

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2021

	GROUP		COMPANY	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Revenue from contracts with customers	349,325,969	269,095,810	-	-
Cost of sales	(189,792,639)	(216,660,772)	-	-
Gross profit	159,533,330	52,435,038	-	-
Fair value gain on investment property	34,617,123	48,747,494		
Other operating income	19,476,191	18,284,520	1,844,000	344,844
Selling and distribution expenses	(15,156,029)	(27,104,095)	(2,356,188)	(2,387,270)
Administrative expenses	(136,491,017)	(172,973,285)	(76,996,159)	(107,998,967)
Other operating expenses	(42,705,156)	(38,406,042)	(9,805,014)	(10,149,448)
Impairment provision on inventories	-	-	-	(74,234,247)
EBIT (earnings before interest and taxes)	19,274,442	-119,016,370	-87,313,361	-194,425,088
Finance costs	(299,485,317)	(219,228,334)	-	-
(Loss) before tax	(280,210,875)	(338,244,704)	(87,313,361)	(194,425,088)
Tax charge	(1,316,315)	(2,005,666)	-	-
(Loss) for the year	(281,527,190)	(340,250,370)	(87,313,361)	(194,425,088)
Total comprehensive (loss) for the year	(281,527,190)	(340,250,370)	(87,313,361)	(194,425,088)
(Loss) attributable to:				
- Owners of the parent	(291,303,752)	(242,367,756)		
- Non-controlling interest	9,776,562	(97,882,614)		
	(281,527,190)	(340,250,370)		
(Loss) per share (Shs)				
- basic and diluted	(0.72)	(0.60)	(0.22)	(0.48)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

	GROUP		COMPANY	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Non-current assets				
Property and equipment	63,514,754	50,128,516	52,320,159	55,508,663
Investment property	431,428,103	393,011,656	844,659	1,260,685
Intangible assets	844,659	1,260,685	2,752,000	2,752,000
Financial assets	2,000	2,000	2,000	2,000
Deferred tax	-	-	-	-
	495,789,516	444,402,858	55,918,818	59,523,348
Current assets				
Inventories	3,603,941,198	3,589,102,338	281,457,867	264,509,622
Trade and other receivables	435,561,520	404,681,551	39,890,143	34,106,592
Cash and cash equivalents	2,210,072	4,415,717	2,186,731	2,178,776
	4,041,712,791	3,998,199,607	323,534,741	300,794,989
Total assets	4,537,502,307	4,442,602,465	379,453,559	360,318,337
Current liabilities				
Deferred income	1,022,339,320	1,087,662,457		
Trade and other payables	1,580,529,828	1,499,537,247	863,173,109	859,674,786
Deposit from sale of plots and units	2,179,198,765	2,038,115,264	264,988,526	162,571,160
Borrowings	1,320,703,705	1,111,559,093	8,688,540	8,155,648
Private placement bond	820,660,028	820,660,028	603,765,207	603,765,205
Deposit for shares	158,346,022	158,446,022		
Current tax	18,680,453	8,050,979	354,795	354,795
	7,100,458,122	6,724,031,089	1,740,970,177	1,634,521,594
Net current liabilities	(3,058,745,331)	(2,725,831,483)	(1,417,435,436)	(1,333,726,605)
Total liabilities	7,100,458,122	6,724,031,089	1,740,970,177	1,634,521,594
Net liabilities	(2,562,955,815)	(2,281,428,625)	(1,361,516,618)	(1,274,203,257)
EQUITY				
Share capital	405,255,320	405,255,320	405,255,320	405,255,320
Share premium	68,842,038	68,842,038	68,842,038	68,842,038
Accumulated deficit	(2,524,284,645)	(2,232,980,893)	(1,835,613,976)	(1,748,300,615)
Equity attributed to owners of the company	(2,050,187,287)	(1,758,883,535)		
Non-controlling interest	(512,768,528)	(522,545,090)		
Total equity	(2,562,955,815)	(2,281,428,625)	(1,361,516,618)	(1,274,203,257)

