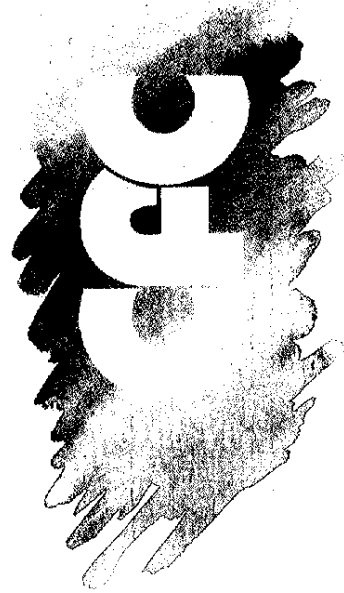


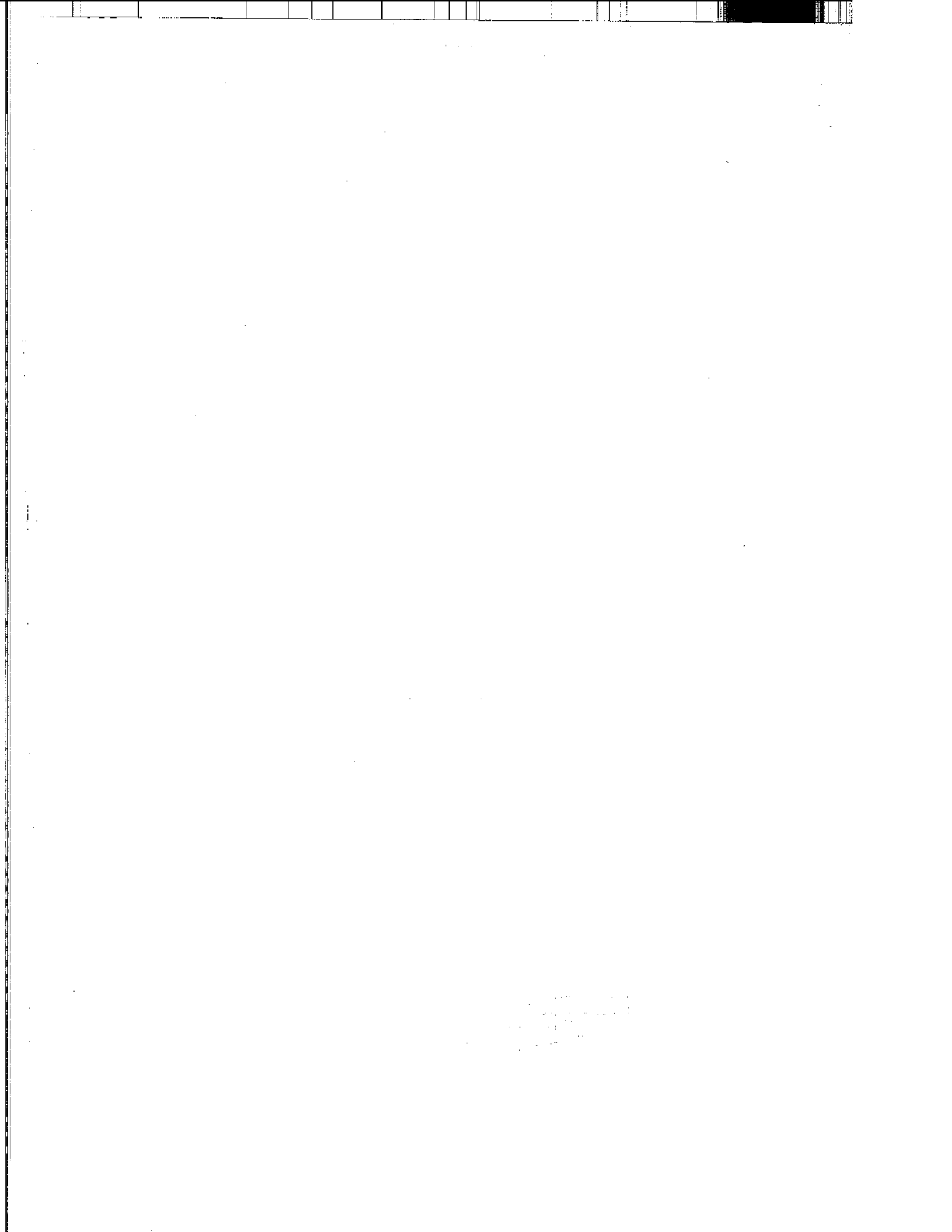
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Fold 2
Kisa kunja hapa

