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KURWITU VENTURES LIMITED

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MANAGEMENT REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

AUDITORS

WAMUTU AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P.O BOX 30686 00100
NAIROBI

MANAGEMENT
Chief Executive
Director-DMO
Director-PMD
Director-CS
Director-IA
Director CS & LA
Director TRKM
SM-Commodities
SM-SRP

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COMPANY INFORMATION

Directors	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 Ibrahim	
Company secretary	Image Registrars Limited, 5th Floor, Barclays Plaza, P.O Box 9287-00100, **Nairobi.**	
Registered office	Kurwitu Ventures Limited Woodland Office Park, Suite 2B Woodlands Road, Hurlingham, P.O Box 105028-00101, **Nairobi.**	
Independent auditors	Wamutu and associates Certified Public Accountants (k) P.O.Box 30686-00100 **Nairobi.**	
Principal Bankers	Stanbic Bank Kenya Limited	

KURWITU VENTURES LIMITED
DIRECTORS REPORT
FOR THE PERIOD ENDED 30TH JUNE 2022

The directors present their report and the financial statements for the period ended 30th June 2022.

PRINCIPAL ACTIVITY

The company's principal activity is that of providing sharia compliant investment products.

OPERATING RESULTS

	2022	2021	2022	2021
	Kshs	Kshs	Kshs	Kshs
Net profit /(Loss) before tax	(389,590)	(2,009,462)	(389,590)	(2,003,770)
Tax charge	-	-	-	-
Net profit/(Loss) for the year carried forward to ı	(389,590)	(2,009,462)	(389,590)	(2,003,770)

DIVIDEND

The directors do not recommend payment of a dividend for the year 2022. (Year 2021: Nil).

DIRECTORS

The directors who served during the year were:

Mr. Abdikadir H. Mohamed
Mr. Abdikadir M. Haji
Mr. Abdirahman Abdillahi
Mr. Chris Maranga
Ms. Sumayya Hassan
Mr. Mohammed A Hassan
Mr. Isaak Ibrahim

AUDITORS
Wamutu and Associates who were appointed auditors during the year have expressed their willingness to continue in office and do so in accordance with section 719 of the Companies Act No.17 of 2015.

By the order of the Board

21/07/ **2022** ____________________ **DIRECTOR**

STATEMENT OF THE DIRECTOR'S RESPONSIBILTY

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company 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 company maintains proper accounting records that disclose,with reasonable accuracy,financial position of the company.The directors is also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation and fair presentation of finanacial statements that are free from material misstatement whether due to fraud or error.They also accept responsibility for:
i) Designing,implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
ii) Selecting and applying appropriate accounting policies and
iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The directors is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 30th June 2022 and of its profit/(loss) and cashflows for the year ended in accordance with the International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

Nothing has come to the attention of the director's to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Approved by the Board of Directors on 21/07/ 2022 and signed on its behalf by:

Director

Director

INDEPENDENT AUDITORS REPORT
TO THE DIRECTORS OF KURWITU VENTURES LIMITED
FOR THE PERIOD ENDED 30TH JUNE 2022

Opinion

We have audited the accompanying financial statements of Kuwitu Ventures Limited, set out on pages 6 to 19 which comprise the statement of financial position as at 30th June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 30th June 2022 and of its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but 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 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.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard for Small and Medium - sized Entities (IFRS for SMEs) and the requirements of the Kenyan Companies Act, 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

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 ISAs 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.

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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 company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's 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 company'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 the auditor's report. However, future events or conditions may cause the company 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 those charged with governance 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.

Report on other legal requirements

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit, that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and

(iii) the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner responsible for audit resulting in this independent auditors report is CPA Wamutu Wachira P/No. 1507

CERTIFIED PUBLIC ACCOUNTANTS
Nairobi, Kenya.

Wamutu And Associates.

Date 21 . 07 . **2022**

WAMUTU AND ASSOCIATES
Certified Public Accountants
P. O. BOX 30686-00100
NAIROBI

KURWITU VENTURES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH JUNE 2022

		Group		Company	
	Note	**2022**	**2021**	**2022**	**2021**
		Kshs	**Kshs**	**Kshs**	**Kshs**
Other operating expenses		(389,590)	(2,009,462)	(389,590)	(2,003,770)
Operating loss		**(389,590)**	**(2,009,462)**	**(389,590)**	**(2,003,770)**
Income from equity accounted investments		-	-	-	-
Loss before taxation		**(389,590)**	**(2,009,462)**	**(389,590)**	**(2,003,770)**
Taxation		-	-	-	-
Loss for the year		**(389,590)**	**(2,009,462)**	**(389,590)**	**(2,003,770)**
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		**(389,590)**	**(2,009,462)**	**(389,590)**	**(2,003,770)**

The accounting policies on pages 10 to 12 and the notes on pages 13 to 19 form an integral part of the financial statements.

