OLYMPIA CAPITAL HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

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Company Information

Directors	Dr. Christopher W. Obura (Chairman) Mr. Michael W. Matu (Chief Executive Officer) Mr. Suresh Lakhani Mr. John N. Simba Mr. Paul W. Ndungu Mr. VIncent H. L. Opanga (appointed on 29 June 2010) Ms. Nancy Mwai (appointed on 29 June 2010) Mr. Mucai Kunyiha (resigned 29 June 2010)
Registered office	L.R No. 209/5532 Off Nanyuki Road Industrial Area P.O. Box 30102 GPO 00100 Nairobi
Company Secretary	Commercial Registrars Lina Kantaria - CPS No. 051 Certified Public Accountants P.O. Box 49925 GPO 00100 Nairobi
Tax Advisors	BDO East Africa Certified Public Accountants P.O. Box 10032 GPO 00100 Nairobi
Auditors	BDO East Africa Certified Public Accountants P.O. Box 10032 GPO 00100 Nairobi
Registrars	Custody and Registrars Services Limited 6th Floor, North Wing, Bruce House Plot Number L.R. No. 209/6676, Standard Street P.O. Box 8484 GPO 00100 Nairobi
Bankers	Standard Chartered Bank Kenya Limited Co-operative Bank Limited Jamii Bora Bank Limited Fina Bank (Kenya) Limited Barclays Bank of Kenya Limited Equatorial Commercial Bank Limited First National Bank of Botswana Limited Standard Chartered Bank of Botswana Limited Stanbic Bank Botswana Limited First National Bank Limited - South Africa NIC Bank Limited

The Board is accountable to the Company's shareholders for good governance and the statement set out below describes how the principles identified in the Capital Markets Act – Corporate Governance Guidelines, are applied by the Group.

BOARD OF THE DIRECTORS

The Board continues to maintain effective control over strategic, financial, operational and policy issues and meets at least four times in an year. The main Board consists of seven Directors. The Board composition has been chosen to ensure a mix of skill and experience that is adequate to give leadership and direction to the group companies which span over several market segments. In the prior year, the Board commissioned a Board charter to guide its affairs. This charter clealy spells out the roles and responsibilities of the Chairman, the executive Directors and the non executive Directors and this has served to ensure that a proper balance of authority and power exists within the Board. In addition, the Code of Ethics serves to ensure that all the Directors and senior staff conduct their affairs with the highest ethical and business standards. The Board is assisted in the discharge of its responsibilities by the Board Committees below which meet quarterly or as required.

The Committee members are Mr. Vincent Opanga (Chairman) and Mr. Oupa Mothibatsela. The main responsibilities of this commitee are to act as the liaison between the external auditor, the Board of Directors and management and to strengthen the objectivity and independence of the auditor and act on behalf of the Board in carrying its responsibilities to the members and shareholders.

INVESTMENT COMMITEE

The commitee members are Mr. Suresh Lakhani (Chairman), Vincent Opanga and Mr. Michael Matu. The main responsibilities of this commitee are to set limits for management in capital expenditure, review the budgets, review the companies procurement and disposal policies and to review and make recommendations on all new investment proposals.

STAFF NOMINATIONS AND REMUNERATION COMMITEE

The commitee members are Mr. John Simba (Chairman) and Mr. Michael Matu. The main responsibilities of this Commitee are to recommend to the Board, the recruitment, termination, promotion and other significant issues related to executive Directors and general managers, review the adequacy of human resources policies and to monitor disputes and appeal procedures in the Company.

During the year under review, Mr. Mucai Kunyiha resigned from the Board effective 29 June 2010. On 29 June 2010, the Board appointed two new Directors being Mr. Vincent Opanga, the current Managing Director of Kisii Bottlers Limited was appointed as a non executive Director while Ms. Nancy Mwai , the current Finance Manager was appointed as an executive Director.

Summary of Board attendance for the financial year ended 28 February 2011:

	Mar 8,'10	Mar 12,'10	Apr 20,'10	June 27 '10	June 29,'10	Nov 16,'10
Dr. C.W. Obura (Chairman)	NM	NM	✔	NM	✔	✔
Mr. M. W. Matu (CEO)	✔	✔	✔	✔	✔	✔
Miss Nancy Mwai	✔	✔	✔	✔	✔	✔
Mr. M. Kunyiha	✔	✔	✔	✔	✕	Resigned
Mr. S.A. Lakhani	NM	NM	✔	NM	✔	✔
Mr. John P.N. Simba	NM	✔	✔	NM	✔	✔
Mr. Paul N. Ndungu	NM	NM	✕	NM	✕	✕

✔ - Present

✕ - Absent

NM - Not a member

Corporate Governance Statement

MAJOR SHAREHOLDERS

BOARD OF THE DIRECTORS	Shares	Percentage (%)
Dunlop Properties Limited	7,363,502	18.4%
	4,870,000	12.2%
Karen Enterprises Limited	3,932,832	9.8%
I & M Nominees Limited Acc: 028950	2,357,132	5.9%
First Ten Limited	2,222,536	5.6%
Stanbic Nominees (K) Limited Acc: R48703	1,901,700	4.8%
Stanbic Nominees (K) Limited Acc: R48704	1,389,000	3.5%
Michael Matu	1,106,997	2.8%
Joel Kamau Kibe	949,500	2.4%
Scottlink Limited	885,269	2.2%
Eliud Matu Wamae	619,088	1.5%
Stanbic Nominees (K) Limited Acc: R48702	420,000	1.1%
Croxley Properties Ltd A/c 693448	400,000	1.0%
Stanbic Nominees (K) Limited Acc: R48701	400,000	1.0%
James Mwangi Wamae	353,521	0.9%
Baloobhai Chhotabhai Patel	280,000	0.7%
Rakesh Gadani	240,425	0.6%
Stephen Gichohi Mwangi	200,000	0.5%
Corporate Insurance Company Limited	169,600	0.4%
Mt. Kenya Investments Ltd	169,031	0.4%
Mobicom Kenya Limited	152,500	0.4%
Central Kenya Wholesalers Ltd	131,167	0.3%
Others	9,486,200	23.7%
Total	**40,000,000**	**100.0%**

DISTRIBUTION OF SHAREHOLDERS

Volume	No of shares held	Percentage (%)	Shareholders
1 - 500	243,672	0.61%	976
501 - 5,000	2,454,624	6.14%	1,315
5,001 - 10,000	1,320,628	3.30%	174
10,001 - 100,000	4,908,028	12.27%	191
100,001 - 1,000,000	5,929,349	14.82%	19
1,000,001 +	25,143,699	62.86%	8
Total	**40,000,000**	**100.00%**	**2,683**

Chairman's Statement

The year ended February 2011 was a fairly quiet year for the group. There were neither acquisitions nor disposals during the year under review. The emphasis was on ensuring that our existing businesses are profitable and self sustaining.

A decision was made to not hold shareholding in the South African businesses, but instead advance funds to the businesses for their operations; we have thus not consolidated the two South African businesses. We are currently in discussions with a potential investor to purchase the Cape Town business for zar 7 million (Ksh 91 million), which will ensure full refund of all amounts lent and a decent return.

Financials:

There was an 8% increase in the top line to Ksh 667 million. However due to containment of costs, there was a 95% increase in profit from operations to Ksh 53 million. We are pleased with this improvement and will strive to contain costs as the business grows.

As we had fully provided for the loss from discontinued operations, unlike the previous year where we provided Ksh 18 million, we have no provision to be made this year.

Future Prospects:

We have embarked on seeking a partner to work with us in installation of the tile plant we purchased from South Korea. We are confident that this plant will be fully installed in the current financial year.

Dividends:

We do not recommend the payment of a dividend for the year under review; however the board will consider payment of an interim dividend from the results of the current year.

Dr. CW Obura

Chairman

19th July 2011

Report of the directors

The directors submit their annual report to the members together with the audited financial statements for the year ended 28 February 2011.

1. Principal activity

Main business and operations

Olympia Capital Holdings Limited is an investment holding company. Its main investments are in companies dealing in the manufacture and sale of products used in construction industry, such as floor tiles, adhesives, uPVC windows and door frames, cleaning chemicals as well as fire prevention equipment, water pumps and real estate.

