KURWITU 14254.

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CAPITAL MARKETS AUTHORITY NAIROBI

THE CHIEF EXECUTIVE OFFICER

CAPITAL MARKETS AUTHORITY

EMBANKMENT PLAZA

LONGONOT ROAD, NAIROBI

Sir,

REF: KURWITU ANNUAL ACCOUNTS FOR THE YEAR ENDING DECEMBER 2020

Please find our 2020 annual accounts accompanied by this letter.

Our business has suffered tremendously from the outset of the Covid-19 epidemic. Our investments have collapsed and our key staff have fallen ill for lengthy periods due to Covid-19 related illness.

I intend to share with you our plans for the near future and seek your kind understanding.

Yours Sincerely,

ABDIRAHMAN ABDILLAHI

MANAGING DIRECTOR

MANAGEMENT
Chief Executive
Director -DMO ✓
Director-PMD
Director-CS
Director-IA
Director CS & LA
SM-Commodities
SM-SRP
SM-ICT
Manager-Supply Chain

ABDULHAMID & COMPANY
Certified Public Accountants (K)

Kurwitu Ventures Limited
(Registration number C 3/2014)
Financial statements
for the year ended 31 December 2020
Abdulhamid & Company
Certified Public Accountants (Kenya)
Registered Auditors
Issued 30 June 2021

General Information

Country of incorporation and domicile	Kenya
Registered office	Kurwitu Ventures Limited Woodland Office Park, Suite 2B Woodlands Road, Hurlingham P.O Box 105028-00101, Nairobi, Kenya
Bankers	Stanbic Bank Kenya Limited
Auditors	Abdulhamid & Company Certified Public Accountants (Kenya) Registered Auditors Ramco Court-Unit 25 Opposit Capital Centre, Mombasa Road P.O Box 23005-00100 Nairobi, Kenya
Secretary	Image Registrars Limited
Company registration number	C 3/2014
Tax reference number	P051193884I
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act No.17 of 2015.
Nominated Advisor	Synesis Capital Limited Panesar's Centre, 3rd Floor Mombasa Road, P.O Box 75282-00200, Nairobi, Kenya

Kurwitu Ventures Limited

(Registration number C 3/2014)
Financial Statements for the year ended 31 December 2020

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Published

30 June 2021

Statement of Directors' Responsibilities

The directors are required in terms of the Companies Act No.17 of 2015 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The Companies Act No.17 of 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the group as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the group maintains proper accounting records that are sufficient to show and explain the transactions of the group and disclose, with reasonable accuracy, the financial position of the group. The directors are also responsible for safeguarding the assets of the group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Companies Act No.17 of 2015. They also accept responsibility for:

- designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of financial statements that are free of material misstatement, whether due to fraud or error;
- selecting suitable accounting policies and applying them consistently; and
- making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 December 2021 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

Having made an assessment of the group's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the group's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

The external auditors are responsible for independently auditing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on pages 7 to 11.

The financial statements set out from pages 12 to 42, which have been prepared on the going concern basis, were approved by the board of directors on 30 June 2021 and ~~were~~ signed on their behalf by:

Mr. Isaak J. Ibrahim

Mr. Abdirahman Abdillahi

Directors' Report

The directors submit their report together with the audited financial statements for the year ended 31 December 2020. The report and financial statements have been prepared in accordance with the Companies Act No.17 of 2015.

1. Principal activities

The principal activity of the Group is to provide sharia compliant investment products. Sharia compliant investment products are products that meet the requirements of Sharia law and the principles articulated for Islamic finance. The Group consists of Kurwitu Ventures Limited (the "Company") and Kurwitu Asset Management Limited, which is a wholly owned subsidiary of the Company and whose principal activity is to carry out the business of asset management, provide asset management services, investment advisory services and real estate investment trust management. The subsidiary has begun operations.

An example of a Sharia compliant investment product that Kurwitu Ventures Limited is offering is Sukuk Securities (Islamic Bond) which are structured securities to comply with Islamic investment principles that prohibit charging and paying of interest. Sukuk structuring is done by attaching real assets of the holders of Sukuk instruments who get in return a form of rental payment or profit share.

As a hybrid of both private equity and venture capital investments, Kurwitu Ventures Limited invests in opportunities that provide a reasonable amount of management control. Kurwitu Ventures Limited invests in all sectors of the economy, but with a key focus on the agricultural sector which employs the majority of Kenyans. Agriculture is the top foreign exchange earner in the Kenyan economy yet it is plagued with several structural inefficiencies. Addressing these inefficiencies could provide superior returns. While the key investment focus is on agriculture, Kurwitu Ventures Limited will also invest in non-agricultural ventures that meet the key sharia compliance test and have the potential to post attractive returns on capital.