KURWITU VENTURES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2022

	Note	Group 2022 Kshs	Group 2021 Kshs	Company 2022 Kshs	Company 2021 Kshs
Assets					
Non-Current Assets					
Property, plant and equipment	7	107,348,844	107,495,433	103,442,094	103,588,683
Right-of-use assets	9	405,346,900	405,346,900	-	-
Investments in subsidiaries		-	-	9,990,000	9,990,000
Investments in joint ventures		8,335,453	8,335,453	-	-
Deferred tax	11	27,082,108	27,082,108	26,000,142	26,000,142
		548,113,305	**548,259,894**	**139,432,236**	**139,578,825**
Current Assets					
Trade and other receivables	12	3,818,119	3,818,119	3,496,621	3,496,621
Cash and cash equivalents	13	322,056	355,326	322,056	355,298
		4,140,175	**4,173,445**	**3,818,677**	**3,851,919**
Total Assets		**552,253,479**	**552,433,339**	**143,250,912**	**143,430,744**
Equity and Liabilities					
Equity					
Share capital	14	109,920,070	109,920,070	109,920,070	109,920,070
Retained income		(60,914,622)	(60,525,032)	(59,710,576)	(59,320,986)
		49,005,448	**49,395,038**	**50,209,494**	**50,599,084**
Liabilities					
Non-Current Liabilities					
Loans from shareholders	15	78,618,563	78,618,563	71,450,813	71,450,813
Lease liabilities	10	405,346,900	405,346,900	-	-
		483,965,463	**483,965,463**	**71,450,813**	**71,450,813**
Current Liabilities					
Trade and other payables	16	19,238,455	19,028,725	13,430,797	13,221,039
Loans from group companies	15	-	-	8,159,808	8,159,808
Taxation		44,113	44,113	-	-
		19,282,568	**19,072,838**	**21,590,605**	**21,380,847**
Total Liabilities		**503,248,031**	**503,038,301**	**93,041,418**	**92,831,660**
Total Equity and Liabilities		**552,253,479**	**552,433,339**	**143,250,912**	**143,430,744**

The financial statements were approved by the board of directors on the 30 June 2022 and were signed on its behalf by:

Mr. Abdikadir H. Mohamed **Mr. Abdirahman Abdillahi**

The accounting policies on pages 10 to 12 and the notes on pages 13 to 19 form an integral part of the financial statements.

	Share capital	Share premium	Total share capital	Retained income	Total equity
	Kshs	Kshs	Kshs	Kshs	Kshs
Group					
Balance at 1 January 2021	**10,227,200**	**99,692,870**	**109,920,070**	**(58,515,570)**	**51,404,500**
Loss for the year	-	-	-	(2,009,462)	(2,009,462)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	**(2,009,462)**	**(2,009,462)**
Balance at 1 January 2022	**10,227,200**	**99,692,870**	**109,920,070**	**(60,525,032)**	**49,395,038**
Loss for the year	-	-	-	(389,590)	(389,590)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	**(389,590)**	**(389,590)**
Balance at 30th June 2022	**10,227,200**	**99,692,870**	**109,920,070**	**(60,914,622)** -	**49,005,448**
Company					
Balance at 1 January 2021	**10,227,200**	**99,692,870**	**109,920,070**	**(57,317,216)**	**52,602,854**
Loss for the year	-	-	-	(2,003,770)	(2,003,770)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	**(2,003,770)**	**(2,003,770)**
Balance at 1 January 2022	**10,227,200**	**99,692,870**	**109,920,070**	(59,320,986)	50,599,084
Loss for the year	-	-	-	(389,590)	(389,590)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	**(389,590)**	**(389,590)**
Balance at 30th June 2022	**10,227,200**	**99,692,870**	**109,920,070**	**(59,710,576)**	**50,209,494**

The accounting policies on pages 10 to 12 and the notes on pages 13 to 19 form an integral part of the financial statements.

