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CARBACID INVESTMENTS LIMITED

REPORT AND ACCOUNTS 1993

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CARBACID INVESTMENTS LIMITED

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CARBACID INVESTMENTS LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the twenty - third Annual General Meeting of the Company will be held at the Hotel Intercontinental (Turkana Room), City Hall Way, Nairobi on Thursday, 23rd December 1993 at 12 noon for the following purposes:-

SPECIAL BUSINESS

To consider and, if thought fit, pass the following Resolutions as ORDINARY RESOLUTIONS of the Company:

1. **Increase of Authorized Capital**

   That the share capital of the Company be increased from Shs. 16,000,000/- to Shs. 22,500,000/- by the creation of 1,300,000 additional Ordinary Shares of Shs. 5/- each.

2. **Capitalization of Revenue Reserves**

   That it is desirable to capitalize the sum of Shs. 6,019,750/- being part of the amount standing to the credit of the Revenue Reserve account in the books of the Company, and accordingly that subject to Exchange Control approval such sum be set free for distribution amongst the holders of the Ordinary Shares of the Company on the Register of Members at the close of business on the 30th November, 1993 in the proportion in which they hold such shares respectively on that day on condition that the same be not paid in cash but be applied in paying up in full at par 1,203,950 Ordinary Shares of Shs. 5/- each to be alloted and distributed credited as fully paid up to and amongst the said holders of Ordinary Shares in the proportions aforesaid, and the Directors shall give effect to this Resolution.

3. **Fractions**

   That should any of the said 1,203,950 Ordinary Shares not being issued by reason of any fractions of the share being disregarded, the Directors be authorized to allot and issue the same to such persons and upon such terms and conditions as they may deem fit.

ORDINARY BUSINESS

4. To receive the Directors' Report and audited accounts for the year ended 31st July 1993.
5. To approve Directors' fees.
6. To declare a final dividend on the proposed increased capital as recommended by the Directors.
7. To re-elect Directors.
8. To authorize the Directors to fix the remuneration of the auditors, Deloitte & Touche.

By Order of the Board

Nairobi
5th November 1993

2007/0791

N.P. KOTHARI
Secretary

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.

CARBACID INVESTMENTS LIMITED

Directors:	S G SMITH (Chairman) SIR PETER HEWETT, BT HON K S N MATIBA, MP R A SHEPHERD J M WANJIGI
Secretary:	N P KOTHARI
Registrars:	SPECIALIST CORPORATE CONSULTANTS, P.O. BOX 30633, NAIROBI
Registered Office:	COMCRAFT HOUSE, HAILE SELASSIE AVENUE, P.O. BOX 30633, NAIROBI
Auditors:	DELOITTE & TOUCHE P.O. BOX 40092, NAIROBI
Bankers:	KENYA COMMERCIAL BANK LIMITED, P.O. BOX 30081, NAIROBI STANDARD CHARTERED BANK KENYA LIMITED, P.O. BOX 18081, NAIROBI.

CARBACID INVESTMENTS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31ST JULY 1993

GENERAL

The Company has performed extremely well in the year ended 31st July 1993.

SALES

Sales of carbon dioxide gas have been strong and export sales have been good.

DEVELOPMENTS

After several years of heavy investment in plant and buildings the Company's business is soundly based and we maintain our policy of supplementing and renewing our vehicles, tanks and equipment on a regular basis.

DIVIDENDS

An interim dividend of 12% (1992-10%) was paid in April and the Directors have recommended that a final dividend of 18% (1992-15%) be paid in December.

CAPITALIZATION ISSUE

As announced in the press, it is proposed, subject to Exchange Control approval, to make a capitalization issue of two new shares for every five shares held. The new shares will also be entitled to the final dividend.

FUTURE PROSPECTS

Your Company continues to enjoy increases in sales volumes and profitability.

MR BERNARD KAMPF

It is with very great regret that I have to advise the death of Mr Bernard Kampf on 23rd August 1993 who was one of the founders of the Company and a Director since its inception whose advice over the years has contributed greatly to the success of the Company.

Mr Kampf will be sadly missed as a valued colleague on the Board of Directors and from all of us, Directors, Shareholders and Staff alike we extend our deepest sympathy to Mr Kampf's family.

SIR PETER HEWETT

We are very pleased to announce the appointment of Sir Peter Hewett as a Director of the Company. Sir Peter has been a friend and colleague over many years and is a respected lawyer and business adviser of long standing to whom, on behalf of us all, we extend a very warm welcome.

