KENYA FUEL AND BARK SUPPLY Plc.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

CONTENTS Pages

BOARD OF DIRECTORS

Mamicha Kamau
(Chairman)

J. Mwangi Mworia
(Board Secretary)

Victor Mwangi
(Vice Chairman)

Peter Kamau Maina
Director

Naomi Wambui Gachucha
Director

Lydia Wambui Gitagia
Director

Sarah W. Gichuru
Director

COMPANY INFORMATION

BOARD OF DIRECTORS	Mamicha Kamau	- Chairman
	Victor P. Mwangi	- Vice Chairman
	Mwangi Mworia	- Board Secretary
	Lydia W. Gitagia	- Director
	Naomi W. Gachucha	- Director
	Sarah W. Gichuru	- Director
	Peter M. Kamau	- Director

SECRETARIES

Leading Secretaries
Company Secretaries and Registrars
Portal Place House, 1st Floor, Suite 10
P.O Box 6399-00300
Nairobi

REGISTERED OFFICE

LR 209/136/33
Kiburi House
Kirinyaga Road
P.O Box 42436
Nairobi.
Tel 0789981896
Website : www.kenyafuel.co.ke
Email kenyafuel@yahoo.com

AUDITOR

Wokabi & Company
Certified Public Accountants (Kenya)
P.O Box 70268 – 00400
Nairobi.

BANKERS

Kenya Commercial Bank Limited
Moi Avenue Branch
P.O Box 30081 – 00100
Nairobi.

NOTICE OF ANNUAL GENNERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 71st ANNUAL GENERAL MEETING OF KENYA FUEL & BARK SUPPLY CO. LTD WILL BE HELD AT BARCLAYS BANK SPORTS CLUB THIKA ROAD ON SATURDAY 13th APRIL 2019 AT 10:00 AM TO CONDUCT THE FOLLOWING BUSINESS

1. To read the notice convening the meeting.

2. To confirm the minutes of the 70th annual general meeting held on Saturday 16th June 2018.

3. To receive, consider and if thought fit, adopt the audited Financial Statements for the year ended 31st December, 2018 together with the Chairman's, Directors' and Auditors' reports thereon.

4. To declare a first dividend of Sh 45/= per share for the financial year ended 31st December 2018.

5 **To elect directors:-**
In accordance with Article 86 & 87 of the Company's Article of Association, Mr**. Kamau Maina** and **Mamicha Kamau** retire by rotation from office as Directors of the company and being eligible, offer themselves for re-election respectively.

6 To approve the Directors' remuneration.

7 To note that Messrs. Wokabi & Co., Certified Public Accountants will continue in office as auditors in accordance with section 721(2)and 724 of Companies Act No.17 of 2015 and authorize directors to fix their remuneration

8 To transact any other business of the Annual General Meeting of which due notice has been received.

BY ORDER OF THE BOARD

Lucy Kibera
COMPANY SECRETARY
P.O. BOX 6399 – 00300
NAIROBI
8th March 2019
Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his/her behalf. A proxy need not be a member of the company. To be valid, a proxy form attached to this annual report , must be duly completed and signed by the member and must either be lodged at the registered office of the Company, **Kiburi House, Kirinyaga Road, PO BOX 42436 – 00100 Nairobi** or be posted so as to reach the Secretary on or before Thursday 11th April 2019. All nominations to the board should be received at the registered office of the Company on or before Friday 5th April 2019 and should be signed by a proposer and seconder and must be accompanied by a letter from nominee confirming his/her willingness to be elected.

2. All proxies must be returned as indicated above for proper and thorough scrutiny as no proxies will be accepted during the day of the meeting.

3. All shareholders must bring with them their National Identification cards for proper identification as non-shareholders will not be allowed into the meeting.

CHAIRMAN'S STATEMENT 2018

Shareholders,

It gives me great pleasure to welcome you all to the 71st Annual General Meeting of our Company and to present before you the Audited Financial Statements and annual Report for the year emended 31st December 2018.On behalf of Board of Directors, i hereby extend a very warm greeting towards all of you present in this meeting.