Stamp

Company Secretary
Credit Finance Corporation Limited
P.O. Box 72833
Nairobi
Kenya

Fold 1
Kunja hapa kwanza

Fold 3
Halafu kunja hapa

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

Proxy

I/We _____

of _____
being a member/members of the above Company hereby appoint

_____ of _____

or failing him/her _____

_____ of _____
or failing him/her, the duly appointed Chairman of the meeting as my/our proxy to vote
for me/us on my/our behalf at the Annual General Meeting of the Company to be held on
15 October 1991 and at every adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 1991.

Member

NOTES:

1. To be valid this proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.
2. If the appointer is a Corporation, the Proxy must be under its common seal or under the hand of an Officer or Attorney duly authorised in writing.

Mwakilishi

Mimi/Sisi _____

wa _____
kama mwanachama/wanachama wa Kampuni iliyotajwa hapo juu, hapa

namchagua/tunamchagua _____ wa _____

ama akikosa _____ wa _____ ama
akikosa yeye, basi namchagua/tunamchagua yule aliyechaguliwa Mwenyekiti wa Mkutano
huu kuwa Mwakilishi wangu/wetu, kunipigia/kutupigia kura kwa niaba yangu/yetu katika
Mkutano Mkuu wa Kampuni wa Mwaka utakaofanywa tarehe 15 Octoba 1991 ama tarehe
yo yote ile iwapo Mkutano utaahirishwa.

Kama shahidi natia/tunatia sahihi hii/hizi _____ siku hii ya _____ 1991.

Mwanachama

UKUMBUSHO:

1. Ili uthibitishwe Karatasi hii ya Mwakilishi inapaswa kupelekwa kwa Ofisi iliyoandikishwa ya Kampuni katika muda usiopungua masaa 48 kabla ya muda uliowekwa wa Mkutano.
2. Ikiwa mwenye kuchagua ni Shirika basi Karatasi ya Mwakilishi lazima ibandikwe ule muburi wa Kampuni wa kawaida ama kibali cha Ofisa ama Attorney aliyepewa kibali kwa maandishi.

Notes to the Accounts (continued)

12. Share Capital	1991 Sh	1990 Sh
Authorised:		
12,000,000 ordinary shares of Sh 5 each	60,000,000	60,000,000
Issued and fully paid:		
12,000,000 (1990 - 7,000,000) ordinary shares of Sh 5 each	60,000,000	35,000,000

13.a) Reserves - Group

	Share premium Sh	Capital Sh	Revenue Sh	Total Sh
At 1 April 1990	200,000	73,095,997	57,116,366	130,412,363
Capitalisation on issue of bonus shares	-	-	(25,000,000)	(25,000,000)
Surplus on revaluation	-	1,675,000	-	1,675,000
Depreciation written back on revaluation	-	261,308	-	261,308
Retained profit for the year	-	-	19,319,304	19,319,304
At 31 March 1991	200,000	75,032,305	51,435,670	126,667,975

b) Reserves - Company

At 1 April 1990	200,000	73,095,997	57,116,366	130,412,363
Capitalisation on issue of bonus shares	-	-	(25,000,000)	(25,000,000)
Surplus on revaluation	-	1,675,000	-	1,675,000
Depreciation written back on revaluation	-	261,308	-	261,308
Retained profit for the year	-	-	19,079,602	19,079,602
At 31 March 1991	200,000	75,032,305	51,195,968	126,428,273

14. Capital commitments	1991 Sh	1990 Sh
Authorised but not contracted for	1,600,000	700,000

Notes to the Accounts (continued)