Kurwitu Ventures Limited may also provide investment products jointly with others as a "pass through". Such products may not be featured on the group's and balance sheet and would be in the form of asset backed securities, real estate investment trusts and investment notes. The group has a social objective of broadening and deepening the capital markets by introducing innovative products to meet the diverse goals of sharia compliant investors.

Kurwitu Ventures Limited is a pioneer in its chosen field as a provider of sharia compliant investment products. It is the first company listed on the Nairobi Securities Exchange (NSE) with a focus of attracting Islamic investors into the capital markets.

Kurwitu Ventures Limited strives to offer its clients premier investment products, whilst adhering to good corporate governance and sustainability as the core of its values and visions. Although the financial products are sharia compliant, the company does not intend to deter potential investors and welcomes all investors interested in being part of developing this new investment frontier.

There have been no material changes to the nature of the group's business from the prior year.

2. Review of financial results and activities

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act No.17 of 2015. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated financial statements.

3. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

The board of directors do not recommend the declaration of a dividend for the year.

Directors' Report

4. Directorate

The directors in office at the date of this report are as follows:

Directors	Office
Mr. Abdikadir H. Mohamed	Chairperson
Mr. Abdikadir M. Haji	Vice Chairperson
Mr. Abdirahman Abdillahi	Managing Director
Mr. Chris Maranga	Executive Director
Ms. Sumayya Hassan	
Mr. Mohammed A Hassan	
Mr. Isaak J. Ibrahim	

There have been no changes to the directorate for the year under review.

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

7. Secretary

The company secretary is Image Registrars Limited.

Business address:

5th Floor, Barclays Plaza
P.O Box 9287-00100
Nairobi, Kenya

8. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

9. Terms of appointment of the auditors

Abdulhamid & Company continues in office in accordance with the company's Articles of Association and Section 719 of the Companies Act No.17 of 2015. The directors monitor the effectiveness, objectivity and independence of the auditors. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of K Sh300,000 has been charged to profit or loss in the year.

10. Date of authorisation for issue of financial statements

The consolidated financial statements have been authorised for issue by the directors on Thursday, 30 April 2020. No authority was given to anyone to amend the financial statements after the date of issue.

Directors' Report

The financial statements set out from pages 12 to 42, which have been prepared on the going concern basis, were approved by the board of directors on 30 June 2021, and were signed on its behalf by:

Signed on behalf of the Board of Directors By:

Mr. Isaak J. Ibrahim
Non-executive Director
Wednesday, 30 June 2021

Mr. Abdirahman Abdillahi
Managing Director
Wednesday, 30 June 2021

ABDULHAMID & COMPANY
Certified Public Accountants (K)

Independent Auditor's Report

To the directors of Kurwitu Ventures Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kurwitu Ventures Limited (the company) set out on pages 12 to 40, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kurwitu Ventures Limited as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act No.17 of 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to the Statement of Changes In Equity (page 14) in the Financial Statements which indicates that the Group had accumulated losses of Ksh 58,515,570, and as at 31 December 2020 the Group's current liabilities exceeded its current assets by Ksh 12,458,789. These events, or conditions along with other matters indicate that a material uncertainty exists which may cast significant doubts on the Group's ability to continue as a going concern. The Shareholders and Directors have however committed to provide funding for operations of the Group. Our opinion is not modified in respect of this matter.

Independent Auditor's Report

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Key audit matter As at 31st December 2020, the Group had freehold land valued at KShs 106,086,790. The significance of the freehold land on the Statements of Financial Position resulted in it being identified as a key audit matter. Land is stated at its fair value based on periodic valuations by the directors of the Group subsequent to valuation carried out by external valuers. The fair value of land is arrived by using the market value approach.	Our audit procedures include testing of design, existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure completeness and accuracy of the land through the following: (i) Ensured the estimated remaining useful lives and residual values of land is reasonable, by comparing the directors' estimates to the useful lives of assets with similars characteristics; (ii) Reviewed the Group's depreciation policy for land and verified the inputs to the calculation; (iii) Performed predictive tests on depreciation charge; and (iv)Checked consistency and reasonableness of the component allocation with previous years. We tested the key inputs to the valuation of the Group's land as follows: (a) Assessment and discussion of management's process for the valuation exercise and appointment of the external valuers. We also assessed the competence, independence and integrity of the external valuers; (b) Obtained the external valuation reports and discussed with the external valuers about the results of their work. We discussed and challenged the valuation process, significant judgments and assumptions applied to the valuation model, including yields, occupancy rates, capitalisation rates and lease incentives. We benchmarked and challenged the key assumptions to external industry data and comparable property valuation;

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
	(c) Testing the integrity of a sample of the data provided to the external valuers. This included verifying a sample of information provided to the external valuers to underlying lease agreements; and (d) Testing land values by comparing the values used by the valuers to land values of similar characteristics.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Kurwitu Ventures Limited financial statements for the year ended 31 December 2020", which includes the Directors' Report as required by the Companies Act No.17 of 2015 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act No.17 of 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

Report on other legal and regulatory requirements

In our opinion the information given in the report of the directors on page 4 - 6 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Hamid Ibrahim Certified Public Accountants (Kenya), Practising Certificate No. P/1788.

