



ANNUAL REPORT

2021



**KIMISITU INVESTMENT
COMPANY PLC**

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KIMISITU INVESTMENT COMPANY PLC

(A Public company limited by shares)

Report and Financial Statements for the Year Ended 31st December 2021

COMPANY INFORMATION

Directors who served during the year and to the date of this report were: -

| | | |
|------------------|----------------------------|---|
| Directors | Mr. Jacob Mwisyo | Chairperson |
| | Ms . Gladys Kalimi | Vice Chairperson |
| | Ms. Jennifer Katee Musyoki | Board Secretary |
| | Mr. Moses Mung'oni | Director |
| | Mr. Patrick Alubbe | Director |
| | Mr. Simon Mburu Mubachia | Director (Served from 24th April 2021) |
| | Mr. Isaac Ochieng Odul | Director - SACCO Nominee |
| | Ms. Fridah Nkirote | Director (Served upto 20th Nov 2021) |
| | Mr. Ernest Gatoru | Former Chairman (Served upto 24th April 2021) |

Company Secretary Gilbert Nyamweya Omoke
Certified Public Secretary
P.O Box 20621 - 00100
CPS No.2274

Registrar Co-operative Bank of Kenya
Registrar Services

Independent auditor Mbaya & Associates
Certified Public Accountant (K)
3rd Floor, Western Heights
Karuna Road, Westlands
P.O. Box 45390-00100
Nairobi, Kenya

Registered office Woodlands Court, House No.10
Woodlands Court,Kilimani
P.O. Box 37159 - 00200
Nairobi, Kenya

Principal Bankers Kenya Commercial Bank Limited
Moi Avenue Branch,
P.O. Box 48231 - 00100
Nairobi, Kenya

Co-operative Bank of Kenya
Nairobi Business Center Branch
P.O Box 3259 - 00100
Nairobi, Kenya

RESILIENCE AND ADAPTABILITY



Jacob Mwisyo
Chairman of the Board

The pandemic has had serious adverse effects across the country, but it has brought out our resilience.

Kimisitu PLC has this year emerged with the new strategy of being a purpose-led real estate investment company, while remaining committed to investing in the success of our customers and staff – Umbrella in fair weather.

In my capacity as Chairman of the Board I take pleasure in welcoming you warmly to our 2021 Annual Report. I would like to thank my predecessor, Ernest Gatoru, for his wisdom and dedication over the past 11 years.

A challenging year

Kimisitu PLC again operated and traded through an extraordinary year. Throughout this year, the Board closely followed management actions taken to ensure the wellbeing of our staff and customers. These included making it possible for staff to work under safe measures and instituting

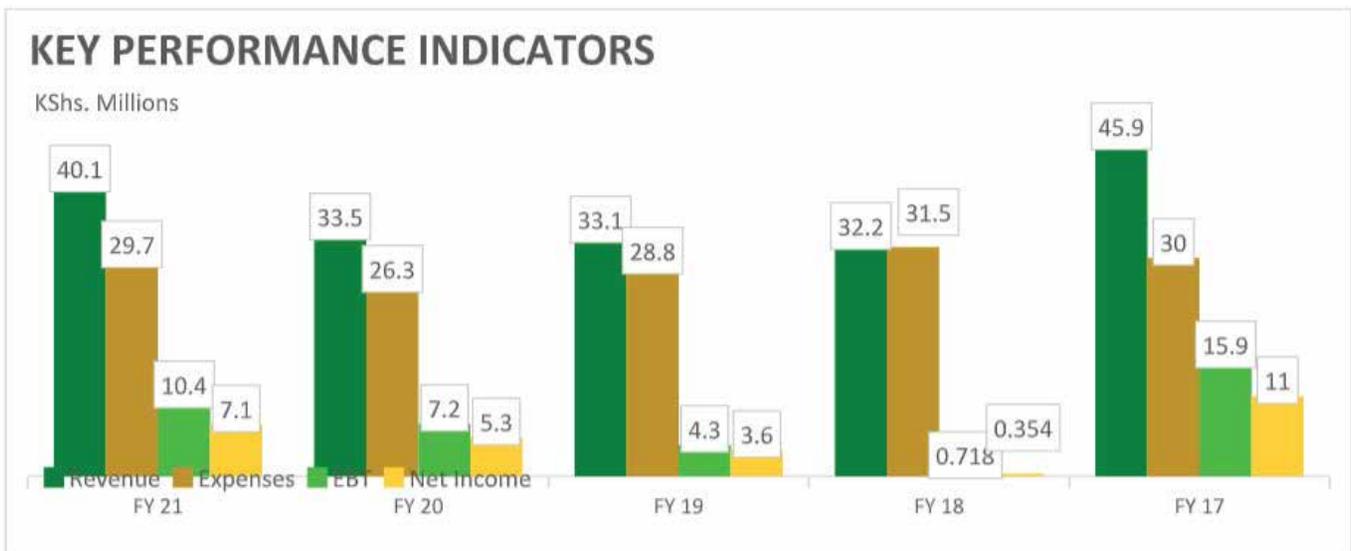
preventive actions in the office to ensure our staff and customers remained safe.

