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CARBACID INVESTMENTS LIMITED

REPORT AND ACCOUNTS 1989

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CARBACID INVESTMENTS LIMITED

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CARBACID INVESTMENTS LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at the Professional Centre (Council Chamber), Parliament Way, Nairobi, on Friday, 15th December 1989 at 12 noon for the following purposes:

1. To receive the Directors' Report and the audited accounts for the year ended 31st July 1989.
2. To approve Directors' fees.
3. To declare a final dividend.
4. To re-elect Directors.
5. To authorize the Directors to fix the remuneration of the auditors, Deloitte Haskins & Sells.

By Order of the Board
SPECIALIST SECRETARIAL SERVICES LIMITED - Secretaries
N.P. KOTHARI
Secretary

Nairobi
6th November 1989

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

2007/0796

CARBACID INVESTMENTS LIMITED

Directors:	S.G. SMITH (Chairman)
	B.A. KAMPF
	K.S.N. MATIBA
	R.A. SHEPHERD
	Hon. J.M. WANJIGI, M.P.
Secretary and Registrars:	SPECIALIST SECRETARIAL SERVICES LIMITED
Registered Office:	COMCRAFT HOUSE, HAILE SELASSIE AVENUE, P.O. Box 30633, NAIROBI
Auditors:	DELOITTE HASKINS & SELLS
Bankers:	KENYA COMMERCIAL BANK LIMITED, P.O. Box 30081, NAIROBI STANDARD CHARTERED BANK KENYA LIMITED, P.O. Box 18081, NAIROBI.

CARBACID INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31st July 1989.

ACTIVITIES

The company is a holding company with one operating subsidiary, Carbacid (CO2) Limited, whose principal activity is the mining of carbon dioxide gas.

PROFIT AND DIVIDENDS

	K£
The group profit for the year before taxation was	806,554
Group taxation for the year amounted to	352,094
Leaving a group profit after taxation of	454,460
A first interim dividend of 8% was paid on 27th April 1989 and a final dividend of 12% is proposed.	
The dividends amount to	125,411
Leaving a retained profit for the year	329,049

DIRECTORS

Directors during the year were:

S.G.Smith (Chairman)
B.A. Kampf
K.S.N. Matiba
R.A. Shepherd
Hon. J.M. Wanjigi, M.P.

Hon. J.M. Wanjigi, M.P., and Mr. S.G. Smith retire by rotation and, being eligible, offer themselves for re-election.

AUDITORS

The auditors, Deloitte Haskins & Sells, will continue in office in accordance with section 159 (2) of the Companies Act (Cap.486).

By Order of the Board
SPECIALIST SECRETARIAL SERVICES LIMITED - SECRETARIES

N.P. KOTHARI

SECRETARY

NAIROBI
13th October 1989

CARBACID INVESTMENTS LIMITED
and its Subsidiary Company

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31ST JULY 1989

GENERAL

The year ended 31st July 1989 was another very successful one for the Company and its operating subsidiary Carbacid (CO2) Limited.

SALES

Sales volumes continued to improve as has been the trend in recent years.

PROFITS

Profits have increased in line with the Company's good performance.

DEVELOPMENTS

The additional plant to which I referred in my last report has now started to arrive and is being installed. This is an important step in ensuring your Company's ability to meet future demands for its products.

DIVIDENDS

An interim dividend of 8% was paid in April and the Directors have recommended a final dividend of 12% to be paid in December. Both dividends are of course paid on the share capital as increased by the bonus issue last year.

FUTURE PROSPECTS

With current sales and profit trends and with the new plant now being installed the continued good health of your Company appears to be assured.

STAFF

Our management and staff are of a very high calibre. On behalf of the Board of Directors and our Shareholders I convey to them our renewed thanks.

Nairobi
13th October 1989

S.G. SMITH
Chairman

TAARIFA YA MWENYEKITI YA MWAKA ULIOISHIA TAREHE 31 JULAI 1989

HALI YA JUMLA

Mwaka ulioishia tarehe 31 Julai 1989 ulikuwa mwaka mwingine uliofanikiwa sana kwa Kampuni yenu pamoja na Kampuni yake ndogo ya Carbacid (CO_2) Limited.

UUZAJI

Kama ilivyokuwa katika miaka hii ya karibuni uuzaji wa bidhaa ulizidi kuongezeka.

FAIDA

Faida pia iliongezeka kufuatana na kufanikiwa kwa shughuli za Kampuni.

MAENDELEO

Ile mitambo mipya niliyoitaja katika taarifa yangu ya mwaka jana imeanza kufika na sasa inatayarishwa ianze kazi. Jambo hili ni hatua muhimu ya kuihakikishia Kampuni yenu kwamba itaweza kutosheleza mahitaji ya wateja kwa siku zijazo.