STAFF

On behalf of the Board of Directors and our Shareholders I wish to convey our appreciation to all management and staff for their continued good work.

Nairobi
5th October 1993

S G SMITH
Chairman

227315/6

CARBACID INVESTMENTS LIMITED

TAARIFA YA MWENYEKITI YA MWAKA ULIOIMALIZIKA JULAI 31 1993

MAELEZO KWA UJUMLA

Kampuni hii imefanya vyema sana katika mwaka uliomalizika Julai 31 1993.

MAUZO

Mauzo ya gesi ya carbon dioxide yamekuwa mathubuti na mauzo yake katika nchi za kigeni yamekuwa mazuri.

MASTAWISHO

Baada ya kutumia pesa nyingi kwa miaka kadhaa kuweka rasilmali katika mitambo na majengo biashara ya Kampuni hii ni imara thabiti na tunadumisha maongozi yetu ya kutimiliza na kufanyiza upya magari yetu, matangi na zana kwa ratiba ya mara kwa mara.

MIGAO YA FAIDA

Mgao wa muda wa faida asilimia 12 (asilimia 10 mnamo 1992) ulilipwa mnamo Aprili na Wakurugenzi wamependekeza kwamba mgao wa mwisho wa faida wa asilimia 18 (asilimia 15 mnamo 1992) ulipwe mnamo Desemba.

TOLEO LA RASILMALI ZA HISA

Kama ilivyotangazwa magazetini, imependekezwa, kutegemea kibali cha Usimamizi wa mauzo ya hisa, kuongeza rasilmali za hisa kwa toleo la hisa mbili mpya kwa kila hisa tano zinazohifadhiwa. Hisa hizo mpya pia zitastahili kupata mgao wa mwisho wa faida.

MATUMAINI YA BAADAYE

Kampuni yetu inaendelea kupata mafanikio katika viwango vya mauzo na faida.

BW BERNARD KAMPF

Ni kwa masikitiko makubwa kwamba natangaza kifo cha Bw Bernard Kampf kilichotokea mnamo Agosti 23, 1993 aliyekuwa mmoja wa waanzilishi wa Kampuni hii na Mkurugenzi tangu ilipoanzishwa na ambaye mawaidha yake kwa miaka mingi yalinufaisha sana Kampuni hii.

Tutamkosa sana Bw Kampf kwa huzuni kama mwanachama wa manufaa sana katika Halmashauri ya Wakurugenzi na kutoka sisi sote, Wakurugenzi, Wenyehisa pamoja na Wafanya Kazi tunapeleka risala za rambi rambi kwa jamaa ya Bw Kampf.

SIR PETER HEWETT

Tunafurahi kutangaza uteuzi wa Sir Peter Hewett kama Mkurugenzi wa Kampuni hii.

Sir Peter amekuwa rafiki na mwenzetu kwa miaka mingi na ni wakili anayeheshimiwa na mshauri wa biashara mwenye maarifa ya miaka mingi ambaye kwa niaba yetu sisi sote tunamkaribisha kwa furaha nyingi.

WAFANYA KAZI

Kwa niaba ya Wakurugenzi na Wenyehisa wetu ningependa kuwashukuru wasimamizi wote na Wafanya Kazi kwa kazi nzuri wanayoendelea kufanya.

Nairobi
Oktoba 5 1993

S G SMITH
Mwenyekiti

CARBACID INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the group accounts for the year ended 31st July 1993.

ACTIVITIES

The company is a holding company with one wholly owned operating subsidiary, Carbacid (CO_2) Limited, whose principal activity is the mining of carbon dioxide gas.

PROFIT AND DIVIDENDS

	K£
The group profit for the year before taxation was	1,870,616
Group taxation for the year amounted to	660,038
Leaving a group profit after taxation available for appropriation of	1,210,578
An interim dividend of 12% (1992 - 10%) amounting to K£ 90,296 (1992 - K£ 75, 247) was paid on 30th April 1993 and a final dividend of 18% (1992 - 15%) is proposed on the issued share capital as increased by the proposed capitalization issue of 2 shares for every 5 in issue. The dividends amount to	279,918
Leaving a retained profit for the year transferred to revenue reserve of	930,660

DIRECTORS

The directors since 1st August 1992 have been:

S.G.Smith	(Chairman)
B.A. Kampf	(Died 23rd August 1993)
R.A. Shepherd	
J.M. Wanjigi	
Hon. K.S.N. Matiba, M.P.	(Appointed 29th April 1993)
Sir Peter Hewett Bt.	(Appointed 5th October 1993)

Mr. R.A. Shepherd retires by rotation and, being eligible, offers himself for re-election.