11. b) Fixed Assets - Company

	Leasehold land and buildings Sh	Motor vehicles Sh	Furniture and equipment Sh	Total Sh
Cost or Valuation				
At 1 April 1990	76,325,000	3,446,080	8,289,588	88,060,668
Additions	402,500	-	3,787,609	4,190,109
Surplus on revaluation	1,675,000	-	-	1,675,000
At 31 March 1991	78,402,500	3,446,080	12,077,197	93,925,777
Cost	402,500	3,446,080	12,077,197	15,925,777
Valuation in 1988	75,000,000	-	-	75,000,000
Valuation in 1991	3,000,000	-	-	3,000,000
	78,402,500	3,446,080	12,077,197	93,925,777
Depreciation				
At 1 April 1990	231,762	1,308,530	5,538,518	7,078,810
Charge for the year	29,546	712,500	1,753,703	2,495,749
Eliminated on revaluation	(261,308)	-	-	(261,308)
At 31 March 1991	-	2,021,030	7,292,221	9,313,251
Net Book Value				
At 31 March 1991	78,402,500	1,425,050	4,784,976	84,612,526
At 1 April 1990	76,093,238	2,137,550	2,751,070	80,981,858

Motor vehicles, furniture and equipment stated at a cost of Sh 4,115,439 have been fully depreciated. The normal annual depreciation charge in respect of these assets would be Sh 852,892.

The Mombasa property was revalued at 31 March 1991 on an existing use basis by Burn & Fawcett, Chartered Surveyors, Valuers and Estate Agents.

Notes to the Accounts (continued)

11. a) Fixed Assets - Group

	Leasehold land and buildings Sh	Motor vehicles Sh	Furniture and equipment Sh	Total Sh
Cost or Valuation				
At 1 April 1990	76,325,000	3,446,080	8,289,588	88,060,668
Additions	402,500	2,205,311	3,867,609	6,475,420
Surplus on revaluation	1,675,000	-	-	1,675,000
At 31 March 1991	78,402,500	5,651,391	12,157,197	96,211,088
Cost	402,500	5,651,391	12,157,197	18,211,088
Valuation in 1988	75,000,000	-	-	75,000,000
Valuation in 1991	3,000,000	-	-	3,000,000
	78,402,500	5,651,391	12,157,197	96,211,088
Depreciation				
At 1 April 1990	231,762	1,308,530	5,538,518	7,078,810
Charge for the year	29,546	1,263,828	1,753,703	3,047,077
Eliminated on revaluation	(261,308)	-	-	(261,308)
At 31 March 1991	-	2,572,358	7,292,221	9,864,579
Net Book Value				
At 31 March 1991	78,402,500	3,079,033	4,864,976	86,346,509
At 1 April 1990	76,093,238	2,137,550	2,751,070	80,981,858

Motor vehicles, furniture and equipment stated at a cost of Sh 4,115,439 have been fully depreciated. The normal annual depreciation charge in respect of these assets would be Sh 852,892.

The Mombasa property was revalued at 31 March 1991 on an existing use basis by Burn & Fawcett, Chartered Surveyors, Valuers and Estate Agents.

Notes to the Accounts (continued)

7. Debtors

Debtors are stated after provision for bad and doubtful debts and unearned charges.

	1991 Sh	1990 Sh
8. Depositors		
Third party	1,415,955,513	1,276,927,246
Subsidiary	22,732,525	-
	<u>1,438,688,038</u>	<u>1,276,927,246</u>

9. Other investment - Group and Company

K&500,000 10.75% Kenya Government Stock 2000 at cost	<u>9,775,000</u>	<u>9,775,000</u>
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10. Investment in Subsidiary and Associated Companies

Company	Beneficial Ownership	Group		Company	
		1991 Sh	1990 Sh	1991 Sh	1990 Sh
Downtown Securities Limited	75%	-	-	30,000	30,000
Metropolitan Hire Purchase Company Limited	24%	480,000	-	480,000	-
		<u>480,000</u>	<u>-</u>	<u>510,000</u>	<u>30,000</u>

Metropolitan Hire Purchase Company Limited has not been accounted for as an associated company as envisaged by Kenya Accounting Standard number 12 because the amounts involved are immaterial.

