

Kimisitu Investment Company Limited

(Public company limited by shares)

**Report of the Board
and
Audited Financial Statements
For the period August 2010 to 31st December, 2011**

Auditors: Mbai Ndeteni & Associates
Certified Public Accountants (K)
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Kimisitu Investment Company Limited
(Public company limited by shares)

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Kimisitu Investment Company Limited
(Public company limited by shares)

Board Members, Advisors and other Information
For the Seventeen month period ended 31 December 2011

Board Members

• Mr. Ernest Mungai Gatoru	- Chairman
• Mr. Stanley M. Gachui	- Vice-Chairman
• Mr. Laban Musundi	- Secretary
• Ms. Joanne Kanyua Mwenda	- Member
• Ms. Lucy Wangari Mwangi	- Member
• Mr. James Mwangi Wagura	- Member
• Ms. Angela Nyanjong	- Member/Ag. CEO

Bankers

Kenya Commercial Bank Limited
Moi Avenue Branch
P.O Box 30081-00100
NAIROBI

NIC Bank Limited
Head Office Branch
NIC House
P.O. Box 44599 – 00100
NAIROBI

Consolidated Bank of Kenya Limited
Koinange Street Branch
P.O. Box 67124 – 00200
NAIROBI

Auditors

Mbai Ndeteni & Associates
Certified Public Accountants
P.O Box 34112 – 00100
NAIROBI

Registered office

Kimisitu Plaza
Woodlands Road, Kilimani
P.O Box 10454 – 00100
NAIROBI

Kimisitu Investment Company Limited (Public company limited by shares)

Chairman's Report

Dear Shareholder,

I am pleased to present to you the first Report and Financial Statements of Kimisitu Investment Company Ltd (KICL) for the period 13 August 2010 to 31st December 2011, a period of 14 and half months.

Incorporation of the company

With the amendments to the Cooperative Societies Act drastically changing the management regimes of SACCOs in Kenya, KIMISITU SACCO Ltd membership passed a resolution at the 2010 Annual General Meeting, AGM authorizing the management board to form and register a public limited company that would become a vehicle for diversifying investments avenues that were restricted by the new Act. Kimisitu Investment Company Ltd (KICL) was incorporated on 13th August 2010 under the Company's Act CAP 486 of the laws of Kenya. KICL has an authorized share capital of Kshs 100,000,000 (Kenya Shillings One Hundred Million), 10 million ordinary shares with a par value of Kshs 10 each.

The interim board of directors' of KICL, who subscribed to the Memorandum and Articles of Association, are as per the list provided on page 1 of this report. The board of directors of KICL provides governance oversight to ensure that the company achieves its mission and objectives through the judicious use of its financial resources. The board is pleased with the initial take off of the company.

KICL Initial Private Offer (IPO) and Investments Survey

The initial private offer of 9 million shares was made to member of KIMISITU SACCO Ltd from 1st October 2010 and ended on 31st December 2010. Only 3,037,045 shares were subscribed and fully paid for, representing 34% of the shares on offer. The applications were allocated in full to the 838 shareholders. KICL board appointed Co-operative Bank Shares registrars to manage the shares register of your company.

During the shares drive, a survey was also conducted to establish the areas of interest you would like your company to pursue. We received an overwhelming respond from 632 shareholders. Details of the survey results have been shared with you in past presentations. Detailed results and data are available in the company offices for your review. The results of the survey helped with the initial identification of areas on interest which your company has been engaging in the short and medium term.

Operating Environment

In 2011 the Kenyan economic environment declined marginally. Real economic growth expanded by 4.2% in 2011 compared to 5.6% in 2010. Year 2011 witnessed a significant increase in inflation and interest rates coupled with a weakening of the Kenyan Shilling. We also witnessed massive demolition of private homes and other investments on land that may have been allocated un-procedurally causing major panic in the real estate markets. We wish to inform you that your company was not involved in any questionable land transactions.

Kimisitu Investment Company Limited
(Public company limited by shares)

Chairman's Report (cont'd)

Performance

Year 2011 being the first year of operations, we only managed to carry out one project in the second half of 2011. The project was a 20 acres plot at Mavoko Block 2/54 in Katani area. Your company made a profit before tax of Kshs 12.8 million and a profit after tax of Kshs 9.5 million.