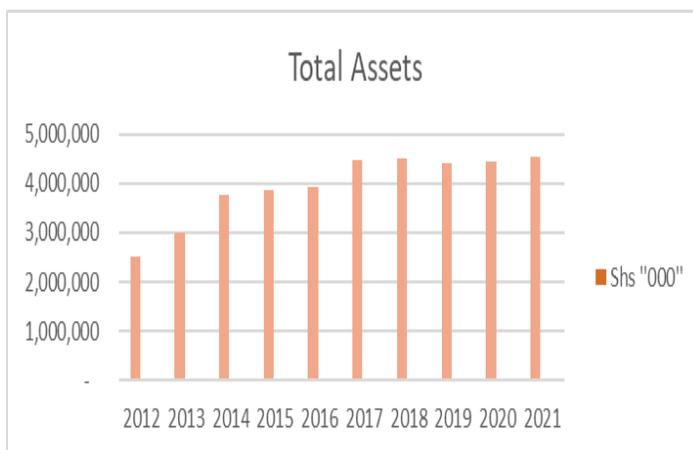
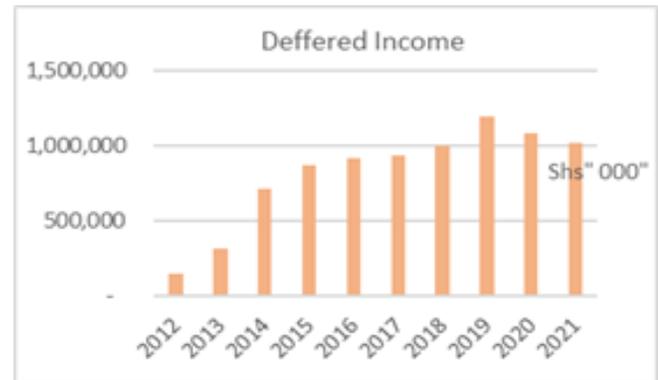
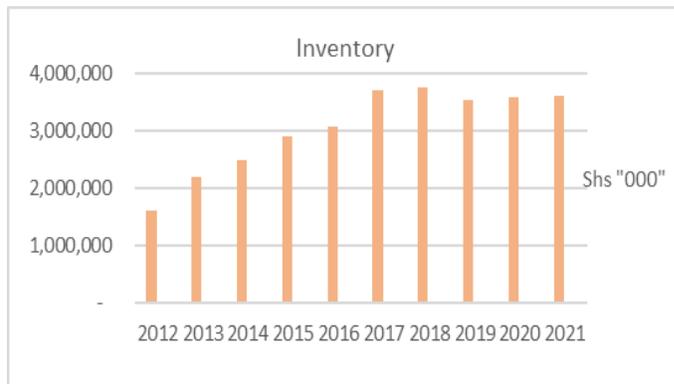
CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2021

	GROUP		COMPANY	
	2021 Shs	2020 Shs	2021 Shs	2020 Shs
Operating activities				
Cash from operations	319,162,594	225,787,536	625,062	(10,167,650)
Interest paid	(272,783,349)	(202,911,927)	-	-
Tax paid	-	-	-	-
Net cash from operating activities	46,379,245	22,875,609	625,062	(10,167,650)
Investing activities				
Cash paid for purchase of property and equipment	(21,513,010)	(5,864,006)	(1,750,000)	(4,818,560)
Additions to investment property	(3,799,324)	(5,522,338)	-	-
Cash paid for purchase of intangible assets	-	-	-	-
Proceeds from disposal of property and equipment	694,000	250,000	600,000	250,000
Net cash (used in) investing activities	(24,618,333)	(11,136,345)	(1,150,000)	(4,568,560)
Financing activities				
Repayment:				
- borrowings	(24,224,153)	(33,024,657)	-	-
- deposits for shares	100,000	(5,080,000)	-	-
Proceeds				
- hire purchase	-	2,677,815	-	2,677,815
- borrowings	-	11,262,000	-	-
Net cash (used in) financing activities	(24,124,153)	(24,164,842)	-	2,677,815
(Decrease)/increase in cash and cash equivalents	(2,363,242)	(12,425,578)	(524,938)	(12,058,395)
Movements in cash and cash equivalents				
At start of year	(1,437,411)	10,988,166	(3,299,057)	8,759,337
(Decrease)/increase	(2,363,242)	(12,425,578)	(524,938)	(12,058,395)
At end of year	(3,800,653)	(1,437,411)	(3,823,996)	(3,299,057)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY YEAR ENDED DECEMBER 2021

