

KENYA FUEL AND BARK SUPPLY PLC.



**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2023**



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

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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BOARD OF DIRECTORS



Mamicha Kamau
Chairman



J. Mwangi Mworio
Board Secretary



Peter Kamu Maina
Vice Chairman



John Mugo Kiragu
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 Mworio	- 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
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REGISTERED OFFICE	LR 209/136/33 Kiburi House Kirinyaga Road P.O Box 42436 Nairobi.
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AUDITOR	Wokabi & Company Certified Public Accountants (Kenya) P.O Box 70268 – 00400 Nairobi.
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BANKERS	Kenya Commercial Bank Limited Moi Avenue Branch P.O Box 30081 – 00100 Nairobi.
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Notice is hereby given that the 76th Annual General Meeting of **Kenya Fuel & Bark Supply PLC** will be held via electronic communication, on Friday 24th May 2024 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 75th Annual General Meeting held on 30th May 2023.

Ordinary Business

3. **Financial Statements**

To receive, consider and adopt the audited Financial Statements for the year ended 31st December, 2023 together with Chairman's, Directors' and Auditor's Reports thereon.

4. **Dividend**

To Note that the Company will *not pay* Dividends this year (2023) due to Construction of Yangu House

Election of Directors

To elect Directors:

- (i) Ms Lydia W. Gitagia 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) Ms Naomi W. Gacuca director retires on rotation in accordance with article 86 and 87 of the Company's Articles of Association and, being eligible, offers herself for re-election.

5. **Directors Remuneration**

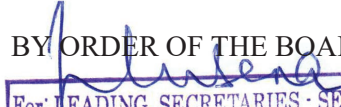
To approve the Directors remuneration as indicated in the financial statements for the year ended 31st December, 2023.

6. **Auditors**

To Appoint Ms. Wokabi & Company as the Auditors of the Company in accordance with Section 721 (2) of the Companies Act 2015 and to authorize the Directors to fix their remuneration.

7. A O B.

BY ORDER OF THE BOARD


For: LEADING SECRETARIES - SECRETARY

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

Dated at Nairobi this 15^h April, 2024

Notes:

1. Shareholders wishing to participate in the AGM should register by dialing *483*560 # on their Safaricom, Airtel or Telkom mobile phones, and follow 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 3rd May 2024 and will close on 23rd May 2024
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@yahoo.com (i) a copy of this notice and the proxy form, (ii) Minutes of the last AGM held on 30th May 2023 (iii) The Company's audited financial statements for the year ended 31 December 2023. (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 Thursday 23rd May 2024.
 - 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 23rd May 2024.
 - 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 2023. This was another successful year of our company as we continued to grow stronger.

Financial performance

Despite the challenging local business environment, the Company made a profit before tax of Kshs. 8.9M in 2023 compared to Kshs. 7.8. in 2022.

Dividends

Due to proposed Construction of **Yangu yangu House**, the dividend payable by the company this year, (2023) will be utilized, to fund construction of this building I therefore kindly request our shareholders, to bear with us for this noble cause.

STRATEGIC INVESTMENTS

Our focus now is on how we can build Yangu House, starting by the end of this year (2024) or early next year (2025) (So far, we have been able to raise **56 million from our operations**). **We propose to put up a six-storey building including basement, all this at an estimated cost of shs 80 million** (visit our website and see the photo plan of our building.)

The company has raised some funds through disposal of its parcels of land in Juja, as well as sale of Rights issue shares. We still have one parcel of land (10 Acres) in Nanyuki which we are yet to dispose to raise more funds for construction of This Project, 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 Dividend income annually.

BOARD CHANGES

During the year in review (2023) **Mr, Charles Macharia Muringi**, retired from the Board I wish to express the board's gratitude for his diligent and committed service to the Company, I also take this opportunity to welcome **Mr John Mugo Kiragu** who was appointed to the board. I look forward to his contributions to the further success of the company

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express gratitude to our esteemed Tenants, 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.

To our shareholders, your business is doing Well and you can rest assured that you will fully enjoy the fruits of your investment in foreseeable future. We will continue to rely on your support as a source of energy to build this company to greater heights.

Thank you

MAMICHA KAMAU
CHAIRMAN.

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2023.

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 2023 of Kshs 6,262,246. This represented an increase of 15% from the net profit before tax of the prior year of Kshs 5,447,776.

Company revenue decreased by 21% from Kshs 14,548,890 in the prior year to Kshs 11,491,880 for the year ended December 31, 2023.

Company net cash flows from operating activities increased by 9% from Kshs 7,721,209 in the prior year to Kshs 8,384,689 for the year ended December 31 2023.

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.