2. Results for the year

The results for the year ended 28 February 2011 are set out on page 10.

Net profit of the group of K Sh 35,139,000 (2010: loss of K Sh 11,999,000), after a taxation credit of K Sh 3,258,000 (2010: charge K Sh 19,002,000) was transferred to revenue reserve.

3. Dividends

The dividends already declared and paid to shareholders during the year are as reflected in the attached statement of changes in equity.

No dividend is being proposed for the year ended 28 February 2011 (2010; K Sh 4 million, 0.10 per share).

4. Directors

The directors who held office during the year and to the date of this report are listed on page 2 in accordance with the articles of association, the directors are not required to retire by rotation.

BY ORDER OF THE BOARD

COMMERCIAL REGISTRARS

SECRETARIES

19th July 2011
Lina Kantaria
Secretary
Nairobi

Statement of directors' responsibilities

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 Group and Company as at the end of the financial year and of its results for that year. It also requires the directors to ensure that the Group and Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Company. They are also responsible for safeguarding the assets of the Group and Company.

The directors accept responsibility for the annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Financial Reporting Standards and the requirements of the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and Company and of its results in accordance with International Financial Reproting Standards. The directors further accept responsibilty for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Nothing has come to the attention of the directors to indicate that the Group and Company will not remain a going concern for at least the twelve months from the date of this statement.

The financial statements set out on pages 10 to 48, which have been prepared on the going concern basis, were approved by the Board on **19th July 2011** and were signed on its behalf by:

Dr. C. W. Obura
Chairman

Mr. M. W. Matu
Director

TO THE MEMBERS OF OLYMPIA CAPITAL HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Olympia Capital Holdings Limited, set out on pages 10 to 48 which comprise the consolidated statement of financial position as at 28 February 2011, consolidated statement of financial performance, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Annual Report And Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Kenyan Companies Act also requires the directors to ensure that the Company maintains proper books of accounts which are in agreement with the statement of financial performance, statement of comprehensive income and statement of financial position.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of financial affairs of the Company as at 28 February 2011 and of its result and cash flows for the year ended in accordance with International Financial Reporting Standards and comply with the Kenyan Companies Act.

REPORT OF THE INDEPENDENT AUDITOR

Report on Other Legal and Regulatory Requirements

As required by the Kenyan Companies Act 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 our 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 it appears from our examination of those books; and

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

BDO East Africa

18th July 2011

BDO East Africa
Certified Public Accountants
P.O. Box 10032
GPO 00100
Nairobi

Statement Of Financial Performance

		Group		Company	
		2011	2010	2011	2010
	Notes	K Sh '000	K Sh '000	Kshs '000	Kshs '000
<u>Continuing operations</u>					
Revenue		666,629	618,124	21,130	16,040
Cost of sales		(442,921)	(410,590)	-	-
Gross profit		**223,708**	**207,534**	**21,130**	**16,039**
Other operating income		139	(12,838)	(7,296)	(16,641)
Distribution costs		(799)	(2,166)		
Other operating expenses		(168,808)	(162,754)	(13,631)	(13,921)
Profit/(loss) from operations	6	**54,240**	**29,776**	**203**	**(14,523)**
Finance costs	7	(22,359)	(4,295)	(13,032)	4,177
Profit/(loss) before taxation		**31,881**	**25,481**	**(12,829)**	**(10,346)**
Taxation	8	3,258	(19,002)	4,956	(2,058)
Profit/(loss) from continuing operations		**35,139**	**6,479**	**(7,873)**	**(12,404)**
<u>Discontinued operations</u>					
Loss from discontinued operations		-	(18,478)	-	-
Profit/(loss) for the year		**35,139**	**(11,999)**	**(7,873)**	**(12,404)**
Non-controlling interest		(21,885)	(2,581)	-	-
Profit/(loss) attributable to shareholders		**13,254**	**(14,580)**	**(7,873)**	**(12,404)**
Earning/(loss) per share attributable to the equity holders of the parent company					
Basic & Diluted (K Sh. per share)	9	3.31	(0.36)	(0.20)	(0.31)
Dividends:					
Final dividend proposed	10	-	4,000	-	4,000
Dividend paid		-	(4,000)	-	(4,000)
Dividend per share		-	0.10	-	0.10

Statement Of Comprehensive Income

	Group		Company	
	2011	2010	2011	2010
	K Sh '000	K Sh '000	K Sh '000	K Sh '000
Profit/(loss) for the year	**35,139**	**(11,999)**	**(7,873)**	**(12,404)**
Other comprehensive income				
Fair value gain on revaluation of available-for-sale financial assets	9,471	-	656	20,750
Fair value gain on property	-	25,221	-	-
Exchange gains arising on translation of foreign subsidiary	8,499	6,465	-	-
Total other comprehensive income for the year	**17,970**	**31,686**	**656**	**20,750**
Total comprehensive income/(loss) for the year	**53,109**	**19,687**	**(7,217)**	**8,346**
Total comprehensive income/(loss) attributable to:				
Owners of the parent	22,651	11,693	(7,217)	8,346
Non controlling interest	30,458	7,995	-	-
	53,109	**19,687**	**(7,217)**	**8,346**

Statement of Financial Position

	Notes	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
ASSETS					
Non-current assets					
Property, plant and equipment	11	329,808	265,197	181	329
Goodwill	12	107,451	106,583	-	-
Intangible assets	13	57,089	59,775	24	109
Investments in subsidiaries	14	-	-	243,376	243,366
Amounts due from related parties	15	16,867	19,164	48,924	48,909
Available for sale financial assets	17	61,864	76,120	61,190	75,927
Deferred tax	18	4,813	1,397	2,983	-
		577,892	**528,236**	**356,678**	**368,640**
Current assets					
Inventories	19	111,027	100,694	-	-
Amounts due from related parties	15	3,534	48,180	165,885	188,688
Amounts due from directors	16	22,533	21,607	22,533	21,507
Current tax receivable		90	1,982	-	-
Trade and other receivables	20	176,547	132,099	439	397
Funds held in trust in Botswana	21	311	311	311	311
Cash and cash equivalents	21	64,632	86,770	24	174
		378,674	**391,643**	**189,192**	**211,077**
Non-current asset held for sale	22	117,670	54,600	39,059	-
Total assets		**1,074,236**	**974,479**	**584,929**	**579,717**
EQUITY AND LIABILITIES					
Capital and reserves attributable to owners of the Parent Company					
Share capital	24	200,000	200,000	200,000	200,000
Share premium		255,985	255,985	255,985	255,985
Other reserves		6,982	(2,020)	-	(656)
Revenue reserves		30,026	19,081	53,153	65,026
Shareholders' equity		**492,993**	**473,046**	**509,138**	**520,355**
Non-controlling interest	23	154,266	125,158	-	-
Total Equity		**647,259**	**598,204**	**509,138**	**520,355**
Non-current liabilities					
Amounts due to related parties	15	17,174	11,650	-	-
Borrowings	25	69,591	73,010	-	-
Deferred tax	18	14,424	25,240	-	1,973
Provisions	26	-	2,248	-	-
		101,189	**112,148**	**-**	**1,973**
Current liabilities					
Amounts due to related parties	15	4,574	4,562	37,677	26,515
Amounts due to directors	16	16,834	14,836	13,375	11,793
Borrowings	25	9,501	11,136	-	-
Current tax payable		15,312	12,115	1,055	1,055
Trade and other payables	27	195,113	156,106	15,968	14,280
Provisions	26	46,764	34,778		-
Dividends payable		17,141	14,177	6,619	3,620
Bank overdraft	21	20,549	16,417	1,097	126
		325,788	**264,127**	**75,791**	**57,389**
Total liabilities		**426,977**	**376,275**	**75,791**	**59,362**
Total equity and liabilities		**1,074,236**	**974,479**	**584,929**	**579,717**

The financial statements on pages 10 to 48 were approved by the Board of Directors on 19th July 2011 and signed on its behalf by:

Director ____________ **Director** ____________

Statement of Changes in Equity

	Attributable to owners of the parent company									
	Ordinary share capital	Share premium	Foreign currency translation reserve	Property revaluation reserve	Fair value reserve	Total reserves	Revenue reserve	Total	Non controlling interest	Total equity
	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000
GROUP										
Year ended 28 February 2010										
Balance at 1 March 2009	200,000	255,985	(34,489)	28,562	-	**(5,927)**	15,296	**465,354**	97,293	562,647
Reclassifications between reserves				(1,663)	(19,743)	**(21,406)**	21,406	**-**	-	-
Total comprehensive loss for the year	-	-	3,264		23,008	**26,272**	(14,580)	**11,692**	7,247	18,939
Amortisation of property revaluation reserve	-	-	-	(959)		**(959)**	959	**-**	(87)	(87)
Changes in respect of the first time consolidation of the non-controlling interest in Mather & Platt (Kenya) Ltd	-	-	-	-	-	**-**	-	**-**	20,705	20,705
Dividends							(4,000)	**(4,000)**		(4,000)
Total changes	**-**	**-**	**3,264**	**(2,622)**	**3,265**	**3,907**	**3,785**	**7,692**	**27,865**	**35,557**
Balance at 28 February 2010	**200,000**	**255,985**	**(31,225)**	**25,940**	**3,265**	**(2,020)**	**19,081**	**473,046**	**125,158**	**598,204**
Year ended 28 February 2011										
Balance at 1 March 2010	200,000	255,985	(31,225)	25,940	3,265	**(2,020)**	19,081	**473,046**	125,158	598,204
Total comprehensive income for the year	-	-	4,291	-	5,106	**9,397**	13,254	**22,651**	30,458	53,109
Amortisation of property revaluation reserve	-	-	-	(395)	-	**(395)**	515	**120**	118	238
Dividends	-	-	-	-	-	**-**	(4,000)	**(4,000)**	(1,468)	(5,468)
Other adjustments				-	-	**-**	1,176	**1,176**	-	1,176
Total changes	**-**	**-**	**4,291**	**(395)**	**5,106**	**9,002**	**10,945**	**19,947**	**29,108**	**49,055**
Balance at 28 February 2011	**200,000**	**255,985**	**(26,934)**	**25,545**	**8,371**	**6,982**	**30,026**	**492,993**	**154,266**	**647,259**

Statement of Changes in Equity

	Ordinary share capital	Share premium	Fair value reserve	Revenue reserve	TOTAL
	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000
COMPANY					
Year ended 28 February 2010:					
Balance at 1 March 2009	200,000	255,985	(21,406)	81,430	**516,009**
Increase in fair value of available-for-sale financial assets	-	-	20,750	-	**20,750**
Loss for the year	-	-	-	(12,404)	**(12,404)**
Dividends paid in the year	-	-	-	(4,000)	**(4,000)**
Balance at 28 February 2010	**200,000**	**255,985**	**(656)**	**65,026**	**520,355**
Year ended 28 February 2011:					
Balance at 1 March 2010	200,000	255,985	(656)	65,026	**520,355**
Increase in fair value of available-for-sale financial assets	-	-	656	-	**656**
Loss for the year	-	-	-	(7,873)	**(7,873)**
Dividends paid in the year	-	-	-	(4,000)	**(4,000)**
Balance at 28 February 2011	**200,000**	**255,985**	**-**	**53,153**	**509,138**

Statement of Cash flows

		Group		Company	
		2011	2010	2011	2010
	Notes	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Cash flow from operating activities	28	34,327	40,091	(2,625)	(4,702)
Interest received		10,843	20,894	4,749	15,984
Finance costs paid		(12,367)	(21,135)	(13,032)	(1,400)
Tax paid		(9,154)	(13,513)	-	(557)
Dividends received		4	56		56
Net cash generated from/(used in) operating activities		**23,653**	**26,393**	**(10,908)**	**9,381**
Cash flow from investing activities					
Purchase of property, plant and equipment		(57,407)	(7,749)	(42)	-
Intangible assets acquired		(190)	(3,952)	-	-
Proceeds from disposal of property, plant & equipment		-	711	15,393	55
Investment in available-for-sale financial assets		(448)	(8,199)	-	(8,194)
Proceeds from disposal of available-for-sale financial assets		15,463	30,912	-	29,947
Investment in other non-current assets		-	2,494	-	2,494
Effect of acquisition of controlling interest in Mather & Platt (K) Ltd		-	(8,105)	-	-
Net cash (used in)/generated from investing activities		**(42,582)**	**6,112**	**15,351**	**24,302**
Cash flow from financing activities					
Loans from shareholders		(5,655)	(26,021)	(4,564)	(33,583)
Net movement of long term borrowings		(7,065)	25,135	-	-
Dividends paid to non-controlling interest		-	(2,449)	-	-
Dividends paid to company shareholders		(2,544)	-	(1,000)	(2,600)
Net cash used in financing activities		**(15,264)**	**(3,335)**	**(5,564)**	**(36,183)**
Net (decrease)/increase in cash and cash equivalents		**(34,193)**	**29,170**	**(1,121)**	**(2,500)**
Cash and cash equivalents at beginning of year		70,664	38,490	359	2,859
Effects of exchange rate changes		7,923	3,004	-	-
Cash and cash equivalents at end of year	21	**44,394**	**70,664**	**(762)**	**359**

1 GENERAL INFORMATION

Olympia Capital Holdings Limited ("OCHL") or (the "Company") is a public limited liability company incorporated in the Republic of Kenya under the Companies Act (Cap 486) and is domiciled in Kenya. The Company has a number of subsidiaries (together, the "Group") which are detailed in Note 14. The address of its registered office is L.R. No 209/5532/1, Off Nanyuki Road, Industrial Area, P.O. Box 30102, GPO 00100, Nairobi.

These financial statements will be submitted for consideration and approval at the forthcoming Annual General Meeting of Shareholders of the Company.

The Company's shares are listed on the Nairobi Stock Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all years presented, unless otherwise stated. The consolidated financial statements are are presented in Kenyan Shillings (K Sh) and rounded to the nearest thousand.

The consolidated financial statements of Olympia Capital Holdings Limited have been prepared in accordance with International Financial Reporting Standards, IFRIC interpretations and the Companies Act of Kenya. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.
IFRS 3 (revised) has had no impact on the current financial period as no acquisitions were made.

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. IAS 27 (revised) has had no impact on the current financial period, as there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity and there have been no transactions with non-controlling interests.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group (although they may affect the accounting for future transactions and events)

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but the Group has not early adopted them.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009).

IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009.

IFRIC 9, 'Reassessment of embedded derivatives and IAS 39, Financial instruments: Recognition and measurement', effective 1 July 2009.

IFRIC 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009.

IAS 38 (amendment), 'Intangible assets', effective 1 January 2010. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

IAS 1 (amendment), 'Presentation of financial statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current.

IAS 36 (amendment), 'Impairment of assets', effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics).

IFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective from 1 January 2010. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of Group arrangements that were not covered by that interpretation.

IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted

The Group's and parent entity's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess IFRS 9's full impact.

Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group will apply the revised standard from 1 January 2011. When the revised standard is applied, the group and the parent will need to disclose any transactions between its subsidiaries and its associates. The Group is currently putting systems in place to capture the necessary information. It is, therefore, not possible at this stage to disclose the impact, if any, of the revised standard on the related party disclosures.

'Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with IAS 8.

'Accounting policies, changes in accounting estimates and errors'. The Group will apply the amended standard from 1 January 2011.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. It is not expected to have any impact on the Group or the parent entity's financial statements.

'Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. The Group will apply these amendments for the financial reporting period commencing on 1 March 2011.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual report and financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual report and financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual report and financial statements. Significant judgements include:

Trade receivables, loans and other receivables

The Group assesses its Trade receivables, loans and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Available-for-sale financial assets

The Group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each Group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 26 - Provisions.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. 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.

1.1 Significant judgements and sources of estimation uncertainty (continued)

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.2 Consolidation

Basis of consolidation

The consolidated annual report and financial statements incorporate the annual report and financial statements of the Company and all entities, including special purpose entities, which are controlled by the Company.

Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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 which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction are regarded 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 parent.

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.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held-For-Sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets

1.2 Significant judgements and sources of estimation uncertainty (continued)

and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in the statement of comprehensive income as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.3 Translation of foreign currencies

Functional and presentation currency

Items included in the annual report and financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated annual report and financial statements are presented in Kenyan Shilling which is the Group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded 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 closing rate
- 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.