Hon. K.S.N. Matiba, M.P. and Sir Peter Hewett Bt., who were appointed directors of the company on 29th April 1993 and 5th October 1993 respectively retire in accordance with the company's articles of association and, being eligible, offer themselves for re-election.

REPORT OF THE DIRECTORS *Continued*

AUDITORS

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

By Order of the Board

N.P. KOTHARI
Secretary

Nairobi
5th October 1993

REPORT OF THE AUDITORS
TO THE MEMBERS OF CARBACID INVESTMENTS LIMITED

We have examined the accounts on pages 9 to 18 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 1993 and of the profit and source and application of funds of the group for the year ended on that date.

DELOITTE & TOUCHE

Certified Public Accountants (Kenya)

Nairobi
5th October 1993

BALANCE SHEETS 31ST JULY 1993

	Note	GROUP 1993 K£	GROUP 1992 K£	COMPANY 1993 K£	COMPANY 1992 K£
FIXED ASSETS	7	6,407,029	6,909,326	421,337	429,080
SUBSIDIARY	8	—	—	7,931,054	7,025,999
INVESTMENTS	9	32,470	11,030	32,470	11,030
CURRENT ASSETS					
Stocks	10	339,436	212,577	—	—
Debtors	11	714,708	389,496	393	870
Dividend receivable from subsidiary		—	—	258,000	128,000
Short term deposits		2,699,218	1,660,678	—	—
Bank balances and cash		296,651	60,604	14,878	32,742
		4,050,013	2,323,355	273,271	161,612
CURRENT LIABILITIES					
Creditors	12	565,417	335,041	38,847	43,424
Taxation		636,433	432,573	27,576	—
Proposed dividend (gross)		189,622	112,870	189,622	112,870
		1,391,472	880,484	256,045	156,294
NET CURRENT ASSETS		2,658,541	1,442,871	17,226	5,318
		9,098,040	8,363,227	8,402,087	7,471,427
Financed by:					
SHARE CAPITAL	13	752,468	752,468	752,468	752,468
RESERVES	14	7,649,619	6,718,959	7,649,619	6,718,959
SHAREHOLDERS' FUNDS		8,402,087	7,471,427	8,402,087	7,471,427
TAX EQUALISATION ACCOUNT	15	695,953	891,800	—	—
		9,098,040	8,363,227	8,402,087	7,471,427

The accounts on pages 9 to 18 were approved by the Board of Directors on 5th October 1993 and were signed on its behalf by:

S.G. SMITH
P.J.S. HEWETT
Directors

CARBACID INVESTMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 1993

	Note		1993 K£		1992 K£
TURNOVER			3,004,869		1,958,962
PROFIT BEFORE TAXATION	2		1,870,616		806,428
TAXATION	3		660,038		365,358
PROFIT AFTER TAXATION AVAILABLE FOR APPROPRIATION	4		1,210,578		441,070
DIVIDENDS	5		279,918		188, 117
RETAINED PROFIT FOR THE YEAR	14		930,660		252,953
EARNINGS PER SHARE	6	Shs	8.04	Shs	2.93
DIVIDENDS PER SHARE	6	Shs	1.86	Shs	1.25

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST JULY 1993

	1993 K£	1992 K£
SOURCE OF FUNDS		
Profit before taxation	1,870,616	806,428
Adjustments for items not involving the movement of funds:		
Depreciation	767,159	730,735
Profit on disposal of fixed assets	(19,331)	(20,201)
Loss on disposal of investments	—	357
Total generated from operations	2,618,444	1,517,319
Loan repaid	—	360,000
Proceeds on disposal of fixed assets	32,401	68,062
Proceeds on disposal of investments	—	160,000
INFLOW OF FUNDS	2,650,845	2,105,381
APPLICATION OF FUNDS		
Taxation paid	652,025	847,481
Dividends paid	203,166	188,117
Fixed assets purchased	277,932	658,736
Investments purchased	21,440	—
OUTFLOW OF FUNDS	1,154,563	1,694,334
NET INFLOW OF FUNDS	1,496,282	411,047
Represented by:		
MOVEMENT IN WORKING CAPITAL:		
Stocks	126,859	44,950
Debtors	325,212	(4,658)
Creditors	(230,376)	(22,547)
	221,695	17,745
Movement in net liquid funds:		
Short term deposits	1,038,540	400,485
Bank balances and cash	236,047	(7,183)
	1,274,587	393,302
	1,496,282	411,047

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 1993

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 fixed assets.