Abdulhamid & Company

Abdulhamid & Company
CPA Hamid Ibrahim
Partner
Certified Public Accountants (Kenya)
Registered Auditors

30 June 2021

Kurwitu Ventures Limited

(Registration number C 3/2014)
Financial Statements for the year ended 31 December 2020

Statement of Financial Position as at 31 December 2020

		Group		Company	
Figures in Shillings	Note(s)	2020	2019	2020	2019
Assets					
Non-Current Assets					
Property, plant and equipment	3	107,660,430	107,846,590	103,753,680	103,939,840
Right-of-use assets	4	405,346,900	405,346,900	-	-
Investments in subsidiaries	5	-	-	9,990,000	9,990,000
Investments in joint ventures	6	8,268,629	8,335,453	-	-
Deferred tax	7	26,552,793	25,710,548	26,000,142	25,181,233
		547,828,752	**547,239,491**	**139,743,822**	**139,111,073**
Current Assets					
Trade and other receivables	8	3,818,119	3,667,734	3,496,621	3,346,236
Cash and cash equivalents	9	825,347	2,837,217	77,572	899,679
		4,643,466	**6,504,951**	**3,574,193**	**4,245,915**
Total Assets		**552,472,218**	**553,744,442**	**143,318,015**	**143,356,988**
Equity and Liabilities					
Equity					
Share capital	10	109,920,070	109,920,070	109,920,070	109,920,070
Retained income		(58,515,570)	(56,550,332)	(57,317,216)	(55,406,429)
		51,404,500	**53,369,738**	**52,602,854**	**54,513,641**
Liabilities					
Non-Current Liabilities					
Loans from shareholders	12	78,618,563	78,018,563	71,450,813	70,850,813
Lease liabilities	4	405,346,900	405,346,900	-	-
		483,965,463	**483,365,463**	**71,450,813**	**70,850,813**
Current Liabilities					
Trade and other payables	13	17,058,142	16,965,128	11,104,540	11,011,526
Loans from group companies	11	-	-	8,159,808	6,981,008
Current tax payable		44,113	44,113	-	-
		17,102,255	**17,009,241**	**19,264,348**	**17,992,534**
Total Liabilities		**501,067,718**	**500,374,704**	**90,715,161**	**88,843,347**
Total Equity and Liabilities		**552,472,218**	**553,744,442**	**143,318,015**	**143,356,988**

The financial statements were approved by the board of directors on the 30 June 2021 and were signed on its behalf by:

Mr. Isaak J. Ibrahim **Mr. Abdirahman Abdillahi**

The accounting policies on pages 16 to 29 and the notes from pages 30 to 40 form an integral part of the financial statements.

Statement of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Shillings	Note(s)	2020	2019	2020	2019
Other operating expenses		(2,740,659)	(10,682,921)	(2,729,696)	(8,583,088)
Operating loss		**(2,740,659)**	**(10,682,921)**	**(2,729,696)**	**(8,583,088)**
Income from equity accounted investments		(66,824)	335,453	-	-
Loss before taxation		**(2,807,483)**	**(10,347,468)**	**(2,729,696)**	**(8,583,088)**
Taxation	14	842,245	3,098,240	818,909	2,568,926
Loss for the year		**(1,965,238)**	**(7,249,228)**	**(1,910,787)**	**(6,014,162)**
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		**(1,965,238)**	**(7,249,228)**	**(1,910,787)**	**(6,014,162)**

The accounting policies on pages 16 to 29 and the notes on pages 30 to 40 form an integral part of the financial statements.

Statement of Changes in Equity

Figures in Shillings	Share capital	Share premium	Total share capital	Retained income	Total equity
Group					
Balance at 1 January 2019	**10,227,200**	**99,692,870**	**109,920,070**	**(49,301,104)**	**60,618,966**
Loss for the year	-	-	-	(7,249,228)	(7,249,228)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**(7,249,228)**	**(7,249,228)**
Balance at 1 January 2020	**10,227,200**	**99,692,870**	**109,920,070**	**(56,550,332)**	**53,369,738**
Loss for the year	-	-	-	(1,965,238)	(1,965,238)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**(1,965,238)**	**(1,965,238)**
Balance at 31 December 2020	**10,227,200**	**99,692,870**	**109,920,070**	**(58,515,570)**	**51,404,500**
Note(s)	10	10	10		
Company					
Balance at 1 January 2019	**10,227,200**	**99,692,870**	**109,920,070**	**(49,392,267)**	**60,527,803**
Loss for the year	-	-	-	(6,014,162)	(6,014,162)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**(6,014,162)**	**(6,014,162)**
Balance at 1 January 2020	**10,227,200**	**99,692,870**	**109,920,070**	**(55,406,429)**	**54,513,641**
Loss for the year	-	-	-	(1,910,787)	(1,910,787)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**(1,910,787)**	**(1,910,787)**
Balance at 31 December 2020	**10,227,200**	**99,692,870**	**109,920,070**	**(57,317,216)**	**52,602,854**
Note(s)	10	10	10		

The accounting policies on pages 16 to 29 and the notes on pages 30 to 40 form an integral part of the financial statements.