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 annual report and financial statements are recognised in the statement of comprehensive income 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 the statement of comprehensive income, any exchange component of that gain or loss is recognised in the statement of comprehensive income.

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

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

1.3 Translation of foreign currencies (continued)

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.

1.4 Segment reporting

IFRS 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes, which is provided to the Board of Directors. The Group defines operating segments on the basis of key product lines. Geographical information is also important to management, and has been set out in Note 5.

1.5 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised in the statement of financial performance, using the effective interest rate method.

Dividends are recognised, in the statement of financial performance, when the Company's right to receive payment has been established.

1.6 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.

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.

1.7 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.

1.7 Tax (continued)

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 to the extent that it is probable that future taxable profit will be available against which the unused tax losses 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.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in the statement of financial performance 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 Property, plant and equipment

The cost of 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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Land and buildings are carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

1.8 Property, plant and equipment (continued)

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	% Rate per annum
Buildings	2.0 - 2.5
Plant and machinery	7.5 - 25.0
Furniture and fixtures	20
Motor Vehicles	20

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

The depreciation charge for each period is recognised in the statement of comprehensive income unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.9 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.10 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

1.10 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Brand names	Indefinite
Computer software	3-5 years

1.11 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Available-for-sale financial assets

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through the statement of comprehensive income, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the Group's right to receive payment is established.

1.11 Financial instruments (continued)

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in the statement of financial performance, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Impairment of financial assets

At each reporting date the Group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of financial performance - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in the statement of financial performance.

Impairment losses are recognised in the statement of financial performance.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in the statement of financial performance except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in the statement of financial performance within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to/(from) group companies

These include loans to and from fellow subsidiaries, subsidiaries, joint ventures, associates and directors and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to/(from) directors

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

1.11 Financial instruments (continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the statement of financial performance.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

1.12 Share capital and equity

Ordinary shares are classified as equity.

1.13 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.14 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.

1.14 Impairment of assets (continued)

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.

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 the statement of comprehensive income. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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 the statement of comprehensive income. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.15 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

1.16 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor

The Group recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the group’s net investment in the finance lease.

1.16 Leases (continued)

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Operating leases - lessor

Operating lease income is recognised as an income on over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in statement of financial position .

Operating leases – lessee

Operating lease payments are recognised as an expense over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.17 Comparatives

Where necessary, prior year comparatives have been adjusted to conform with changes in presentation in the current year. These changes did not have any impact on the report profit/(loss) for the year, or the net asset position.

3. Going concern

As at 28 February 2011, Dunlop Industries Limited, a wholly owned subsidiary of Olympia Capital Holdings Limited, had a deficit of K Sh. 23,647,801 (2010: K Sh. 25,523,363) due to trading losses incurred in the prior financial years.

Satisfactory liquidity levels are dependent on improved operations and/or injection of additional capital. The Holding Company has given its commitment to continue supporting the subsidiary to improve its operations and financial position and has undertaken to provide the necessary financial support to enable it to pay its liabilities as they fall due. To address the shareholders' deficit, OCHL has made advances amounting to K Sh. 75,444,098 (2009: K Sh. 75,707,864) to Dunlop Industries Ltd, which are subordinated to third party debt.

In view of the above, the directors consider it appropriate to consolidate the financial statements of Dunlop Industries Limited in the group financial statements on a going concern basis.

Olympia Capital Holdings Limited, the Company, is an investment holding company and its largest investment, Olympia Capital Corporation Limited, the Botswana subsidiary, has a positive net worth.

4. Risk management

Capital risk management

The group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2011 and 2010 respectively were as follows:

		Group		Company	
		2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000
Total borrowings					
Amounts due to related parties	15	21,748	16,212	37,677	26,515
Amounts due to directors	16	16,834	14,736	13,375	11,793
Borrowings	25	79,092	84,146	-	-
		117,674	**115,094**	**51,052**	**38,308**
Less: Cash and cash equivalents	21	44,394	70,664	(762)	359
Net debt		73,280	44,430	51,814	37,949
Total equity		647,259	598,205	509,140	520,355
Total capital		**720,539**	**642,635**	**560,954**	**558,304**
Gearing ratio		10 %	7 %	9 %	7 %

Financial risk management

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

4. Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

At 28 February 2011	Less than 1 year	Over 1 year		
Borrowings	9,501	69,591	-	-
Amounts due to related parties and directors	21,408	17,174	-	-
Trade and other payables	195,123	-	-	-
Overdraft	20,549	-	-	-
At 28 February 2010	**Less than 1 year**	**Over 1 year**		
Borrowings	11,136	73,010	-	-
Amounts due to related parties and directors	19,398	11,650	-	-
Trade and other payables	156,106	-	-	-
Overdraft	16,417	-	-	-

Company

At 28 February 2011	Less than 1 year	Over 1 year		
Amounts due to related parties and directors	51,052	-	-	-
Trade and other payables	15,968	-	-	-
Overdraft	1,097	-	-	-
At 28 February 2010	**Less than 1 year**	**Between 1 and 2 years**		
Amounts due to related parties and directors	38,308	-	-	-
Trade and other payables	14,280	-	-	-
Overdraft	126	-	-	-

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from short- term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

At 28 February 2011, if interest rates on Kenyan Shilling-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been K Sh 0.57 million (2010: K Sh 0.54 million lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

4. Risk management (continued)

Credit risk

Credit risk is managed on a Group basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Financial instrument	Group - 2011	Group - 2010	Company - 2011	Company - 2010
Cash and cash equivalents	64,632	86,770	24	174
Trade and other receivables	176,547	132,099	439	397
Amounts due from related parties and directors	42,934	88,951	237,342	259,104

The Group is exposed to a number of guarantees for the overdraft facilities . Refer to Note 25 for additional details.

Foreign exchange risk

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At 28 February 2011, if the currency had weakened/strengthened by 10% against the following with all other variables held constant, the consolidated post-tax loss for the year would have been higher or lower by the following amounts, mainly as a result of foreign currency denominated monetary assets and liabilities.

US Dollar	K Sh. 1,515,582 lower	(2010; K Sh. 5,482,042 lower)
South African Rand	K Sh. 44,293,731 lower	(2010; K Sh. 210,411 higher)
Botswana Pula	K Sh. 9,881,874 lower	(2010; K Sh. 9,351,878 higher)

Price risk

The Group is exposed to equity securities price risk because of investments in quoted and unquoted shares classified as available-for-sale. The Group is not exposed to commodity price risk. All quoted shares held by the Group are traded on the Nairobi Stock Exchange (NSE).

At 28 February 2011, if the NSE Index had increased/decreased by 1% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation to the index, consolidated equity reserves would have been K Sh. 5,840 (2010: K Sh 7,830) higher/lower.

5. SEGMENTAL REPORTING

IFRS 8, Operating Segments requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the Board of Directors. The Group defines operating segments on the basis of key product lines. Geographical information is also important to management, and has been given below.

	Investment holding & Special Purpose Entity	Property	Building & construction materials & fire prevention equipment		Geographical totals		Total
	Kenya	Kenya	Kenya	Botswana	Kenya	Botswana	
Year ended 28 February 2011	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000
Sales/Revenues	4,721	31,642	212,363	417,903	248,726	417,903	**666,629**
Operating profit/(loss) from operations	(17,458)	10,856	17,689	41,898	11,087	41,898	**52,985**
Profit/(loss)	(10,372)	5,319	7,920	32,272	2,867	32,272	**35,139**
Total assets	729,291	205,121	236,866	449,958	1,171,278	449,958	**1,621,236**
Less: Intercompany consolidation adjustments							**(547,000)**
Consolidated group assets							**1,074,236**
Non-current assets excluding financial assets and deferred tax	437,780	185,080	49,793	199,206	672,653	199,206	**871,859**
Less: Intercompany consolidation adjustments							**(360,644)**
Consolidated group non-current assets							**511,215**

	Investment holding	Property	Building & construction materials & fire prevention equipment		Geographical totals		Total
	Kenya	Kenya	Kenya	Botswana	Kenya	Botswana	
Year ended 28 February 2010	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000	K Sh '000
Sales/Revenues	4,842	25,896	135,864	451,569	166,602	451,569	**618,171**
Operating profit/(loss) from operations	(10,497)	8,890	(2,516)	29,604	(4,123)	29,604	**25,481**
Profit/(loss)	(12,555)	5,191	(2,642)	(1,993)	(10,006)	(1,993)	**(11,999)**
Total assets	579,590	201,209	204,566	366,195	985,365	366,195	**1,351,560**
Less: Intercompany consolidation adjustments							**(377,181)**
Consolidated group assets							**974,379**
Non-current assets excluding financial assets and deferred tax	292,712	180,431	50,371	131,805	523,514	131,805	**655,319**
Less: Intercompany consolidation adjustments							**(204,600)**
Consolidated group non-current assets							**450,719**

Trading between the reporting segments is limited and the amounts are not material. Sales reported above pertain mainly to external customers. Transactions between operating segments are captured on an arm's length basis.