Although the year was marked by a slowdown of economic activity due to the COVID-19 pandemic, I am proud of Kimisitu PLC's actions in standing in solidarity with the country and helping enable social distancing measures. Our contribution went a long way to helping Kenyans start the process of owning a home through purchasing plots with the company from the various digital marketing platforms the company utilized.

To cushion Kenyans from the adverse financial effects of COVID-19, the company heard her customers and allowed for flexibility in payment plans towards purchase of the plots - "Lipa Pole Pole kwa Ploti"

While the pandemic has had – and may continue having adverse effects across Kenya, it has certainly awoken our resilience.

Kimisitu Plc posted 25% growth in consolidated net profit. This reflects the exceptional returns achieved from the sale of the new projects launched in the year 2021 i.e., Kitengela Harmony Gardens and Kimuka Gardens, Ngong as well as an impressive performance of the water business in which the company has invested in.



The graph below shows a five-year key performance indicators trend:

Resilience in a tough year

We began the year acutely aware that the pandemic would dominate the forthcoming months, or even years. Kimisitu PLC had no options apart from facing the challenges head-on. We amended our course and strategies as necessary to engage the new realities. The Board takes note of our business resilience during this time and is pleased with Kimisitu PLC's overall performance, which was boosted by a recovery trajectory in the beginning of the year. In recognition of our solid annual performance and in support of our shareholders during these tough economic times, we were able to pay dividends to shareholders. The Board remains committed to investing in the business and maintaining a consistent dividend payout ratio.

Dividend Payment

Despite the adverse economic conditions fueled by the Covid 19 Pandemic. The financial performance of the company improved during the financial year ended 31st December, 2021. The Board of Directors have recommended the payment of a dividend equivalent to KShs 0.60 per share for the financial year ended 31st December, 2021.

New Strategic Direction

The disruption prompted Kimisitu PLC's Board and management to deeply reconsider the future focus of our business. The Board, together with the management team, discussed how to position Kimisitu PLC's business as we look into the future. The leadership approved a new strategic positioning that will move Kimisitu PLC from a plot selling business into a fully purpose-led real estate organization. This strategy will see Kimisitu PLC focus on constructing apartments for sale as well as rental units that will generate additional income to the company. The company will also look into providing construction solutions to plot owners as a way of value addition to Kimisitu plots.

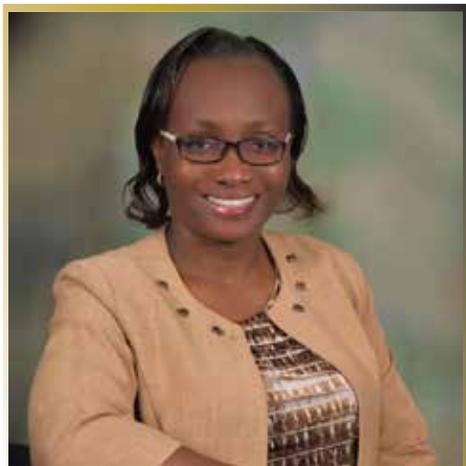
The Board will continue to monitor the execution and implementation of this strategy closely. As we head into the future, the Board is optimistic about the opportunities arising from the new strategic direction as a purpose-led real estate company.