MGAWO WA FAIDA

Mgawo wa kwanza wa kiasi cha asilimia nane (8%) ulilipwa katika mwezi wa Aprili, na sasa Wakurugenzi wenu wanapendekeza mgawo wa mwisho wa asilimia kumi na mbili (12%) ulipwe katika mwezi wa Desemba. Migawo hii yote miwili italipwa kwa hisa zote, yaani pamoja na zile za bahashishi walizopewa Wenyehisa mwaka jana.

MATARAJIO YA MBELE

Kulingana na hali bora ya biashara na mitambo mipya inayotayarishwa, bila shaka Kampuni yenu itazidi kufanikiwa.

WAFANYA KAZI

Wafanya kazi wetu wote wana ujuzi na sifa ya hali ya juu. Kwa niaba ya Wakurugenzi na Wenyehisa nawatolea shukurani tele.

Nairobi
13 Oktoba 1989

S.G.SMITH
Mwenyekiti

REPORT OF THE AUDITORS
TO THE MEMBERS OF CARBACID INVESTMENTS LIMITED

We have examined the accounts on pages 8 to 15 and have obtained all the information and explanations considered necessary for our audit.

In our opinion:

1 Proper books of account have been kept by the company and the company's balance sheet is in agreement therewith.

2 The accounts, which comply with the Companies Act, give a true and fair view of the state of affairs of the company and the group at 31st July 1989 and of the profit and source and application of funds of the group for the year ended on that date.

DELOITTE HASKINS & SELLS
Certified Public Accountants (Kenya)

Nairobi
13th October 1989

CARBACID INVESTMENTS LIMITED
and its Subsidiary Company

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 1989

	Note	1989 K£	1988 K£
PROFIT BEFORE TAXATION	2	806,554	765,822
TAXATION	3	352,094	362,005
PROFIT AFTER TAXATION ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY	4	454,460	403,817
DIVIDENDS	5	125,411	117,050
RETAINED PROFIT FOR THE YEAR	12	329,049	286,767
EARNINGS PER SHARE	6	Sh 3.62	Sh 3.22

CARBACID INVESTMENTS LIMITED

PROXY FORM

I/We.....

of .....

.....being a member/s of

Carbacid Investments Limited, hereby appoint .....

..... of .....

or failing him .....

of ..... or failing him the duly appointed Chairman of the meeting to be my/our proxy, to vote for me/us and on my/our behalf at the annual general meeting of the Company, to be held on Friday, 15th December 1989 at 12 noon, or at any adjournment thereof.

Dated ..... 1989 Signature .....

Notes: 1. A proxy need not also be a member of the Company.

2. To be valid, this form must be completed and deposited at the Registered Office of the Company, 4th Floor, Comcraft House, Haile Selassie Avenue, P.O. Box 30633, Nairobi, not less than twenty four hours before the time fixed for holding the meeting or adjourned meeting.

3. In the case of a corporation the proxy must be under its common seal.

CARBACID INVESTMENTS LIMITED
and its Subsidiary Company

BALANCE SHEETS 31ST JULY 1989

	Note	GROUP 1989 K£	GROUP 1988 K£	COMPANY 1989 K£	COMPANY 1988 K£
FIXED ASSETS	7	2,982,849	2,800,272	—	—
SUBSIDIARY	8	—	—	2,995,344	2,657,785
INVESTMENTS	9	11,030	10,190	11,030	10,190
LOAN TO A DIRECTOR		1,528	3,699	—	—
CURRENT ASSETS					
Stocks	10	158,183	140,966	—	—
Debtors		659,785	301,045	1,478	1,341
Dividend receivable from subsidiary		—	—	149,836	158,197
Short term deposits		837,827	1,221,736	—	—
Bank balances and cash		88,661	21,332	8,088	6,050
		1,744,456	1,685,079	159,402	165,588
CURRENT LIABILITIES					
Creditors		252,341	219,240	19,607	16,513
Taxation		265,453	454,450	—	—
Dividends - proposed (gross)		75,247	75,247	75,247	75,247
		593,041	748,937	94,854	91,760
NET CURRENT ASSETS		1,151,415	936,142	64,548	73,828
		4,146,822	3,750,303	3,070,922	2,741,803
Financed by:					
SHARE CAPITAL	11	627,057	522,547	627,057	522,547
RESERVES	12	2,443,865	2,219,256	2,443,865	2,219,256
SHAREHOLDERS' FUNDS		3,070,922	2,741,803	3,070,922	2,741,803
DEFERRED TAXATION	13	1,075,900	1,008,500	—	—
		4,146,822	3,750,303	3,070,922	2,741,803

The accounts on pages 8 to 15 were approved by the board of directors on 13th October 1989 and were signed on its behalf by:

B.A . KAMPF
R.A.SHEPHERD Directors

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 1989

1 ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The group prepares its accounts on the historical cost basis of accounting, modified to include the revaluation of certain assets.