(b) CONSOLIDATION

The consolidated accounts include the assets, liabilities and revenue results of the company and its subsidiary company made up to 31st July.

(c) TURNOVER

Turnover represents the value of carbon dioxide gas and dry ice invoiced to customers, excluding value added tax.

(d) DEPRECIATION

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

Short leasehold land and buildings	2% - 5%
Boreholes	5%
Roads	10%
Motor vehicles	25%
Plant and equipment	5% - 33.33 %

(e) INVESTMENTS

Investments are stated at the lower of cost and net realisable value. Income from these investments is accounted for when received.

(f) STOCKS

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

(g) TAXATION

Current taxation is provided for on the basis of results for the year as shown in the accounts, adjusted in accordance with tax legislation.

NOTES TO THE ACCOUNTS *Continued*

(h) TAX EQUALISATION ACCOUNT

The tax equalisation account balance represents the unutilised amount previously provided for as deferred taxation, which is no longer required. The movement in the balance on this account represents an annual transfer to taxation account of an amount equal to the excess of the actual taxation charge over the derived current taxation charge on the accounting profit at the ruling tax rate.

(i) FOREIGN CURRENCIES

Assets and liabilities expressed in foreign currencies are translated into Kenya Shillings at the rates of exchange ruling at the balance sheet date. Foreign currency trading transactions are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in the profit and loss account.

2 CONSOLIDATED PROFIT BEFORE TAXATION

	1993 K£	1992 K£
The consolidated profit before taxation is arrived at after charging:		
Directors' emoluments		
Emoluments as directors	26,687	23,209
Other emoluments	105,202	76,685
Auditors' remuneration	17,500	13,553
Depreciation	767,159	730,735
and after crediting:		
Dividends from quoted investments	6,081	3,911
Gain on foreign exchange	73,432	—
Interest on loan	3,195	69,403
Interest on deposits	367,747	203,961
Profit on disposal of fixed assets	19,331	20,201
Rent receivable	94,500	4,500

NOTES TO THE ACCOUNTS *Continued*

3 TAXATION

	1993 K£	1992 K£
Income tax on adjusted profit for the year at 35% (1992 - 45%)	855,144	629,771
Withholding tax - qualifying dividends	741	587
Transfer from tax equalisation account	(195,847)	(265,000)
	660,038	365,358

The taxable profit is materially greater than the accounting profit mainly due to the excess of depreciation over capital allowances.

At 31st July 1993, there were trading tax losses amounting to K£ 36,067 (1992 - K£ 20,106) carried forward in respect of the holding company.

4 PROFIT AFTER TAXATION

Of the group profit for the year after taxation K£ 385,679 (1992 - K£ 198,496) has been dealt with in the accounts of the holding company.

5 DIVIDENDS

Dividends are shown gross and comprise:

	1993 K£	1992 K£
Interim paid	90,296	75,247
Final proposed	189,622	112,870
	279,918	188,117

6 EARNINGS PER SHARE AND DIVIDENDS PER SHARE

Earnings per share is based on the profit after taxation for the year and on the shares in issue at 31st July.

Dividends per share is based on the gross dividends for the year and on the shares in issue at 31st July.

NOTES TO THE ACCOUNTS *Continued*

7 FIXED ASSETS

GROUP

	Short leasehold land, buildings and boreholes K£	Roads K£	Motor vehicles K£	Plant and equipment K£	Total K£
COST OR VALUATION					
At 1st August 1992	925,521	58,783	903,173	6,510,377	8,397,854
Additions	21,660	130,792	28,455	97,025	277,932
Disposals	—	—	(26,062)	(14,783)	(40,845)
At 31st July 1993	947,181	189,575	905,566	6,592,619	8,634,941
Comprising:					
Valuation at 1st September 1990	—	—	77,538	—	77,538
Valuation at 31st July 1990	490,001	25,000	355,250	6,167,298	7,037,549
Valuation at 31st July 1986	—	—	—	445	445
Valuation at 31st July 1983	—	—	—	1,322	1,322
Cost	457,180	164,575	472,778	423,554	1,518,087
	947,181	189,575	905,566	6,592,619	8,634,941
DEPRECIATION					
At 1st August 1992	38,835	8,378	364,752	1,076,563	1,488,528
Charge for the year	28,398	18,958	184,140	535,663	767,159
Eliminated on disposals	—	—	(26,061)	(1,714)	(27,775)
At 31st July 1993	67,233	27,336	522,831	1,610,512	2,227,912
NET BOOK VALUE					
At 31st July 1993	879,948	162,239	382,735	4,982,107	6,407,029
At 31st July 1992	886,686	50,405	538,421	5,433,814	6,909,326