Notes to the Accounts (continued)

	1991 Sh	1990 Sh
2. Consolidated profit before taxation		
The profit before taxation is arrived at after charging:		
Depreciation	3,047,077	1,861,521
Auditors' remuneration	340,000	270,500
Directors' emoluments		
Fees	715,000	207,885
Other	969,160	809,660
and after crediting:		
Income from other investment	<u>1,075,000</u>	<u>1,075,000</u>

3. Taxation

Taxation is based on the chargeable profit for the year and comprises:

Income tax at 40% (1990 - 42.5%)	<u>23,231,665</u>	<u>20,571,788</u>
----------------------------------	-------------------	-------------------

No provision for deferred taxation is required.

4. Profit after taxation and minority interest

Profit after taxation and minority interest dealt with in the accounts of Credit Finance Corporation Limited is Sh 29,579,602 (1990 - Sh 23,738,463).

	1991 Sh	1990 Sh
5. Dividend - gross		
First and final dividend proposed	<u>10,500,000</u>	<u>8,750,000</u>

6. Earnings per share

Earnings per share is arrived at by dividing the profit after taxation and minority interest by the number of issued shares at 31 March 1991. The 1990 comparative has accordingly been adjusted as a result of the bonus issue during the year.

Notes to the Accounts for the year ended 31 March 1991

1. Accounting policies

a) Basis of accounting

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

b) Consolidation

The Group accounts incorporate the results, assets and liabilities of the subsidiary company, Downtown Securities Limited, whose accounts have been prepared for the 18 months ended 31 March 1991.

c) Income

Income derived from finance charges is, where appropriate, calculated on the reducing balance method by reference to the net investment in the finance agreements.

d) Depreciation

The cost or valuation of leasehold land and buildings, with the exception of land held for development, is written off over the life of the lease.

Depreciation is calculated to write off the cost of other fixed assets in equal annual instalments at the following rates:

Motor vehicles	25%
Furniture and equipment	20% - 25%

e) Deferred taxation

Deferred taxation is provided using the liability method on differences which may arise from timing between the treatment of certain items for accounting and taxation purposes, except where the differences are not expected to reverse in the foreseeable future.

Consolidated Statement of Source and Application of Funds for the year ended 31 March 1991

	1991 Sh	1990 Sh
Source of funds		
Funds generated from operations		
Consolidated profit before taxation	54,730,870	44,310,251
Adjustment for items not involving the movement of funds:		
Depreciation	3,047,077	1,861,521
Profit on sale of fixed assets	-	(224,980)
	<hr/> 57,777,947	<hr/> 45,946,792
Funds from other sources		
Proceeds on issue of shares	40,000	-
Proceeds on sale of fixed assets	-	225,000
	<hr/> 57,817,947	<hr/> 46,171,792
Application of funds		
Payment of dividend	8,750,000	8,750,000
Purchase of fixed assets	6,475,420	3,952,839
Payment of taxation	23,684,747	18,720,853
Purchase of investments	480,000	30,000
	<hr/> 39,390,167	<hr/> 31,453,692
	<hr/> 18,427,780	<hr/> 14,718,100
Movement in working capital		
Increase in debtors	139,999,812	122,418,365
Increase/(decrease) in treasury bills	13,400,000	(41,000,000)
Increase in depositors and creditors	(156,048,602)	(197,054,107)
	<hr/> (2,648,790)	<hr/> (115,635,742)
Movement in net liquid funds:		
Bank accounts and cash	(4,123,430)	1,553,842
Money at call and short notice	25,200,000	128,800,000
	<hr/> 18,427,780	<hr/> 14,718,100

Company Balance Sheet 31 March 1991

	Note	1991 Sh	1990 Sh
Current Assets			
Debtors	7	1,054,510,026	914,512,158
Dividend receivable from subsidiary company		4,800,000	-
Treasury bills		118,400,000	105,000,000
Money at call and short notice		386,500,000	361,300,000
Bank accounts and cash		15,580,502	19,876,285
		<u>1,579,790,528</u>	<u>1,400,688,443</u>
Current Liabilities			
Depositors	8	1,438,688,038	1,276,927,246
Creditors		22,755,971	18,870,537
Taxation		16,315,772	21,515,155
Proposed dividend - gross		10,500,000	8,750,000
		<u>1,488,259,781</u>	<u>1,326,062,938</u>
Net Current Assets		91,530,747	74,625,505
Other Investment	9	9,775,000	9,775,000
Investment in subsidiary and associated companies	10	510,000	30,000
Fixed Assets	11	84,612,526	80,981,858
		<u>186,428,273</u>	<u>165,412,363</u>
Financed by:			
Share capital	12	60,000,000	35,000,000
Reserves	13	126,428,273	130,412,363
Shareholders' funds		<u>186,428,273</u>	<u>165,412,363</u>

