

KENYA WINE AGENCIES LIMITED

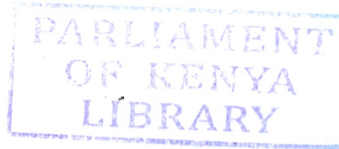
ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1990

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KENYA WINE AGENCIES LIMITED

DIRECTORS

Industrial & Commercial Development Corporation -  
(G R M'Mwirichia - Chairman)  
Industrial & Commercial Development Corporation  
Ministry of Commerce  
P K Chemn'orem (Managing)  
N R Pavitt  
F M Thuo  
Sir Michael Blundell (Retired on 31.3.90)  
Dr J K Yabs  
Mrs G Owiny  
A C Kiptoon

SECRETARIES

Chunga Limited  
P O Box 41968  
NAIROBI

AUDITORS

Auditor-General (Corporations)  
P O Box 49384  
NAIROBI

BANKERS

Barclays Bank of Kenya  
Queensway House Branch  
P O Box 30011  
NAIROBI

REGISTERED OFFICE

KWAL House  
LR 209/10472  
Enterprise Road  
P O Box 40550  
NAIROBI

BRANCHES

Enterprise Road  
P O Box 40550  
NAIROBI

Dar es Salaam Road  
P O Box 84001  
MCMBASA

P O Box 30  
MARIGAT

KENYA WINE AGENCIES LIMITED

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Offices of the Company, KWAL House, Nairobi on  
immediately following the Board meeting which  
will be held at 2.30p.m. to conduct the following business:

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1. To read the notice convening the meeting.
2. To approve the minutes of the Annual General Meeting held on 22 November 1989.
3. To consider and, if approved, adopt the audited Balance Sheet and Accounts, for the year ended 30 June 1990 together with the Directors' and Auditors' Reports thereon.
4. To confirm payment of the 1st and 2nd Interim Dividends amounting to 75 cents per share and to consider the declaration of a Final Dividend of 75cents per share to shareholders registered on 31 October 1990.
5. To approve the Directors' Remuneration.
6. To authorise the Directors to fix the remuneration of the Auditors.
7. Any other business which may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

For CHUNGA LIMITED  
SECRETARY

Date:

P O Box 41968  
NAIROBI

N.B. A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member. Any Corporation which is a Member of the Company may by resolution of its directors or other governing body authorise a person to attend as its representative at the above meeting. A form of proxy is appended to the Accounts and should be returned to the Secretary, P O Box 41968, Nairobi, to arrive not later than 48 hours before the meeting or any adjournment thereof.

To: The Secretaries  
Kenya Wine Agencies Limited  
P O Box 41968  
NAIROBI

P R O X Y F O R M

I/We .....  
of .....  
being a member/members of KENYA WINE AGENCIES LIMITED  
hereby appoint .....  
of .....  
or failing him .....  
of .....  
as my/our proxy to vote for me/us on my/our behalf at the Annual General  
Meeting of the Company to be held on  
and at any adjournment thereof

Signed/Sealed this ..... day of ..... 1990

.....

Note:

1. 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.
2. This form must be returned to the Secretaries to arrive not less 48 hours prior to the time of the Meeting.



KENYA WINE AGENCIES LIMITED

CHAIRMAN'S STATEMENT

The Kenyan economy registered some positive growth with tourism growing about 5% on previous year. Although money supply was tight and the Kenya Shilling depreciated heavily against major currencies, sales of your Companys' products had an excellent growth all round during the year under review. Operating profits increased substantially with net profits after tax reaching a record level at K£2,674,932.

Your Companys' locally manufactured products improved significantly during the year with sales of these products showing excellent growth. The Company commissioned its brandy distillation column and the spirit produced passed as of high quality. The Company should market quality brandy by the end of 1994.

Your Company' is prepared with determination to tackle the many challenges and problems that lie ahead. Fluctuating exchange rates and increasing manufacturing costs continue to erode the Company's margins. Possible loss of some sales outlets will reduce the Company's sales. The Company is therefore taking necessary measures to balance the effects and maintain sales and the margins.

It is proposed a dividend of 30% same as last year be declared to shareholders this year.

I am sure you will wish to join me in congratulating the Management and staff of your Company for these excellent results.

