KENYA FUEL AND BARK SUPPLY Plc.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

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

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED
KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

BOARD OF DIRECTORS

Mamicha Kamau
Chairman

J. Mwangi Mworia
Board Secretary

Peter Kamu Maina
Vice Chairman

Charles Macharia
Director

Naomi W. Gachucha
Director

Lydia Wambui Gitagia
Director

Sarah W. Gichuru
Director

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	J. Mamicha Kamau	- Chairman
	Peter K Maina	- Vice Chairman
	Mwangi Mworia	- Board Secretary
	Lydia W. Gitagia	- Director
	Naomi W. Gachucha	- Director
	Sarah W. Gichuru	- Director
	Charles Macharia	- 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.	
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.	

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 74th Annual General Meeting of **Kenya Fuel & Bark Supply PLC** will be held via electronic communication, on Tuesday 24th May 2022 at 11.00 a.m. to transact the following business:

AGENDA

1. The Secretary to read the Notice convening the meeting and determine if a quorum is present.

2. **Confirmation of Minutes**
   To confirm the minutes of 73rd Annual General Meeting held on3rd June 2021 .

   Ordinary Business

3. **Financial Statements**
   To receive, consider and adopt the audited Financial Statements for the year ended 31 December, 2021 together with Chairman's, Directors' and Auditor's Reports thereon.

4. **Declaration of Dividend**
   To declare a first and final dividend of Kshs.60 **/-** per fully paid up and issued ordinary share of Kshs.50/**-** each in respect of the financial year ended 31 December, 2021

5. **Election of Directors**
   To elect Directors:
   (i) Ms.Sarah Wangari Gichuru, a director retires on rotation in accordance with articles 86 and 87 of the Company's Articles of Association and, being eligible, offers herself for re-election.
   (ii) Mr. Peter Kamau Maina , a director retires on rotation in accordance with article 86 and 87 of the Company's Articles of Association and, being eligible, offers himself for re-election.

6. **Directors Remuneration**
   To approve the Directors remuneration as indicated in the financial statements for the year ended 31st December, 2021.

7. **Auditors**
   To Appoint tMessrs. Wokabi &Company to continue in office as the Auditors of the Company in accordance with Section 721 (2) of the Companies Act 2015 and to authorize the Board to fix their remuneration.

8. Any Other Business

BY ORDER OF THE BOARD

Lucy Kibera
LEADING SECRETARIES
PORTAL PLACE
P O BOX 6399-00300
NAIROBI

Dated at Nairobi this 30th April, 2021

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

Notes:

1. Shareholders wishing to participate in the AGM should register by dialing *483*560# on their Safaricom, Airtel or Telkom mobile phones, and following the various prompts regarding the registration process

2. Shareholders can contact our helpline No **0789981896 / 0113438967** for assistance.

3. Registration of AGM will commence at 11.00a.m. on 10th May 2022 and will close on 21/5/2022

4. In accordance with Section 283(2) (c) of the Companies Act, 2015, the following documents may be viewed on the Company's website www.kenyafuel.co.ke (i) a copy of this notice and the proxy form, (ii) Minutes of the last AGM held on 3rd June 2021; (iii) The Company's audited financial statements for the year ended 31 December 2021. (iv) Chairman's Statement.

5. Shareholders wishing to raise any questions or clarifications regarding the AGM may:

   a) Send their written questions by email kenyafuel@yahoo.com / kenyafuel@gmail.com or
   b) to the extent possible, physically deliver their written questions with a return postal address or email address to the registered office of the company at Kiburi House, Kirinyaga Road Nairobi or
   c) Send their written questions with a return postal address or email address by Registered post to the Company's address P.O. Box 42436 – 00100 Nairobi. Shareholders must provide their full details (full name, ID number and the membership number) when submitting their questions and/or clarifications. All questions and clarification must reach the Company not later than 2.00p.m. on Friday 20th May 2022.
   d) A member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company. To be valid, a form of proxy which can be downloaded from the website, must be duly completed by the member and must either be lodged at the Registered Office of the Company, Kiburi House, Kirinyaga Road, P.O Box 42436 - 00100, Nairobi or posted, so as to reach the Company not later than 2.00 p.m. on 20th May 2022.
   e) Any member may by notice duly signed by him or her delivered to the Secretary not less than 7 and not more than 21 days before the day appointed for the Annual General Meeting propose any other person for election to the Board. Such notice to be accompanied by a notice signed by the person proposed indicating his or her willingness to be elected.

6. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM as a reminder of the AGM. A second (SMS/USSD) prompt shall be sent one hour prior to the AGM, being a final reminder together with a link to download live stream.

7. Voting will be done via USSD by dialing ***483*560#** and clicking on the voting option. Shareholders will be required to vote for each resolution.

8. Results of the AGM shall be posted on our website within 24 hours following conclusion of the AGM.

CHAIRMAN'S STATEMENT

I am pleased to present to you our Annual report and financial statements for the year ended 31 December 2021. During the year our company operated in a difficult environment due to Corona Virus Pandemic which has spread throughout the world clipping every business to a halt

Financial performance

Despite the challenging local business environment, the Company made a profit before tax of **KShs 6.9m** in 2021 compared to **7.2 m**. in 2020.

Dividends

The Board is pleased to propose a dividend of **Shs 60/-** per share for the year ended 31st December 2021 **In 2020 we had paid with shs 55/- per share**)

STRATEGIC INVESTMENTS

Our focus now is on how we can build Yangu House, by the end of this year or early next year depending on availability of funds. We propose to put up a six storey building including basement, all this at an estimated cost of shs 70 million (visit our Website and see the photo plan of our building.)

The company is hoping to raise these funds through disposal of its parcels of land in Juja and Nanyuki, as well as sale of Rights issue shares. When complete the building will generate a monthly income of more than 2.5 million or more than shs 30 million annually. This will triple shareholders Divided income annually.

SALE OF COMPANY'S RIGHTS ISSUE.

During our Last A G M held in 2021 Shareholders approved increment of company's authorised share Capital from 5 m to 6.75m by creating additional 35,000 shares of 50/- each. and be sold to Members by means of Rights issue on basis of 1 share for every 3 held.

I'm pleased to report that so far we have managed to sell 20,000 shares, the offer will close on 30th September 2022. I'm therefore appealing to members to take up their shares.

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, commitment 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 important priorities.

Thank you.

MAMICHA KAMAU
CHAIRMAN.

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended

31 December 2021.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 2021 of Kshs 4,851,174. This represented a decrease of 5% from the net profit after tax of the prior year of Kshs 5,102,545.

Company revenue increased by 1% from Kshs 11,390,840 in the prior year to Kshs 11,493,260 for the year ended December 31, 2021.

Company net cash flows from operating activities decreased by 117% from Kshs 5,844,034 in the prior year to Kshs (745,942) for the year ended December 31 2021.

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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

25th April 2022, and were signed on its behalf by:

Director

Director

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

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, 2021, 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, 2021, 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 statementsis 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

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS(CONT')

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit andsignificant 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 werenecessary 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 ourexamination of those books;

iii) In our opinion, the financial information given in the directors' report for the year ended December 31, 2021is 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 comprehensiveincome 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 & Company

WOKABI & COMPANY
Certified Public Accountants (Kenya)
Ufungamano House, Mamlaka Road
Off State House Road
P. O. Box 70268, 00400 - NAIROBI