Kenya's Economy

The economy continued to witness several external shocks, predominantly influenced by persistent drought, high food and energy costs, as well as the effects of the political crisis in our Country. The secondary effects of the global financial crisis exacerbated the already challenging operating conditions.

While these setbacks adversely affected the primary contributors to Kenya's Gross Domestic product (agriculture, transport and manufacturing) there are areas of progress which the government has laid the foundation for improved conditions going forward. These significant developments will prove valuable in helping the country realise the requisite pace of Economic development and to allow Kenyans to turn their eyes confidently to the future. We are aware that infrastructure development remains one of the most significant routes to a vibrant economy and the realisation of vision 2030. The Government's commitment to develop the country's roads, telecommunications and electricity output, is therefore laudable.

Overall Performance

The Company continues to record growth in revenues and profitability from both Rent Collection, including investment in property. However our company posted a profit before tax of Kshs 7.1 million compared to Kshs 6 million in the year 2017.an increase of 16.1. %

Dividends

The Board is pleased to propose a dividend of KShs.45/- per share for the year ended 31st December 2018. The Dividend will be paid less withholding Tax where applicable from Monday 15th April 2019.

Juja Plots

Most of the plots have been sold out, we request our members to come to our offices and buy the few remaining at a price of shs 550,000/- we also request those with balances to clear them.

FUTURE CORRESPONDENCES

While the business environment remains a Challenge due to the operating environment, the company has put in place mitigating measures to ensure that the business continues to create Shareholder value in the years to come.

We have therefore opened our website **www.kenyafuel.co.ke** From now onward All Company information will be found in this website including our **Annual Accounts and A G M notices**. We therefore kindly request our shareholders to make use of this website regularly

Acknowledgement

On behalf of the Board of Directors, I wish to express gratitude to our esteemed customers, shareholders and other stakeholders for the confidence they have placed in the Company, whilst appreciating all staff for their demonstrated professionalism, committed and zeal towards building an enduring company.

To my colleagues on the Board, I want to thank you for the oneness you have reposed in the business. I pledge that we will continue to add Shareholders value through the execution of prudent and responsible business strategies while ensuring that we contribute towards the achievement of Company priorities.

Thank you.

Mamicha Kamau

Chairman.

DIRECTOR'S REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company continue to be property letting.

REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015. The accounting policies have been applied consistently compared to the prior year.

The company recorded a net profit after tax for the year ended December 2018 of Kshs 5,065,337. This represented a increase of 18.83% from the net profit after tax of the prior year of Kshs 4,262,485.

Company revenue increased by 4.62% from Kshs 10,386,518 in the prior year to Kshs10,866,200 for the year ended December 31,2018.

Company net cash flows from operating activities decreased by 45.99% from Kshs 2,586,195 in the prior year to Kshs 1,396,735 for the year ended December 31,2018.

DIRECTORS

The directors who held office during the year and to the date of this report are listed on Page 2.

In accordance with the company's Articles of Association no director is due for retirement by rotation.

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

DIRECTOR'S REPORT (*Continued)*

INDEPENDENT AUDITOR

The Auditor Wokabi & Company, Certified Public Accountants (K) continue in office in accordance with Section 719 (2) of the Kenyan Companies Act, 2015.

RELEVANT AUDIT INFORMATION

The directors in office at the date of this report confirm that;

a) There is no relevant audit information of which the company's auditor is unaware; and

b) Each of the directors has taken all the steps that they ought to take as a director so as to be aware of any relevant information and to establish that the company's auditor is aware of that information.

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 8 to 18 were approved at a meeting by the board on

26th February 2019, and were signed on its behalf by:

Mamicha Kamau	**Mwangi Mworia**
Director	Director

REPORT OF INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA FUEL AND BARK SUPPLY COMPANY PLC

OPINION

We have audited the Annual Financial Statements of Kenya Fuel and Bark Supply Company limited set out on pages 8 to 18, which comprise the Statement of Financial Position as at December 31, 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Kenya Fuel and Bark Supply Company Limited as at December 31, 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA code. We believe that the audit evidence has obtained is sufficient and appropriate to provide a basis for the opinion.