Total shareholder funds stood at Kshs 36.2 million.

I am confident that in spite of the challenges that the economy is going through your Company will continue to do well.

Interim Board of Directors

The interim board of directors' initially selected by the board of KIMISTU SACCO Ltd has served your company since inception. As prescribed by the Articles of Association of your company, the entire interim board has to retire their directorship. In order to maintain the momentum of the company growth and as provided by the same article, the entire board is seeking your confirmation and wish to continue serving as directors for the next 2 years.

Dividend

Year 2011 being the first year of operations of the company, we note that it is indeed a major achievement that your company managed to return a modest profit for the year. In this regard the board is recommending a first and final dividend of Kshs 1.20 per share (12% par value) to be paid to shareholders appearing in the KICL shares register as of 25th February 2012. The dividend will be paid net of withholding taxes where applicable.

Next Shares Drive

There has been consistent request from you and members of KIMISITU SACCO Ltd to make available for sale the under prescribed shares in your company. The board is pleased to announce that the next shares drive will be opened for a period of two months from 1st April 2012 to 30th May 2012. The board in consulting with equity markets experts to determine the fair share price at which to offer the 6 million shares on offer. This will be communicated by the 15th of March 2012.

Outlook and Strategic Plan

KICL board will continue to identify investments opportunities in real estate's sector to ensure maximization of shareholders wealth as per the investments survey in early 2011.

We are in the process of finalizing the KICL strategic plan 2012 to 2016. The draft has been shared with industry experts for review and we hope to have a launch ceremony before the end of June 2012. The strategic plan will provide a road map for the company's long term growth plans that will be the benchmark for assessing board and company performance in that period.

Kimisitu Investment Company Limited
(Public company limited by shares)

Chairman's Report (cont'd)

Appointment of Auditors

The board appointed **Mbai Ndeteni & Associates** as your company auditors for 2011 through a competitive process as provided for by the articles of association. Your board is proposing confirmation of the appointment of **Mbai Ndeteni & Associates** for audit of year 2012 books of accounts and also seeks your authority to fix their remuneration.

Appreciation

I would like to record my sincere gratitude to you shareholders for the support you have continued to provide to your Company. I would also like to recognize the contribution of the Board of the companies we have invested in, without whom we would not have achieved the good performance. Finally I would like to appreciate the contribution and efforts of my fellow colleagues in the KICL Board and urge them to redouble their efforts.

God bless you all.



Ernest M. Gatoru
Chairman
11th February 2012

Kimisitu Investment Company Limited

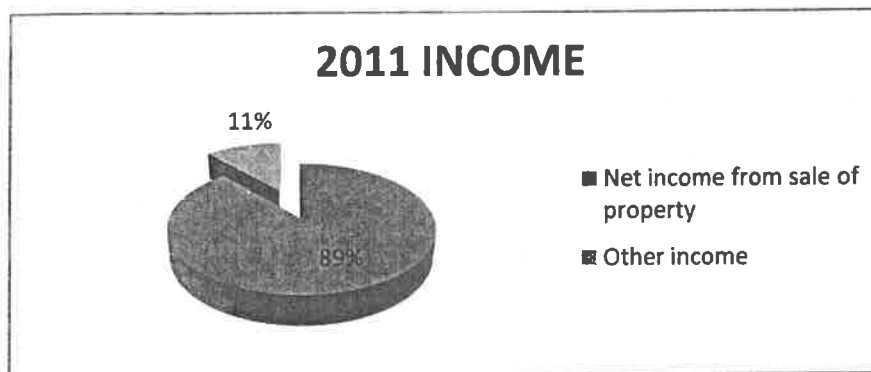
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Chief Executive Officer's Report