Statement of Cash Flows

		Group		Company	
Figures in Shillings	Note(s)	2020	2019	2020	2019
Cash flows from operating activities					
Cash used in operations	15	(2,611,870)	(4,536,334)	(2,600,907)	(4,436,502)
Interest income		-	-	-	-
Cash flows from investing activities					
Purchase of property, plant and equipment	3	-	(219,695)	-	(219,695)
Movement in investments (incl subs, JVs & Assoc)	17	-	(8,000,000)	-	-
Loans to shareholders repaid		-	832,250	-	-
Net cash from investing activities		**-**	**(7,387,445)**	**-**	**(219,695)**
Cash flows from financing activities					
Proceeds from loans from group companies		-	-	-	1,981,008
Repayment of loans from group companies		-	-	1,178,800	(1,981,008)
Repayment of shareholders loan		600,000	11,675,850	-	4,508,100
Net cash from financing activities		**600,000**	**11,675,850**	**1,778,800**	**4,508,100**
Total cash movement for the year		**(2,011,870)**	**(247,929)**	**(822,107)**	**(148,097)**
Cash at the beginning of the year		2,837,217	3,085,146	899,679	1,047,776
Total cash at end of the year	9	**825,347**	**2,837,217**	**77,572**	**899,679**

The accounting policies on pages 16 to 29 and the notes on pages 30 to 40 form an integral part of the financial statements.

Accounting Policies

Corporate information

Kurwitu Ventures Limited is a public limited company incorporated and domiciled in Kenya.

Kurwitu Ventures Limited with its subsidiary, Kurwitu Assets Management Limited offers sharia compliant investment and asset management services. Kurwitu Ventures Limited is incorporated in Kenya under the Companies Act as a limited liability company.

The company listed its shares on the Growth Enterprise Market Segment (GEMS) of the Nairobi Securities Exchange on 13th November 2014.

The address of the registered office of the company is:

Woodland Office Park, Suite 2B
Woodlands Road, Hurlingham
P.O Box 105028-00101
Nairobi, Kenya.

The consolidated financial statements of the company and its subsidiary, Kurwitu Asset Management Limited together referred to as "Group" and individually as "Company".

Kurwitu Asset Management Limited

The company was incorporate on 11th March 2015 in Kenya under company number CPR/2015/180452 with a nominal share capital of Kenya Shillings ten million (KShs 10,000,000) divided into ten thousand (10,000) shares of shillings one thousand (KShs 1,000) each. The shareholders at incorporation were as follows:

Shareholder	Country of incorporation/ Citizenship	% Interest Held	Company 2019	Company 2018
Kurwitu Ventures Limited	Kenya	99.9 %	9,990	9,900
Abdirahman Abdillahi	Kenya	0.1 %	10	10
		100.0 %	**10,000**	**9,910**

The principal activity is to carry on the business of asset management, for providing asset management services, investment advisory services and real estate investment trust management. The subsidiary has not started trading activities.

In the opinion of the Directors the carrying amount of debtors and other receivables represent their fair value and the group's exposure to debts is limited.

For Companies Act No.17 of 2015 reporting purposes, the balance sheet is represented in these consolidated and separate financial statements by the Statement of Financial Position and the profit and loss account by the Statement of Profit or Loss and Other Comprehensive Income.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act No.17 of 2015.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Shillings, which is the group and company's functional currency.

Accounting Policies

1.1 Basis of preparation (continued)

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the balance sheet date.

Income taxes

Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property	Straight line	Over the lease period
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	10 years
IT equipment	Straight line	4 years
Leasehold improvements	Straight line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Accounting Policies

1.4 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Leasehold property

When the group holds property under a long term prepaid lease agreement, the lease is classified as a finance lease or an operating lease in accordance with the provisions of IAS 17 Leases. When these leases are classified as finance leases, the property is capitalised as leasehold property, and is depreciated over the lease term.

1.6 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

1.6 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans to group companies , loans to shareholders, loans to directors, managers and employees, and loans receivable are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Accounting Policies

1.6 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (no.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Shillings equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Accounting Policies

1.6 Financial instruments (continued)

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Borrowings and loans from related parties

Classification

Loans from group companies, loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Shillings equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Accounting Policies

1.6 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Shillings equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Accounting Policies

1.6 Financial instruments (continued)

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

When a financial liability is contingent consideration in a business combination, the group classifies it as a financial liability at fair value through profit or loss.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) .