KURWITU VENTURES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH JUNE 2022

	Note	Group		Company	
		2022 **Kshs**	**2021** **Kshs**	**2022** **Kshs**	**2021** **Kshs**
Cash flows from operating activities					
Cash used in operations					
Loss before taxation		(389,590)	(2,009,462)	(389,590)	(2,003,770)
Adjustments for:					
Depreciation and amortisation		146,590	164,998	146,590	164,998
Income from equity accounted investments		-	-	-	-
Other non-cash items		-	(529,315)	-	-
Changes in working capital:					
Trade and other receivables		-	-	-	-
Trade and other payables		209,730	1,970,583	209,758	2,116,499
Cash used in operations		**(33,270.18)**	**(403,195.95)**	**(33,242.00)**	**277,726.87**
Interest income		-	-	-	-
Cash flows from investing activities					
Purchase of property, plant and equipment	3	-	-	-	-
Movement in investments (incl subs, JVs & Assoc)	17	-	(66,824)	-	-
Loans to shareholders repaid		-	-	-	-
Net cash from investing activities		-	**(66,824)**	-	-
Cash flows from financing activities					
Proceeds from loans from group companies		-	-	-	-
Repayment of loans from group companies		-	-	-	-
Repayment of shareholders loan		-	-	-	-
		-	-	-	-
Net cash from financing activities			-		-
			-		-
Total cash at end of the year		**(33,270)**	**(470,020)**	**(33,242)**	**277,727**
			-		-
Cash at the beginning of the year		355,327	825,347	355,299	77,572
Total cash movement for the year		**322,057**	**355,327**	**322,057**	**355,299**

KURWITU VENTURES LIMITED
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED 30TH JUNE 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

The principle accounting policies adopted in the preparation of this financial statements are set out below.

These policies have been consistently applied to all the years presented unless otherwise stated.

a) Statement of compliance and basis of preparation

The financial statements are prepared in compliance with the international Financial Reporting Standards (IFRSs). The financial statements are prepared under the historical basis of accounting & presented in the functional currency, Kenya Shillings (Kshs) rounded to the nearest shilling.

The preparation of financial statements in conformity with IFRSs requires the use of etimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

b) Revenue recognition

Sales of goods are recognized in the period in which the company delivers products to the customer; the customer has accepted the products and collectability of the ralated receivables are reasonably assured. Sales of goods and 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 services provided as a proportion of the total services provided.

c) Property, Plant, Equipments and Depreciation

All categories of property, plant & equipments are recorded at historical cost, less accumulated depreciaton. Subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate, only where it is possible that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of comprehensive income in the financial year in which they are incurred

Depreciation is calculated on the reducing balance basis, at annual rates estimated to write off Carrying values of the property, plant and equipment over their expected useful lives.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The rates in use are :	%
Office equipment	10
Cummunication equipment	10
Furniture, Fixtures & Fittings	10
Computer hardware and software	25
Motor cycle	25
Tools	10

j) Trade and other receivables

Trade and other receivables are recognized at original invoice amount less an allowance for any uncollectible amounts. Specific provision is made for all known doubtful debts. Bad debts are written off when all reasonable steps to recover them have been taken without success

k) Inventories

Inventoris are stated at the lower of cost and net realisable value. Cost is determined an first in first out (FIFO) method or average cost method. Cost comprise the cost of the purchases and all other costs attributable to bringing the goods to that particular condition and location.

k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash in hand.

For the purpose of cash flow statement, cash and cash equivalent comprise of cash and cash equivalent as

l) Interest Bearing Borrowings

All borrowings are initially recognized at cost, being the fair value of consideration received net of issue costs associated with the borrowings.

After initial recognition, interest bearing borrowings are subsequently measured at amortized costs using the effective interest rate method. Amortized costs are calculated by taking into account any issue costs, and any discount or premium on settlement.

m) Retirement benefits

The company contributes to a statutory defined contribution pension scheme, the National Social Security Fund as well as 5% of basic salary to registered pension schemes, in respect of all elligible employees.

n) Comparatives

Where necessary comparative figures have been adjusted to conform with the changes in presentation in the current period

2 Financial risk management objectives and policies

The company's activities expose it to a variety of financial risks including credit liquidity and interest rates risks and changes in market prices of the company's products. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit history.

3 Critical accounting estimates and judgements

The company makes estimates and assumptions that affect the reported amounts of assets and liabilites within the next financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

i) Property, plant and equipment

Critical estimates are required in determining the depreciation rates for property, plant and equipment. The management determines these rates of depreciation based on their assessment of the useful lives of the various items of property, plant and equipment.

ii) Intangible assets

Critical estimates are made by management in determining the amortisation rates for intangible assets. The management determines these rates of amortisation based on their assessment of the useful lives of the intangible assets.

iii) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome 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.