	Share capital Shs	Share premium Shs	Accumulated deficit Shs	Total Shs	Non controlling interests Shs	Total equity Shs
Year ended 31 December 2020						
At start of year	405,255,320	68,842,038	(1,990,613,137)	(1,516,515,779)	(424,662,476)	(1,941,178,255)
Total comprehensive (loss) for the year	-	-	(242,367,756)	(242,367,756)	(97,882,614)	(340,250,370)
At end of year	405,255,320	68,842,038	(2,232,980,893)	(1,758,883,535)	(522,545,090)	(2,281,428,625)
Year ended 31 December 2021						
At start of year	405,255,320	68,842,038	(2,232,980,893)	(1,758,883,535)	(522,545,090)	(2,281,428,625)
Total comprehensive (loss) for the year	-	-	(291,303,752)	(291,303,752)	9,776,562	(281,527,190)
At end of year	405,255,320	68,842,038	(2,524,284,645)	(2,050,187,287)	(512,768,528)	(2,562,955,815)

1. PERFORMANCE HIGHLIGHTS



ACTUAL SALES	
BOOKED DURING THE YEAR	
2021	2020
KSh. 570 Million	KSh. 672 Million

2. FINANCIAL HIGHLIGHTS

2.1 The group reported a 30% growth in revenue for the year ending 31st December 2021 compared to the same period in 2020 growing it's gross profits by 204% from KSh. 52.4 million to KSh. 159.5 million. Actual sales, not adjusted for percentage of completion, for 2021 were Ksh 570M. Growth of reported revenue by the group was as a result of registration of more leases and increase in the percentage of completion for the Migaa project, for 54.5% in 2020 to 59.8% in 2021. This came against all odds faced by the industry in general in the wake of a depressed economic environment. In addition to growth in reported sales and gross profit thereof, the group has reported a 17% decrease in loss after tax for the period ending Dec 31st December 2021 of KSh. 281.5 million down from KSh. 340.2 million posted in 2020.

2.2 In line with our accounting policy, sales proceeds of the project (referred to in 2.1 above as actual sales but that are not adjusted for percentage of completion) are carried in the balance sheet as current liabilities both as deferred income and as deposits from sales of plots both now grossing KSh. 3.2 billion as at 31st December 2021 compared with KSh. 3.1 billion for the same period in 2020. This amount will convert to gross revenues in our profitability statement as the percentage of completion of the project continues to improve from the current 59.8% over the next couple of years. All expenses except cost of sales and commissions are usually expensed in the current period.

2.3 The book value of the group's sellable land and other inventory stood at KSh.3.6 billion in 2021. We continue to invest in infrastructure of the various projects, especially our main project, Migaa Golf Estate, which will help improve the market value of the land bank as the land becomes more desirable.

3. BOARD STRATEGY TO PROFITABILITY

The board has put in place measures to ensure the company turns around. A turnaround Committee has been constituted, the committee has been mandated to look into the following areas:

1. Debt Restructuring
2. Business Continuity
3. Organizational Restructuring
4. Check on the operations Control Systems

With the above strategy and relaxed Covid 19 restrictions, the board is confident of improved group's performance and create value for all stakeholders.

4. DIVIDEND

The directors do not recommend a dividend for the period ending 31st Dec 2021.

These summary financial statements are extracts from the annual report and financial statements of the company. GMK Accountants LLP as the external auditors have issued a disclaimer of opinion audit report on the financial statements on the basis of going concern, related party transactions and impairment of inventory

The financial statements of the company were approved by the Board of Directors and signed on its behalf by:

Jayne Nyokabi
Ag. Managing Director

Mbugua Gecaga
Director