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

6. Operating profit

Operating profit/(loss) for the year is stated after accounting for the following:

	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
Profit on sale of property, plant and equipment	67	294	-	25
Loss from discontinued operations	-	(18,478)	-	-
Amortisation on intangible assets	3,024	2,172	-	-
Depreciation on property, plant and equipment	11,996	12,283	274	280
Employee costs	30,985	21,808	5,598	6,450

7. Finance costs

	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
Interest on intercompany loans	5,772	4,011	3,471	1,400
Foreign currency fluctuation	9,992	(16,840)	9,561	(5,577)
Bank overdraft interest and other costs	4,178	15,310	-	-
Current borrowings	2,417	1,814	-	-
	22,359	**4,295**	**13,032**	**(4,177)**

8. Taxation

Major components of the tax (credit)/charge include:

	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
Current				
Income tax - current period	14,049	14,817	-	-
- over provision in prior periods	(22)	(42)	-	-
Total current tax	**14,027**	**14,775**	**-**	**-**
Deferred				
Timing differences	(11,771)	3,286	(25)	(4)
Leave provision	(233)	14	-	-
Unrealised exchange difference	(5,259)	927	(4,931)	2,062
Translation adjustment	(22)	-	-	-
Total deferred tax (credit)/charge	**(17,285)**	**4,227**	**(4,956)**	**2,058**
Total (credit)/charge for the year	**(3,258)**	**19,002**	**(4,956)**	**2,058**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
Accounting profit/(loss)	31,881	25,481	(12,829)	(10,346)
Tax at the applicable tax rate of 25% - 30% (2010: 25% - 30%)	9,564	7,644	(3,848)	(3,104)
Tax effect of adjustments on taxable income				
Expenses not allowable for tax purposes	2,616	6,208	2,374	5,810
Originating and reversing temporary differences	(12,983)	10,371	-	-
Income not subject to tax	(351)	(39)	(1,102)	(17)
Effect of tax losses	(3,093)	(1,378)	(2,380)	(631)
Deferred tax movement	989	2,251	-	-
On loss on discontinued operations	-	(6,055)	-	-
	(3,258)	**19,002**	**(4,956)**	**2,058**

The applicable tax rate for the Kenyan companies was 30% (2010: 30%), while that for the subsidiary in Botswana, Olympia Capital Corporation (Pty) Ltd, was 25% (2010: 25%).

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

9. Dividends per share

No dividends was proposed for the year ended 28 February 2011 (2010: 10 cents per share amounting to a total of K Sh 4 million). No interim dividend was paid during the year (2010: Nil).

10. Earnings per share

The basic earnings per share is calculated by reference of the net profit attributable to shareholders, based on the number of ordinary shares in issue during the year.

	Group 2011	Group 2010	Company 2011	Company 2010
Profit/(loss) attributable to shareholders	13,254	(14,580)	(7,873)	(12,404)
Number of ordinary shares in issue ('000')	40,000	40,000	40,000	40,000
Basic earnings per share (K Sh)	3.31	(0.36)	(0.20)	(0.31)

The basic and diluted earnings per share are the same as there were no potentially dilutive shares outstanding at 28 February 2010 and 28 February 2011.

11. Property, plant and equipment

Group	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	348,165	(49,255)	298,910	280,352	(44,466)	235,886
Plant and machinery	109,049	(96,416)	12,633	101,038	(89,430)	11,608
Furniture and fixtures	25,228	(17,449)	7,779	23,279	(15,491)	7,788
Motor vehicles	22,960	(12,474)	10,486	18,924	(9,009)	9,915
Total	**505,402**	**(175,594)**	**329,808**	**423,593**	**(158,396)**	**265,197**

Company	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	841	(660)	181	800	(471)	329

Figures in Kenyan Shilling thousand

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2011

	Opening balance	Additions	Disposals	Revaluations	Foreign currency translation	Depreciation	Total
Buildings	235,886	49,491	-	12,691	5,255	(4,413)	298,910
Plant and machinery	11,608	3,089	-	-	610	(2,674)	12,633
Furniture and fixtures	7,788	1,140	-	-	334	(1,483)	7,779
Motor vehicles	9,915	3,686	(3)	-	482	(3,594)	10,486
	265,197	**57,406**	**(3)**	**12,691**	**6,681**	**(12,164)**	**329,808**

Reconciliation of property, plant and equipment - Group - 2010

	Opening balance	Additions	Disposals	Revaluations	Foreign currency translation	Depreciation	Total
Buildings	228,119	-	-	5,887	6,671	(4,791)	235,886
Plant and machinery	9,662	4,038	-	-	799	(2,891)	11,608
Furniture and fixtures	6,218	2,472	(29)	-	406	(1,279)	7,788
Motor vehicles	11,223	1,373	(387)	-	759	(3,053)	9,915
	255,222	**7,883**	**(416)**	**5,887**	**8,635**	**(12,014)**	**265,197**

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2011

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	329	41	(189)	181

Reconciliation of property, plant and equipment - Company - 2010

	Opening balance	Disposals	Depreciation	Total
Furniture and fixtures	552	(28)	(195)	329

Notes:

i) Included above are assets with an original cost of K Sh. 21,474,094 (2010: K Sh. 20,645,660), which were fully depreciated.

ii) Land and buildings include the following:

- Land and buildings in Botswana consisting of Industrial Buildings on leasehold land located at Lots 44, 45, 51, 52 and 53 Mogoditshane. These properties are stated at their fair value based on a valuation performed by Home Safe Inspection on 19 April 2011. The valuation was based on an open market basis, supported by market evidence in accordance with IAS 16, Property, Plant and Equipment.
- Residential house on lot 61818, Gaborone, acquired in May 2006, at a total cost of Pula 505,550 (K Sh.5,329,811).
- Land in Nairobi, Kenya, L.R No 209/5532/1 occupied by the tile factory in industrial area.

iii) In the financial year 2007/08, the Group decided to transfer land with a Net Book Value of Kshs. 26,127,890 from the holding company, Olympia Capital Holdings Limited to the subsidiary, Dunlop Industries Limited. This transfer has been effected in the financial statements on the basis of the Board resolution passed, although the title deed has not been transferred into the name of Dunlop Industries Limited as at the date of these financial statements. The Board expects the transfer to be made in 2011.