(b) STOCKS

Stocks have been valued at the lower of cost and net realisable value. Cost comprises direct materials and labour, together with the relevant production overheads.

(c) DEPRECIATION

Depreciation is calculated to write off the cost or valuation of fixed assets in equal annual instalments over their useful lives at the following rates:

Leasehold land and buildings	2% - 5%
Boreholes	5%
Roads	10%
Motor vehicles	25%
Plant and equipment	5% - 33 1/3%

(d) DEFERRED TAXATION

Deferred taxation arises when items are recognised for tax purposes in different periods from their recognition for accounting purposes. Provision for deferred taxation is made on the liability method on all timing differences.

(e) CONSOLIDATION OF GROUP COMPANIES

The consolidated accounts include the assets, liabilities and revenue results of the company and its subsidiary company as defined in the Companies Act, Cap. 486.

2 PROFIT BEFORE TAXATION

	1989 K£	1988 K£
The group profit before taxation is arrived at after charging:		
Depreciation	294,797	286,859
Auditors' remuneration	8,941	8,778
Directors' emoluments		
Emoluments as directors	15,000	15,409
Other emoluments	52,303	42,536
and after crediting:		
Dividends from quoted investments	1,963	1,933

NOTES TO THE ACCOUNTS *Continued*

7 FIXED ASSETS

	Leasehold land, buildings and boreholes K£	Roads K£	Motor vehicles K£	Plant and equipment K£	Total K£
COST OR VALUATION					
At 1st August 1988	223,838	47,500	421,803	2,673,906	3,367,047
Additions	65,743	—	47,117	367,174	480,034
Disposals	—	—	(7,965)	(1,980)	(9,945)
At 31st July 1989	289,581	47,500	460,955	3,039,100	3,837,136
Comprising:					
Valuation at 31st July 1986	212,500	15,000	191,000	2,352,379	2,770,879
Valuation at 31st July 1983	—	—	13,500	7,540	21,040
Cost	77,081	32,500	256,455	679,181	1,045,217
	289,581	47,500	460,955	3,039,100	3,837,136
DEPRECIATION					
At 1st August 1988	15,912	7,875	153,323	389,665	566,775
Charge for the year	9,681	4,750	83,096	197,270	294,797
On disposals	—	—	(7,186)	(99)	(7,285)
At 31st July 1989	25,593	12,625	229,233	586,836	854,287
NET BOOK VALUES					
At 31st July 1989	263,988	34,875	231,722	2,452,264	2,982,849
At 31st July 1988	207,926	39,625	268,480	2,284,241	2,800,272

NOTES TO THE ACCOUNTS *Continued*

		1989 K£	1988 K£
8	**SUBSIDIARY**		
	Shares at net asset valuation	2,541,346	2,281,621
	Amount due by subsidiary	453,998	376,164
		2,995,344	2,657,785

9 **INVESTMENTS**

	GROUP		COMPANY	
	1989 K£	1988 K£	1989 K£	1988 K£
Quoted investments -				
Cost	11,030	10,190	11,030	10,190
Market value	27,052	28,098	27,052	28,098

10 **STOCKS**

	1989 K£	1988 K£
Carbon dioxide gas and dry ice	9,433	6,843
Spare parts	148,750	134,123
	158,183	140,966

11 **SHARE CAPITAL**

Authorised:		
3,200,000 ordinary shares of Sh 5 each (1988 - 2,100,000 shares)	800,000	525,000
Issued and fully paid:		
2,508,227 ordinary shares of Sh 5 each (1988 - 2,090,186 shares)	627,057	522,547

NOTES TO THE ACCOUNTS *Continued*

12 RESERVES

	GROUP		COMPANY	
	1989 K£	1988 K£	1989 K£	1988 K£
CAPITAL				
At beginning of the year	963,520	963,520	2,114,184	1,911,121
Revaluation of investment in subsidiary	—	—	259,725	203,063
	963,520	963,520	2,373,909	2,114,184
REVENUE				
At beginning of the year	1,255,736	968,969	105,072	21,368
Retained profit for the year	329,049	286,767	69,324	83,704
Capitalisation issue	(104,440)	—	(104,440)	—
At end of the year	1,480,345	1,255,736	69,956	105,072
TOTAL RESERVES	2,443,865	2,219,256	2,443,865	2,219,256

13 DEFERRED TAXATION

	1989 K£	1988 K£
Potential liability to taxation at 45% on:		
Excess of net book value over tax written down value of motor vehicles, plant and equipment	1,086,792	1,018,700
Other timing differences	(10,892)	(10,200)
	1,075,900	1,008,500

14 CAPITAL COMMITMENTS

Authorised by directors but not contracted for	—	792,000
Authorised by directors and contracted for	747,000	—

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