KURWITU VENTURES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

4. DIRECTORS

The directors have the pleasure of submitting their report together with the audited financial statements for the year ended 31st December 2018. The report discloses the state of affairs of Kurwitu Ventures Limited, the "Company".

The directors who held office during the year and to the date of this report were:

Mr. Abdikadir H. Mohamed	*Chairman*
Mr. Abdikadir M. Haji	*Vice Chairman*
Mr. Abdirahman Abdillahi	*Managing Director*
Mr. Chris Maranga	*Executive Director*
Ms. Sumayya Hassan	
Mr. Mohammed A Hassan	
Mr. Isaak Ibrahim	

5. BUSINESS OVERVIEW

The subsidiary engaged in coffee trading in 2018 where it generated a turnover of kshs 4,856,476 (2017 NIL) and a net profit of Ksh 401,395 (2017 NIL).

6. AUDITOR

The Company's auditor, Abdulhamid & Company CPA (K), have expressed their willingness to continue in office in accordance with Section 719 of the Companies Act No.17 of 2015.

7. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue at a meeting of the Board of Directors held on…………………..2019

BY ORDER OF THE BOARD

SECRETARY

_____________ 2019

Consolidated statement of comprehensive income

	Notes	2018 KShs	2017 KShs
Revenue		4,856,476	-
Cost of goods sold		(4,414,978)	-
Trading profit		441,498	-
Other income		99	317
		441,597	317
Staff costs	18	(1,507.947)	(5,497,748)
Administrative expenses	19	(5,602,342)	(8,194,134)
Other operating expenses	20	(1,128,179)	(1,688,424)
Total expenses		(8,238,468)	(15,380,306)
Loss before taxation	5	(7,796,873)	(15,379,989)
Income tax credit	7	2,403,599	4,545,809
Loss for the year		(5,393,274)	(10,834,180)
Other comprehensive income net of income tax		-	-
Total comprehensive loss for the year		(5,393,274)	(10,834,180)
Earnings per share for profit attributable to the equity holders of the Company			
- basic (KShs per share)	8	(53)	(106)
- diluted (KShs per share)	8	(36)	(71)

The notes on pages 19 to 40 are an integral part of these financial statements.

Consolidated statement of financial position

	Notes	2018 KShs	2017 KShs
Capital and reserves attributable to the Company's equity holders			
Share capital	9	10,227,200	10,227,200
Share premium	10	99,692,870	99,692,870
Accumulated losses		(49,328,303)	(43,935,029)
Shareholders' equity		60,591,767	65,985,041
Non-current liabilities			
Shareholders' loans	11	65,510,463	70,439,744
Total non-current liabilities		65,510,463	70,439,744
Total equity and non-current liabilities		126,102,230	136,424,785
Non-current assets			
Property, plant and equipment	13(a)	1,987,124	2,292,267
Freehold land	13(b),13(c)	105,906,750	105,906,750
Deferred income tax asset	12	22,612,308	20,164,595
		130,506,181	128,363,612
Current assets			
Receivables and prepayments	14	5,695,634	1,857,013
Cash and cash equivalents	15	2,084,745	10,215,703
		7,780,379	12,072,716
Current liabilities			
Payables and accrued expenses	16	12,140,217	4,011,543
Current tax payable		44,113	-
		12,184,331	4,011,543
Net current (liabilities)/ assets		(4,403,952)	8,061,173
		126,102,230	136,424,785

The financial statements on pages 9 to 40 were approved for issue by the Board of Directors on 28th March 2019 and signed on its behalf by:

Director **Director**

The notes on pages 19 to 40 are an integral part of these financial statements.

Consolidated statement of changes in equity

	Share capital	Share premium	Accumulated losses	Total equity
	KShs	KShs	KShs	KShs
2018				
1st January 2018	10,227,200	99,692,870	(43,935,029)	65,985,041
Total comprehensive income for the year				
Loss for the year	-	-	(5,393,274)	(5,393,274)
At 31st December 2018	10,227,200	99,692,870	(49,328,303)	60,591,767

The notes on pages 19 to 40 are an integral part of these financial statements.

Consolidated statement of changes in equity

	Share capital KShs	Share premium KShs	Accumulated losses KShs	Total equity KShs
2017				
1st January 2017	10,227,200	99,692,870	(33,100,849)	76,819,221
Total comprehensive income for the year				
Loss for the year	-	-	(10,834,180)	(10,834,180)
31st December 2017	10,227,200	99,692,870	(43,935,029)	65,985,041

The notes on pages 19 to 40 are an integral part of these financial statements

Consolidated statement of cash flows

	Notes	2018 KShs	2017 KShs
Cash utilised in operating activities			
Loss before tax		(7,796,873)	(15,379,989)
Adjusted for: Depreciation	13(a)	305,144	356,875
Unrealised foreign exchange loss		-	2
Changes in working capital			
Receivables and prepayments		(3,838,621)	(489,437)
Payables and accrued expenses		8,128,675	2,738,120
Net cash utilised in operating activities		(3,201,676)	(12,774,031)
Cash utilised in investing activities			
Purchase of property, plant and equipment	13(a)	-	(33,051)
Net cash used in investing activities		-	(33,051)
Cash generated from financing activities			
(Repayment to)/ proceeds from shareholder loans	11	(4,929,281)	19,886,131
Net cash (utilised in)/ generated from financing activities		(4,929,281)	19,886,131
Net (decrease)/ increase in cash and cash equivalents		(9,130,957)	7,079,050
Movement in cash and cash equivalents			
At start of year		10,215,703	3,136,655
(Decrease)/ increase		(8,130,957)	7,079,050
At end of year	15	2,084,745	10,215,703

The notes on pages 19 to 40 are an integral part of these financial statements.