GOING CONCERN

The financial statements of the company have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless the director intend to either liquidate the company or cease operations, or have no realistic alternative but to do so. As part of our audit of the company's financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The directors have not identified a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern, and accordingly none is disclosed in the financial statement of the company. Based on our audit of the financial information of the company, we have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the company's ability to continue as a going concern.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Kenyan Companies Act, 2015 which we obtained prior to the date of this report.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA FUEL AND BARK SUPPLY COMPANY LIMITED *(CONTINUED)*

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

In preparing the Annual Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

- As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA FUEL AND BARK SUPPLY COMPANY LIMITED *(CONTINUED)*

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit, that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

ii) In our opinion proper books of accounts have been kept by the company, so far as appears from our examination of those books;

iii) In our opinion, the financial information given in the directors' report for the year ended December 31, 2018 is consistent with the company's annual financial statements; and

iv) The company’s statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of accounts.

The engagement partner responsible for the audit resulting in this independent auditor’s report is FCPA J.W. Wokabi - P/No. 1008.

Wokabi & Co.
Certified Public Accountants (Kenya)
Nairobi **28th February 2019**

STATEMENT OF COMPREHENSIVE INCOME

	Note	2018 Kshs	2017 Kshs
TURNOVER	12	10,866,200	10,386,518
Profit on sale of plots		2,453,851	2,088,461
		13,320,051	12,474,979
Dividend income		23,191	24,502
Advertisement income		670,401	896,002
Gain/(Diminution) on revaluation of quoted Shares		(156,669)	97,555
Interest income		224,859	19,660
Title processing fees - Net		55,000	165,100
Sundry income		2,110	-
		818,892	**1,202,819**
TOTAL INCOME		14,138,943	13,677,798
EXPENDITURE			
Staff costs	11	1,052,617	956,885
Establishment expenses		2,931,391	1,506,126
Administration expenses		3,134,196	5,170,967
Total Expenditure		**7,118,204**	**7,633,978**
PROFIT BEFORE TAX		**7,020,739**	**6,043,820**
TAXATION	8	(1,955,402)	(1,781,334)
PROFIT FOR THE YEAR BEFORE DIVIDEND		**5,065,337**	**4,262,486**
Proposed final dividend for the year		**(4,448,700)**	**(3,888,960)**
Net profit for the year transferred to reserves		**616,637**	**373,526**

Report of the auditors – Page 7-9

The notes on pages 14 to 19 form part of these financial statements

STATEMENT OF FINANCIAL POSITION

	Note	2018 Kshs	2017 Kshs
ASSETS			
NON – CURRENT ASSETS			
Property & Equipment	2	110,700	81,448
Investment Properties	4	33,499,521	33,499,521
Investments held for sale -Plot		16,307,312	19,953,461
Investments held for sale -Securities	5	498,199	679,867
		50,415,732	54,214,297
CURRENT ASSETS			
Trade and other Receivables	6	11,229,253	7,645,387
Cash and Bank Balances	7	4,191,937	5,246,272
Tax Recoverable	8	794,681	271,665
		16,215,871	13,163,324
TOTAL ASSETS		66,631,603	67,377,621
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital	9	4,943,000	4,861,200
Share Premium		14,120,200	13,465,800
Revenue Reserve		10,565,582	9,948,945
Revaluation Reserve		4,216,000	4,216,000
Capital Reserve		15,517,537	15,517,537
TOTAL SHAREHOLDERS FUNDS		49,362,319	48,009,482
LONG TERM LIABILITIES			
Bank Loan -Long term portion		-	4,517,853
CURRENT LIABILITIES			
Trade and other Payables	10	2,005,612	1,731,056
Dividends Payable	13	10,814,972	9,230,270
Proposed Dividends		4,448,700	3,888,960
TOTAL LIABILITIES		17,269,284	14,850,286
TOTAL EQUITY AND LIABILITIES		66,631,603	67,377,621

The financial statements were approved by the Board of Directors on 28th February 2019 and signed on its behalf by:-

Mamicha Kamau
DIRECTOR

Mwangi Mworia
DIRECTOR

Report of the auditors – Page 7-9
The notes on pages 14 to 18 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2018