4 Operating

(a) Items charged

The following items have been charged in arriving at operating :

Depreciation on property	146,590	164,998	146,590	164,998
Auditors' remuneration	-	40,000	-	40,000

	2022 Kshs	2021 Kshs	2022 Kshs	2021 Kshs
5 Other operating income				
Income from equity accounted investments	-	-	-	-
Bank Interest income	-	-	-	-
	-	-	-	-
6 Current tax				
Profit/(loss) before tax	(389,590)	(2,009,462)	(389,590)	(389,590)
Tax calculated at a tax rate of 30%	-	-	-	-
Tax effect of:				
Excess depreciation over wear & tear	-	-	-	-
Tax credit /(expense)	-	-	-	-

7 KURWITU VENTURES LIMITED

PROPERTY , PLANT AND EQUIPMENT

FOR THE PERIOD ENDED 30TH JUNE 2022

Group

	Land	Office Equipment	Furniture and Fitting	Computers	Motor vehicle	Totals
Cost	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
As at 01.01.2022	106,086,790	363,009	3,341,049	213,839	200,000	110,204,687
Additions		-	-	-	-	-
As at 30.06.2022	**106,086,790**	**363,009**	**3,341,049**	**213,839**	**200,000**	**110,204,687**
Depreciation						
As at 01.01.2022	-	185,205	2,148,379	199,036	176,634	2,709,254
Charge for the year	-	17,780	119,267	3,701	5,842	146,590
As at 30.06.2022	-	**202,986**	**2,267,646**	**202,737**	**182,475**	**2,855,844**
N.B.V						
As at 30.06.2022	**106,086,790**	**160,024**	**1,073,403**	**11,102**	**17,525**	**107,348,844**
As at 31.12.2021	**106,086,790**	**177,804**	**1,192,670**	**14,803**	**23,366**	**107,495,433**

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.

8 KURWITU VENTURES LIMITED

PROPERTY , PLANT AND EQUIPMENT

FOR THE YEAR ENDED 30TH JUNE 2022

Company

	Land	Office Equipment	Furniture and Fitting	Computers	Motor vehicle	Totals
Cost	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
As at 01.01.2022	102,180,040	363,009	3,341,049	213,839	200,000	106,297,937
Additions		-	-	-	-	-
As at 30.06.2022	**102,180,040**	**363,009**	**3,341,049**	**213,839**	**200,000**	**106,297,937**
Depreciation						
As at 01.01.2022	-	185,205	2,148,379	199,036	176,634	2,709,254
Charge for the year	-	17,780	119,267	3,701	5,842	146,590
As at 30.06.2022	-	**202,986**	**2,267,646**	**202,737**	**182,475**	**2,855,844**
N.B.V						
As at 30.06.2022	**102,180,040**	**160,024**	**1,073,403**	**11,102**	**17,525**	**103,442,094**
As at 31.12.2021	**102,180,040**	**177,804**	**1,192,670**	**14,803**	**23,366**	**103,588,683**

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.

9 KURWITU VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

LEASES (GROUP AS LESSEE)

RIGHT OF USE ASSET

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.

10 LEASE LIABILITIES	**2022**	**2021**
The maturity analysis of		
Within one year	3,471,000	3,471,000
Two to five years	11,595,900	11,595,900
More than five years	390,280,000	390,280,000
	405,346,900	**405,346,900**

	2022	2021	2022	2021
	Kshs	Kshs	Kshs	Kshs

11 Deferred tax

Deferred tax is calculated using the currently enacted corporation tax rate of 30%. The movement on the deferred tax account is as follows:

At 1st January	
Debit /(Credit) to and loss account (Note 7)	
At 30th June	

Deferred tax assets and liabilities, deferred tax (credit) in the and loss account are attributable to the following items:

	At 1st Jan 2022 Shs	At 31st Dec 2022 Shs	At 1st Jan 2022 Shs	At 31st Dec 2022 Shs
Deferred tax asset				
Tax losses available for set off against future taxable income	27,082,108	27,082,108	26,000,142	26,000,142
Leave pay accrual		-	-	-
	27,082,108	27,082,108	26,000,142	26,000,142
Deferred tax asset/(liability)	-			
Excess capital allowance over depreciation	-	-	-	-
Net deferred tax asset	27,082,108	27,082,108	26,000,142	26,000,142