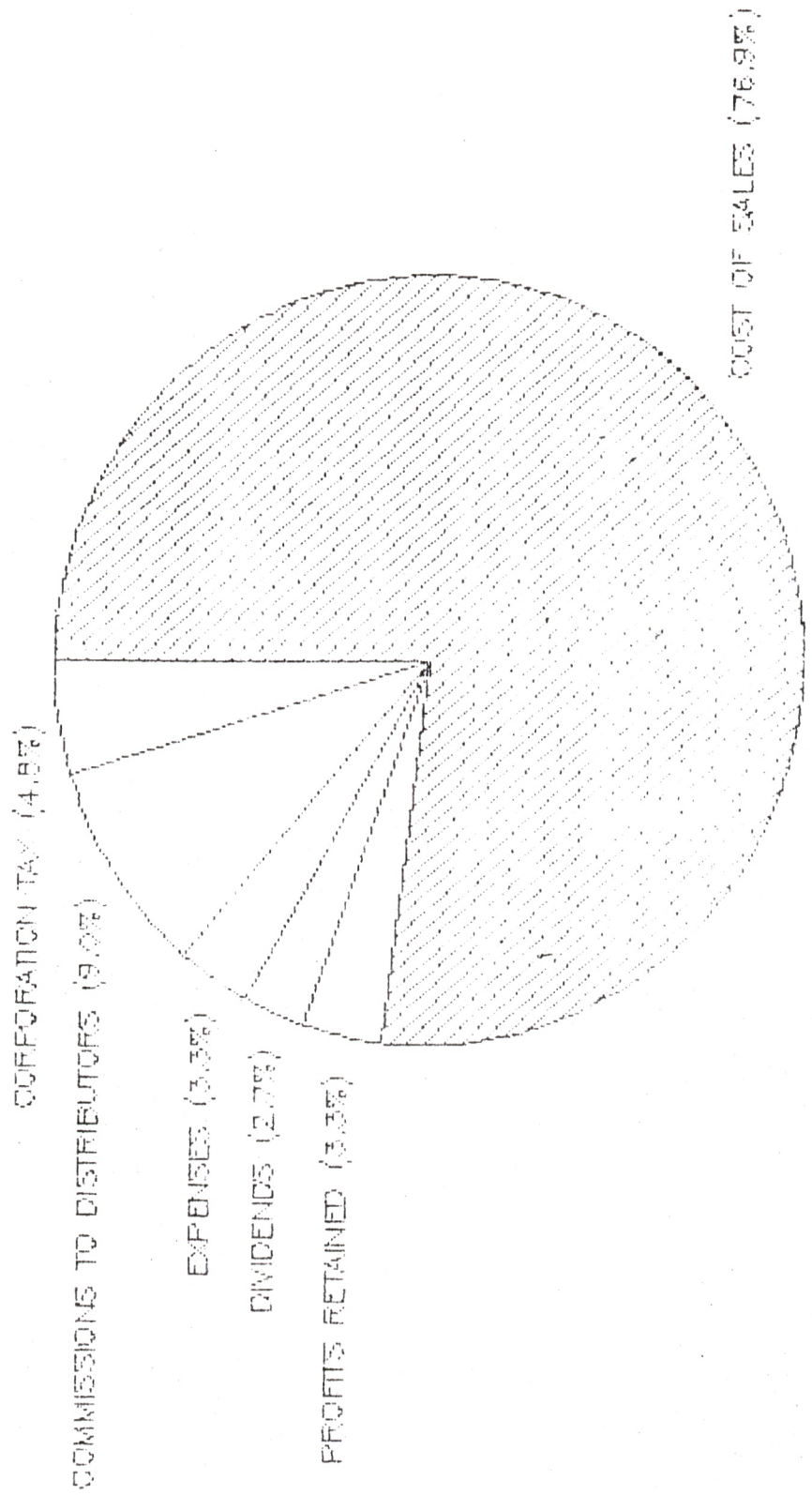


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Chairman

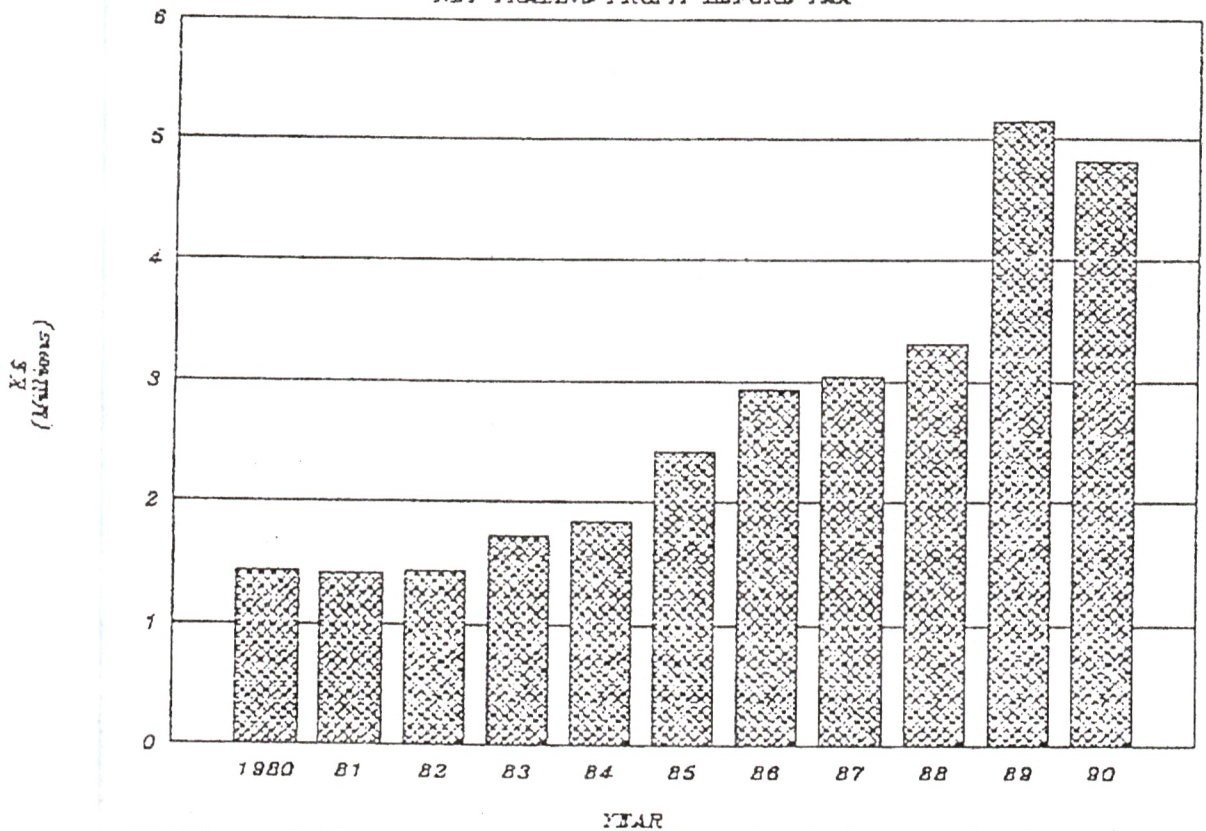
# KENTA WINE AGENCIES LTD

## INCOME DISTRIBUTION CHART



## KENYA WINE AGENCIES LTD.

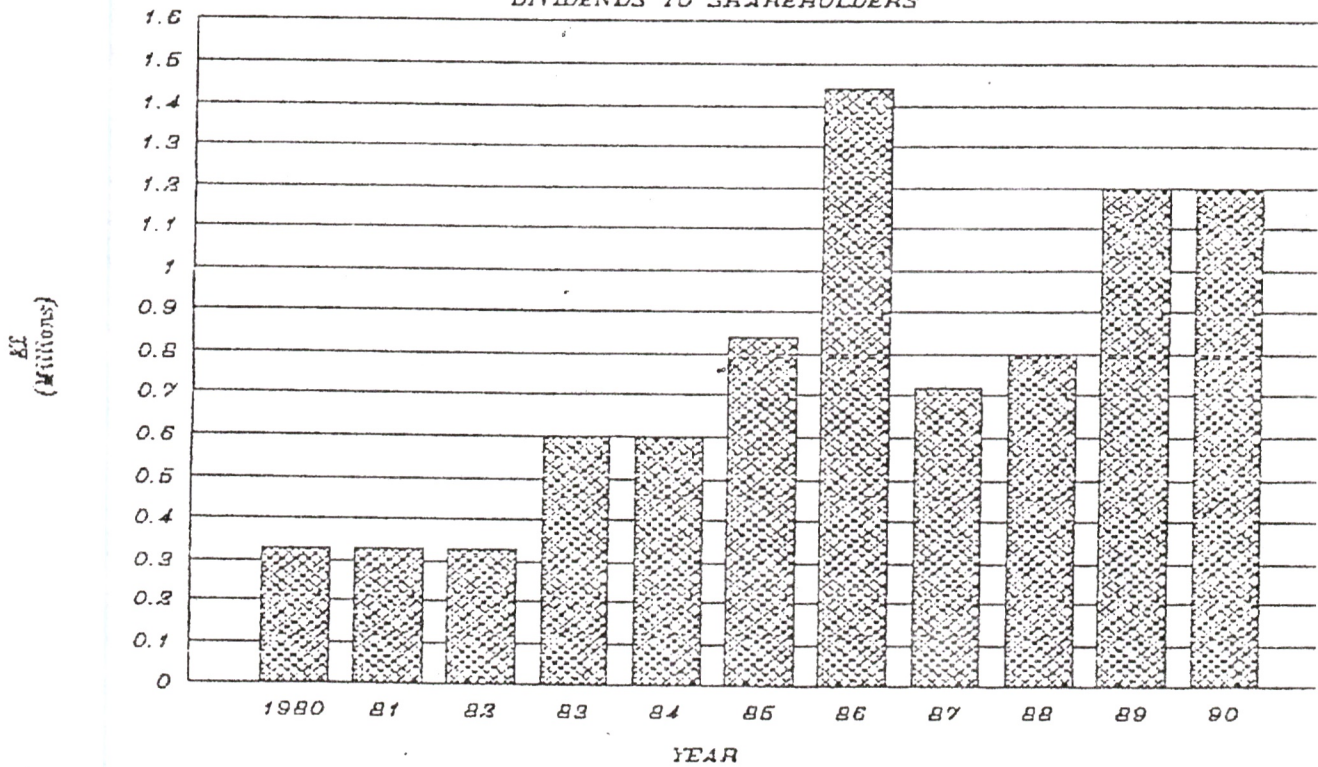
NET TRADING PROFIT BEFORE TAX



NOTE: 1989 net trading profit include capital gain on the sale of old premises.

## KENYA WINE AGENCIES LTD.

DIVIDENDS TO SHAREHOLDERS



NOTE: 1986 accounting year was 15 months.



KENYA WINE AGENCIES LIMITED

REPORT OF THE DIRECTORS

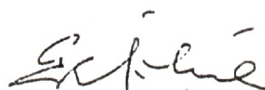
The Directors have pleasure in submitting their report and the audited accounts for the year ended 30 June 1990.

	<u>KE</u>	<u>KE</u>
The net profit for the year before taxation		4,822,695
The estimated Corporation Tax		2,147,763