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the group's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs.

Financial liabilities denominated in foreign currencies

When a financial liability at fair value through profit or loss is denominated in a foreign currency, the fair value of the instrument is determined in the foreign currency. The fair value is then translated to the Shillings equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss. To the extent that the foreign exchange gain or loss relates to the portion of the fair value adjustment recognised in other comprehensive income, that portion of foreign exchange gain or loss is included in the fair value adjustment recognised in other comprehensive income.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the group are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Accounting Policies

1.6 Financial instruments (continued)

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.7 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:
- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

1.9 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

1.9 Impairment of assets (continued)

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in which they are declared.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.12 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of value-added tax (VAT), returns, rebates and discounts

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

Accounting Policies

1.12 Revenue from contracts with customers (continued)

(i) Sales of goods are recognised in the period in which the Company has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery does not occur until the products have been accepted by the customer.

Accumulated experience is used to estimate and provide for discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

(ii) Sales of services are recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a percentage of the total services to be provided.

1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:
- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group returns policy.

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Shillingss by applying to the foreign currency amount the exchange rate between the Shillings and the foreign currency at the date of the cash flow.

Accounting Policies

1.14 Translation of foreign currencies (continued)

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

Notes to the Financial Statements

	Group		Company	
Figures in Shillings	2020	2019	2020	2019

2. Changes in accounting policy

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

IFRS 11 Joint Arrangements

The group adopted "IFRS 11 Joint Arrangements" in the prior year.

IFRS 11 was issued in May 2011 and replaces "IAS 31 Interests in Joint Ventures". IFRS 11 classifies joint arrangements as joint operations or joint ventures depending on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. A joint operation exists when the parties that have joint control have rights to the assets and obligations for the liabilities relating to the joint arrangement. A joint venture exists when the parties that have joint control, have rights only to the net assets of the joint arrangement.

Joint ventures are required to be accounted for using the equity method of accounting in the group's financial statements and either at cost or fair value in the joint venturer's separate financial statements. Joint operations are accounted for, in both the group and separate financial statements (as defined by "IAS 27 Separate Financial Statements"), by recognising and measuring the assets, liabilities, income and expenses of the joint operation in relation to the involvement with the joint operation.

The previous accounting policy for joint ventures was proportionate consolidation. Therefore, any joint ventures identified in the group are now required to be equity accounted in accordance with the provisions of IFRS 11. Joint operations will continue to be accounted for by recognising the assets, liabilities, income and expenses of the joint operation in relation to the group's involvement with the joint operation.

The adoption of IFRS 11 has been applied in accordance with the applicable transitional provisions as set out below:

IFRS 10 Consolidated Financial Statements

The group adopted "IFRS 10 Consolidated Financial Statements" in the current year.

IFRS 10 was issued in May 2011 and replaces the guidance on control and consolidation of "IAS 27 Consolidated and Separate Financial Statements", "SIC-12 Consolidation Special Purpose Entities" and "SIC 33 Consolidation". IFRS 10 establishes a new definition of control, whereby an entity has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The potential implications of the adoption of IFRS 10 on the group are as follows:

- Certain investee's which were previously consolidated would continue to be consolidated.
- Certain investee's which were previously consolidated would no longer be consolidated.
- Certain investee's which were not previously consolidated would now be consolidated.

Management have applied the requirements of IFRS 10 to the group and have concluded that the consolidation status of all entities in the group have remained unchanged.

Notes to the Financial Statements

	Group		Company	
Figures in Shillings	2020	2019	2020	2019

2. Changes in accounting policy (continued)

Earnings per share

Basic earnings per share are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Basic	(1,965,238)	(7,249,228)	(1,910,787)	(6,014,162)
Weighted average number of ordinary shares in issue (basic)	102,272	102,272	102,272	102,272
Weighted average number of ordinary shares in issue (diluted)	158,428	155,857	153,308	152,880
Basic-EPS	(19)	(71)	(19)	(59)
Diluted	(12)	(47)	(12)	(39)

The potential dilution is calculated by adjusting the number of ordinary shares outstanding during the year to assume conversion of dilutive potential ordinary shares. If conversion of the shareholders' loans was to be done, the maximum number of ordinary shares realised from the shareholders' loans would be 56,156 shares (2019: 53,585 shares). These have been added to the existing issued and paid up shares of 102,272 shares.