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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;

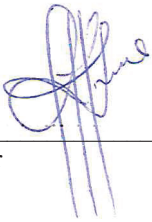
- a) There is no relevant audit information of which the company's auditor is unaware; and
- b) Each of the directors has taken all the steps that they ought to take as a director so as to be aware of any relevant information and to establish that the company's auditor is aware of that information.

APPROVAL OF FINANCIAL STATEMENTS

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

14th MARCH 2024, 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, 2023, 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, 2023, 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

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.

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

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

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, 2023 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.

WOKABI & COMPANY
Certified Public Accountants (Kenya)
Unga Road, Upper Hill, Nairobi
Off State House Road
P. O. Box 70268, 00400 - NAIROBI

26TH MARCH 2024

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 Kshs	2022 Kshs
TURNOVER	14	11,491,880	11,358,890
Profit on sale of investment property		-	3,190,000
		<u>11,491,880</u>	<u>14,548,890</u>
Dividend income		61,820	82,222
Advertisement income		-	571,775
Diminution on revaluation of quoted Shares		(105,326)	(68,770)
Interest income		4,607,557	1,542,081
Title processing fees – Net		15,000	75,000
Sundry income		1,238	-
		<u>4,580,289</u>	<u>2,202,308</u>
TOTAL INCOME		<u>16,072,169</u>	<u>16,751,198</u>
<u>EXPENDITURE</u>			
Staff costs	11	1,236,485	1,389,613
Establishment expenses	12	3,787,380	3,295,987
Administration expenses	13	2,058,370	4,189,362
Total Expenditure		<u>7,082,235</u>	<u>8,874,962</u>
PROFIT BEFORE TAX		<u>8,989,934</u>	<u>7,876,236</u>
TAXATION	8	(2,727,688)	(2,428,460)
PROFIT FOR THE YEAR BEFORE DIVIDEND		<u>6,262,246</u>	<u>5,447,776</u>
Proposed final dividend for the year		-	(8,100,000)
Net surplus for the year transferred to reserves		<u><u>6,262,246</u></u>	<u><u>(2,652,224)</u></u>

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 2023

	Note	2023 Kshs	2022 Kshs
<u>ASSETS</u>			
NON – CURRENT ASSETS			
Property & Equipment	2	133,242	156,154
Investment Properties	4	33,499,521	33,499,521
Investments held for sale -Plot		10,025,408	9,475,408
Investments held for sale -Securities	5	1,089,380	1,194,706
		<u>44,747,551</u>	<u>44,325,789</u>
CURRENT ASSETS			
Trade and other Receivables	6	11,284,407	13,332,413
Cash and Bank Balances	7	56,440,787	55,612,312
Tax Recoverable	8	648,228	178,067
		<u>68,373,422</u>	<u>69,122,792</u>
TOTAL ASSETS		<u>113,120,973</u>	<u>113,448,581</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital	9	6,750,000	6,750,000
Share Premium		28,576,200	28,576,200
Revenue Reserve		20,842,155	14,579,909
Revaluation Reserve		4,216,000	4,216,000
Capital Reserve		15,517,537	15,517,537
TOTAL SHAREHOLDERS FUNDS		<u>75,901,892</u>	<u>69,639,646</u>
CURRENT LIABILITIES			
Trade and other Payables	10	16,918,941	16,440,761
Dividends Payable	15	20,300,140	19,268,174
Proposed Dividends		-	8,100,000
TOTAL LIABILITIES		<u>37,219,081</u>	<u>43,808,935</u>
TOTAL EQUITY AND LIABILITIES		<u>113,120,973</u>	<u>113,448,581</u>

The financial statements were approved by the Board of Directors on 14th MARCH 2024
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

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share Capital <u>Kshs.</u>	Share Premium <u>Kshs</u>	Revenue Reserve <u>Kshs</u>	Capital Reserve <u>Kshs</u>	Revaluation Reserve <u>Kshs</u>	Total <u>Kshs</u>
YEAR ENDED 31 DECEMBER 2022						
At 1 January 2022	4,947,500	14,156,200	9,254,404	15,517,537	4,216,000	48,091,641
Share Subscribed	1,802,500	14,420,000	-	-	-	16,222,500
Prior year adjustments	-	-	7,977,729	-	-	7,977,729
Loss for the year	-	-	(2,652,224)	-	-	(2,652,224)
At 31 December 2022	<u>6,750,000</u>	<u>28,576,200</u>	<u>14,579,909</u>	<u>15,517,537</u>	<u>4,216,000</u>	<u>69,639,646</u>
YEAR ENDED 31 DECEMBER 2023						
At 1 January 2023	6,750,000	28,576,200	14,579,909	15,517,537	4,216,000	69,639,646
Prior year adjustments	-	-	-	-	-	-
Profit for the year	-	-	6,262,246	-	-	6,262,246
At 31 December 2023	<u>6,750,000</u>	<u>28,576,200</u>	<u>20,842,155</u>	<u>15,517,537</u>	<u>4,216,000</u>	<u>75,901,892</u>

