kenya na Uganda iweze kufikiwa.

Mwisho, ningependa kuupongeza moyo mkunjufu na fahamu ya kushirikiana ambazo wenyehisa wetu walio wakubwa, National Development Corporation ya Tanzania wameonyesha katika kusaidia kuepukana na matatizo haya ambayo hivi juzi juzi yameihatarisha hali ya Tanzania Breweries Limited.

#### **SEYCHELLES BREWERIES LIMITED**

Katika mwaka wake wa kwanza tangu kuanza kazi zake, Kampuni hii ambayo Kundi lenu lina fungu dogo la mali, imepata hasara, ambalo ni jambo lililokuwa likitarajiwa katika hatua ya mwanzo ya maendeleo ya kazi za utengenezaji wa bia.

Hata hivyo, sababu kubwa za hasara hiyo ni kuwa pesa zilivyokuwa zimepangwa kwa malipo zilikopwa kwa pesa za kigeni ambazo kwa kulingana na thamani ya "rupia" ya Seychelles hazina thamani ya haja. Pamoja na kudaiwa na kanuni za usimamizi wa fedha katika wakati mbaya wa kuongezeka kwa gharama za kazi (kama ilivyoonyeshwa mahali pengine), vipimo vya faida vilipunguzwa lakini sasa jambo hili limekwisha rekebishwa na hali iliyo bora zaidi inatarajiwa kutokea mwaka huu.

#### **Kutoa nafasi za kazi kwa wananchi**

Isipokuwa kwa upande wa kazi za uinjania, jambo hili halikuiletea Kampuni hii shida kubwa na mpango wake umekaribia kutimizwa kabisa. Kwa upande mmoja, sababu kubwa ya kufaulu kwetu ni kwa kuwa Halmashauri yenu haikukubali kuziweka kazi zote mikononi mwa wananchi kwa sababu ya kufanya hivyo tu bila ya kuwa na mpango thabiti kwa jambo hilo. Kwa hivyo, Halmashauri yenu inafurahi kuwafahamisha kwamba maafisa wakuu wa nchini wameweza kuzitekeleza kazi zao za Kampuni hii kwa njia iliyo bora kama ilivyo kuwa hapo mbeleni. Ingawa kumekuwako na ongezeko kubwa la kazi zetu, hali iliyo bora ya kazi imeanzishwa na inahifadhiwa.

Hata hivyo, kwa kazi yetu, ambayo ni moja kati ya aina ya kazi zinazohitaji ufundi maalum na ulio mgumu na wenye mchanganyiko wa aina mbalimbali za utaalamu wa juu, hasa kwa upande wa ushauri, kuziweka kazi muhimu mikononi mwa wananchi hasa zile za uinjania, halijakuwa jambo rahisi. Kama ilivyo, kazi za utengenezaji wa bia, hata katika

nchi zilizoendelea mbele kabisa ambako ni idadi ndogo sana ya wafanyi kazi wa kigeni inayotakiwa, kuajiriwa kwa wafanyi kazi kutoka katika sehemu nyingine za ulimwengu hasa kwa kazi za ufundi, kungali kunaendelea kufanywa na haitakuwa fikira ya busara kusema kwamba jambo hilo hata kwa kiasi kilicho kidogo haliwezi kuendelea kufanywa katika nchi za Afrika ya Mashariki.

Walakini, tunajitahidi kama tuwezavyo kuwafundisha wananchi kazi zetu za utaalamu maalumu wa uinjania. Mainjania hawawezi kufundishwa kazi zao kwa haraka, lakini tukipatiwa nafasi, tuna matumaini kamili ya kuyatimiza shabaha zetu na kufanya maendeleo yanayofaa. Ni jambo linalolazimika kufanywa kwa sababu mbali na yale maongozi ya kawaida ya Halmashauri yenu katika kusaidia kuitimiza haja ya Serikali juu ya jambo hili, sasa inakuwa ni vigumu sana kuwavutia wataalamu kutoka nchi za ng'ambo kuja kufanya kazi tunazozihitaji, na hasa katika wakati kama huu wa hali mbaya ya pesa ulimwenguni, kuna viziwi vingi vikubwa kama vile vya gharama za mishahara na za masharti mengine ya utumishi.

#### **East African Breweries Limited—Idara ya Kazi za Ufundi**

Kwa sababu ya wajibu mkubwa Kampuni hii iliyo nao kwa Kenya Breweries Limited, Tanzania Breweries Limited, Uganda Breweries Limited na mengineyo kwa kazi za nje ya viwanda, Idara yetu ya Kazi za Ufundi imezidishwa sana nguvu zake na kwa msaada unaoendelea wa Allied Breweries Limited na wa kazi za ulimwengu za uchunguzi, pamoja wakiwa wanachama wetu, Kundi hili sasa linajitoleza katika kazi zake za nchini za kutayarisha mipango na usimamizi wa kazi mpya za ukubwa tunaohitaji. Kwa kazi hizi pia tulianzisha Kampuni ya utumishi ambayo Kenya Breweries Limited ndiyo itakayokuwa na wingi wa hisa, itakuwa na watumishi wenye utaalamu wa ujenzi, upimaji wa nchi na uinjania wa ujenzi unaohitajiwa katika kazi za utengenezaji wa bia.

Kampuni hii kwa kushirikiana na watumishi wa kazi zetu za ufundi pia wataweza kuunda kundi kamili la kazi kwa Makampuni ya Kundi hili yanayofanya kazi zake na kwa kazi nyingine za utengenezaji wa bia zinazohusika na hata kutoa utumishi wake wa kazi za kutayarisha mipango na kushauri katika kazi nyingine zisizohusika na utengenezaji wa bia. Matokeo ya jambo hili yataiwezesha East African Breweries Limited kuzuia matumizi ya pesa nyingi kwa kulipia ada za gharama za kazi za wataalamu na kuzuia matumizi ya pesa za kigeni katika mipango yake ya usitawi, pia lingeiwezesha kampuni hii kutoa utumishi mkubwa kwa nchi zilizoko nje ya Afrika ya Mashariki na kusaidia katika kupata pesa za nchi za kigeni.