Notes to the Financial Statements

	Group		Company	
Figures in Shillings	2020	2019	2020	2019

3. Property, plant and equipment

Group	2020			2019		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Land	106,086,790	-	106,086,790	106,086,790	-	106,086,790
Furniture and fixtures	3,341,049	(2,015,860)	1,325,189	3,341,049	(1,868,617)	1,472,432
Motor vehicles	175,391	(144,237)	31,154	175,391	(133,850)	41,541
Office equipment	363,009	(165,449)	197,560	363,009	(143,498)	219,511
IT equipment	213,839	(194,102)	19,737	174,709	(148,393)	26,316
Total	**110,180,078**	**(2,519,648)**	**107,660,430**	**110,140,948**	**(2,294,358)**	**107,846,590**

Notes to the Financial Statements

	Group		Company	
Figures in Shillings	2020	2019	2020	2019

3. Property, plant and equipment (continued)

Company	2020			2019		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Land	102,180,040	-	102,180,040	102,180,040	-	102,180,040
Furniture and fixtures	3,341,049	(2,015,860)	1,325,189	3,341,049	(1,868,617)	1,472,432
Motor vehicles	175,391	(144,237)	31,154	175,391	(133,850)	41,541
Office equipment	363,009	(165,449)	197,560	363,009	(143,498)	219,511
IT equipment	213,839	(194,102)	19,737	174,709	(148,393)	26,316
Total	**106,273,328**	**(2,519,648)**	**103,753,680**	**106,234,198**	**(2,294,358)**	**103,939,840**

Notes to the Financial Statements

Figures in Shillings	Group 2020	Group 2019	Company 2020	Company 2019

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Other changes, movements	Depreciation	Total
Land	106,086,790	-	-	106,086,790
Furniture and fixtures	1,472,432	-	(147,243)	1,325,189
Motor vehicles	41,541	-	(10,387)	31,154
Office equipment	219,511	-	(21,951)	197,560
IT equipment	26,316	(1)	(6,578)	19,737
	107,846,590	**(1)**	**(186,159)**	**107,660,430**

Reconciliation of property, plant and equipment - Group - 2019

	Opening balance	Additions	Depreciation	Total
Land	105,906,750	180,040	-	106,086,790
Furniture and fixtures	1,682,840	-	(210,408)	1,472,432
Motor vehicles	55,388	-	(13,847)	41,541
Office equipment	211,300	39,655	(31,444)	219,511
IT equipment	37,595	-	(11,279)	26,316
	107,893,873	**219,695**	**(266,978)**	**107,846,590**

Reconciliation of property, plant and equipment - Company - 2020

	Opening balance	Other changes, movements	Depreciation	Total
Land	102,180,040	-	-	102,180,040
Furniture and fixtures	1,472,432	-	(147,243)	1,325,189
Motor vehicles	41,541	-	(10,387)	31,154
Office equipment	219,511	-	(21,951)	197,560
IT equipment	26,316	(1)	(6,578)	19,737
	103,939,840	**(1)**	**(186,159)**	**103,753,680**

Reconciliation of property, plant and equipment - Company - 2019

	Opening balance	Additions	Depreciation	Total
Land	102,000,000	180,040	-	102,180,040
Furniture and fixtures	1,682,840	-	(210,408)	1,472,432
Motor vehicles	55,388	-	(13,847)	41,541
Office equipment	211,300	39,655	(31,444)	219,511
IT equipment	37,595	-	(11,279)	26,316
	103,987,123	**219,695**	**(266,978)**	**103,939,840**

Freehold land owned by Kurwitu Ventures Limited

In 2013, the company acquired in Lamu: Lamu/Hindi Magongoni/599, 782 and 783 for a total of KShs 102,000,000.

Notes to the Financial Statements

	Group		Company	
Figures in Shillings	2020	2019	2020	2019

3. Property, plant and equipment (continued)

The fair value model has been applied for the property. The company commissioned Knight Frank Valuers Limited in financial year 2013 to determine the fair value of the property. The open market value of all properties was determined using the prevailing market values at that time.

Freehold land owned by Kurwitu Asset Management Limited

In 2015, the company acquired property in Lamu/Lake Kenyatta 11/509 for a total of KShs 3,906,750.

	Group		Company	
Figures in Shillings	2020	2019	2020	2019

4. Leases (group as lessee)

In 2018, Kurwitu Asset Management Limited leased in Tana River County land LR No.13597 for a period of 45 years. The land is 51,700 hectares in size. The lease terms are as follows: -

(i) First 2 years- KShs 2,000,000 per annum;

(ii) Year 3-KShs 3,000,000 per annum;

(iii) Year 3-year 6-KShs 5,000,000 per annum; and

(iv) Year 7 to year 45-The higher of KShs 40,000,000 and 5% of the company's net profits after tax.