	Share Capital **Kshs.**	Share Premium **Kshs**	Revenue Reserve **Kshs**	Capital Reserve **Kshs**	Revaluation Reserve **Kshs**	Total **Kshs**
At 1 January 2018	4,861,200	13,465,800	9,948,945	15,517,537	4,216,000	48,009,482
Shares Subscribed	81,800	654,400	-	-	-	736,200
Profit for the year	-	-	616,637	-	-	616,637
At 31 December 2018	4,943,000	14,120,200	10,565,582	15,517,537	4,216,000	49,362,319

YEAR ENDED 31 DECEMBER 2017

	Share Capital **Kshs.**	Share Premium **Kshs**	Revenue Reserve **Kshs**	Capital Reserve **Kshs**	Revaluation Reserve **Kshs**	Total **Kshs**
At 1 January 2017	4,786,250	12,866,200	9,575,419	15,517,537	4,216,000	46,961,406
Shares Subscribed	74,950	599,600	-	-	-	674,550
Profit for the year	-	-	373,526	-	-	373,526
At 31 December 2017	4,861,200	13,465,800	9,948,945	15,517,537	4,216,000	48,009,482

STATEMENT OF CASH FLOW

	Notes	2018 Kshs	2017 Kshs
Cash Flow from Operating Activities			
Net Profit before Taxation		7,020,739	6,043,820
Adjustments for:			
Depreciation		30,248	18,970
Dividend Income		(23,191)	(24,502)
Diminution / (Appreciation) in value of investments		156,669	(97,555)
Operating Profit Before Working Capital Changes		7,184,464	5,940,732
Working capital changes;			
Receivables		(3,583,866)	(2,108,329)
Payables		274,556	223,181
		3,875,153	4,055,584
Income Tax Paid		(2,478,418)	(1,469,389)
Net cash flow from operating activities		1,396,735	2,586,195
Cash Flow From financing Activities			
Shares subscribed		736,200	674,550
Dividends Paid		(2,304,258)	(1,831,087)
Bank Loan proceeds		-	5,000,000
Bank Loan repayment		(4,517,853)	(482,147)
Net cash flow to financing activities		(6,085,911)	3,361,317
Cash Flow From Investing Activities			
Dividend Income		23,191	24,502
Acquisition of Investment Properties		-	(7,515,000)
Purchase of Office Equipment		(59,500)	(15,700)
Proceeds from sale of Investment Property		3,646,149	3,761,539
Redemption of Kengen bond		25,000	24,500
Net cash to from investing activities		**3,634,840**	**(3,720,159)**
Net Increase in Cash & Cash Equivalents		**(1,054,335)**	**2,227,352**
Cash & Cash Equivalents at 1st January	7	5,246,272	3,018,920
Cash & Cash Equivalents at 31st December	7	**4,191,937**	**5,246,272**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) **Basis of preparation and summary of significant accounting policies**

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Kenya Shillings (Shs), rounded to the nearest shilling. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

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b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the organization and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized;-

Income

Rent is recognized in the period in which the company leases the premises; the tenant has accepted the terms and the collectability of rent is reasonably assured.

Revenue represents fair value of the consideration receivable from tenants in occupied premises, and is stated gross.

Other income

Other income is recognized when received.

c) Share capital, Share premium, and Dividends

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of the par value are classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

d) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Property, plant, equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate, only where it is probable that future economic benefits associated with the item will flow to the organization and the cost of the item can be reliably measured. All other repairs and maintenance costs are charged to the profit and loss account in the financial period in which they are incurred.

Depreciation is calculated on the reducing balance basis, at annual rates estimated to write off the carrying values of the property, plant and equipment over their expected useful lives.

Computers Equipment	30	%	p.a
Furniture and fittings	12.5	%	p.a
Office Equipment	12.5	%	p.a

The carrying values of property, plant and equipment are reviewed for impairment when events of changes in circumstances indicate that the carrying values may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

If any such indications exist and where the carrying values exceed the recoverable amount, property, plant and equipment are written down to their recoverable amounts.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating surplus/deficit.

f) Intangible assets

Costs associated with maintaining the computer software programs are recognized as an expense as incurred. However, expenditure that enhances or extends the benefit of computer software beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software. Software development costs recognized as assets are amortized using the straight-line method over a period of four years.

g) Financial instruments

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company has become a party to the contractual provisions of the instrument.

h) Receivables

Receivables are carried at anticipated realisable value as reduced by appropriate allowances for estimated irrecoverable amounts.

i) Trade payables

Trade payables are stated at their nominal value.