#### **Mpango wa usitawi—kwa jumla**

Wenyehisa watapenda kupokea mchangano kamili wa mipango mikubwa ya usitawi ambayo ndiyo shina la mahitaji makubwa ya bidhaa yetu na ndiyo, zaidi ya yote, unatupa haja ya kutenga pesa za kutuwezesha kuitekeleza. Ni lazima nionye juu ya shida za kupata pesa za kutosha kwa upanuzi zaidi wa kazi zetu ambazo sasa zinawatisha watoaji pesa kwa kiasi pesa nyingi kwa kazi kubwa kama yetu. Katika nchi za Afrika ya Mashariki



mnamo siku zilizopita, kazi kubwa ya uchumi inayositawi ingeweza kutumia pesa zake nyingi kwa maendeleo zaidi kutoka katika akiba za faida zake zinazotokana na kazi zake pamoja na kiasi kidogo sana cha mkopo kutoka nje.

Hali hii sasa haipatikani tena kwa sababu ya mambo mawili yaliyo makubwa. Kwanza, ongezeko kubwa sana la vifaa vyote vya mwanzo vya kazi za ujenzi, vile vya nchini na hata vitokavyo nchi za ng'ambo pamoja na bei zinazopanda sana za mashini zote na vyombo ambavyo vilivyo vingi kutoka nchi za ng'ambo hutoka kwa wauzaji wenye sifa kuu ulimwenguni. Pili, kodi kubwa sana inayotozwa na Serikali kwa faida zetu. Orodha iliyoonyeshwa hapa chini inadhihirisha tofauti kati ya fungu linalochukuliwa na Serikali na lile linalipwa likiwa mgao kwa wenye hisa:

NCHI	Mwaka uliomalizi	Kodi ya Serikali (Jumla)	Migao kwa Wenyehisia
UGANDA	30.6.74	U£4,922,365	U£352,800
TANZANIA	31.12.73	T£11,149,962	T£530,500
KENYA	30.6.74	K£16,835,671	K£2,160,007

Utozaji wa kodi wa Serikali utazidisha ongezeko kwa sababu ya ongezeko la Kodi ya Mauzaji iliyotangazwa na Serikali zote tatu katika Makisio ya mwezi wa Juni ya Mapato na Matumizi ya Pesa za Serikali.

Nimelionyesha jambo hili kwa sababu tumefikia hali ambayo haituwezeshi kupata pesa za kutosha na kwa mara moja kutoka kwenye mali zetu wenyewe kwa madhumuni ya usitawi zaidi na tulilazimika kutafuta msaada pengine kutoka kwenye banki za nchini au za nchi za ng'ambo kwa mikopo ya muda mrefu. Mpaka sasa, kama wenyehisia watakavyoona tumekuwa na maendeleo mazuri lakini kuna dalili zinazoonyesha wazi kwa hali ya sasa ya pesa ulimwenguni ilivyo, haielekei kwamba kupatikana kwa pesa kwa mipango ya usitawi kutakuwa jambo rahisi katika siku zijazo isipokuwa kwa masharti yaliyo magumu sana. Kwa kufahamiwa kwamba ili kuyatimiza mahitaji ya sasa ambayo ni sawa na ya ujenzi wa kiwanda kimoja kikubwa kipya kila mwaka katika nchi ya Kenya pekee na kwamba mwishowe gharama ya kiwanda cha Kisumu inaelekea kuwa itazidi pauni milioni 12, ukubwa wa shida yenyewe unajionyesha wazi. Hata hivyo, ni shida ambayo inaweza kuzuiliwa, pengine kwa njia ya kukipunguza kiasi cha kila mwaka kinachochukuliwa na Serikali kutokana na kazi yetu au kwa njia ya nyongeza ya bei ya bia au njia zote hizo mbili zikiwa pamoja ili kuhimiza mahitaji ya pesa kwa huu usitawi mpya ulio muhimu.

Ninalisisitiza sana jambo hili kwa sababu kazi ya uchumi kama hii yetu ambayo karibu kabisa inasimamiwa na kumilikiwa na Waafrika wa Afrika ya Mashariki, ni vigumu kupata mafungu makubwa ya pesa kutoka nchi za ng'ambo na ni lazima tutegemee pesa za nchini pamoja na zile zetu wenyewe. Hivi sasa ni shida sana kupata mafungu makubwa ya pesa kwa madhumuni ya kazi za usitawi na si kwa Kenya pekee ila kwa nchi zote tatu za Afrika ya Mashariki. Jambo hili pia lina manufaa yake kwa kila nchi ya Afrika ya Mashariki ambalo linahusika na pesa za kigeni, kwa kuziachilia kazi za viwanda kusitawi nchini kunawezesha faida za kutosha zinazo-

patikana nchini kuwekwa na kutumiwa kwa usitawi zaidi. Jambo hili likiwa katika fikira, ningependa kuwaeleza wazi wenyehisia jinsi hali ilivyo kwa jumla katika kila nchi.

## 1 Kenya

Inatarajiwa kwamba katika muda wa miaka mitano ijayo mahitaji ya Kenya ya bia yaliyoko sasa huenda yakaongezeka mara mbili na katika muda wa miezi sita iliyopita, Idara ya Ufundi ya East African Breweries Limited ambayo juzi juzi ilipanushwa, imekuwa ikijishughulisha sana na upangaji kuhusu kiasi kikubwa cha ongezeko la ufanyizaji wa bidhaa hii ambacho kitalazimika kuhitajika ili kullitimizia ongezeko kama hilo.

Kama ilivyokwisha elezwa, shida kubwa zilizoonekana wazi mnamo miezi kumi na miwili iliyopita zilikuwa kuongezeka sana kwa gharama za mitambo na za majengo vile vile kucheleweshwa kwa kuletwa kwa vifaa muhimu vya kazi pamoja na mitambo na vyombo vingine kutoka nchi za ng'ambo. Shida hizi ambazo ni za ulimwengu mzima, zimeleta haja ya kufikiria kwa uangalifu juu ya njia nyingine mbalimbali za kuzidisha bidhaa yetu. Mambo ambayo sasa tumehusika nayo ni maarifa ya juu ya ufundi wa utengenezaji wa bia na kuanzisha njia ambazo zitaleta matumizi ya ukamilifu kabisa ya matumizi ya mashini zilizoko sasa katika muda wake wa kazi wa siku saba. Njia hizo zitawezesha matumizi kwa ukamilifu kabisa wa nafasi zilizoko sasa na zinazokusudiwa kwa kazi za kuzidisha utoaji wa bidhaa yetu. Pia kutakuwako na ongezeko kubwa la watu wanaoweza kupatiwa kazi, jambo ambalo kwa kiasi kadha litasaidia kupunguza shida ya ukosefu wa kazi nchini Kenya.