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	3,471,000	1,818,200	-	-
Two to five years	11,595,900	10,426,200	-	-
More than five years	390,280,000	393,102,500	-	-
	405,346,900	**405,346,900**	**405,346,900**	**-**
Non-current liabilities	405,346,900	405,346,900	-	-

5. Interests in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

Company

Name of company	Held by	% voting power 2020	% voting power 2019	% holding 2020	% holding 2019	Carrying amount 2020	Carrying amount 2019
Kurwitu Asset Management Limited	Kurwitu Ventures Limited	- %	99.90 %	- %	99.90 %	9,990,000	9,990,000

Notes to the Financial Statements

Figures in Shillings	Group 2020	Group 2019	Company 2020	Company 2019

6. Investment in associates

Joint ventures

The following table lists all of the partnership arrangements in the group:

Group

Name of company	Held by	% ownership interest 2020	% ownership interest 2019	Carrying amount 2020	Carrying amount 2019
Ajira Electronics Limited Liability Partnership	Kurwitu Asset Management Limited	20.00 %	20.00 %	8,268,629	8,335,453

7. Deferred tax

Deferred tax asset

	Group 2020	Group 2019	Company 2020	Company 2019
Tax losses available for set off against future taxable income	26,552,793	25,710,548	26,000,142	25,181,233

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Group 2020	Group 2019	Company 2020	Company 2019
Deferred tax asset	26,552,793	25,710,548	26,000,142	25,181,233

Reconciliation of deferred tax asset / (liability)

	Group 2020	Group 2019	Company 2020	Company 2019
At beginning of year	25,710,548	22,612,308	25,181,233	22,612,307
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	842,245	3,098,240	818,909	2,568,926
	26,552,793	**25,710,548**	**26,000,142**	**25,181,233**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

8. Trade and other receivables

	Group 2020	Group 2019	Company 2020	Company 2019
Financial instruments:				
Trade receivables	321,498	321,498	-	-
Deposits	689,130	689,130	689,130	689,130
Non-financial instruments:				
VAT	2,784,741	2,634,356	2,784,741	2,634,356
Refundable taxes	22,750	22,750	22,750	22,750
Total trade and other receivables	**3,818,119**	**3,667,734**	**3,496,621**	**3,346,236**

Notes to the Financial Statements

Figures in Shillings	Group 2020	Group 2019	Company 2020	Company 2019

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	77	1,682	77	1,682
Bank balances	825,270	2,835,535	77,495	897,997
	825,347	**2,837,217**	**77,572**	**899,679**

10. Share capital

Authorised				
125,000 Ordinary shares of KShs 100 each or par value of KShs 100	-	-	12,500,000	12,500,000
Issued				
Ordinary	10,227,200	10,227,200	10,227,200	10,227,200
Share premium	99,692,870	99,692,870	99,692,870	99,692,870
	109,920,070	**109,920,070**	**109,920,070**	**109,920,070**

102,272 shares are issued and fully paid for. The Company's shares are traded at the Nairobi Stock Exchange's Growth Enterprise Market Segment (GEMS).

The share premium arose out of the shares issued during the year ended 31st December 2013 for which payment was done through transfer of land. The excess value between the par value and the value of the land was treated as share premium.

11. Loans from group companies

Subsidiaries

Kurwitu Asset Management Limited Terms and conditions	-	-	8,159,808	6,981,008

12. Loans from shareholders

Shareholders Terms and conditions	78,618,563	78,018,563	71,450,813	70,850,813

The shareholders' loan agreements provide that the loan can be converted into ordinary shares at par value of KShs 1,400 or is paid back to the shareholder in full or partly. Shareholders' loans are interest free with no set repayment date.

13. Trade and other payables

Financial instruments:				
Trade payables	8,561,827	8,730,628	8,561,826	8,730,627
Trade payables - related parties	8,182,815	8,189,222	2,229,214	2,235,621
Accrued audit fees	300,000	-	300,000	-
Other payables	13,500	45,278	13,500	45,278
	17,058,142	**16,965,128**	**11,104,540**	**11,011,526**

Notes to the Financial Statements

	Group		Company	
Figures in Shillings	2020	2019	2020	2019

14. Taxation

Major components of the tax income

Deferred				
Changes in tax rates	4,285,091	-	4,196,872	-
Benefit of unrecognised tax loss / tax credit / temporary difference used to reduce deferred tax expense	(5,127,336)	(3,098,240)	(5,015,781)	(2,568,926)
	(842,245)	**(3,098,240)**	**(818,909)**	**(2,568,926)**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting loss	(2,807,483)	(10,347,468)	(2,729,696)	(8,583,088)
Tax at the applicable tax rate of 25% (2019: 30%)	(701,871)	(3,104,240)	(682,424)	(2,574,926)
Tax effect of adjustments on taxable income				
Tax losses carried forward	(4,245,138)	-	(4,333,357)	-
Effect of change in corporation tax rate 25% in 2020 & 30% in 2019	4,104,764	-	4,196,872	-
Disallowable expenses	-	6,000	-	6,000
	(842,245)	**(3,098,240)**	**(818,909)**	**(2,568,926)**