12. Goodwill

Group	2011			2010		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	107,451	-	107,451	106,583	-	106,583

Reconciliation of goodwill - Group - 2011

	Opening balance	Foreign currency translation	Total
Goodwill	106,583	868	107,451

Reconciliation of goodwill - Group - 2010

	Opening balance	Additions through business combinations	Foreign currency translation	Total
Goodwill	102,330	3,100	1,153	106,583

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

12. Goodwill (continued)

Movement in goodwill

Year ended 28 February 2011

	At 28 Feb 2010 K Sh '000	**Acquired in the year** K Sh '000	**Translation adjustment** K Sh '000	**At 28 Feb 2011** K Sh '000
Kalahari Floor Tiles (Pty) Limited	14,694	-	867	15,562
Olympia Capital Corporation Ltd	26,957	-	-	26,957
Avon Rubber Company Ltd	61,832	-	-	61,832
Mather & Platt (Kenya) Ltd	3,100	-	-	3,100
	106,583	**-**	**867**	**107,451**

Year ended 28 February 2010

	At 28 Feb 2009 K Sh '000	**Acquired in the year** K Sh '000	**Translation adjustment** K Sh '000	**At 28 Feb 2010** K Sh '000
Kalahari Floor Tiles (Pty) Limited	13,542	-	1,152	14,694
Olympia Capital Corporation Ltd	26,957	-	-	26,957
Avon Rubber Company Ltd	61,832	-	-	61,832
Mather & Platt (Kenya) Ltd	-	3,100	-	3,100
	102,331	**3,100**	**1,152**	**106,583**

13. Intangible assets

Group	2011			2010		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Leasehold land	66,879	(12,430)	54,449	66,879	(11,165)	55,714
Patents and trademarks	4,185	(1,721)	2,464	4,859	(907)	3,952
Computer software	473	(297)	176	283	(174)	109
Total	**71,537**	**(14,448)**	**57,089**	**72,021**	**(12,246)**	**59,775**

Company	2011			2010		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	283	(259)	24	283	(174)	109

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

13. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2011

	Opening balance	Additions	Foreign currency translation	Amortisation	Total
Leasehold land	55,714	-	-	(1,265)	54,449
Patents and trademarks	3,952	-	233	(1,721)	2,464
Computer software	109	190	-	(123)	176
	59,775	**190**	**233**	**(3,109)**	**57,089**

Reconciliation of intangible assets - Group - 2010

	Opening balance	Additions	Foreign currency translation	Amortisation	Total
Leasehold land	56,978	-	-	(1,264)	55,714
Patents and trademarks	836	3,952	71	(907)	3,952
Computer software	194	-	-	(85)	109
	58,008	**3,952**	**71**	**(2,256)**	**59,775**

Reconciliation of intangible assets - Company - 2011

	Opening balance	Amortisation	Total
Computer software	109	(85)	24

Reconciliation of intangible assets - Company - 2010

	Opening balance	Amortisation	Total
Computer software	194	(85)	109

The acquisition in the prior year of Kshs. 3,951,983 (Pula 345,450) comprises an amount of K Sh 1,043,337 (Pula 91,200) in respect of the "Yokota" trademark repurchased from the liquidated subsidiary, Plush Products (Pty) Ltd and K Sh. 2,908,646 (Pula 254,250) of patents paid to Fepchem.

14. Investments in subsidiaries

Name of company	% voting power 2011	% voting power 2010	% holding 2011	% holding 2010	Carrying amount 2011	Carrying amount 2010
Olympia Capital Corporation (Proprietary) Limited	50.50 %	50.50 %	50.50 %	50.50 %	91,926	91,926
Dunlop Industries Limited	100.00 %	1,000.00 %	100.00 %	100.00 %	11,500	11,500
Avon Rubber Company Limited	47.50 %	47.50 %	47.50 %	47.50 %	118,286	118,286
Mather and Platt Limited	48.46 %	48.46 %	48.46 %	48.46 %	21,654	21,654
Rampa Limited	100.00 %	100.00 %	100.00 %	100.00 %	10	-
					243,376	243,366

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

14. Investments in subsidiaries (continued)

Subsidiaries with less than 50% voting powers held

Although Olympia Capital Holdings Limited hold less than 50% of the voting powers in Avon Rubber Company Limited and Mather and Platt Limited, the investment is considered a subsidiary by virtue of board control.

Olympia Capital Holdings acquired a 48.46% stake in Mather & Platt (Kenya) Limited in the financial year 2008/9. This entity was accounted for on an equity basis in the consolidated financial statements in the previous year; in the period ended February 28, 2010, OCHL effectively controlled the Board of this Company due to which the Directors elected to consolidate this entity.

The details of the subsidiary and associate companies are as follows:

Company	Share Capital	Country of incorporation	Principal Activity
Dunlop Industries Limited (100%)	K Sh 610,000	Kenya	Manufacture and sale of Vinylex floor tiles and adhesives
Olympia Capital Corporation (Proprietary) Limited (50.5%)	Pula 286,000	Botswana	Investment holding company
Kalahari Floor Tiles (Proprietary) Limited	Pula 15,336,320	Botswana	Manufacture and sale of Vinyl floor tiles and adhesives, cleaning chemicals, PVC windows and doors
Gaborone Enterprises (Proprietary) Limited	Pula 450,000	Botswana	Industrial investment property holding
Avon Rubber Company Ltd	K Sh. 17,660,300	Kenya	Investment property
Mather & Platt (Kenya) Ltd	K Sh. 14,800,000	Kenya	Manufacture of fire systems, water services and mechanical installations.
Rampa Limited	K Sh 10,000	Kenya	Special Purpose Entity to facilitate in restructuring the Group's structure and subsidiary in Botswana.

(i) Dunlop Industries Limited

Dunlop Industries Limited is a wholly owned subsidiary of Olympia Capital Holdings Limited. In 2005, an amount of K Sh 11 Million payable by the subsidiary, Dunlop Industries Limited, to the parent company OCHL was capitalised in the books of Dunlop Industries Limited by means of an issue of 110 shares of face value K Sh 1,000 each at a premium of K Sh 99,000 per share.

(ii) Olympia Capital Corporation (Proprietary) Limited (OCCL)

The Company now holds 50.5% equity interest in Olympia Capital Corporation (Proprietary) Limited. In March 2007, the company issued a further 14.3 million shares by way of a rights issue, which resulted in OCHL's equity interest decreasing from 53.2% at 1 January 2007, to 27%. OCHL subsequently increased its shareholding to 50.5% in August 2007.

(iii) Kalahari Floor Tiles (Proprietary) Limited
This is a fully owned subsidiary of Olympia Capital Corporation (Proprietary) Limited.

14. Investments in subsidiaries (continued)

(iv) Gaborone Enterprises (Proprietary) Limited
This is a fully owned subsidiary of Kalahari Floor Tiles (Proprietary) Limited.

(iv) Avon Rubber Company Ltd
Olympia Capital Holdings Limited (OCHL) acquired a 27.5% equity stake in this Company on 31 December 2006. Post acquisition profits for the year ended 31 December 2006 were not consolidated as these were not material. During the period ended 28 February 2009, a further 20% was acquired, bringing the total shareholding to 47.5%. In the period ended 28 February 2009, OCHL effectively controlled the Board of Avon due to which the Directors elected to consolidate this entity.

(v) Mather & Platt (Kenya) Limited
Olympia Capital Holdings Limited acquired a 48.46% stake in this Company in the financial year 2008/9. This entity was accounted for on an equity basis in the consolidated financial statements of 2008/9; in the year ended 28 February 2010, OCHL effectively controlled the Board of Mather & Platt (Kenya) Ltd due to which the Directors elected to consolidate this entity.

(vi) Rampa Limited
This is a Special Purpose Entity created to facilitate the restructuring of its Botswana subsidiary, OCCL. The Company was purchased off-the-shelf from a firm of advocates. The shareholders and directors of Rampa Limited remain in the nominee director and shareholder. However, OCHL effectively controls the Company and therefore the Company has been consolidated.

15. Loans due (to) from group companies

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000
Dunlop Properties Limited	(958)	(1,353)	(1,155)	(1,143)
Avon Rubber Company Limited	-	-	(11,797)	(4,358)
Tiespro (171) Trading Proprietary Limited	-	38,346	-	31,940
Dunlop Industries Limited	-	-	75,444	75,708
Avon Financial Service Limited	-	1,166	-	-
Scottlink Limited	3,919	3,919	3,046	3,046
Mount Kenya Investment Limited	7,632	7,632	6,784	6,784
Arco Industries Limited	-	1,258	-	-
Croxley Properties Limited	(30)	238	(30)	(30)
Dunlop Kenya Limited	-	-	-	-
Olympia Capital Corporation Limited	-	-	49	49
Meatons Kenya Limited	7,967	7,967	7,967	7,967
Mather and Platt Kenya Limited	-	-	907	-
Taboo (179) Trading SA	-	6,300	-	501
Kalahari Floor Tiles (Proprietary) Limited	-	-	(21,306)	(17,595)
Geoffrey Kimaru	488	488	488	488
Countryside Investments Limited	(1,945)	(1,945)	(1,945)	(1,945)
Central Kenya Wholesalers Limited	(1,444)	(1,444)	(1,444)	(1,444)
L. D. Lekalake (Director of OCCL)	(16,976)	(11,440)	-	-
Rampa Limited	-	-	120,124	111,114
	(1,347)	**51,132**	**177,132**	**211,082**

A related party for the purpose of these financial statements is a Company, which directly or indirectly has common ownership or directorship with Olympia Capital Holdings Limited. The amounts due from and due to related parties are in respect of transactions arising in the normal course of business, including investment activities.