		<hr/>
Profit after taxation		2,674,932
 The Directors recommend:-		
a) Interim Dividend paid on 19.2.90	300,000	
b) Interim Dividend paid on 23.3.90	300,000	
c) Proposed Final Dividend	600,000	1,200,000
	<hr/>	<hr/>
Net profit after Tax and Dividends		1,474,932
Add: Retained profits from previous years		3,946,365
Add: Share of Profits of Investments		913,298
		<hr/>
		6,334,595
Transfer to Capital Reserves		-
		<hr/>
Retained profit in Profit and Loss Account		6,334,595
		=====

Your Board is very satisfied with the results for the year under review. Your Board has recommended a final dividend of KE 600,000 or KShs 0.75 per ordinary share making a total payment for the year of KE 1,200,000 equivalent to KShs 1.50 per ordinary share or a 30% return on capital.

Your Board wishes to express its appreciation to the Management and Staff who have given loyal service over the past year.

By Order of the Board



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G R M'WIRICHIA

Chairman

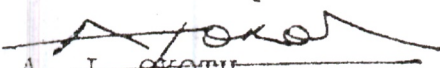


REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS  
OF THE KENYA WINE AGENCIES LIMITED FOR THE YEAR ENDED  
30 JUNE 1990

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I have examined the accounts of the Kenya Wine Agencies Limited for the year ended 30 June 1990 in accordance with Section 29 (2) (b) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations that were required for the purpose of the audit. Proper books of account have been kept and the accounts are in agreement therewith and comply with the Companies Act.