Wokabi & Co.
Certified Public Accountants (Kenya)
Nairobi

26th April **2022**

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Kshs	2020 Kshs
TURNOVER	14	11,493,260	11,390,840
Profit on sale of investment property		1,985,000	407,707
		13,478,260	11,798,547
Dividend income		16,537	45,074
Advertisement income		644,548	518,617
Gain/(Diminution) on revaluation of quoted Shares		82,847	(316,423)
Interest income		74,127	705,195
Title processing fees – Net		30,000	25,000
Sundry income		4,340	773,712
		852,399	**1,751,175**
TOTAL INCOME		14,330,659	13,549,722
EXPENDITURE			
Staff costs	11	1,160,166	1,148,842
Establishment expenses	12	2,697,849	2,748,465
Administration expenses	13	3,527,501	2,376,965
Total Expenditure		**7,385,516**	**6,274,272**
PROFIT BEFORE TAX		**6,945,143**	**7,275,450**
TAXATION	8	(2,093,969)	(2,172,905)
PROFIT FOR THE YEAR BEFORE DIVIDEND		**4,851,174**	**5,102,545**
Proposed final dividend for the year		**(5,937,000)**	**(5,442,250)**
Net profit/(Loss) for the year transferred to reserves		**(1,085,826)**	**(339,705)**

Report of the auditors – Page 5-7

The notes on pages 12 to 18 form part of these financial state

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Note	2021 Kshs	2020 Kshs
ASSETS			
NON – CURRENT ASSETS			
Property & Equipment	2	124,314	160,604
Investment Properties	4	33,499,521	33,499,521
Investments held for sale -Plot		22,785,408	16,990,408
Investments held for sale -Securities	5	1,263,146	1,178,699
		57,672,389	51,829,232
CURRENT ASSETS			
Trade and other Receivables	6	13,291,290	6,410,320
Cash and Bank Balances	7	9,436,906	12,395,204
Tax Recoverable	8	156,726	450,695
		22,884,922	19,256,219
TOTAL ASSETS		**80,557,311**	**71,085,451**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital	9	4,947,500	4,947,500
Share Premium		14,156,200	14,156,200
Revenue Reserve		9,254,404	10,340,230
Revaluation Reserve		4,216,000	4,216,000
Capital Reserve		15,517,537	15,517,537
TOTAL SHAREHOLDERS FUNDS		48,091,641	49,177,467
CURRENT LIABILITIES			
Trade and other Payables	10	9,660,051	1,861,393
Dividends Payable	15	16,868,619	14,604,341
Proposed Dividends		5,937,000	5,442,250
TOTAL LIABILITIES		32,465,670	21,907,984
TOTAL EQUITY AND LIABILITIES		**80,557,311**	**71,085,451**

The financial statements were approved by the Board of Directors on 25th April 2022
and signed on its behalf by:-

DIRECTOR

DIRECTOR

Report of the auditors – Page 5-7
The notes on pages 10 to 18 form part of these financial statements

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KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital **Kshs.**	Share Premium **Kshs**	Revenue Reserve **Kshs**	Capital Reserve **Kshs**	Revaluation Reserve **Kshs**	Total **Kshs**
YEAR ENDED 31 DECEMBER 2021						
At 1 January 2021	4,947,500	14,156,200	10,340,230	15,517,537	4,216,000	49,177,467
Loss for the year	-	-	(1,085,826)	-	-	(1,085,826)
At 31 December 2021	4,947,500	14,156,200	9,254,404	15,517,537	4,216,000	48,091,641
	========	========	========	========	========	=========
YEAR ENDED 31 DECEMBER 2020						
At 1 January 2020	4,946,500	14,148,200	10,679,935	15,517,537	4,216,000	49,508,172
Shares Subscribed	1,000	8,000	-	-	-	9,000
	-	-	-	-	-	
Loss for the year	-	-	(339,705)	-	-	(339,705)
At 31 December 2020	4,947,500	14,156,200	10,340,230	15,517,537	4,216,000	49,177,467
	========	========	========	========	========	=========