The accounts on pages 9 to 18 were approved by the Board of Directors on 19 July 1991 and were signed on its behalf by:

P K Jani *Director*

M P Manji *Director*

Consolidated Balance Sheet 31 March 1991

	Note	1991 Sh	1990 Sh
Current Assets			
Debtors	7	1,054,511,970	914,512,158
Treasury bills		118,400,000	105,000,000
Money at call and short notice		386,500,000	361,300,000
Bank accounts and cash		15,752,855	19,876,285
		<u>1,575,164,825</u>	<u>1,400,688,443</u>
Current Liabilities			
Depositors		1,415,955,513	1,276,927,246
Creditors		35,890,872	18,870,537
Taxation		21,062,073	21,515,155
Proposed dividend - gross		10,500,000	8,750,000
		<u>1,483,408,458</u>	<u>1,326,062,938</u>
Net Current Assets		<u>91,756,367</u>	<u>74,625,505</u>
Other Investment			
	9	9,775,000	9,775,000
Investment in subsidiary and associated companies			
	10	480,000	30,000
Fixed Assets			
	11	86,346,509	80,981,858
		<u>188,357,876</u>	<u>165,412,363</u>
Financed by:			
Share capital			
	12	60,000,000	35,000,000
Reserves			
	13	126,667,975	130,412,363
Shareholders' funds		<u>186,667,975</u>	<u>165,412,363</u>
Minority interest		1,689,901	-
Net funds employed		<u>188,357,876</u>	<u>165,412,363</u>

The accounts on pages 9 to 18 were approved by the Board of Directors on 19 July 1991 and were signed on its behalf by:

P K Jani *Director*

M P Manji *Director*

Consolidated Profit and Loss Account for the year ended 31 March 1991

	Note	1991 Sh	1990 Sh
Consolidated profit before taxation	2	54,730,870	44,310,251
Taxation	3	23,231,665	20,571,788
Profit after taxation		31,499,205	23,738,463
Profit attributable to minority shareholders		1,679,901	-
Profit after taxation and minority interest	4	29,819,304	23,738,463
Dividend - gross	5	10,500,000	8,750,000
Retained profit for the year	13	19,319,304	14,988,463
Earnings per share	6	2.48	1.98

Report of the Auditors
To the Members of Credit Finance Corporation 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 31 March 1991 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

24 July 1991

Chairman's Statement

Despite the unfavourable economic climate, your Corporation has completed its 36th year of operations on a successful note.

As predicted, the Kenyan economy slowed somewhat in 1990; officially registering a real growth rate of 4.5%. Even with a sluggish economy, inflationary pressures were strong and, in response, the Government's monetary policy was to restrict the supply of money. This, of course, constrained the banking sector and, in particular, non-bank financial institutions like CFC. Furthermore, margins between banks and financial institutions were reduced yet again and, in consequence, there was increased competition for deposits within the financial system as a whole.

However, I am pleased to inform you that, despite these difficulties, the consolidated pre-tax profits increased by 23.5% to Sh 54.7 million. The deposit base grew by another 12.7% to Sh 1,439 million. Advances surpassed the one billion benchmark for the first time, recording total loans of Sh 1,054,511,970 compared with Sh 914,512,158 in 1989. The total assets of the Corporation stood at Sh 1,672 million.

In view of this very satisfactory performance, your Directors have resolved to recommend a first and final dividend of 17.5% on the increased capital. The sum to be paid by way of dividend will therefore be Sh 10,500,000 - an increase of 20% over the previous year.