At 31st July 1993, certain assets stated at cost or valuation of K£ 22,345 (1992 - K£ 39,078) had been fully depreciated. The normal annual depreciation charge would have been K£ 6,130 (1992 - K£ 10,624).

NOTES TO THE ACCOUNTS *Continued*

7 FIXED ASSETS *Continued*

COMPANY

	Short leasehold land and buildings K£
COST	
At 1st August 1992 and 31st July 1993	429,080
DEPRECIATION	
At 1st August 1992	–
Charge for the year	7,7[illegible]
At 31st July 1993	7,[illegible]
NET BOOK VALUE	
At 31st July 1993	421,337
At 31st July 1992	429,080

	1993 K£	1992 K£
8 SUBSIDIARY		
Shares at net asset valuation	7,673,166	6,848,267
Amount due by subsidiary	257,888	177,732
	7,931,054	7,025,999
9 INVESTMENTS		
GROUP AND COMPANY		
Quoted investments — Cost	32,470	11,030
— Market value	102,220	49,751

NOTES TO THE ACCOUNTS *Continued*

		1993 K£	1992 K£
10	**STOCKS**		
	GROUP		
	Carbon dioxide gas and dry ice	15,812	15,041
	Spare parts, fuel and chemicals	323,624	197,536
		339,436	212,577

		GROUP		COMPANY	
		1993 K£	1992 K£	1993 K£	1992 K£
11	**DEBTORS**				
	Trade debtors	458,333	343,441	—	—
	Prepayments	153,818	—	—	—
	Other debtors	102,557	46,055	393	870
		714,708	389,496	393	870
12	**CREDITORS**				
	Trade creditors	58,916	35,306	—	—
	Cylinder deposits	187,076	150,647	—	—
	Unclaimed dividends	36,447	40,709	36,447	40,709
	Other creditors	282,978	108,379	2,400	2,715
		565,417	335,041	38,847	43,424

		1993 K£	1992 K£
13	**SHARE CAPITAL**		
	Authorised:		
	3,200,000 ordinary shares of sh 5 each	800,000	800,000
	Issued and fully paid:		
	3,009,873 ordinary shares of sh 5 each	752,468	752,468

NOTES TO THE ACCOUNTS *Continued*

14 RESERVES

	Capital K£	Revenue K£	Total K£
GROUP			
At 1st August 1992	4,303,755	2,415,204	6,718,959
Retained profit for the year	—	930,660	930,660
Revaluation surplus realised on disposal of fixed assets	(3,598)	3,598	—
At 31st July 1993	4,300,157	3,349,462	7,649,619
COMPANY			
At 1st August 1992	6,680,830	38,129	6,718,959
Retained profit for the year	—	105,761	105,761
Surplus on revaluation of investment in subsidiary	824,899	—	824,899
At 31st July 1993	7,505,729	143,890	7,649,619

15 TAX EQUALISATION ACCOUNT

	1993 K£	1992 K£
GROUP		
At 1st August	891,800	1,156,800
Transfer to current taxation account	(195,847)	(265,000)
At 31st July	695,953	891,800

16 CAPITAL COMMITMENTS

GROUP		
Contracted but not provided for in these accounts	378,814	—

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 Thursday, 23rd December 1993 at 12 noon, or at any adjournment thereof.

Dated ..... 1993 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.

Fold 2
Kisa Kunja Hapa

STICK STAMP HERE

Fold 1
Kunja hapa kwanza

Company Secretary
Carbacid Investments Limited
P.O. Box 30633
Nairobi
Kenya

Fold 3
Halafu Kunja Hapa

Insert flap inside
Sasa Ingiza hii karatasi ndani ya
mkunjo ili ionekane kama bahasha

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