Mpango wa usitawi wa rasilimali kwa muda wa miaka mitano unaoanzia Julai 1974 hadi Juni 1979, utahitaji jumla ya matumizi ya kirasilmali ya K£20,700,000, ambayo K£8,700,000 ni kwa kupanushwa kwa viwanda vya kutengeneza bia; K£4,400,000 ni kwa kuingeza nafasi za mtambo wa kimea; na K£7,600,000 ni kwa ununuzi wa chupa zaidi, masanduku, uchukuzi na kadhalika, na kwa kujengwa kwa nyumba za watumishi na mabohari. Matumizi yote yamefanyiwa mpango kwa njia inayoweza kufanyiwa mageuzo ili kwamba marekebisho yaweze kufanywa kwa kulingana na hali ya uzaji itakavyoelekeza mahitaji na kupatikana kwa fedha.

Mpango mkubwa wa kupanusha njia za ufanyizaji wa ujenzi wa stoo unahitajiwa ikiwa tutaendelea kutumia kimea kinachofanyizwa nchini. Si kwa kuwa bei yake ni rahisi kuliko ile ya kimea kinachotolewa nchi za ng'ambo, lakini pia mpango huu unaisaidia nchi kukikinga kiasi kikubwa cha matumizi ya pesa za kigeni na unatoa nafasi ya kuingeza idadi ya wakulima wa nafaka hii wakiwa na mahali tayari pa kuiuza.

Mbali na rasilimali ya K£20,700,000 inayohitajiwa kwa huu mpango wa usitawi wa muda wa miaka mitano, kuna kusudio la kuanza kazi za kujenga kiwanda kipya Kisumu katika mwaka wa 1975. Halmashauri yenu ilikuwa na azimio la kukifanya kiwanda cha Kisumu kuanza kazi za kutengeneza bia mapema zaidi lakini ongezeko la gharama za ujenzi wa hiki kiwanda kipya pamoja na kuanzishwa kwa njia zilizositawishwa zaidi na maarifa mapya kwenye kiwanda cha Ruaraka na kwingineko,

zinaonyesha kwamba lingekuwa jambo la faida zaidi kuzitumia pesa zilizoko ambazo tangu mwanzo zilikuwa zimekwisha tengwa kwa kazi hii ya kupanusha nafasi zetu zilizoko sasa.

Pia ningependa ikumbukwe kwamba ongezeko kubwa lililofanywa katika makisio ya gharama za kiwanda hiki hazikutokea kwa sababu ya kupandishwa kwa bei za mitambo na vifaa pekee, ila pia kwa sababu wakati kiwanda hiki kitakapomalizika kitaweza kutoa kiasi cha bia kilicho kikubwa zaidi kuliko kile kilichokuwa kimekadiriwa hapo mbeleni, ambacho tulilazimika kukiongeza kwa kutazama ongezeko la sasa la mahitaji ya bidhaa yetu. Mwanzoni pesa zitatumika kwa kutayarisha kiwanja na ujenzi wa sehemu ya bohari kamili la kuwekea masanduku, pamoja na ofisi na majengo mengine ya kazi, wakati mambo mengine yakiwa yanatekelezwa kwa kukikamilisha kiwanda kamili kilicho kikubwa, ambayo yatakuwa yakiendeshwa katika mpango wa sehemu sehemu ili kupunguza mzigo wa gharama zetu.

Halmashauri ya Wakurugenzi inafikiria kwamba ikiwa kiasi cha sasa cha matumizi kitaendelea, fungu lote la pesa litakiwalo kwa usitawi baadaye litakuwa likipatikana kutoka katika akiba za faida zilizowekwa na Kundi la makampuni ya East African Breweries Limited na mapato mengine ya pesa yanayotokana zaidi kwa kupanushwa kwa nafasi za ufanyizaji wa bidhaa hii zilizoko sasa. Fungu lililo kubwa zaidi la matumizi ya kirasilmali hata hivyo linatokea katika nusu ya kwanza ya ule muda wa miaka mitano, hivyo basi, mkopo wa muda mrefu wa K£7,100,000 umekwisha ombwa kutoka kwenye shirika moja la pesa la nchini kwa kiasi cha faida kilichoko sasa.

Shukrani zetu zinatolewa kwa First National Bank of Chicago ambao ndio waliohusika na mashauri ya mkopo huu na ndio wanaousimamia kwa niaba yetu, kama ilivyokwisha tangazwa katika magazeti. Mafungu ya mkopo huu yatatolewa kama ifuatavyo, fungu la kwanza la K£3,700,000 litatolewa mnamo tarehe 15 Desemba 1974, na baki yake ya K£3,400,000 itatolewa katika muda baina ya tarehe 15 Juni 1975 na Machi 1976 kwa kadiri ya mahitaji mpango huu wa usitawi yatakavyokuwa yakitokea. Malipo ya kurudisha mkopo huu yatakuwa katika mafungu na fungu la kwanza litalipwa mnamo mwisho wa mwezi wa Machi 1976 na kuendelea muda hata muda kama itakavyoafikiwa hadi Desemba 1979. Ikiwa uuzaji utaendelea kuongezeka kwa kiasi cha sasa, Wakurugenzi wenu wanafikiria kwamba makusudio kama yalivyoelezwa hapa juu yataweza kutimizwa kutokana na kiasi cha mapato ya viwanda vyenu vya Kenya bila ya kuyadhuru masilahi ya wenyehisa. Mkopo wetu wa sasa uliotolewa na Barclays Bank International na Standard Bank Limited utalipwa kwa ukamilifu mnamo Juni 1976 kama ilivyopangwa.

## 2 Uganda

Sehemu ya V na VI ya mpango wa kuisitawisha Uganda Breweries Limited sasa hasa ni kama uliokwisha kamilishwa kwa gharama ya U£1,251,232. Pesa hizi zilipatikana kutoka katika akiba za faida zilizokuwa zimewekwa pamoja na mkopo wa muda mrefu wa U£350,000 uliotolewa na Development Finance Corporation of Uganda. Fungu la kiasi cha U£250,000 litahitajika ili kuukamilisha mpango huu ambao utakiongeza kiasi cha

utoaji cha kiwanda cha Port Bell kufikia 300,000 ya masanduku ya bia kwa mwezi. Halmashauri ya Uganda Breweries Limited ilikuwa imetazamia kwamba ongezeko hilo lingeyatosheleza mahitaji kwa muda wa miaka mingi ijayo lakini hivi sasa kuna dalili zinazonyesha kwamba ongezeko la sasa la uuzaji litalazimu ile sehemu ya VII ya mpango wa usitawi kuanza kutayarishwa na kukamilishwa kwa upesi zaidi kuliko ilivyokuwa ikitarajiwa.