You will recall that, at last year's Annual General Meeting, the shareholders passed a resolution to capitalise the sum of Sh 25,000,000 from the revenue reserves, for the purpose of a five for seven bonus issue. The issued capital of your Corporation now stands at Sh 60,000,000 which is in line with the authorised capital. Your Directors are of the opinion that, due to the significant growth in the business of the Corporation, the capital base must be further expanded. There has, therefore, been included in the Agenda of the Annual General Meeting, a proposal to increase the authorised capital from Sh 60,000,000 to Sh 100,000,000.

In my report last year, I informed you of two developments in your Company: the setting up of a subsidiary called Downtown Securities Ltd. and the issuance of CFC Bearer Certificates of Deposits. The new subsidiary recorded a healthy profit in its first year of operations and the "CDs", as they are commonly known, have made a positive contribution to the increase in the deposit base.

With regard to future prospects, your Board is committed to maintaining the current profitability levels, despite the prevailing difficult economic climate, as outlined in the 1991/92 budget speech - so aptly titled "sustaining economic growth under adverse conditions through efficient mobilisation of resources". The Vice President and Minister for Finance focused his attention on reducing the budget deficit, promoting exports and liberalising imports. He decided, however, to prolong the advance towards a fully liberalised and competitive money market structure; thus restricting lending rates at current levels whilst deposit rates continue to rise.

The management team will renew its efforts in the areas of business development, client service and staff enhancement. I commend the leadership of the Managing Director and the commitment of the staff in furthering the progress of your Corporation.

Finally, I thank my Co-Directors for their support and devotion to the interests of your Company.

P K Jani
Chairman

Nairobi

22 July 1991

Notice of Meeting

Notice is hereby given that the thirty sixth Annual General Meeting of Credit Finance Corporation Limited will be held in the Tinga Tinga Room, The Norfolk Hotel, Harry Thuku Road, Nairobi on Tuesday 15 October 1991 at 11.30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To confirm the Minutes of the thirty-fifth Annual General Meeting held on 25 October 1990.
2. To receive and consider the Accounts for the year ended 31 March 1991 and the Directors' and Auditors' Reports thereon.
3. To approve the payment of a first and final dividend for the financial year ended 31 March 1991 of 17.5% on the Issued Share Capital.
4. To elect Directors in accordance with the Articles of Association.
5. To approve the Directors' remuneration for the financial year ended 31 March 1991.
6. To note that Messrs Deloitte Haskins & Sells continue as Auditors under the provisions of Section 159(2) of the Companies Act (Cap 486).
7. To authorise the Directors to fix the Auditors' remuneration.

SPECIAL BUSINESS

8. To consider and, if thought fit, adopt the following resolution which will be proposed as an ORDINARY RESOLUTION:

"That the share capital of the Company be increased to KShs. 100,000,000/- by the creation of 8,000,000 new shares of Shs. 5/- each ranking PARI PASSU in all respects with the existing shares in the share capital of the Company."

By Order of the Board

R N Githae
Secretary

Nairobi

16 September 1991

NOTE

A member entitled to attend and vote at the above mentioned meeting and any adjournment thereof is entitled to appoint a Proxy to attend and vote on his or her behalf. Such proxy need not be a member of the Company. A form of Proxy which must be lodged at the Registered Office of the Company not later than 48 hours before the time for holding the Meeting is enclosed.

Directorate and Administration

BOARD OF DIRECTORS

P K Jani *Chairman*
M P Manji *Managing Director*
F J Addly *Director*
J G Kiereini *Director*
C Njonjo *Director*

COMPANY SECRETARY

R N Githae

OFFICES

Registered Office:

KCS House,
Kaunda Street,
P.O. Box 72833,
NAIROBI.

Head Office:

KCS House,
Kaunda Street,
P.O. Box 72833,
NAIROBI.

Mombasa Branch:

Social Security House,
Nkrumah Road,
P.O. Box 84418,
MOMBASA.

AUDITORS

Deloitte Haskins & Sells,
P.O. Box 40092,
NAIROBI.