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
Rentals payable under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

j) Comparative figures

Where necessary the previous year's figures have been reclassified for comparative purposes.

2. PROPERTY, PLANT AND EQUIPMENT

Cost	Office Equipment Kshs	Furniture & Fittings Kshs	Computer Equipment Kshs	Total Kshs
YEAR ENDED 31.12.2018				
Cost				
As at 1.1.2018	95,674	142,175	221,900	459,749
Additions		13,000	46,500	59,500
As at 31.12.2018	95,674	155,175	268,400	519,249
Depreciation				
As at 1.1.2018	77,620	104,452	196,229	378,301
Charge for the year	2,257	6,340	21,651	30,248
As at 31.12.2018	79,877	110,792	217,880	408,549
NBV as at 31.12.2018	15,797	44,383	50,520	110,700
YEAR ENDED 31.12.2017				
Cost				
As at 1.1.2017	95,674	127,175	221,200	444,049
	-	15,000	700	15,700
As at 31.12.2017	95,674	142,175	221,900	459,749
Depreciation				
As at 1.1.2017	75,041	99,063	185,227	359,331
Charge for the year	2,579	5,389	11,002	18,970
As at 31.12.2017	77,620	104,452	196,229	378,301
NBV as at 31.12.2017	18,054	37,723	25,671	81,448

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. PROFIT BEFORE TAXATION

	2018 Kshs	2017 Kshs
Profit before taxation is arrived at after charging: -		
Directors remuneration	300,000	300,000
Depreciation	30,248	18,970
Dividend income	23,191	24,502

4. INVESTMENT PROPERTIES

Description and cost / valuation		
LR 209/2752/1 Yangu House	12,600,000	12,600,000
LR 209/136/33 Kiburi House	8,699,109	8,699,109
LR 209/ 17406 Mbotela House	11,692,761	11,692,761
Daykio Plantation Ltd	507,651	507,651
	33,499,521	33,499,521

Yangu House was revalued on market value basis on 20th May 2005 by Njihia Muoka Rashid Co. Ltd. Registered Valuers.

5. INVESTMENTS HELD FOR SALE

Quoted Securities		
Eveready Co Ltd - 1,900 Ordinary Shares @ Kshs 1.00	1,900	4,560
Mumias Sugar Co Ltd - 43,600 Ordinary Shares @ Kshs 0.58	25,288	47,960
Kenya Airways Ltd - 1,575 Ordinary Shares @ Kshs 8.9	14,018	27,012
British American Insurance Co. Ltd – 500 Ordinary Shares @ Kshs 10	5,000	6,675
HFCK - 1,103 Ordinary Shares @ Kshs 5.54	6,111	11,471
Kenol Kobil -500 Ordinary shares @ Kshs 19.05	9,525	7,000
Uchumi Supermarket - 7,000 Ordinary shares@Kshs 0.8	5,600	32,200
Home Africa - 12,600 Ordinary shares @Ksh 0.7	8,820	17,010
Nairobi Stock Exchange 2,000 Ordinary Shares @ Kshs 14.55	29,100	39,400
Standard chartered – 222 Ordinary Shares @ Kshs 194.5	43,179	46,176
National Bank – 1,100 Ordinary Shares @ Kshs 5.32	5,852	10,285
Nation Media Group – 400 Ordinary Shares @ Kshs 68.5	27,400	46,400
KCB – 1,025 Ordinary Shares @ Kshs 37.45	38,386	43,819
I $ M-200 Ordinary Shares @ kshs 85	17,000	25,400
Equity Bank-500 Ordinary shares@ Kshs 34.75	17,375	19,875
EABl- 200 Ordinary shares @ kshs 174.75	34,950	47,600
Diamond trust Bank-220 Ordinary shares @ kshs 156.5	34,430	42,240
C0-operative bank-1800 Ordinary shares @ kshs 14.3	25,740	28,710
CFC Stanbic bank – 200 Ordinary shares @ Kshs 90.75	18,150	16,200
ICDC (Centum) 100 –Ordinary shares@Kshs 29.25	2,925	4,375
Safaricom 1500 Ordinary shares @ kshs 22.2	33,300	40,125
NIC bank 500 Ordinary shares @ Kshs 27.8	13,900	16,875
Barclays Bank 5000 ordinary shares @ kshs 10.95	54,750	48,000
Infrastructure Bonds		
Kengen Ltd	25,500	50,500
	498,199	679,867

