

FUNGUO INVESTMENTS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2013

The directors submit their report and the audited financial statements for the year ended 30 June 2013, which show the state of the company's affairs.

1. PRINCIPAL ACTIVITY

The company's principal activity is investment in shares.

2. RESULTS

The results for the year are set out on page 7.

3. DIVIDEND

The directors recommend the payment of a dividend of KShs 0.125 per share which represents 2.5% of the nominal value of issued and fully paid up ordinary shares of par value of KShs 5/= each (2012: KShs 0.50 per share or 2.5% of the nominal value of issued and fully paid up ordinary shares of par value of KShs 20/= each).

4. RESERVES

The reserves of the company are set out in note 9 to these financial statements.

5. DIRECTORS

The directors who served during the year and to the date of this report were:-

Peter M. Kimurwa	- Chairman
Charles N. Waigi	
Vincent H. L. Opanga	
Joseph C. Mwaura	- (Retired at the AGM held on 15.03.2013)
Dr. John P. N. Simba, OGW, MBS	
Mary W. Ngari, HSC, CBS	
I.C.D.C. (Alternate D.J.O. Oyieko, HSC)	
Peter K. Mwangi	- (Elected at the AGM held on 15.03.2013)
Lawrence K. Mwathe	- Managing Director

6. FINANCIAL STATEMENTS

As at the date of this report, the directors were not aware of any circumstances which would have rendered the values attributed to the assets and liabilities in the financial statements of the company misleading.

7. AUDITORS

Ernst & Young will retire from office at the conclusion of the 21st Annual General Meeting in accordance with Section 159(2) and Section 160(1) of the Kenyan Companies Act (Cap 486). In place of EY Ms. PSK Associates shall be appointed into office as Auditors during the 21st Annual General Meeting in accordance with Section 159(2) of the Kenyan Companies Act (Cap 486).

By Order of the Board

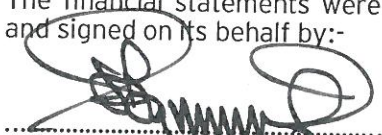



Grace M. Magunga
Secretary
20-12-2013

FUNGUO INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

NON-CURRENT ASSETS	Note	2013 KShs	2012 KShs
Property and equipment	2	638,587	307,019
Intangible assets	3	870,704	1,696,452
Financial instruments:			
Fair value through profit and loss	4 (a)	137,589,324	94,193,837
Available for sale	4 (b)	377,532,010	175,573,400
Held to maturity	4 (e)	53,449,854	53,974,915
Deferred tax	11	<u>178,997</u>	<u>94,313</u>
		<u>570,259,476</u>	<u>325,839,936</u>
CURRENT ASSETS			
Trade and other receivables	5	24,364,148	21,192,045
Tax recoverable	6	617,590	1,553,091
Fixed deposits	7	17,912,610	10,381,739
Bank balances	20	<u>18,091</u>	<u>1,102,616</u>
		<u>42,912,439</u>	<u>34,229,491</u>
TOTAL ASSETS		<u>613,171,915</u>	<u>360,069,427</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	196,647,120	163,873,980
Reserves	9	<u>412,302,328</u>	<u>193,295,653</u>
		<u>608,949,448</u>	<u>357,169,633</u>
CURRENT LIABILITIES			
Trade and other payables	12	<u>4,222,467</u>	<u>2,899,794</u>
TOTAL EQUITY AND LIABILITIES		<u>613,171,915</u>	<u>360,069,427</u>

The financial statements were approved by the Board of Directors on 20-12- 2013
and signed on its behalf by:-


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) Directors
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FUNGUO INVESTMENTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 KShs	2012 KShs
DIVIDEND INCOME	13	24,473,927	19,818,690
OTHER INCOME	14	<u>49,651,104</u>	<u>(730,742)</u>
		<u>74,125,031</u>	<u>19,087,948</u>
EXPENSES:-			
Administration and establishment	15	10,623,917	5,864,781
Share transactions	16	<u>379,973</u>	<u>77,771</u>
		<u>11,003,890</u>	<u>5,942,552</u>
PROFIT BEFORE TAX	17	63,121,141	13,145,396
INCOME TAX EXPENSE	6	<u>(6,941,644)</u>	<u>(6,509,152)</u>
PROFIT FOR THE YEAR		56,179,497	6,636,244
OTHER COMPREHENSIVE INCOME			
Gain/ (loss) on available-for-sale investments		<u>199,697,168</u>	<u>(102,275,000)</u>
TOTAL COMPREHENSIVE INCOME		<u>255,876,665</u>	<u>(95,638,756)</u>
EARNINGS PER SHARE:-			
Basic and diluted (KShs)	18	<u>1.43</u>	<u>0.81</u>