In my opinion, the accounts, when read together with the notes thereon, give a true and fair view of the state of affairs of the Company as at 30 June 1990 and of its profit and source and application of funds for the year ended on that date.


  
A. J. OKOTH  
AUDITOR-GENERAL (CORPORATIONS)

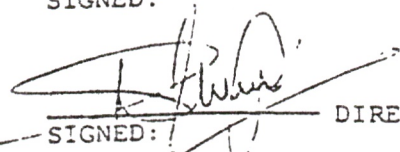
24th October, 1990

KENYA WINE AGENCIES LIMITED

BALANCE SHEET AS AT 30 JUNE 1990

			<u>1989</u>
	<u>NOTE</u>	<u>KE</u>	<u>KE</u>
FIXED ASSETS	3	5,256,388	4,088,337
TRADE INVESTMENTS	4	2,472,913	2,153,365
CURRENT ASSETS			
Stocks	5	6,619,580	4,479,822
Debtors	6	497,120	494,941
Deposits and prepayments		313,805	301,738
Cash in hand and banks	7	4,053,683	5,048,782
		<hr/>	<hr/>
		11,484,188	13,325,283
		<hr/>	<hr/>
CURRENT LIABILITIES			
Bills payable		1,491,888	1,675,610
Creditors	8	1,486,763	1,795,120
Taxation	9	2,300,240	1,549,887
Proposed Dividend		600,000	600,000
		<hr/>	<hr/>
		5,878,891	5,620,617
		<hr/>	<hr/>
NET CURRENT ASSETS		5,605,297	4,704,666
		<hr/>	<hr/>
		13,334,598	10,946,368
		=====	=====
FINANCED BY:			
Share capital	10	4,000,000	4,000,000
Reserves	11	9,334,598	6,946,368
		<hr/>	<hr/>
		13,334,598	10,946,368
		=====	=====

  
 \_\_\_\_\_ DIRECTOR  
 SIGNED:

  
 \_\_\_\_\_ DIRECTOR  
 SIGNED:

(The Report of the Auditors is on Page 7)

KENYA WINE AGENCIES LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1990(INCORPORATING RESULTS OF ASSOCIATED COMPANIES)

	<u>KE</u>	<u>KE</u>	<u>1989</u> <u>KE</u>
<u>PROFIT OF INVESTING COMPANY</u> <u>BEFORE TAXATION</u>		4,822,695	5,147,940
<u>TAXATION</u>		2,147,763	1,354,924
PROFIT OF INVESTING COMPANY AFTER TAXATION		2,674,932	3,793,016
Share of profits of Associated Companies		<u>913,298</u>	<u>425,154</u>
NET PROFIT ATTRIBUTABLE TO MEMBERS OF INVESTING COMPANY FOR CURRENT YEAR		3,588,230	4,218,170
Add: Profits brought forward from previous years		<u>3,946,368</u>	<u>928,198</u>
		7,534,598	5,146,368
Transfer to Reserves		<u>-</u>	<u>-</u>
		7,534,598	5,146,368
<u>DIVIDENDS</u>			
Interim paid	600,000	-	600,000
Proposed final	<u>600,000</u>	-	<u>600,000</u>
		1,200,000	1,200,000
		=====	=====
NET PROFITS RETAINED		6,334,598	3,946,368
		=====	=====

KENYA WINE AGENCIES LIMITEDNOTES ON ACCOUNTS AS AT 30 JUNE 19901. ACCOUNTING POLICIESA. Basis of Accounting

The accounts have been prepared on the historical cost convention.

B. Consolidation

The accounts include share of undistributed profits/(losses) of associated companies at their balance sheet dates. Investment shares are stated at cost.

C. Stock Valuation

- i) Bulk and bottling stocks have been valued at the lower of cost and net realisable value. Cost is landed cost including certain handling charges applied on a first in first out basis.
- ii) Cased goods have been valued at the lower of cost and net realisable value. Cost for locally bottled goods represents the actual cost of bulk and bottling materials consumed plus direct labour and attributable factory overheads. Cost for imported cased goods represents landed cost including certain handling charges.
- iii) Sundry stocks have been valued at the lower of cost and net realisable value.
- iv) Goods in transit have been valued at cost of accepted bills of exchange inclusive of charges at cost and at the equivalent exchange rates as at 30 June 1990.