Performance Analysis

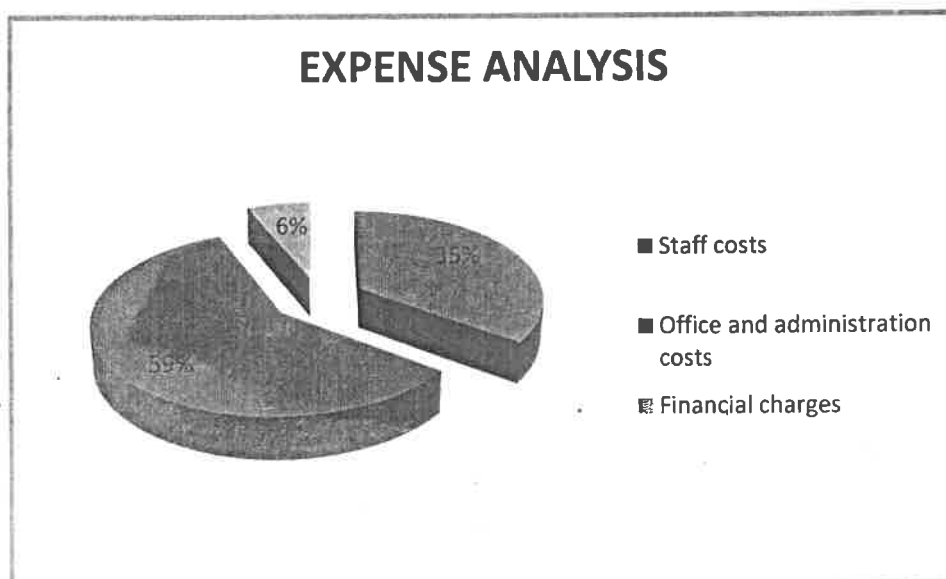
Income

On its first year of operations, the company managed to post an after tax profit of Kshs 9,510,003. The comprehensive income for the year was Kshs 18,997,323. 89% of the income was earned from real estate activities while 11% was earned from interest earning deposits with financial institutions.



Expenditure:

Our expenses totaled Kshs 6,193,521 with the major component being office set up and administration costs which include incorporation costs of the company. These were written off in the first year of operations.



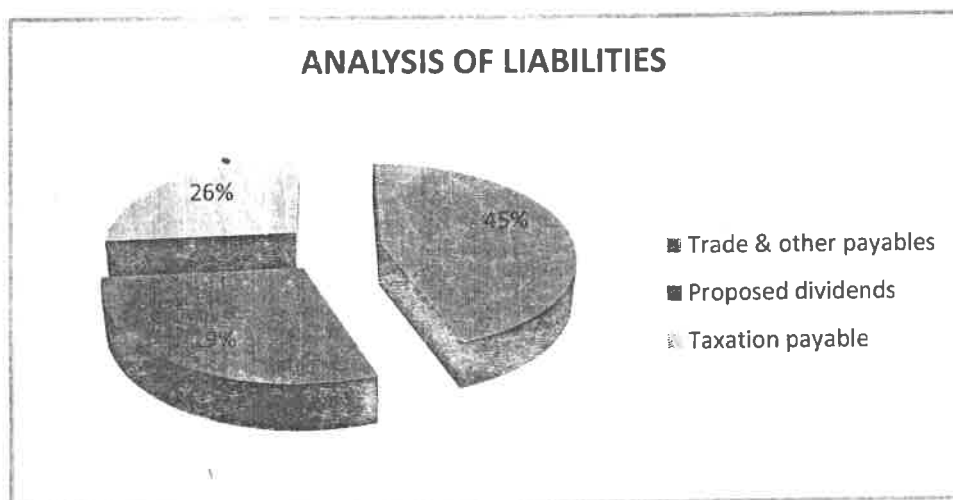
Kimisitu Investment Company Limited

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Chief Executive Officer's Report (cont'd)

Financial position

The assets of the company amount to Kshs 48,763,408, the main component being cash and cash equivalents. This constitutes 92% of the company's assets by the end of the year. We were in the process of winding up our first project, hence the high liquidity at the end of the year. The company did not borrow during the year to finance its operations. The strategy was to confine expenses within the earning of funds invested in interest earning deposits. The liabilities of the company amounting to Kshs 12,527,409, the main components being accrual of plot subdivision and road works expenses relating to Block 2/54 in Katani and provision for dividends at Kshs 3,644,454.



Below is a table of the key performance indicators for 2011:

INDICATOR		
Current Ratio	3.9	Shows the ability KICL to meet short-term debts with current assets.
Leverage: Total Assets/ Share Capital	1.6	Shows the net value of assets of each shilling of capital
Return on Investment : Net Income/ Share capital	31%	Shows the return to investors
Earnings per Share	4.2	A measure of the company's profitability.