	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
Non-current assets	16,867	19,164	48,924	48,909
Current assets	3,534	48,180	165,885	188,688
Non-current liabilities	(17,174)	(11,650)	-	-
Current liabilities	(4,574)	(4,562)	(37,677)	(26,515)
	(1,347)	**51,132**	**177,132**	**211,082**

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000
16. Loans due to (from) directors				
Loan due from directors	22,533	21,607	22,533	21,507
Loans due to directors	(16,834)	(14,836)	(13,375)	(11,793)
	5,699	**6,771**	**9,158**	**9,714**
Current assets	22,533	21,607	22,533	21,507
Current liabilities	(16,834)	(14,836)	(13,375)	(11,793)
	5,699	**6,771**	**9,158**	**9,714**

17. Available for sale assets

	Group 2011	Group 2010	Company 2011	Company 2010
Available for sale assets				
Unquoted shares	61,280	76,017	61,190	75,927
Quoted shares	584	103	-	-
	61,864	**76,120**	**61,190**	**75,927**
Quoted securities	-	-	-	-
- Kenya Commercial Bank Ltd	137	104	-	-
- Housing Finance Company Ltd	-	680	-	680
- Olympia Capital Holdings Ltd	448	-	-	-
Unquoted securities:	-	-	-	-
- Heri Limited	59,764	73,821	59,765	73,822
- Funguo Investment Limited	1,425	1,425	1,425	1,425
- Avon Financial Services Ltd	90	90	-	-
	61,864	**76,120**	**61,190**	**75,927**

The movement in investment financial assets may be summarised as follows:

	Group 2011	Group 2010	Company 2011	Company 2010
Beginning of year	76,120	96,273	75,927	95,121
Additions	448	8,310	-	8,193
Disposals	(14,737)	(49,199)	(14,737)	(48,137)
Net losses transferred from equity on disposal	-	20,598	-	20,598
Revaluation surplus on transfer to equity	33	138	-	152
	61,864	**76,120**	**61,190**	**75,927**

There were no impairment provisions on available-for-sale financial assets for the year.

The unquoted available-for-sale securities are stated at cost and the directors are of the opinion that these investments, if sold, would realise at least the amounts at which they are stated.

None of the available-for-sale financial assets are either past due or impaired.

Available-for-sale financial assets are denominated in Kenya Shillings (Kshs).

18. Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% - 30% (2010: 25% - 30%). The movement in the deferred tax account is as follows:

	Group		Company	
	2011	2010	2011	2010
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
At start of the year	23,843	16,419	1,973	(85)
Balance b/f pertaining to the consolidation of Mather & Platt (Kenya) Ltd	-	(377)	-	-
Income statement (credit)/charge	(15,602)	6,413	(4,956)	2,058
Translation adjustment	1,371	1,388		-
Deferred tax liability/(asset) at end of the year	**9,612**	**23,843**	**(2,983)**	**1,973**
Tax losses not recognised	50,605	59,835	24,727	31,579

Deferred tax assets and liabilities, deferred tax charge/(credit) in the statement of financial performance and deferred tax charge/(credit) in equity are attributable to the following items:

	Group 2011	Group 2010	Company 2011	Company 2010
Tax losses	(15,182)	(18,140)	(7,418)	(9,474)
Accelerated tax depreciation	-	(696)	(114)	(89)
Provisions	(1,042)	(809)	-	-
Timing differences	12,432	21,845	-	-
Unrealised exchange gains	(3,151)	2,108	(2,869)	2,062
Translation adjustment	1,372	1,394	-	-
	(5,571)	**5,702**	**(10,401)**	**(7,501)**
Tax losses not recognised	15,182	18,140	7,418	9,474
Deferred tax liability/(asset)	**9,611**	**23,842**	**(2,983)**	**1,973**

A portion of the deferred tax asset attributable to tax losses has not been recognised. This is in line with IAS 12 which requires that deferred tax assets relating to the unused tax losses carried forward be recognised only to the extent that it is probable that future taxable profit will be available against which the unutilised tax losses can be used.

Deferred tax (assets)/liabilities pertaining to the respective consolidated entities are as follows:

	Group 2011	Group 2010	Company 2011	Company 2010
Deferred tax assets:				
Olympia Capital Holdings Ltd	(2,983)	-	(2,983)	-
Dunlop Industries Ltd	(1,088)	(978)	-	-
Mather & Platt (Kenya) Ltd	(716)	(419)	-	-
Avon Rubber Company Ltd	(26)	-	-	-
	(4,813)	**(1,397)**	**(2,983)**	**-**
Deferred tax liabilities:				
Olympia Capital Holdings Ltd	-	1,973	-	1,973
Olympia Capital Corporation (Pty) Ltd	14,424	23,246	-	-
Avon Rubber Company Ltd	-	21	-	-
	14,424	**25,240**	**-**	**1,973**
Net deferred tax liability/(assets)	**9,611**	**23,843**	**(2,983)**	**1,973**

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

19. Inventories

	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
Raw materials	5,952	6,787	-	-
Work in progress	8,800	7,426	-	-
Finished goods	77,796	72,380	-	-
Consumables	16,153	14,101	-	-
Held by third parties	2,326	-	-	-
	111,027	**100,694**	**-**	**-**

Inventory classified as held by third parties relate to aluminium tubes that are being held by the clearing agent pending the payment of customs duties and taxes.

20. Trade and other receivables

	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
Trade receivables	149,478	108,999	141	141
Other receivables	27,069	23,100	298	256
	176,547	**132,099**	**439**	**397**

The carrying amount of trade and other receivables approximates their fair values.

21. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group 2011 K Sh '000	Group 2010 K Sh '000	Company 2011 K Sh '000	Company 2010 K Sh '000
Funds held in trust in Botswana	311	311	311	311
Bank balances	64,632	86,770	24	174
Bank overdraft	(20,549)	(16,417)	(1,097)	(126)
	44,394	**70,664**	**(762)**	**359**
Current assets	64,943	87,081	335	485
Current liabilities	(20,549)	(16,417)	(1,097)	(126)
	44,394	**70,664**	**(762)**	**359**

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

22. Non-current assets held for sale

	2011 Group	2010 Group	2011 Company	2010 Company
Non-current assets held for sale				
Property, plant and equipment	54,600	54,600	-	-
Loans made out to related parties				
Loans advanced to Tiespro 171 (Pty) Limited	56,203	-	38,333	-
Loans advanced to Taboo trading 179 (Pty) Limited	6,867	-	726	-
	63,070	**-**	**39,059**	**-**
	117,670	**54,600**	**39,059**	**-**

In the period 2007/8, Dunlop Industries Limited acquired a new vinyl tile manufacturing plant. By the current year end, this plant had not been installed. Management is in the process of renewing a sale mandate with an external firm, which had been appointed to seek buyers for the plant on behalf of the Group. The directors are of the opinion that continuing to carry this asset as “held for sale” is appropriate as they are still in the process of searching for a buyer either through a joint venture agreement, or outright sale. On this basis, the Directors are of the opinion that the conditions imposed by IFRS 5 (Non Current Assets Held for Sale), for extending the time period for which an asset is held for sale, have been met. The directors are also of the opinion that the plant, which is stated at cost, would realise at least the amount at which it is stated if sold. Management have further confirmed, in absence of receiving a concrete offer within 120 days of the current year end, to install the plant and bring it to use within the next 12 months.

Tiespro 171 (Pty) Limited and Taboo Trading 179 (Pty) Limited are companies that were incorporated in the Republic of South Africa with Mr. Michael Matu (Managing Director) holding shares of 80% and 100% respectively. These entities are therefore treated as related parties. Over the past two financial years, advances have been made to these entities arising in the normal course of its investment activities with the approval of the Board of Directors of the Company.

At the end of the financial year, a firm offer was received to purchase Tiespro 171 (Pty) Limited for Rand 7 million. The Directors believe that sale and transfer will be settled within the next 12 months, and OCHL's advance will be fully recovered. The directors are also of the opinion the carrying amount of the advance approximates its fair value.