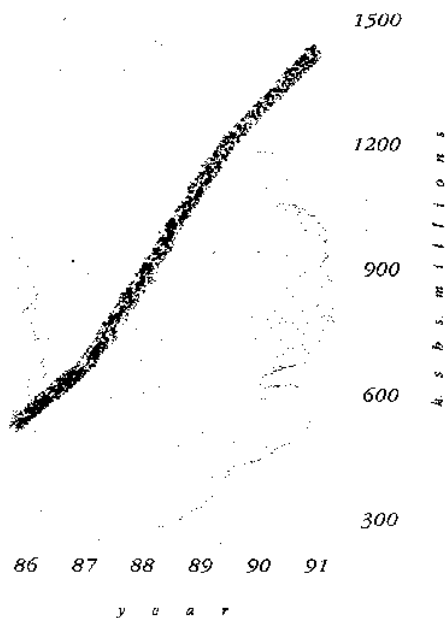
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REPORT ON THE FINANCIAL STATEMENTS OF THE BANK OF KENYA

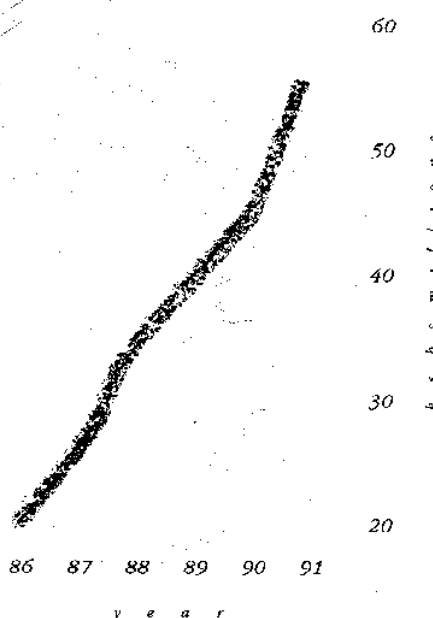
1. CFC Bank -- Periodic
2. Banks and Banking -- Kenya -- Periodic

Financial Highlights

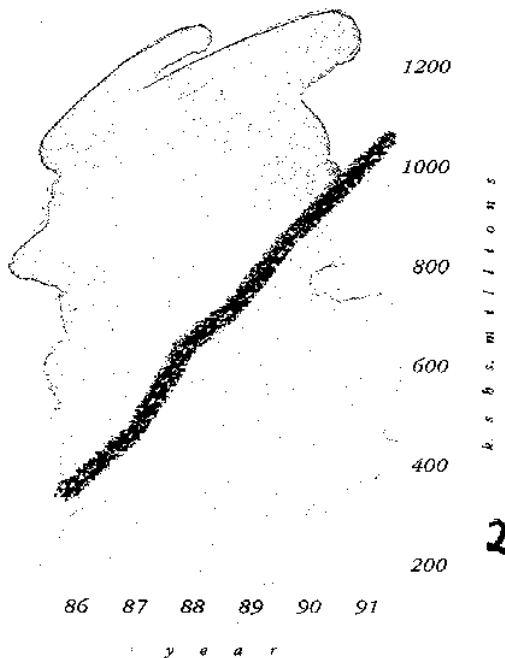
deposits



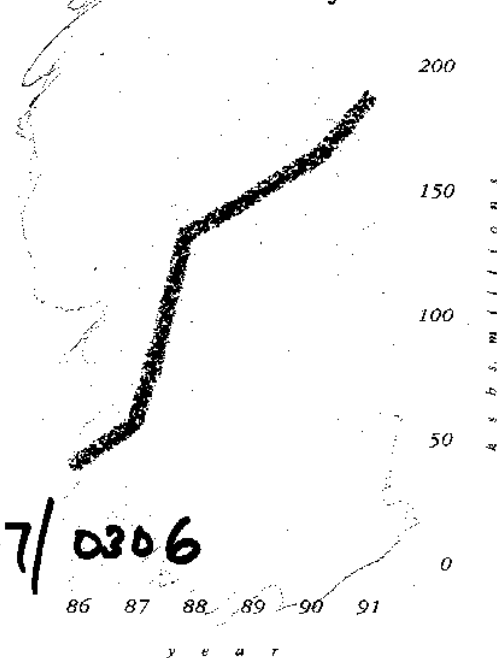
pre-tax profits



advances



shareholders' funds



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Credit Finance Corporation Limited
Annual Report and Accounts for the year ended 31 March 1991