Kimisitu Investment Company Limited
(Public company limited by shares)

Chief Executive Officer's Report (cont'd)

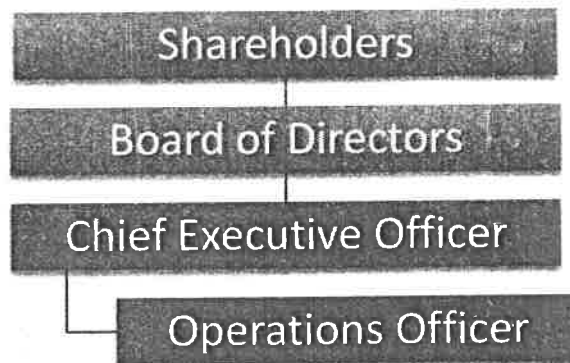
Financing:

During the first year of operations we adopted a strategy of financing our investment activities from the capital of the company. The day to day operations were financed from income from short term deposits from banks. We plan to conduct another share drive in the course of the year to boost our share capital, which currently stands at 30% of the authorized share capital. This is the most feasible financing option in the medium term due to the high interest rates on loans from banks.

Operations:

The operations of the company were run by the board and the acting CEO for the first year. However, due to the increased activities of the company an operations officer was brought on board in October 2011. We shall employ more staff as the activities of the company increase. Our offices are currently located within our mother Sacco. Kimisitu Sacco has been gracious enough to provide free space as KICL seeks its footing. However from 2012 the company will pay rent and a service charge to the Sacco.

Below is the current organization structure of the company:



The next 12 months:

The next 12 months will be challenging and engaging as the company seeks to expand its shareholding and engage in larger projects. The economic environment will be fragile due to the high interest rates and inflationary trends. This notwithstanding, our objective is to give you, our shareholders even better returns in the coming year. We can only succeed with your continued support which we are banking upon.

Angela Nyanjong'
Ag. Chief Executive Officer
11th February 2012

Kimisitu Investment Company Limited
(Public company limited by shares)

Statement of Responsibilities of the Members of the Board
For the seventeen month period ended 31 December 2011

The members of the Board are responsible for preparing the financial statements for each accounting period, which give a true and fair view of the state of affairs of the Company as at the end of the period and of its operating results for that period.

The members of the Board are also required to ensure that the Company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The members of the Board are also responsible for safe guarding the assets of the Company.

The members of the Board accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards. The members of the Board are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company as at 31 December, 2011 and of its operating results for the seventeen month period then ended.

The members of the Board further accept responsibility for the maintenance of accounting records which have been relied upon in the preparation of these financial statements, as well as on the adequacy of the systems of internal financial controls.

Declaration Statement

- The Company is a public company limited by shares within the meaning of the Companies Act (Cap.486)
- The members of the Board are not liable for the debts of the Company ;
- The principal activities of the company are Purchase, lease, exchange, hire, sell, mortgage or otherwise deal in land and property of any tenure or any interest.

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

By Order of the Board;



Member



Member

11Th February 2012

Report of the Auditors
To the Shareholders of
Kimisitu Investment Company Limited
(Public company limited by shares)
For the seventeen month period ended 31 December 2011

Basis of the audit

We have audited the accompanying financial statements of the Company set out on pages 11 to 21 which have been prepared on the basis of the accounting policies and standards set out in note 2 of these statements. These financial statements comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement for the seventeen month period ended 31st December 2011, and a summary of significant accounting policies and other explanatory notes as well as detailed profit and loss account.

Responsibilities of the Board Members on the financial statements

The Board members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reports Standards and in compliance with the requirements of the Companies Act, Cap. 486. 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.

Responsibilities of the Auditors

Our responsibility is to express an independent opinion on the 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 our audit so as to obtain reasonable assurance whether the financial statements are free from material misstatement, due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Basis of our Opinion:

An audit involves performing procedures, on a test basis, to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depended on the auditor's professional judgment, 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 auditors considered the internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.

Report of the Auditors

To the Shareholders of Kimisitu Investment Company Limited (Public company limited by shares)

For the seventeen month period ended 31 December 2011 (cont'd)

An audit also includes an evaluation of the appropriateness of accounting policies and the reasonableness of significant accounting estimates made by the Board in the preparation of the financial statements as well as an evaluating the overall presentation of the financial statements.