## 3 Tanzania

Mahali pengine katika taarifa hii nimekwisha taja habari ya haja iliyoko ya kuongezwa kwa ufanyizaji wa bidhaa hii nchini Tanzania. Kisio la mwanzo lililofanywa limeonyesha kwamba fungu la chini kabisa la T£4,500,000 litahitajiwa kwa kazi kubwa za kuweka mashini katika sehemu zote za viwanda Dar es Salaam na Arusha. Hata hivyo, isipokuwa uwezo wa pato la faida ya kazi hii uweze kuimarishwa kwa njia ya maendeleo ya muda mrefu na kwa njia ya busara inayowezesha masilahi ya washiriki wote, Serikali, wenyehisa, wafanyi kazi, na watumiaji, kutazama kwa njia ya usawa, hakuna uwezekano wote wa kupata pesa zinazohitajiwa utakaoweza kutokea.

Sina budi kurudia kutaja tena kwamba zaidi ni kwa manufaa ya Serikali na wananchi wa Tanzania, kwani wao ndio watako-faidika zaidi kwa ongezeko la pesa zitakazoweza kupatikana kwa utoaji mkubwa zaidi wa bidhaa hii utakaofanywa na kiwanda chetu, ndipo matatizo ya sasa yatakapoweza kutatuliwa.

Mwishowe, kwa niaba ya wakurugenzi na wenyehisa wote, natoa shukrani zetu kwa watumishi wetu wote walioko katika sehemu zote za kazi zetu kwa kazi zao walizozifanya katika muda wa mwaka mzima. Karibu kila mahali katika sehemu za kiwanda chetu ufanyizaji wa bidhaa yetu umehifadhiwa kwa hiari na kwa moyo mkunjufu ingawa kwingineko kulitokea shida za kupata spea za mashini, upungufu wa utumishi wa kazi za raia kama vile mapato ya maji, na vipingamizi vingine vilivyoletwa na kazi za majengo makubwa.

Ningependa kutaja kwamba tumeukosa utumishi wa hawa wawili, Bw. G. Gray na Bw. C. W. Rubia, wa kwanza aliacha kazi baada ya kutimiza muda wake na wa pili alijiuzulu. Bw. Gray, aliyekuwa Mkurugenzi wa Ufundi na Msimamizi wa Kazi za Uinjini kwa muda wa miaka mingi, ametumikia vema na kwa kweli amefanya kazi iliyo muhimu sana katika ukuaji na maendeleo yetu, katika usimamizi, ufanyizaji wa bia, usitawi, na kazi za uinjini. Bw. Rubia ambaye alijiuzulu mara tu baada ya mwisho wa mwaka huu kwa sababu ya wingi wa shughuli zake, ametumikia kwa muda wa miaka mingi kwa uhodari na bidii. Kwa kuwa alikuwa na maarifa ya muda mrefu ya shughuli za Halmashauri, ametoa msaada mkubwa kwa usitawi wenye nguvu wa Kam-puni yetu. Halmashauri yenu na wenyehisa wana shukrani kuu kwao.

Sina budi pia kutoa shukrani zetu kwa Allied Breweries Limited kwa kuendelea kututolea msaada na kutushauri juu ya mipango yetu ya usitawi na msaada katika kuyatekeleza maarifa mapya ya ufanyizaji wa bia. Yote haya yamesaidia sana katika kukiongeza kiasi cha ufanyizaji wa bidhaa yetu.

MICHAEL BLUNDELL

*Mwenyekiti*

# Report of the Directors

To be submitted to the shareholders at the fifty-second Annual General Meeting of the Company to be held at the Outspan Hotel, Nyeri, on Thursday 21 November 1974 at 11.00 a.m. The directors have pleasure in presenting to the shareholders the accounts for the year ended 30 June 1974.

## for the year ended 30 June 1974

### PROFIT AND LOSS APPROPRIATION ACCOUNT

	K£	K£
The consolidated accounts show a profit before taxation of .. .. .		5,492,531
Taxation provisions including adjustments relating to prior years amount to .. .. .		2,161,328
		<u>3,331,203</u>
From which is deducted the profit of Uganda Breweries Limited attributable to minority interests .. .. .		239,287
		<u>3,091,916</u>
There is also to be deducted the increase in the unappropriated balances retained by the subsidiary companies .. .. .		201,580
		<u>2,890,336</u>
Giving profits dealt with in the accounts of East African Breweries Limited of .. .. .		2,890,336
The revenue reserve has been increased from K£34,722 to K£65,051 by retaining .. .. .		30,329
		<u>2,860,007</u>
Giving profits to be appropriated of .. .. .		<u>2,860,007</u>
The appropriations, to which effect has been given in the accompanying accounts, are :		
Transfer to general reserve .. .. .		700,000
Dividends:		
Interim 1974 paid: 50 cents per share .. .. .	617,145	
Proposed final 1974: One shilling and 25 cents per share .. .. .	<u>1,542,862</u>	
		<u>2,160,007</u>
		<u>2,860,007</u>

### DIRECTORATE

Both Mr D. Gray and the Hon. C. W. Rubia, EBS., resigned from the Board on 31 December 1973 and 31 August 1974 respectively. Mr C. Goodall was appointed to the Board on 27 February 1974. In accordance with Article 97 of the Company's Articles of Association, Mr C. Goodall retires but, being eligible, offers himself for re-election.

In accordance with Article 93 of the Articles of Association, Mr D. A. Omari, MBE., Mr R.O'B. Wilson and Dr M. J. Alier vacate their seats on the Board by rotation and being eligible, offer themselves for re-election.

### AUDITORS

Messrs Gill & Johnson have expressed their willingness to continue in office. A resolution to fix their remuneration will be proposed at the Annual General Meeting.

### STAFF

The Directors again wish to record their very real appreciation of the consistent efforts of all employees throughout the Group.

P.O. Box 30161,  
NAIROBI.  
30 October 1974.