D. Kenya Currency

The symbol of KE used in the accounts is equivalent to twenty Kenya Shilling.



NOTES ON ACCOUNTS AS AT 30 JUNE 1990

1. ACCOUNTING POLICIES ... Cont'd

E. Foreign Currencies

Amounts arising in foreign currencies have been converted to KE' as follows:-

- a) Completed transaction - at the rate of exchange on date of transaction.
- b) Liabilities of the Company other than for goods in transit at actual rate on payment.
- c) Goods in transit shipped from overseas ports at the rates on acceptance of bills.
- d) Bills not accepted and goods in transit at the rates ruling on 30 June.

Net exchange differences arising in respect of transactions are reflected in the profit and loss account.

F. Depreciation

Depreciation is calculated at annual rates expected to write off each asset over the period of its estimated life. The rates used are as follows:-

Leasehold Property	-	Over the period of lease
Motor Vehicles	-	25%
Office Machinery	-	12½%
Stores Equipment	-	15%
Plant and Furniture	-	10%

2. INTEREST AND DIVIDEND INCOME

Interest income is credited to the profit and loss account on an accrual basis while dividend income is credited only to the extent received.

KENYA WINE AGENCIES LIMITED

SCHEDULE OF FIXED ASSETS AS AT 30 JUNE 1990

	<u>Land and Buildings Leasehold</u>	<u>Motor Vehicles</u>	<u>Industrial Plant and Machinery</u>	<u>Agricultural Plant and Machinery</u>	<u>Furniture &amp; Equipment</u>	<u>Total</u>
<u>COST</u>	<u>K£</u>	<u>K£</u>	<u>K£</u>	<u>K£</u>	<u>K£</u>	<u>K£</u>
1 July 1989	3,039,342	268,012	1,099,483	20,428	141,922	4,569,187
Additions	1,144,780	95,121	117,093	-	108,108	1,465,102
Disposals	-	(24,600)	(11,530)	-	(1,250)	(37,380)
	4,184,122	338,533	1,205,046	20,428	248,780	5,996,909
=====						
<u>DEPRECIATION</u>						
1 July 1989	57,528	59,033	316,595	7,235	40,459	480,850
For Year	76,593	72,508	108,317	5,107	13,775	276,300
On Disposal	-	(5,637)	(10,306)	-	(686)	(16,629)
	134,121	125,904	414,606	12,342	53,548	740,521
=====						
Net Book Value - 30.6.90	4,050,001	212,629	790,440	8,086	195,232	5,256,388
=====						
Net Book Value - 30.6.89	2,981,814	208,979	782,888	13,193	101,463	4,088,337
=====						

KENYA WINE AGENCIES LIMITED4. TRADE INVESTMENTS

	<u>1990</u>	<u>1989</u>
<u>ASSOCIATED COMPANIES</u>		
<u>UCHUMI SUPERMARKETS LIMITED</u>		
37½% of unquoted Ordinary Shares (at cost)	1,125,000	1,125,000
Add: Share of balance of profit (losses)	895,762	577,349
	<hr/>	<hr/>
	2,020,762	1,702,349
	=====	=====
<u>INTERNATIONAL DISTILLERS (KENYA) LIMITED</u>		
25% of unquoted Ordinary Shares (at cost)	329,739	248,489
Add: Share of Undistributed Profit	122,412	202,527
	<hr/>	<hr/>
	452,151	451,016
	=====	=====

1. The results of Uchumi Supermarkets Limited treated in these accounts are for the audited accounts for the year ended 30 June 1989 and provisional results for 6 months to 31 December 1989.
2. The results of International Distillers (Kenya) Limited in these accounts are for the audited accounts for the year ended 30 September 1989.