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

Our Opinion

In our opinion, proper records of accounts have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of the company's financial affairs at 31st December, 2011 and of the profit and cash flow for the seventeen month period then ended and comply with the requirements of the Companies Act, Cap 486, Laws of Kenya, and in accordance with the applicable International Financial Reporting Standards.

Report on other legal and regulatory requirements:

As required by the Kenya 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 belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of account have been kept by the company, so far as appears from our examinations of those books; and
- iii) The financial statements of the company are in agreement with the books of account.



Mbai Ndeteni & Associates

Certified Public Accountants (Kenya)

21st February, 2012

Kimisitu Investment Company Limited
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Statement of Comprehensive Income
For the seventeen month period ended 31 December 2011

	Kshs
Operations Income	
Net income from sak (pg 21)	16,850,884
Other income (pg 21)	2,146,439
Total income	<u>18,997,323</u>
Expenditure	
Staff costs (pg 21)	2,167,206
Office and administr: (pg 21)	3,626,001
Financial charges (pg 21)	389,986
Total Expenditure	<u>6,183,193</u>
Profit before tax	12,814,130
Taxation (Note 10)	(3,296,897)
Profit after taxation (Note 11)	<u>9,517,233</u>

Kimisitu Investment Company Limited
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Statement of Financial Position
As at 31st December 2011

	<u>Note</u>	Kshs
Assets		
Non Current Assets		
Fixed assets	3	102,617
Total Non-current Assets		<u>102,617</u>
Current Assets		
Inventory	4	492,477
Trade & other receivables	5	3,284,288
Cash & cash equivalents	6	44,884,026
Total Current Assets		<u>48,660,791</u>
Total Assets		<u>48,763,408</u>
Equity and Liabilities		
Equity		
Share capital	7	30,370,450
Retained earnings	(pg 8)	5,872,779
Total Equity		<u>36,243,229</u>
Current Liabilities		
Trade & other payables	8	5,578,829
Proposed dividends	9	3,644,454
Taxation payable	10	3,296,897
Total Current Liabilities		<u>12,520,180</u>
Total Equity and Liabilities		<u>48,763,408</u>

The financial statements on pages 11 to 21 were approved by the Board of Directors and authorised for issue on 11 February 2012 and signed on their behalf by;



Director



Director

Kimisitu Investment Company Limited
(Public company limited by shares)

Statement of Changes in Equity
For the seventeen month period ended 31 December 2011

	<u>Share capital</u> Kshs	<u>Retained earnings</u> Kshs	<u>Total equity</u> Kshs
At 1 August, 2010	-	-	-
Issue during the period	30,370,450	-	30,370,450
Profit for the period after taxation	-	9,517,233	9,517,233
	30,370,450	9,517,233	39,887,683
Dividend proposed	-	(3,644,454)	(3,644,454)
At 31 December, 2011	<u>30,370,450</u>	<u>5,872,779</u>	<u>36,243,229</u>

Kimisitu Investment Company Limited
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Statement of Cash flows
For the seventeen month period 31 December 2011

	Kshs
Cashflow from operating activities	
Profit before taxation	12,814,130
Adjustment for:	
Depreciation	26,760
	<u>12,840,890</u>
Debtors at period end	(3,284,288)
Creditors at period end	5,578,829
Inventory at period end	(492,477)
	<u>14,642,953</u>
Cashflows from investing activities	
Purchase of fixed assets	(129,377)
	<u>(129,377)</u>
Cashflow from financing activities	
Paid up share capital	30,370,450
	<u>30,370,450</u>
Net cashflow from all activities	44,884,026
Cash and Cash equivalents at start of the period	<u>-</u>
Cash and Cash equivalents at end of the period	<u><u>44,884,026</u></u>

Kimisitu Investment Company Limited
(Public company limited by shares)

Notes to the Financial Statements
For the seventeen month period ended 31 December 2011

1. Incorporation

The Company which is a public company limited by shares was incorporated on 13th August 2010 and commenced its operations immediately.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

a) Basis of preparation:

i) Statement of compliance

The financial statements are prepared in accordance and in compliance with the relevant International Financial Reporting Standards (IFRS), and are presented in the functional currency, Kenya Shillings (Kshs).

ii) Basis of measurement

The measurement basis applied in the financial statements is the historical cost convention basis, except where otherwise stated in the accounting policies below.

iii) Use of estimates and judgments

The preparation of the financial statements in conformity with International Financial Reporting Standards requires the use of management judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and payments during the reporting period. It also requires the board to exercise judgment in the process of applying the accounting policies adopted by the Company. Although such estimates and assumptions are based on the board's best knowledge of current events and actions, actual results ultimately may differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of income in which the estimate is reviewed and in any future periods affected.

b) Recognition of Income

Sales income and other income are recognized on receipt and any balance thereof recognized as amount receivable in the period in which the company transacts business, and the customer has accepted the service.