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<u>Notes</u>	2023 Kshs	2022 Kshs
Cash Flow from Operating Activities			
Net Profit before Taxation		8,989,934	7,876,236
Adjustments for:			
Depreciation		22,912	28,160
Dividend Income		(61,820)	(82,222)
Diminution in value of investments		105,326	68,770
Gain on disposal of investment property		-	(3,190,000)
Prior year adjustments		-	7,977,729
Operating Profit Before Working Capital Changes		9,056,352	12,678,673
Working capital changes;			
Receivables		2,048,006	(41,123)
Payables		478,181	(2,466,540)
		11,582,539	10,171,010
Income Tax Paid		(3,197,850)	(2,449,801)
Net cash flow from operating activities		8,384,689	7,721,209
Cash Flow From financing Activities			
Share Deposits		-	9,247,250
Issue of Shares		-	16,222,500
Dividends Paid		(7,068,034)	(3,537,445)
Net cash (decrease) / increase from financing activities		(7,068,034)	21,932,305
Cash Flow From Investing Activities			
Dividend Income		61,820	82,222
Purchase of Convertible securities		-	(330)
Purchase of Office Equipment		-	(60,000)
Proceeds from sale of Investment Property		-	16,500,000
Repossession of Investment Property		(550,000)	-
Net cash increase from investing activities		(488,180)	16,521,892
Net Increase in Cash & Cash Equivalents		828,475	46,175,406
Cash & Cash Equivalents at 1 st January	7	55,612,312	9,436,906
Cash & Cash Equivalents at 31st December	7	56,440,787	55,612,312

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

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.

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

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	25	%	p.a
Furniture and fittings	10	%	p.a
Office Equipment	10	%	p.a

The carrying values of property, plant and equipment are reviewed for impairment when events or 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.

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 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**

	Office Equipment <u>Kshs</u>	Furniture & Fittings <u>Kshs</u>	Computer Equipment <u>Kshs</u>	Total <u>Kshs</u>
YEAR ENDED 31.12.2022				
Cost				
As at 1.1.2022	120,674	155,175	365,400	641,249
Additions	60,000	-	-	60,000
As at 31.12.2022	<u>180,674</u>	<u>155,175</u>	<u>365,400</u>	<u>701,249</u>
Depreciation				
As at 1.1.2022	90,951	125,443	300,541	516,935
Charge for the year	8,972	2,973	16,215	28,160
As at 31.12.2022	<u>99,923</u>	<u>128,416</u>	<u>316,756</u>	<u>545,095</u>
NBV as at 31.12.2022	<u>80,751</u>	<u>26,759</u>	<u>48,644</u>	<u>156,154</u>
YEAR ENDED 31.12.2023				
Cost				
As at 1.1.2023	180,674	155,175	365,400	701,249
Additions	-	-	-	-
As at 31.12.2023	<u>180,674</u>	<u>155,175</u>	<u>365,400</u>	<u>701,249</u>
Depreciation				
As at 1.1.2023	99,923	128,416	316,756	545,095
Charge for the year	8,075	2,676	12,161	22,912
As at 31.12.2023	<u>107,998</u>	<u>131,092</u>	<u>328,917</u>	<u>568,007</u>
NBV as at 31.12.2023	<u>72,676</u>	<u>24,083</u>	<u>36,483</u>	<u>133,242</u>

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2023

3. PROFIT BEFORE TAXATION

	2023 <u>Kshs</u>	2022 <u>Kshs</u>
Profit before taxation is arrived at after charging: -		
Directors remuneration	699,600	699,600
Depreciation	22,912	28,160
Dividend income	61,820	82,222

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
	<u>33,499,521</u>	<u>33,499,521</u>

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 Investment Co. (K) Ltd – 1000 Ordinary Shares @ Kshs 5.28	5,280	5,280
HFCK - 6,513 Ordinary Shares @ Kshs 3.48	22,665	20,776
Nairobi Stock Exchange 9,000 Ordinary Shares @ Kshs 6.02	54,180	61,020
Standard chartered – 1,194 Ordinary Shares @ Kshs 162	193,428	170,444
Nation Media Group – 4,610 Ordinary Shares @ Kshs 20.05	92,431	73,530
KCB – 3,045 Ordinary Shares @ Kshs 21.9	66,686	116,015
I \$ M 3,000 Ordinary Shares @ kshs 17.5	52,500	51,000
Equity Bank-2,500 Ordinary shares@ Kshs 33.65	84,125	111,250
EABL- 700 Ordinary shares @ kshs 114	79,800	117,250
Diamond trust Bank-520 Ordinary shares @ kshs 45.05	23,426	26,000
CO-operative bank-8,200 Ordinary shares @ kshs 11.4	93,480	100,860
CFC Stanbic bank – 500 Ordinary shares @ Kshs 108.75	54,375	51,000
ICDC (Centum) 1000 –Ordinary shares @Kshs 8.4	8,400	8,360
Safaricom 800 Ordinary shares @ kshs 13.9	11,120	19,320
NCBA bank 605 Ordinary shares @ Kshs 38.95	23,565	23,807
ABSA Bank 17,500 ordinary shares @ kshs 11.45	200,375	215,250
	<u>1,089,380</u>	<u>1,194,706</u>