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 Kshs	2020 Kshs
Cash Flow from Operating Activities			
Net Profit before Taxation		6,945,143	7,275,450
Adjustments for:			
Depreciation		36,290	49,416
Dividend Income		(16,537)	(45,074)
Diminution / (Appreciation) in value of investments		(82,847)	316,423
Gain on disposal of investment property		(1,985,000)	(407,707)
Operating Profit Before Working Capital Changes		4,897,049	7,188,508
Working capital changes;			
Receivables		(6,880,970)	871,741
Payables		3,037,979	(536,685)
		1,054,058	7,523,564
Income Tax Paid		(1,800,000)	(1,679,530)
Net cash flow from operating activities		(745,942)	5,844,034
Cash Flow From financing Activities			
Share Deposits		4,760,680	9,000
Dividends Paid		(3,177,972)	(2,941,132)
Net cash decrease from financing activities		1,582,708	(2,932,132)
Cash Flow From Investing Activities			
Dividend Income		16,537	45,074
Purchase of Convertible securities		(1,600)	(529,700)
Sale of shares		-	15,349
Purchase of Office Equipment		-	(122,000)
Proceeds from sale of Investment Property		9,500,000	1,300,000
Purchase of investment property		(13,310,000)	-
Net cash increase/decrease from investing activities		(3,795,063)	708,723
Net Increase in Cash & Cash Equivalents		**(2,958,297)**	**3,620,625**
Cash & Cash Equivalents at 1st January	7	12,395,203	8,774,579
Cash & Cash Equivalents at 31st December	7	**9,436,906**	**12,395,204**
		========	========

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 tothe 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 termsand the collectability of rent is reasonably assured.

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

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.

1. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks andrewards 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 theperiod 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 31.12.2021				
Cost				
As at 1.1.2021	120,674	155,175	365,400	641,249
As at 31.12.2021	120,674	155,175	365,400	641,249
Depreciation				
As at 1.1.2021	86,705	121,195	272,745	480,645
Charge for the year	4,246	4,248	27,796	36,290
As at 31.12.2021	90,951	125,443	300,541	516,935
NBV as at 31.12.2021	29,723	29,732	64,859	124,314
YEAR ENDED 31.12.2020				
Cost				
As at 1.1.2020	95,674	155,175	268,400	519,249
	25,000	-	97,000	122,000
As at 31.12.2020	120,674	155,175	365,400	641,249
Depreciation				
As at 1.1.2020	81,852	116,340	233,036	431,228
Charge for the year	4,853	4,855	39,709	49,417
As at 31.12.2020	86,705	121,195	272,745	480,645
NBV as at 31.12.2020	33,969	33,980	92,655	160,604

3. PROFIT BEFORE TAXATION

	2021 **Kshsh**	**2020** **Kshs**
Profit before taxation is arrived at after charging: -		
Directors remuneration	699,600	634,800
Depreciation	36,290	49,416
Dividend income	16,537	45,074

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

Mumias Sugar Co Ltd - 87,200 Ordinary Shares @ Kshs 0.27	23,544	23,544
British American Insurance Co. Ltd – 1000 Ordinary Shares @ Kshs 7.5	7,500	7,260
HFCK - 6,413 Ordinary Shares @ Kshs 3.9	25,011	21,291
Nairobi Stock Exchange 9,000 Ordinary Shares @ Kshs 8.00	72,000	73,440
Standard chartered – 1,194 Ordinary Shares @ Kshs 128.25	153,130	172,235
Nation Media Group – 4,610 Ordinary Shares @ Kshs 18.45	85,055	68,101
KCB – 3,045 Ordinary Shares @ Kshs 45.45	138,395	123,634
I $ M 3,000 Ordinary Shares @ kshs 21.10	63,300	67,500
Equity Bank-2,500 Ordinary shares@ Kshs 52.75	131,875	91,375
EABl- 700 Ordinary shares @ kshs 165	115,500	107,975
Diamond trust Bank-520 Ordinary shares @ kshs 59.5	30,940	39,000
CO-operative bank-8,200 Ordinary shares @ kshs 12.95	106,190	102,500
CFC Stanbic bank – 500 Ordinary shares @ Kshs 87.25	43,625	42,500
ICDC (Centum) 1000 –Ordinary shares @Kshs 14.10	14,100	16,050
Safaricom 800 Ordinary shares @ kshs 37.95	30,360	27,400
NCBA bank 605 Ordinary shares @ Kshs 25.2	15,246	16,184
ABSA Bank 17,500 ordinary shares @ kshs 11.85	207,375	178,710
	1,263,146	1,178,699
	========	========