By Order of the Board  
L. W. WAMBAA  
Secretary

# Ripoti ya Wakurugenzi

Itakayotolewa kwa wenyehisa kwenye Mkutano Mkuu wa Kampuni wa kila mwaka ambao ni wa hamsini na mbili utakaofanywa Outspan Hotel, Nyeri, tarehe 21 Novemba 1974, siku ya Alhamisi saa tano asubuhi. Wakurugenzi wanapendezwa kuwatolea wenye hisa hesabu za mwaka uliomalizika tarehe 30 Juni, 1974.

## ya mwaka uliomalizika tarehe 30 Juni 1974

### FAIDA NA HASARA ZA HESABU ILIYOTENGWA KWA MATUMIZI MAALUM

	K£	K£
Hesabu zilizounganishwa pamoja ambazo kabla ya kutozwa kodi zinaonyesha faida ya .. .. .		5,492,531
Fungu la malipo ya kodi pamoja na marekebisho ya miaka iliyopita yanatimu .. .. .		2,161,328
		<hr/> 3,331,203
Kutoka katika jumla hii, faida ya Uganda Breweries Limited imetolewa ambayo hutoa mazao ya hisa kwa kundi dogo .. .. .		239,287
		<hr/> 3,091,916
Pia kuna kutolewa kwa ongezeko la mabaki yasiyotumiwa yaliyowekwa na makampuni mengine yanayohusiana nasi .. .. .		201,580
		<hr/> 2,890,336
Jumla ya faida iliyoonyeshwa katika hesabu za East African Breweries Limited ni .. .. .		30,329
Pesa za akiba zilimeongezwa kutoka K£34,722 hadi K£65,051 kwa kuweka .. .. .		<hr/> 2,860,007
Jumla hii inaonyesha faida itakayotengwa ya .. .. .		<hr/> 2,860,007
Matumizi yaliyoonyeshwa katika hesabu za Kampuni ni:		
Nyongeza katika akiba kuu .. .. .		700,000
		<hr/> K£
Migao ya faida:		
Malipo ya muda ya kwanza yaliyolipwa ya 1974: Senti 50 kila hisa ..	617,145	
Malipo ya mwisho ya 1974 yanayokusudiwa: Shilingi moja na senti 25 kila hisa. .. .. .		1,542,862
		<hr/> 2,160,007
		<hr/> 2,860,007

### UKURUGENZI

Wote wawili, Bw. D. Gray na Mhe. C. W. Rubia, EBS., walijiuzulu kutoka katika Halmashauri, mmoja Desemba 31 1973 na mwingine Agosti 31 1974 kama majina yao yafuatanavyo. Bw. C. Goodall alichaguliwa kuingia katika Halmashauri tarehe 27 Februari 1974. Kwa mujibu wa Kanuni 97 ya Kanuni za Kampuni hii, Bw. C. Goodall muda wake wa kazi umekwisha, lakini kwa kuwa anastahili, anajitoa mwenyewe kuchaguliwa tena.

Kwa mujibu wa Kanuni 93 ya Kanuni za Kampuni hii, Bw. D. A. Omari, MBE., Bw. R. O'B. Wilson na Dr M. J. Alikar waondoka katika viti vyao vya Halmashauri kwa zamu, lakini kwa kuwa wanastahili, wanajitoa wenyewe kuchaguliwa tena.

### WAKAGUZI WA HESABU

Kampuni ya Gill & Johnson imependekeza kuendelea na kazi zake za ukaguzi wa hesabu zetu. Azimio la kuweka kiasi cha malipo yao litatolewa katika Mkutano Mkuu.

### WATUMISHI

Mara nyingine, Wakurugenzi wanapenda kutoa shukrani zao kwa bidii na juhudi zilizofanywa na watumishi wote wa Kampuni hii.

P.O. Box 30161,  
NAIROBI.  
30 Oktoba 1974.

Kwa Amri ya Halmashauri  
L. W. WAMBAA  
Katibu

**EAST AFRICAN BREWERIES LIMITED AND ITS SUBSIDIARIES**

**Consolidated Profit and Loss Account  
for the year ended 30 June 1974**

	1974		1973	
	K£	K£	K£	K£
<b>Trading profit</b> (Note 1) .. .. .		5,151,401		4,329,967
<b>Income from investments:</b>				
Associated companies .. .. .	290,616		331,929	
Other investments .. .. .	50,514		63,550	
		<u>341,130</u>		<u>395,479</u>
<b>Profit before taxation</b> .. .. .		5,492,531		4,725,446
<b>Taxation</b> (Note 2) .. .. .		2,161,328		1,554,958
<b>Profit after taxation</b> .. .. .		<u>3,331,203</u>		<u>3,170,488</u>
<b>Profit attributable to minority interests</b>		239,287		226,443
		<u>3,091,916</u>		<u>2,944,045</u>
<b>Profit attributable to shareholders of East African Breweries Limited</b> .. .. .				
<b>Appropriated as follows:</b>				
Transfer to general reserve .. .. .	700,000		950,000	
<b>Dividends:</b>				
Interim paid: 50 cents per share .. .. .	617,145		557,566	
Final proposed: One shilling and 25 cents per share .. .. .	1,542,862		1,234,289	
		<u>2,860,007</u>		<u>2,741,855</u>
<b>Unappropriated profit transferred to revenue reserve:</b>				
East African Breweries Limited .. .. .	30,329		23,594	
Subsidiary companies .. .. .	201,580		178,596	
		<u>231,909</u>		<u>202,190</u>
		<u>3,091,916</u>		<u>2,944,045</u>