Kimisitu Investment Company Limited
(Public company limited by shares)

Notes to the Financial Statements
For the seventeen month period ended 31 December 2011 (cont'd)

All expenses are recognized in the period when incurred and any balance thereof recognized as amount payable.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

d) Employee benefits

• Retirements benefits obligation

The employees of the company contribute to the National Social Security Fund, a national retirement benefit scheme. Contributions are determined by the local statute and the company's contributions are charged to the profit and loss account in the period which they relate. The company also contributes to staff provident fund held by CFC life insurance Company at the rate of 12.5% of the employees' pensionable pay while the employees pay 5% of their individual pensionable pay.

• Staff medical insurance cover

The company has and operates a group personal accident cover for staff, group life assurance cover for staff and a medical insurance cover for the employees and their immediate next of kin.

e) Property and equipment

Depreciation is calculated on a reducing balance method at annual rates estimated to write off the cost of the assets over their expected useful lives at the following annual rates;

Computer equipment	30.0%
Office equipment	12.5%
Furniture & fittings	12.5%

f) Taxation

Tax on operating results for the period comprises the current charge and deferred tax. Current tax is provided on the results in the period as shown in the financial statements adjusted in accordance with the tax legislation. Deferred tax is provided in the balance sheet using the liability method on all purposes and the amounts used for taxation purposes except differences relating to the initial recognition of assets and liabilities which affect neither accounting non taxable profits.

Kimisitu Investment Company Limited
(Public company limited by shares)

Notes to the Financial Statements
For the seventeen month period ended 31 December 2011 (cont'd)

3. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial Risks including liquidity risks, market risks and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential side effects on its financial performance. Risk management is carried out by the management of the Company who identifies, evaluates and hedges financial risks under policies approved by the Board of Directors. A description of significant risks factors is given below with the risk management policies applicable.

a) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from adequate and reliable sources of funds. Funds are raised mainly from revenue, loans from directors and receipts from related party entities. Due to the dynamic nature of the Company's operations, the management maintains flexibility in funding and limits dependence on any one source of funds. The Company continually assesses the liquidity risk by identifying and monitoring changes in the funding required meeting business goals and overall strategy. The table below analyses the Company's financial liabilities that will be settled on a net basis.

At 31 December, 2011	Due on <u>demand</u> Kshs	Due after <u>one year</u> Kshs	<u>Total</u> Kshs
Trade and other payables	1,657,037	-	1,657,037
Taxation payable	3,293,799	-	3,293,799
	<u>4,950,836</u>	<u>-</u>	<u>4,950,836</u>

b) Market risk

Market risk is the risk that changes in market prices such as interest rate and foreign exchange rates will affect the Company's income or value of its holdings of financial instruments.

i. Foreign exchange risk

The Company does not operate under any foreign currency, thus it has no risk exposure arising from foreign exchange currency.

Kimisitu Investment Company Limited
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Notes to the Financial Statements
For the seventeen month period ended 31 December 2011 (cont'd)

ii. Cash flow and fair value interest rate risk

The Company has no significant interest bearing assets. Its receipts and operating cash flows are independent of changes in market interest rates.

c) Credit risk

Credit risks arises from cash and cash equivalents, deposits with banks as well as trade and other receivables. The Company does have a significant concentration of credit risks arising from the fixed deposit and call bank accounts as shown in the financial statements.