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 DECEMBER 2021

6. TRADE AND OTHER RECEIVABLES

	2021 Kshs	2020 Kshs
Plot Debtors	648,020	1,681,020
Rent Debtors	1,593,044	1,809,346
Sundry Debtors	11,050,226	2,919,954
	13,291,290	6,410,320

7. CASH AND BANK

Kenya Commercial Bank Ltd	2,399,082	1,931,919
Dividends Float	-	38,362
Cash in Hand	5,623	1,800
British Asset Management	-	10,423,123
CIC Money Market	7,032,201	-
	9,436,906	12,395,204

8. TAXATION

Profit & Loss Account		
Charge for the year	2,093,969	2,172,905
	2,093,969	2,172,905
Balance Sheet		
At 1 January	(450,695)	(944,070)
Provision for the year	2,093,969	2,172,905
Paid during the year	(1,800,000)	(1,679,530)
	(156,726)	(450,695)

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		
98,950 ordinary shares of Kshs. 50/= each. (2020 – 98,950)	4,947,500	4,947,500

10. TRADE AND OTHER PAYABLES

	2021 Kshs	2020 Kshs
Accrued expenses	77,134	77,134
Rent deposits held	1,436,213	1,402,613
Sundry creditors	1,212,524	381,646
Share Deposits	4,760,680	-
Plot Deposits	2,173,500	-
	9,660,051	1,861,393

11. STAFF COSTS

Salaries and wages	1,160,166	1,148,842

12. ESTABLISHMENT EXPENSES

Rent and rates	125,380	125,380
Repair and maintenance	2,083,017	2,130,908
Electricity, water & garbage	374,085	363,684
Licences	39,500	39,500
Depreciation	36,290	49,416
Insurance	39,577	39,577
	2,697,849	2,748,465

13. ADMINISTRATION EXPENSES

Directors remuneration	699,600	634,800
Directors other expenses	423,000	205,500
Printing and stationery	28,476	8,053
AGM meeting expenses	330,300	128,200
Bank charges	39,778	32,501
Office expenses	399,156	269,229
Computer expenses	81,385	76,700
Telephone and postage	27,850	15,750
Audit fees	208,510	188,790
Commissions	192,616	39,747
Secretarial fees	131,930	52,500
Taxation fees	50,000	330,895
Investment expenses	510,000	70,000
Donations	15,000	15,000
Bad debts written off	114,900	309,300
Rights issue expenses	125,000	-
Stamp duty	150,000	-
	3,527,501	2,376,965

14. RENTAL INCOME

Mbotela	3,163,100	3,193,400
Yangu	5,417,400	5,314,400
Kiburi	2,912,760	2,883,040
	11,493,260	11,390,840

15 DIVIDENDS PAYABLE

	2021 Kshs	2020 Kshs
As at January	14,604,341	12,598,972
Dividends declared	5,442,250	4,946,500
Dividends paid	(3,177,972)	(2,941,131)
	16,868,619	14,604,341
	========	========

16. INCORPORATION

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

17. BAD DEBTS

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

18. 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 74th Annual General meeting of the Company to be held on Tuesday 24th May 2022 Via electronic communication.

As witness by me this ………………….. Day of ……………………… (month) 2022

Signed ……………………………………

Note

1. A proxy need not be a member.
2. This proxy must be delivered to the Company's registered office not later than 2.00 PM on Friday 20th May 2022 failing which it will be invalid.