**EAST AFRICAN BREWERIES LIMITED AND ITS SUBSIDIARIES**

**Consolidated Balance Sheet**

**at 30 June 1974**

	1974		1973	
	K£	K£	K£	K£
<b>Fixed assets</b> (Note 4) .. .. .		16,711,752		14,837,453
<b>Investments in associated companies at cost</b> (Note 5) .. .. .		621,354		621,354
<b>Loan</b> (Note 6) .. .. .		682,841		635,902
<b>Current assets:</b>				
Stocks (Note 7) .. .. .	4,537,154		4,014,340	
Debtors and prepayments .. .. .	1,709,363		1,258,528	
Amounts owing by associated companies (Note 8) .. .. .	866,635		671,002	
Quoted investments other than in associated companies (market value K£12,955) .. .. .	20,401		21,397	
Money at call and on deposit .. .. .	30,807		39,148	
Bank balances and cash .. .. .	470,819		1,360,596	
	<u>7,635,179</u>		<u>7,365,011</u>	
<i>Deduct:</i>				
<b>Current liabilities and provisions:</b>				
Creditors, provisions and accrued charges .. .. .	2,868,424		2,019,029	
Amount owing to associated company .. .. .	23,107		15,169	
Taxation (Note 9) .. .. .	2,011,896		1,583,812	
Proposed final dividend .. .. .	1,542,862		1,234,289	
	<u>6,446,289</u>		<u>4,852,299</u>	
<b>Net current assets</b> .. .. .		<u>1,188,890</u>		<u>2,512,712</u>
		<u>19,204,837</u>		<u>18,607,421</u>
<b>Share capital</b> (Note 11) .. .. .		12,342,894		11,151,313
<b>Reserves:</b>				
Share premium account (Note 12) .. .. .	127,896		1,194,377	
Capital reserve (Note 13) .. .. .	966,799		774,170	
General reserve (Note 14) .. .. .	2,753,107		2,053,107	
Revenue reserve (Note 15) .. .. .	146,044		106,766	
	<u>3,993,846</u>		<u>4,128,420</u>	
		<u>16,336,740</u>		<u>15,279,733</u>
<b>Loans</b> (Note 10) .. .. .		1,850,000		2,350,000
<b>Deferred taxation</b> .. .. .		—		110,490
<b>Minority interest in a subsidiary company</b> .. .. .		1,018,097		867,198
		<u>19,204,837</u>		<u>18,607,421</u>

The Notes on pages 22 to 24 form an integral part of these Accounts.

M. Blundell—Director  
D. A. Omari—Director

## EAST AFRICAN BREWERIES LIMITED

# Balance Sheet at 30 June 1974

		1974		1973	
	Kf		Kf	Kf	Kf
<b>Shares in subsidiary companies</b> (Note 3)	9,558,998			8,558,998	
<b>Amounts owing by subsidiary companies including dividends since declared</b> ..	5,606,244			5,625,931	
		15,165,242		14,184,929	
<b>Investments in associated companies at cost</b> (Note 5) .. .. .		621,354		621,354	
<b>Loan</b> (Note 6) .. .. .		682,841		635,902	
<b>Current assets:</b>					
Debtors and prepayments .. .. .	177,153			71,710	
Amounts owing by associated companies .. (Note 8) .. .. .	670,287			528,136	
Quoted investments other than in associated companies (market value Kf12,955) ..	20,401			21,397	
Money at call and on deposit .. .. .	29,542			36,359	
Bank balances .. .. .	78,148			64,188	
		<u>975,531</u>		<u>721,790</u>	
<i>Deduct:</i>					
<b>Current liabilities and provisions:</b>					
Creditors, provisions and accrued charges ..	265,386			188,833	
Amount owing to associated company ..	23,107			15,169	
Taxation (Note 9) .. .. .	95,000			62,500	
Proposed final dividend .. .. .	1,542,862			1,234,289	
		<u>1,926,355</u>		<u>1,500,791</u>	
<b>Net current liabilities</b> .. .. .		(950,824)		(779,001)	
		<u>15,518,613</u>		<u>14,663,184</u>	
<b>Share capital</b> (Note 11) .. .. .		12,342,894		11,151,313	
<b>Reserves:</b>					
Share premium account (Note 12) .. .. .	127,896			1,194,377	
Capital reserve (Note 13) .. .. .	229,665			229,665	
General reserve (Note 14) .. .. .	2,753,107			2,053,107	
Revenue reserve (Note 15) .. .. .	65,051			34,722	
		<u>3,175,719</u>		<u>3,511,871</u>	
		<u>15,518,613</u>		<u>14,663,184</u>	

The Notes on pages 22 to 24 form an integral part of these Accounts.

M. Blundell—Director  
D. A. Omari—Director

# Notes on the Accounts

	1974 K£	1973 K£
<b>1 TRADING PROFIT</b> has been arrived at after deducting		
Loan interest .. .. .	82,312	213,411
Depreciation .. .. .	1,028,355	935,601
Auditors' remuneration .. .. .	9,967	8,619
Emoluments of directors of East African Breweries Limited:		
For services as directors .. .. .	8,625	8,000
For services as executives .. .. .	110,213	103,390
	<u>2,191,369</u>	<u>1,581,937</u>
<b>2 TAXATION</b>		
Taxation on the profits of the year .. .. .	2,191,369	1,581,937
Less: Adjustments relating to prior years .. .. .	30,041	26,979
	<u>2,161,328</u>	<u>1,554,958</u>
<b>3 SHARES IN SUBSIDIARY COMPANIES</b>		
(a) Balance at 1 July 1973 .. .. .	8,558,998	
Add: Shares purchased in Kenya Breweries Limited at nominal value .. .. .	1,000,000	
	<u>9,558,998</u>	

(b) Shares in subsidiary companies include stock units in Uganda Breweries Limited shown at a book value on 30 June 1974 of K£808,999. The market value of these stock units on that day was K£991,073.

## 4 FIXED ASSETS

	Cost or valuation K£	Accumulated depreciation K£	Net balance K£
(a) Properties			
Freehold .. .. .	4,249,398	330,932	3,918,466
Leasehold over 100 years .. .. .	89,427	2,308	87,119
Leasehold 50 to 100 years .. .. .	2,657,553	236,357	2,421,196
Leasehold under 50 years .. .. .	277,399	44,424	232,975
	<u>7,273,777</u>	<u>614,021</u>	<u>6,659,756</u>
Plant, equipment, vehicles and aircraft .. .. .	11,209,778	3,248,582	7,961,196
	<u>18,483,555</u>	<u>3,862,603</u>	<u>14,620,952</u>
Capital work in progress .. .. .			2,090,800
			<u>16,711,752</u>
Fixed assets comprise:			
At valuation			
31 January 1967 .. .. .	1,028,033		
1 July 1969 .. .. .	5,862,322		
Subsequent additions at cost .. .. .	11,593,200		
	<u>18,483,555</u>		