Kimisitu Investment Company Limited
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Notes to the Financial statements
For the seventeen month period ended 31 December 2011 (cont'd)

3. Fixed assets

	Computers & <u>accessories</u> Kshs	Office <u>equipment</u> Kshs	Furniture & <u>fittings</u> Kshs	<u>Total</u> Kshs
Cost				
At 1.8.2010	-	-	-	-
Additions during the period	60,500	31,677	37,200	129,377
At 31.12.2011	60,500	31,677	37,200	129,377
Depreciation				
At 1.8.2010	-	-	-	-
Charge for the period	18,150	3,960	4,650	26,760
At 31.12.2011	18,150	3,960	4,650	26,760
Net Book Value				
At 31.12.2011	42,350 ✓	27,717	32,550 ✓	102,617

Kshs

4. Inventory

Plot for sale	492,477
	<u>492,477</u>

5. Trade & other receivables

Trade receivables	2,714,500
Refundable Deposits	5,000
Bank Interest receivable	564,788
	<u>3,284,288</u>

6. Cash & cash equivalents

Current bank account	3,964,621
Fixed deposit accounts	40,896,669
Cash in hand	22,736
	<u>44,884,026</u>

Kimisitu Investment Company Limited
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Notes to the Financial statements
For the seventeen month period ended 31 December 2011 (cont'd)

	Kshs
7. Share capital	
Authorised share capital:	
10,000,000 ordinary shares of Kshs 10 each;	<u>100,000,000</u>
Issued and fully paid up:	
3,037,045 ordinary shares of Kshs 10 each;	<u>30,370,450</u>
8. Trade & other payables	
Trade creditors	864,000
Accrued expenses	191,037
Provision for property allocation expenses	2,498,000
Directors' fee (10% of net profit before taxation)	1,423,792
Other creditors	602,000
	<u>5,578,829</u>

The directors have recommended directors' fee of 10% of the company profits before taxation. Other creditors, Kshs 602,000 include direct transfer of Kshs 600,000 made into the company's bank account on 5th September, 2011 by unknown person and unknown cash remittance of Kshs 2,000 deposited into the bank account on 29th November, 2011.

9. Proposed dividends 3,644,454

The directors have recommended payment of dividend of Ksh 1.20 for each share issued and fully paid as at 31 December, 2011

Kimisitu Investment Company Limited
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Notes to the Financial statements

For the seventeen month period ended 31 December 2011 (cont'd)

10. Taxation

Kshs

At 1st August, 2010

-

Provision for current period

3,296,897

3,296,897

Current period payments

-

At 31st December, 2011

3,296,897

Corporate tax payable has been computed at a rate of 30% of the adjusted taxable net profit.

11. Profit before tax

Profit before tax is stated after charging;

Audit fee provision

69,600

Depreciation

26,760

Kimisitu Investment Company Limited
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Detailed Profit and Loss Account
For the seventeen month period ended 31 December 2011

	Kshs
Income	
<i>Sales</i>	
143 plots of Block 2/54	<u>87,275,142</u>
<i>Cost of sales</i>	
Opening stock	-
Purchase of Block 2/54	70,916,735
Less closing stock	<u>(492,477)</u>
	70,424,258
Gross profit from property operations	<u>16,850,884</u>
 <i>Other Income</i>	
Fixed and call deposits bank interest	<u>2,146,439</u>
Total Other Income	<u>2,146,439</u>
Net Income for the year	<u>18,997,323</u>
 Expenditure:	
<i>Staff costs</i>	
Directors' remuneration and fees	1,423,792
Staff salaries & benefits	715,547
Employer pension contribution	27,267
Employer NSSF contribution	<u>600</u>
	<u>2,167,206</u>

Kimisitu Investment Company Limited
(Public company limited by shares)

Detailed Profit and Loss Account
For the seventeen month period ended 31 December 2011

<i>Office and administration costs</i>	Kshs
Incorporation costs	1,552,082
Plot viewing and search expenses	223,560
Share registry service fees	524,520
Board training expenses	338,000
Board sitting allowances	531,951
Other board expenses	73,923
Printing and stationery	17,264
Transport and travel expenses	219,619
Telephone and communication	1,750
Advertisement expenses	39,933
Audit fees	69,600
Tax consultancy fees	17,400
Other office expenses	16,399
	<u>3,626,001</u>
<i>Financial charges</i>	
Bank Charges	41,261
Withholding tax on bank interest	321,965
Depreciation	26,760
	<u>389,986</u>
Total Expenditure	<u>6,183,193</u>
Profit for the period before taxation	<u>6,183,193</u>
Taxation for the year	<u>12,814,130</u>
Net profit for the period after taxation	<u>3,296,897</u>
	<u>9,517,233</u>