5. STOCKS

	<u>1990</u>	<u>1989</u>
Cased Goods	4,393,532	2,630,785
Bulk Goods	213,558	190,795
Bottling Materials	688,054	325,511
Goods in Transit	1,324,436	1,332,731
	<hr/>	<hr/>
	6,619,580	4,479,822
	=====	=====

KENYA WINE AGENCIES LIMITED

	<u>1990</u>	<u>1989</u>
6. <u>DEBTORS</u>		
Trade Debtors	504,429	500,079
Less: Provision for Bad Debts	(7,309)	(5,138)
	<u>497,120</u>	<u>494,941</u>
	=====	=====
7. <u>CASH IN HAND &amp; BANK</u>		
Cash in hand	3,399	2,510
Cash in bank	1,225,100	127,951
Short term deposits	2,825,184	5,179,867
Overdrawn account	-	(261,546)
	<u>4,053,683</u>	<u>5,048,782</u>
	=====	=====
8. <u>CREDITORS</u>		
Trade Creditors	616,430	664,759
Other Creditors & Accrued Expenses	867,833	1,130,361
	<u>1,486,763</u>	<u>1,795,120</u>
	=====	=====
9. <u>TAXATION</u>		
Estimated taxation payable on current year's profit	2,147,763	1,354,924
Less: Withholding Tax on interest income	46,435	25,379
	<u>2,101,328</u>	<u>1,329,545</u>
Accrued net liability on previous years	198,912	220,342
	<u>2,300,240</u>	<u>1,549,887</u>
	=====	=====

Tax Assessments from 1982 to date have not yet been agreed with the Income Tax Department. The Company does not expect any additional tax liability.



KENYA WINE AGENCIES LIMITED

	<u>1990</u>	<u>1989</u>
10. <u>SHARE CAPITAL</u>		
<u>Authorised and Issued</u>		
a) 12,800,000 "A" Shares of Shs 5/= each	3,200,000	3,200,000
b) 3,200,000 "B" Shares of Shs 5/= each	800,000	800,000
	-----	-----
	4,000,000	4,000,000
	=====	=====
11. <u>RESERVES</u>		
General Reserves	3,000,000	3,000,000
Profit and Loss Account	6,334,598	3,946,368
	-----	-----
	9,334,598	6,946,368
	=====	=====

12. OVERDRAFT FACILITIES

BARCLAYS BANK OF KENYA

The Company has bank overdraft facilities, secured by a floating debenture to the extent of KE 725,000, and a legal mortgage over the Company's Nairobi - Enterprise Road and Mombasa Leasehold properties.

13. CAPITAL COMMITMENTS

There was no capital expenditure authorised and/or contracted for at the Balance Sheet date, (1988/89 - KE 1,327,500).

KENYA WINE AGENCIES LIMITED

STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS FOR THE YEAR ENDED

30 JUNE 1990

	<u>30.6.1990</u>	<u>30.6.1989</u>
	<u>K£</u>	<u>K£</u>
<u>SOURCE OF FUNDS</u>		
Profit before taxation	4,822,695	5,147,940
Add (deduct) items not involving movement of funds		
Depreciation	276,300	191,119
Profit on sale of Fixed Assets	(5,724)	(1,688,103)
<b>FUNDS GENERATED FROM OPERATIONS</b>	<u>5,093,271</u>	<u>3,650,956</u>
<u>FUNDS FROM OTHER SOURCES</u>		
Sale proceeds of Fixed Assets	26,474	2,155,831
Dividends Received	593,750	-
Share of undistributed profits on investments with Associated Companies	319,548	425,154
	<u>939,773</u>	<u>2,580,985</u>
	<u>6,033,044</u>	<u>6,231,941</u>
	=====	=====
<u>APPLICATION OF FUNDS</u>		
Purchase of Fixed Assets	1,465,102	1,482,985
Trade Investments	319,548	425,154
Dividends Paid	1,200,000	920,000
Taxation Paid	1,397,410	1,415,358
	<u>4,382,060</u>	<u>4,243,497</u>
<b>NET (OUTFLOW)/INFLOW OF FUNDS</b>	<u>1,650,984</u>	<u>1,988,444</u>
	=====	=====
<u>MOVEMENT IN WORKING CAPITAL</u>		
Increase in Stocks	2,139,758	706,078
Increase in debtors and pre-payments	14,246	234,495
(Increase) in creditors and provisions	492,079	(1,380,857)
	<u>2,646,083</u>	<u>(440,284)</u>
	=====	=====
<u>MOVEMENT IN NET LIQUID FUNDS</u>		
Decrease in Bank and Cash balances	(995,099)	2,428,728
	<u>1,650,954</u>	<u>1,988,444</u>
	=====	=====