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. TRADE AND OTHER RECEIVABLES

	2023 <u>Kshs</u>	2022 <u>Kshs</u>
Plot Debtors	2,022,736	2,015,866
Rent Debtors	2,295,020	3,404,520
Sundry Debtors	6,966,651	7,912,027
	<u>11,284,407</u>	<u>13,332,413</u>

7. CASH AND BANK

Kenya Commercial Bank Ltd	1,939,025	3,998,987
Dividends Float	5,576	29,065
KCB Fixed Deposit	28,099,085	27,000,000
Cash in Hand	8,296	9,978
CIC Money market fund	12,411,521	11,701,871
Madison Asset Management	13,977,284	12,872,411
	<u>56,440,787</u>	<u>55,612,312</u>

8. TAXATION

<u>Profit & Loss Account</u>		
Charge for the year	2,727,688	2,428,460
	<u>2,727,688</u>	<u>2,428,460</u>
<u>Balance Sheet</u>		
At 1 January	(178,066)	(156,726)
Provision for the year	2,727,688	2,428,460
Paid during the year	(3,197,850)	(2,449,801)
	<u>(648,228)</u>	<u>(178,067)</u>

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

9. SHARE CAPITAL

Authorized		
135,000 ordinary shares of Kshs. 50/= each	6,750,000	6,750,000
	<u>6,750,000</u>	<u>6,750,000</u>
Issued and fully paid		
135,000 ordinary shares of Kshs. 50/= each.	6,750,000	6,750,000
	<u>6,750,000</u>	<u>6,750,000</u>

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023
10. TRADE AND OTHER PAYABLES

	2023	2022
	Kshs	Kshs
Rent deposits held	1,019,713	916,013
Sundry creditors	1,890,398	1,516,818
Share Deposits	14,008,830	14,007,930
	<u>16,918,941</u>	<u>16,440,761</u>
	=====	=====
11. STAFF COSTS		
Salaries and wages	1,236,485	1,389,613
	<u>1,236,485</u>	<u>1,389,613</u>
	=====	=====
12. ESTABLISHMENT EXPENSES		
Rent and rates	148,422	125,380
Repair and maintenance	3,057,485	2,669,076
Electricity, water & garbage	469,772	386,082
Licences	41,000	39,500
Depreciation	22,912	28,160
Insurance	47,789	47,789
	<u>3,787,380</u>	<u>3,295,987</u>
	=====	=====
13. ADMINISTRATION EXPENSES		
Directors remuneration	699,600	699,600
Directors other expenses	42,000	57,000
Printing and stationery	58,857	4,679
AGM meeting expenses	368,500	273,500
Bank charges	30,077	33,776
Office expenses	332,956	200,175
Computer expenses	89,850	41,200
Telephone and postage	18,380	25,130
Audit fees	203,750	222,530
Commissions	-	1,310,000
Secretarial fees	78,500	-
Taxation fees	60,000	60,000
Investment expenses	-	885,490
Donations	61,000	189,500
Bad debts written off	14,900	43,400
Rights issue expenses	-	97,174
Stamp duty	-	46,208
	<u>2,058,370</u>	<u>4,189,362</u>
	=====	=====
14. RENTAL INCOME		
Mbotela	3,128,860	2,999,900
Yangu	5,436,800	5,418,120
Kiburi	2,926,220	2,940,870
	<u>11,491,880</u>	<u>11,358,890</u>
	=====	=====

KENYA FUEL AND BARK SUPPLY COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS *(Continued)***
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u> <u>Kshs</u>	<u>2022</u> <u>Kshs</u>
15 DIVIDENDS PAYABLE		
As at January	19,268,174	16,868,619
Dividends declared	8,100,000	5,937,000
Dividends paid	(7,068,034)	(3,537,445)
	<u>20,300,140</u>	<u>19,268,174</u>
	=====	=====

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. Specific provision 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

Iof 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 76th Annual General meeting of the Company to be held on Friday 24th May 2024 Via electronic communication.

As witness by me this Day of (month) 2024

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 Wednesday 22nd May 2024 failing which it will be invalid.