**4 FIXED ASSETS (Continued)**

	<i>Properties</i>	<i>Plant, equipment, vehicles and aircraft</i>	<i>Total</i>
	K£	K£	K£
(b) Movements during the year:			
Cost or valuation at 1 July 1973 .. .. .	6,698,675	9,532,602	16,231,277
Additions .. .. .	631,259	1,886,321	2,517,580
Disposals .. .. .	(56,157)	(209,144)	(265,301)
Cost or valuation at 30 June 1974 .. .. .	<u>7,273,777</u>	<u>11,209,779</u>	<u>18,483,556</u>
Accumulated depreciation at 1 July 1973 .. .. .	465,399	2,494,136	2,959,535
Provided for the year .. .. .	155,066	873,289	1,028,355
Depreciation on disposals .. .. .	(6,444)	(118,842)	(125,286)
Accumulated depreciation at 30 June 1974 .. .. .	<u>614,021</u>	<u>3,248,583</u>	<u>3,862,604</u>
Net book value at 30 June 1974 .. .. .	<u>6,659,756</u>	<u>7,961,196</u>	<u>14,620,952</u>

**5 INVESTMENTS IN ASSOCIATED COMPANIES**

The Company has interests in the issued equity share capital of the following companies:

Tanzania Breweries Limited (Incorporated in Tanzania)—45 per cent.

Seychelles Breweries Limited (Incorporated in the Seychelles)—6 per cent.

Guinness East Africa Limited (Incorporated in Kenya)—49 per cent.

**6 LOAN**

The loan is to the National Development Corporation (Tanzania) and is repayable in full together with interest thereon, by February 1979. Instalments are payable from dividends paid by Tanzania Breweries Limited to the Corporation. The dividend for the year ended 31 December 1972 is still to be paid. The loan is made up as to:-

Balance at 1 July 1973 .. .. .	K£ 635,902
Add: Interest accrued during the year .. .. .	46,939
	<u>682,841</u>

**7 STOCKS**

Stocks are valued at the lower of cost or net realisable value.

**8 ASSOCIATED COMPANIES**

The dividend from Tanzania Breweries Limited of K£268,937 in respect of 1971/72 is still to be paid.

**9 TAXATION**

The provision for taxation is made up as follows:

	<i>Company</i> K£	<i>Group</i> K£
In respect of the year to 30 June 1974 .. .. .	95,000	1,956,651
Final instalment in respect of the year to 31 July 1970 .. .. .	—	55,245
	<u>95,000</u>	<u>2,011,896</u>

**10 LOANS**

Bank loans repayable by annual instalments over two years .. .. . 1,500,000

Loan from Development Finance Company of Uganda repayable between 1974 and 1977 .. .. . 350,000

The loans and bank overdraft (when required) are secured. 1,850,000

**11 SHARE CAPITAL**

Authorised:

30,000,000 ordinary shares of Shs. 10/- each .. .. . 15,000,000 15,000,000

Issued and fully paid:

24,685,787 ordinary shares of Shs. 10/- each .. .. . 12,342,894 12,342,894

	<i>Company</i>	<i>Group</i>
	K£	K£
<b>12 SHARE PREMIUM ACCOUNT</b>		
Balance at 1 July 1973 .. .. .	1,194,377	1,194,377
Premium of Shs. 8/- per share on issue of 139,000 shares .. .. .	55,600	55,600
	<u>1,249,977</u>	<u>1,249,977</u>
<i>Less:</i> Amount applied in paying in full a bonus issue of 2,244,162 shares of Shs. 10/- each .. .. .	1,122,081	1,122,081
	<u>127,896</u>	<u>127,896</u>
<b>13 CAPITAL RESERVE</b>		
Balance at 1 July 1973 .. .. .	229,665	774,170
<i>Add:</i> Transfer from revenue reserve.	—	192,629
	<u>229,665</u>	<u>966,799</u>
<b>14 GENERAL RESERVE</b>		
Balance at 1 July 1973 .. .. .	2,053,107	2,053,107
<i>Add:</i> Transfer from profit and loss account .. .. .	700,000	700,000
	<u>2,753,107</u>	<u>2,753,107</u>
<b>15 REVENUE RESERVE</b>		
Balance at 1 July 1973 .. .. .	34,722	106,766
<i>Add:</i> Transfer from profit and loss account .. .. .	30,329	39,278
	<u>65,051</u>	<u>146,044</u>
<b>16 CAPITAL COMMITMENTS</b>		
Expenditure contracted but not provided for in the accounts at 30 June 1974 amounted to .. .. .		1,463,234
Expenditure authorised by the Board but not contracted at 30 June 1974 amounted to .. .. .		2,939,017
<b>17 CURRENCY</b>		
The accounts have been expressed in Kenya currency, K£1 being equivalent to twenty Kenya shillings.		
Assets and liabilities in currencies other than Kenya currency have been converted at the approximate exchange rates ruling at 30 June 1974.		
<b>18 BASIS OF CONSOLIDATION</b>		
The subsidiary companies included in this consolidation are as follows:		
Kenya Breweries Limited, (100 per cent owned).		
Uganda Breweries Limited, (64.2 per cent owned).		

## Report of the auditors to the members of East African Breweries Limited

We have examined the accounts of the Company as set out on pages 21 to 24 and have obtained the information and explanations which we have considered necessary for our audit.