KURWITU VENTURES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH JUNE 2022

		2022 Kshs	2021 Kshs	2022 Kshs	2021 Kshs
12	**Trade Recievables**				
	Financial instruments:				
	Trade receivables	321,498	321,498	-	-
	Deposits	689,130	689,130	689,130	689,130
	Non-financial instruments:				
	VAT Control Account	2,784,741	2,784,741	2,784,741	2,784,741
	Refundable taxes	22,750	22,750	22,750	22,750
	Related party	-	-	-	-
		3,818,119	**3,818,119**	**3,496,621**	**3,496,621**
13	**Cash and bank balance**				
	Cash at Bank	321,990	355,260	321,990	355,232
	Cash in Hand	66	66	66	66
		322,056	**355,326**	**322,056**	**355,298**
	For the purpose of cash flow statement cash and cash equivalent comprise of:				
14	**Share capital**				
	Authorised share capital:				
	125,000 Ordinary shares of KShs 100 each	-	-	12,500,000	12,500,000
	Issued and fully paid up share capital:				
	102,272 Ordinary shares of KShs 100 each	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

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.

		2022 Kshs	2021 Kshs	2022 Kshs	2021 Kshs
15	**Borrowings**				
	Subsidiaries-Kurwitu Asset Management Ltd	-	-	8,159,808	8,159,808
	Shareholders	78,618,563	78,618,563	71,450,813	71,450,813
	Loans	-	-	-	-
		78,618,563	**78,618,563**	**79,610,621**	**79,610,621**
16	**Trade and other payables**				
	Trade Payables	9,546,783	9,337,053	6,671,033	6,461,275
	Payables-related parties	9,613,172	9,613,172	6,681,264	6,681,264
	Other payables	13,500	13,500	13,500	13,500
	Accrued audit fees	65,000	65,000	65,000	65,000
		19,238,455	**19,028,725**	**13,430,797**	**13,221,039**

17 Related party transactions

The company is related to other companies which are related through common shareholding or common

	2022	2021	2022	2021
	Shs	Shs	Shs	Shs
The following transactions were carried out with related parties.				
i) **Shareholders loans**	78,618,563	78,618,563	71,450,813	71,450,813
ii) **Payables**	9,613,172	9,613,172	6,681,264	6,681,264

APPENDIX I

KURWITU VENTURES LIMITED
FOR THE PERIOD ENDED 30TH JUNE 2022

	Group		Company	
	2022	2021	2022	2021
	Kshs	Kshs	Kshs	Kshs
Income				
Operating income	-	-	-	-
Income from equity accounted investments	-	-	-	-
	-	-	-	-
Other operating expenses				
Advertising		-		-
Auditors remuneration - external auditors	-	65,000	-	65,000
Bank charges	-	11,964	-	6,272
Business licenses & permits		-		-
Capital Market Authority Fees	-	50,000	-	50,000
Central Depository & Settlement Corporation fees		-		-
Cleaning		-		-
Legal fees		-		-
Accounting and audit fee	-	40,000	-	40,000
Consumables-office		-		-
Depreciation	146,590	164,998	146,590	164,998
Employee costs		-		-
Electricity		-		-
Fines and penalties		-		-
IT expenses		-		-
Variable lease payments		-		-
Lease rentals on operating lease		-		-
Magazines, books and periodicals		-		-
Miscellaneous expenses		-		-
Nairobi Stock Exchage fees	210,000	37,500	210,000	37,500
Nominated advisor fees		-		-
Postage		-		-
Printing and stationery	33,000.00	-	33,000	-
Repairs and maintenance		-		-
Facilitation fee	-	890,000	-	890,000
Feasibility Study	-	750,000	-	750,000
Staff welfare		-		-
Telephone and fax		-		-
Transport and freight		-		-
Travel - local		-		-
Total other operating expenses	**389,590**	**2,009,462**	**389,590**	**2,003,770**
Profit/(loss) for the year	**(389,590)**	**(2,009,462)**	**(389,590)**	**(2,003,770)**

KURWITU VENTURES LIMITED
PIN: P051193884I
FOR THE PERIOD ENDED 30TH JUNE 2022

	Group	Company
TAX COMPUTATION	**Ksh**	**Ksh**
Loss for the year	(389,590)	(389,590)
Add Back:		
Depreciation	146,590	146,590
Less		
Wear & Tear Allowance	(146,590)	(146,590)
Tax adjusted loss	**(389,590)**	**(389,590)**
Loss b/f	(60,410,032)	(59,205,986)
Loss c/d	**(60,799,622)**	**(59,595,576)**
Taxation @ 30%	-	-
Less: Advance tax	-	-
Tax Credit	-	-