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

6. TRADE AND OTHER RECEIVABLES

	2018 Kshs	2017 Kshs
Plot Debtors	6,753,230	3,795,845
Rent Debtors	1,642,539	1,532,658
Sundry Debtors	2,833,484	2,316,884
	11,229,253	7,645,387

7. CASH AND BANK

Kenya Commercial Bank Ltd	1,073,132	1,215,685
Dividends Float	43,795	22,900
Cash in Hand	639	7,687
Fixed deposit	-	4,000,000
British Asset management	3,074,371	-
	4,191,937	5,246,272

8. TAXATION

Profit & Loss Account		
Charge for the year	1,955,402	1,781,334
	1,955,402	1,781,334
Balance Sheet		
At 1 January	(271,665)	(583,610)
Provision for the year	1,955,402	1,781,334
Paid during the year	(2,478,418)	(1,469,389)
	(794,681)	(271,665)

Tax is charged at the rate of 30% on the adjusted taxable profit.

9 . SHARE CAPITAL

Authorized		
100,000 ordinary shares of Kshs. 50/= each	5,000,000	5,000,000
Issued and fully paid		
98,860 ordinary shares of Kshs. 50/= each. (2017 – 97,224)	4,943,000	4,861,200

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. TRADE AND OTHER PAYABLES

	2018 Kshs	2017 Kshs
Accrued expenses	92,046	160,060
Rent deposits held	1,044,213	933,513
Sundry creditors	614,741	382,921
Prepaid income	254,612	254,612
	2,005,612	1,731,056

11. STAFF COSTS

Salaries and wages	1,052,617	956,885

12. RENTAL INCOME

Mbotela	2,994,,900	2,934,518
Yangu	5,056,800	4,762,800
Kiburi	2,814,500	2,689,200
	10,866,200	10,386,518

13 DIVIDENDS PAYABLE

	2018 Kshs	2017 Kshs
As at January	9,230,270	7,710,982
Dividends declared	3,888,960	3,350,375
Dividends paid	(2,304,258)	(1,831,087)
	10,814,972	9,230,270

14. INCORPORATION

The company is incorporated in Kenya under the Companies Act Cap 2015

15. BAD DEBTS

Bad debts are written off when all reasonable steps to recover them have been taken without success. Specific provision is made for all known doubtful debts.

16. CURRENCY

These financial statements are presented in Kenya Shillings (Shs)

Proxy Form

Shareholders Member No…………….

Kenya Fuel and Bark Supply Co. Ltd
Kiburi House
P. O. Box 42436 – 00100
Nairobi

I ……………………………………………………………………………………..of address ……………………………………………………………………being a member of **Kenya Fuel and Bark Supply Limited** and entitled to vote, hereby appoint ………………………………………………………………………………………… of address ……………………………………………………………...or failing him/her, the Chairman of the meeting, to be my proxy, to vote on my behalf at the 71st Annual General meeting of the Company to be held on Saturday 13th April 2019 At Barclays Bank sports Club Thika Road Nairobi and at any adjournment thereof.

As witness by me this ………………….. Day of ……………………… (month) 2019

Signed ……………………………………

Note

1. A proxy need not be a member.
2. This proxy must be delivered to the Company's registered office not latter than 2.00 PM on Thursday 11th April 2019 failing which it will be invalid.

……………………………………………………………………………………………

Shareholders Admission form

Please complete this form and note that it must be produced at the Annual General Meeting by you or your proxy for admission.

Name……………………………………………Signature……………………………..

71st Annual General meeting of Kenya Fuel and Bark Supply Co. Ltd to be held at Barclays Bank Sports Club Thika Road Nairobi.