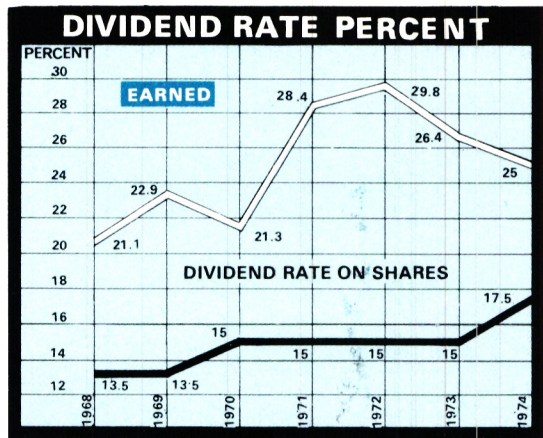
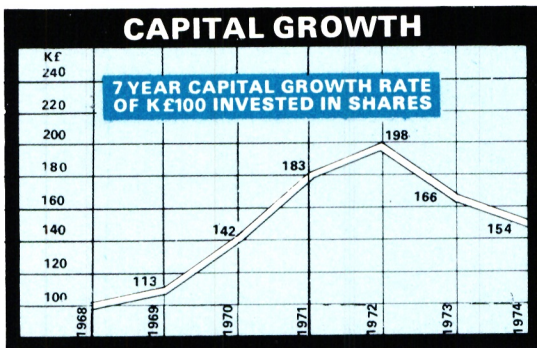
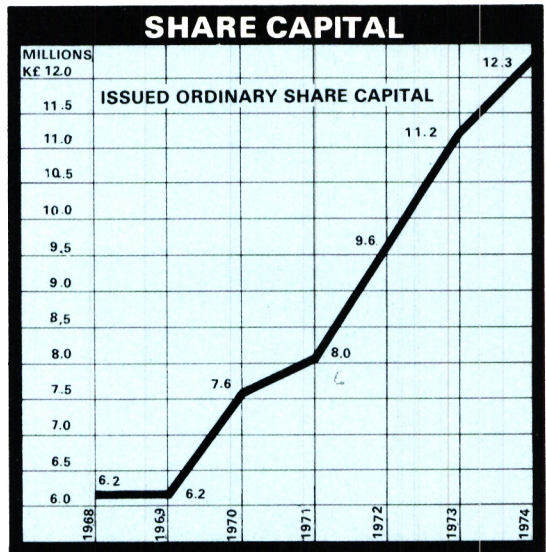
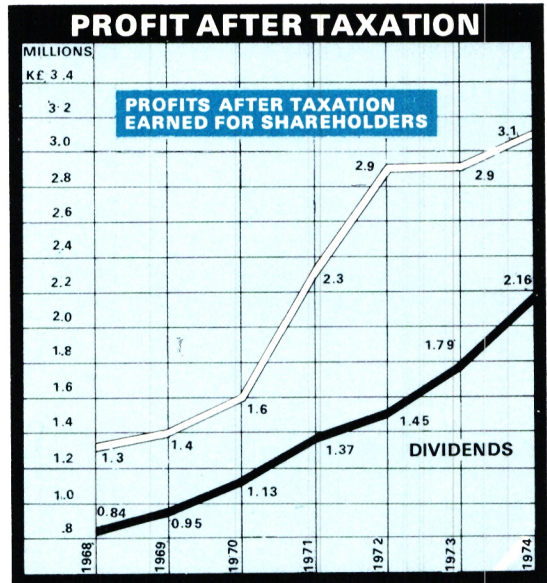
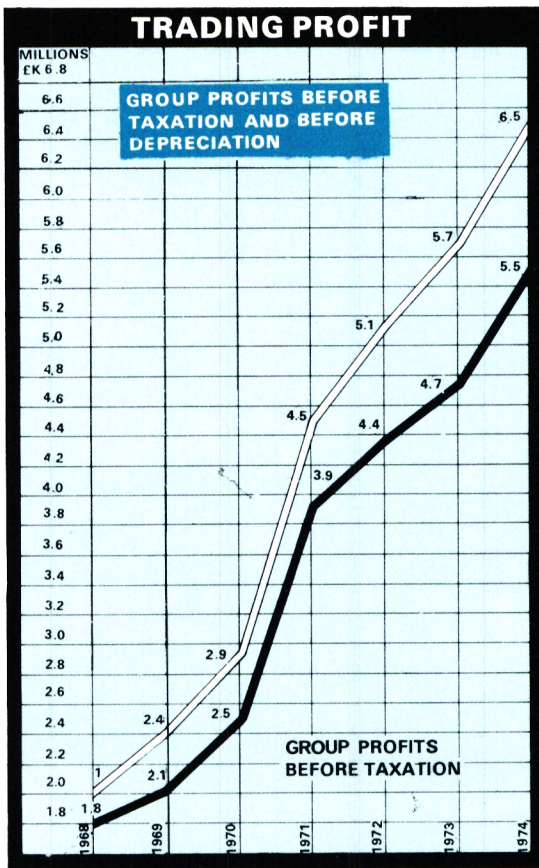
In our opinion proper books of account have been kept by the Company and the balance sheet, together with the notes, which are in agreement therewith, complies with the Companies Act and gives a true and fair view of the state of the Company's affairs at 30 June 1974.

We have also examined the consolidated accounts of the Company and its subsidiaries as set out on pages 19 to 24 with the audited accounts of those Companies, one of which has not been audited by us. In our opinion, the consolidated balance sheet and consolidated profit and loss account together with the notes, comply with the Companies Act, and respectively give a true and fair view of the state of affairs at 30 June 1974 and the profit for the year ended on that date of the Company and its subsidiaries so far as concerns the members of East African Breweries Limited.

NAIROBI, KENYA,  
30 October 1974.

GILL & JOHNSON

# SEVEN YEARS REVIEW OF PROFITS



# EAST AFRICAN BREWERIES LIMITED

## PROXY

I/We, .....  
of .....  
..... being a Member/s of  
East African Breweries Limited, hereby appoint .....  
of ..... or failing him .....  
..... 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 Annual General Meeting of the Company, to be held on Thursday, the twenty-first day of November,  
1974 at 11 a.m. or at any adjournment thereof.

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

Signature .....

- NOTES: (1) This Proxy to be delivered to the Company's Office not later than 11 a.m. on Wednesday  
20th November 1974, failing which it will be invalid.  
(2) In the case of a Corporation the Proxy must be under its Common Seal.

## MWAKILISHI

Mimi/Sisi .....  
wa .....  
..... kama Mwanachama/Wanachama wa  
East African Breweries Limited, hapa namchagua .....  
wa ..... ama akikosa yeye .....  
..... wa ..... ama akikosa yeye,  
basi namchagua yule aliyechaguliwa kuwa Mwenye Kiti wa Mkutano huu kuwa mwakilishi wangu/wetu,  
katika kunipigia kura/kutupigia kura kwa niaba yangu/yetu, katika Mkutano Mkuu wa Kampuni wa Mwaka,  
utakaofanywa siku ya Alhamisi, mwezi Novemba, tarehe 21, 1974, ama siku yote ile iwapo mkutano utaahi-  
rishwa.  
Kama ushahidi natoa/tunatoa saini hii/hizi ..... siku hii/ya .....

Saini .....

- UKUMBUSHO: (1) Uwakilishi huu upelekwe kwa Afisi ya Kampuni, kabla ya saa tano za asubuhi, siku  
ya Jumatano, tarehe 20 Novemba, 1974, ikikosa hivyo hautafaa kitu.  
(2) Kwa upande wa Shirika, uakilishi ni lazima uwe umebandikwa ule muhuri wao wa  
kawaida.