The Directors are committed to a plan to sell the assets of Taboo Trading 179 (Pty) Limited and initiated actions to locate a buyer. The Directors also believe that the sale and transfer within the next 12 months is highly probable, and OCHL's advance to be recoverable. Management believe that the carrying amount of the advance approximates its fair value.

	Group		Company	
	2011	2010	2011	2010
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
23. Non- Controlling interest				
At beginning of the year	**125,158**	97,293	-	-
Changes in respect of existing consolidated entities				
Share of revaluation reserve	**(387)**	-	-	-
Share of fair value gain	**4,365**	2,221	-	-
Translation adjustment	**4,208**	3,201	-	-
Share of profit for the year	**22,390**	1,738	-	-
Changes in respect of the first time consolidation of the non-controlling interest in Mather & Platt (Kenya) Ltd				
Share of capital and reserves brought forward on consolidation	**-**	20,030	-	-
Share of changes in the revenue reserves for the year	**-**	835	-	-
Dividends paid	**(1,468)**	(160)	-	-
At end of the year	**154,266**	125,158	-	-

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000
24. Share capital				
Authorised, issued and fully paid				
40,000,000 Ordinary shares of K Sh. 5 each	200,000	200,000	200,000	200,000
Issued				
Ordinary shares	200,000	200,000	200,000	200,000
Share premium	255,985	255,985	255,985	255,985
	455,985	**455,985**	**455,985**	**455,985**
25. Borrowings				
Held at amortised cost				
Barclays Bank of Kenya Ltd	29,069	30,146	-	-
City Finance Bank Limited	8,771	11,758	-	-
Equatorial Commercial Bank Ltd	817	1,237	-	-
NIC Bank Ltd	1,238	108	-	-
Co-operative Bank Ltd	4,833	6,833	-	-
Stanbic Botswana Ltd	34,364	34,064	-	-
	79,092	**84,146**	**-**	**-**
	79,092	**84,146**	**-**	**-**

i) The loan from Co-operative Bank Ltd of an original amount of Kshs. 8 million was obtained by Mather & Platt (K) Ltd in May 2009, and is repayable in 48 monthly instalments. The loan bears interest at 1.75% above the bank's base rate and is secured by way of a fixed and floating debenture of Kshs. 28 million each over the Company's assets, supported by a first legal charge over LR 209/4727.

ii) The loan from Barclays Bank of Kenya Limited to Avon Rubber Company (K) Ltd is secured by a debenture supported by a first charge over property LR 209/6336 stamped to cover the sum of Kshs. 35 million.

iii) The loan from Stanbic Botswana Ltd to Olympia Capital Corporation Ltd is secured by unrestricted pledge and cession of investments held with the Stanbic Money Market Funds for not less than Pula 2 million, unlimited suretyship by Olympia Capital Corporation Ltd as well as unlimited suretyship by Michael Matu. The effective interest rate for the period under review was 11.50%. Monthly instalments of Pula 43,180 are payable on the last business day of every month. Interest is payable at prime lending rate prevailing from time to time. The loan is to be repaid in full by no later than 84 months.

iv) The overdraft facility of Kshs. 4 million with Fina Bank Ltd in respect of Dunlop Industries Ltd is secured by (1) a legal charge for Kshs. 14 million on property L.R. No. 209/5532/1 in the name of Dunlop Industries Ltd, (2) a corporate guarantee by Olympia Capital Holidings Ltd for Kshs. 14 million supported by a board resolution authorising issuance of the guarantee therein, and (3) board resolution authorising the borrowing of up to Kshs. 14 million and issuance of securities therein.

v) The finance lease in Kenya, with a balance of Kshs. 817,167 at the year end is in respect of Dunlop Industries Ltd and comprises a hire purchase agreement for the purchase of a commercial motor vehicle for business purposes. The agreement is subject to an effective interest rate of 16%, which is reset by the lessor as market rates change. The facility is secured by a fixed debenture and joint registration, together with blank transfer forms signed by the client over the purchased vehicle, as well as joint and several personal guarantees of the Company's directors.

vii) The other finance lease in Kenya of Kshs. 11,100 is in respect of Mather & Platt (K) Ltd and comprises a hire purchase agreement for the purchase of a commercial motor vehicle for business purposes. The agreement is subject to an effective interest rate of 17%, which is reset by the lessor as market rates change. The facility is secured over the purchased vehicle.

viii) The overdraft facility of Kshs. 10 million with Co-operative Bank Ltd in respect of Mather & Platt (K) Ltd is secured by a first legal charge over L.R. No 209/4727 and a fixed and floating debenture over the Company's assets.

	Group		Company	
	2011 K Sh '000	2010 K Sh '000	2011 K Sh '000	2010 K Sh '000

25. Borrowings (continued)

The maturity of non-current borrowings is as follows:

Current borrowings	9,501	11,136	-	-
Non-current assets	69,591	73,010	-	-
	79,092	**84,146**	**-**	**-**

The carrying amounts of the Group's/company's borrowings are denominated in the following currencies:

Kenya Shillings	44,728	50,083	-	-
Pula	34,364	34,063	-	-
	79,092	**84,146**	**-**	**-**

The fair values of all financial instruments are substantially identical to the carrying values reflected in the balance sheet. No valuation methods have been used to measure the fair values since the carrying amounts of both non-current and current borrowings approximate the fair value.

26. Provisions

Reconciliation of provisions - Group - 2011

	Opening balance	Amounts utilised during the year	Translation adjustment	Total
Provision	37,026	(2,381)	12,119	46,764

Reconciliation of provisions - Group - 2010

	Opening balance	Additions	Translation adjustment	Total
Provision	33,750	403	2,873	37,026

Non-current liabilities	-	2,248	-	-
Current liabilities	46,764	34,778	-	-
	46,764	**37,026**	**-**	**-**

Non-current provision in the prior year pertains to amounts in respect of severance pay. The current portion was in respect of the guarantees by Olympia Capital Corporation (Pty) Ltd to Nedbank of South Africa for any shortfall in the amounts of loans recovered from the liquidation of Plush Products (Pty) Ltd. The amount was based on the forced sale values of assets as provided by Ned Bank of South Africa.

27. Trade and other payables

Trade payables	91,197	78,984	-	-
Other payables	103,916	77,122	15,968	14,280
	195,113	**156,106**	**15,968**	**14,280**

The carrying amounts of trade and other payables approximate their fair value.

28. Cash generated from/ (used in) operations

	Group		Company	
	2011	2010	2011	2010
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Profit/(loss) before tax	31,881	25,481	(12,829)	(10,346)
Adjustments for;				
Depreciation and amortisation	14,558	14,591	274	280
Impairment loss	(4)	(18,478)	-	
Investment Income	(10,843)	(20,950)	(4,749)	(16,039)
Finance costs	12,367	21,135	13,032	1,400
(Profit)/loss on sale of property, plant and equipment	(67)	89	-	(25)
Loss of sale of available for sale financial assets	-	18,285	-	18,190
Increase in provisions	6,969	409	-	-
Net exchange gain	-	10,107	-	-
	54,861	**50,669**	**(4,272)**	**(6,540)**
Changes in working capital				
Movement in inventories	(7,154)	(17,047)		
Movement in trade and other receivables	(39,409)	(7,309)	(41)	607
Movement in trade and other payables	26,029	13,778	1,688	1,231
Cash generated from/(used in) operations	**34,327**	**40,091**	**(2,625)**	**(4,702)**

29. Contingent liabilities

Guarantees and collateral

i) Olympia Capital Corporation Ltd has guaranteed the rental on leased premises occupied by Kalahari Floor Tiles for its chemical division. This is only payable if there is a default in monthly rental payments.

ii) Olympia Capital Corporation Ltd has guaranteed loans from Standard Chartered Bank and First National Bank. Please refer to Note 25, Borrowings for more details.

iii) Olympia Capital Corporation Ltd has guaranteed advances to Plush Products (Pty) Ltd from Nedbank in South Africa. As Plush went into liquidation after the year end, a contingent liability of K Sh. 46.7 million (Pula 3.04 million, Rand 3.8 million) has been provided in the financial statements.