15. Cash used in operations

Loss before taxation	(2,807,483)	(10,347,468)	(2,729,696)	(8,583,088)
Adjustments for:				
Depreciation and amortisation	186,159	266,978	186,159	266,978
Income from equity accounted investments	66,824	(335,453)	-	-
Other non-cash items	-	26,799	-	26,798
Changes in working capital:				
Trade and other receivables	(150,385)	1,027,900	(150,385)	(972,100)
Trade and other payables	93,015	4,824,910	93,015	4,824,910
	(2,611,870)	**(4,536,334)**	**(2,600,907)**	**(4,436,502)**

16. Tax refunded

Balance at beginning of the year	(44,113)	(44,113)	-	-
Balance at end of the year	44,113	44,113	-	-
	-	-	-	-

Notes to the Financial Statements

	Group		Company	
Figures in Shillings	2020	2019	2020	2019

17. Movement in investments (partnerships, subs, JVs & Assoc)

Fair value of assets acquired				
Costs directly attributable to the acquisition	-	8,000,000	-	-
Consideration paid				
Cash	-	(8,000,000)	-	-
Net cash outflow on acquisition				
Cash consideration paid	-	(8,000,000)	-	-

Kurwitu Ventures Limited

(Registration number C 3/2014)
Financial Statements for the year ended 31 December 2020

Detailed Income Statement

		Group		Company	
Figures in Shillings	Note(s)	2020	2019	2020	2019
Expenses (Refer to page 42)		**(2,703,859)**	**(10,682,921)**	**(2,692,896)**	**(8,583,088)**
Operating loss		**(2,703,859)**	**(10,682,921)**	**(2,692,896)**	**(8,583,088)**
Income from equity accounted investments		(66,824)	335,453	-	-
Loss before taxation		**(2,770,683)**	**(10,347,468)**	**(2,692,896)**	**(8,583,088)**
Taxation	14	842,245	3,098,240	818,909	2,568,926
Loss for the year		**(1,928,438)**	**(7,249,228)**	**(1,873,987)**	**(6,014,162)**

The supplementary information presented does not form part of the financial statements and is unaudited

Detailed Income Statement

		Group		Company	
Figures in Shillings	Note(s)	2020	2019	2020	2019
Other operating expenses					
Advertising		-	(325,733)	-	(325,733)
Auditors remuneration - external auditors		(300,000)	(300,000)	(300,000)	(300,000)
Bank charges		(48,813)	(53,139)	(37,850)	(33,306)
Business licenses & permits		(92,000)	(103,000)	(92,000)	(103,000)
Capital Market Authority Fees		-	(50,000)	-	(50,000)
Central Depository & Settlement Corporation fees		-	(62,500)	-	(62,500)
Cleaning		(3,256)	(9,016)	(3,256)	(9,016)
Legal fees		(70,105)	(600)	(70,105)	(600)
Professional consultants		-	(467,500)	-	(467,500)
Consumables-office		(83,324)	(125,611)	(83,324)	(125,611)
Depreciation		(186,159)	(266,978)	(186,159)	(266,978)
Employee costs		(1,005,994)	(1,495,212)	(1,005,994)	(1,495,212)
Electricity		(23,127)	(84,750)	(23,127)	(84,750)
Fines and penalties		-	(20,000)	-	(20,000)
IT expenses		(23,593)	(40,726)	(23,593)	(40,726)
Variable lease payments		-	(2,000,000)	-	-
Lease rentals on operating lease		(774,851)	(3,618,597)	(774,851)	(3,618,597)
Magazines, books and periodicals		(4,680)	(31,800)	(4,680)	(31,800)
Miscellaneous expenses		-	(116,834)	-	(36,834)
Nairobi Stock Exchage fees		(25,000)	(25,000)	(25,000)	(25,000)
Nominated advisor fees		-	(450,000)	-	(450,000)
Postage		(12,200)	(58,320)	(12,200)	(58,320)
Printing and stationery		(5,327)	(39,749)	(5,327)	(39,749)
Repairs and maintenance		(3,000)	(8,600)	(3,000)	(8,600)
Secretarial fees		-	(474,138)	-	(474,138)
Share register maintenance fees		-	(180,000)	-	(180,000)
Staff welfare		-	(11,200)	-	(11,200)
Telephone and fax		(32,260)	(136,328)	(32,260)	(136,328)
Transport and freight		(10,170)	(63,790)	(10,170)	(63,790)
Travel - local		-	(63,800)	-	(63,800)
		(2,703,859)	**(10,682,921)**	**(2,692,896)**	**(8,583,088)**

The accounting policies on pages 16 to 29 and the notes on pages 30 to 40 form an integral part of the financial statements.