Appreciation

I wish to express my sincere gratitude and appreciation to our employees and management and or their exceptional efforts in the past year to ensure Kimisitu PLC thrives and grows as we emerge from the COVID-19 pandemic. This Board has been privileged to support them in this quest. I also thank my fellow Board members for their timely inputs during a time when major and quick decisions needed to be made. We thank our investors and shareholders for their confidence in us, which will be deservedly rewarded over time. Over the last 11 years, Kimisitu PLC has always been a supporter and enabler of Kenyans' dreams in making it possible for them to invest as well as own a home. The Board is committed to working with management to deliver value to our shareholders but, most importantly, to ensure Kimisitu PLC continues to be YOUR UMBRELLA – our customers, staff and the community in transforming your lives.

Jacob Mwisyo
Chairman of the Board

GENERAL MANAGER'S REPORT



Esther Ongera
General Manager

Dear Shareholders,

I have immense pleasure in presenting the annual report of your company for the financial year 2021. During the year, the focus of the board and the management team was to grow business operations despite the pandemic season we have been experiencing.

During the year under review, Kimisitu PLC has once again registered another year of sound financial performance and maintained profitability despite its vast commercial commitments as captured in this report and the disruptions occasioned by the novel coronavirus. The continued profitability is attributable to the sound financial management, committed members of staff and proper steer from the Board of Directors. Our continued success is also attributable to Kimisitu PLC's commitment to forg-

ing strategic partnerships with various stakeholders.

In FY 2021, our commitment to building a strong reputation for excellence in providing investment solutions posted remarkable financial results. Below are some of the highlights of the key performance indicators that capture the year under review:

FINANCIAL PERFORMANCE

Pre - Tax Profit

The Company posted a 31% increase in Pre-Tax Profit of Kshs. 10.4 million for the financial year ended 31st December 2021 compared to Kshs. 7.2 million achieved in the previous financial year. The increased profitability is mainly attributed to increase in income from operations operating costs by Kshs. 4.6 million.

Revenue

Sales from property went down by 9.8% (Kshs. 12.8 million) to Kshs. 118.1 million during the year under review from Kshs. 130.9 million recorded in FY 2020.

This decline is largely attributed to the slow recovery from Covid 19 pandemic as customers shied from investing in properties widely.

Operating Expenditure

In the FY 2021, Kimisitu PLC operating expenditure increased by 5% to Kshs. 29.7 million from the previous year's Kshs. 28.3 million. This was attributed to share certificates costs, property search expenses as the company were geared towards getting a project in Kisumu and HR Consultancy services.

Financial Position

The Company's cash reserves went down by 63% to Kshs. 7.4 million compared to Kshs. 20.2 million at the end of the previous year. This is largely due to purchase of land projects (Kitengela Harmony Gardens and Kimuka Gardens, Ngong) of Kshs. 45.8 million during the year and dividends payment of Kshs. 4.8 million paid in June 2021 to the shareholders.

Looking Forward

Our positioning remains a great focus for our brand. We have plans to expand our company footprint, offer seamless service to our customers and deliver exceptional returns to our shareholders. The outlook beyond remains optimistic with the major plans of the company constructing her own apartments for rent and sale in prime locations withing Nairobi environs.

In the long term however, the current market conditions present opportunities to make investments at reasonably priced valuations and ride the growth in earnings and market valuations as economies recover from the crisis caused by the novel coronavirus and companies go back to their sustainable earnings levels under normal operating conditions.

Appreciation

In conclusion, I take this opportunity to express my sincere gratitude to our shareholders for their distinguished role in supporting our various initiatives and taking up our various product offerings. They remain a crucial stakeholder without whom we would not have achieved our set objectives and financial goals.

On behalf of the entire Management and staff, I wish to thank the Chairperson and the Board of Directors, for their continued support, visionary leadership and guidance they provided to the management team throughout the year.

On behalf of the Board of Directors and Management of Kimisitu PLC, I take this opportunity to congratulate Kimisitu PLC's staff for delivering this year's good results and enabling the company to remain profitable. It is through your tireless efforts and commitment that we have been able to record this remarkable performance even in the face of the operational and administrative challenges brought about by COVID-19.

I look forward to your continued support as we move to make Kimisitu PLC a company of impact across Kenya by positively transforming the lives of our people.

Finally, I am grateful to our customers. Without you, our business would not exist. We will remain obsessed by your needs in the year ahead.

Esther Ongera
General Manager



KIMISITU INVESTMENT COMPANY PLC

(A Public company limited by shares)

Report and Financial Statements for the Year Ended 31st December 2021

REPORT OF THE DIRECTORS

The Board of Directors submit their report together with the audited financial statements for the year ended 31 December 2021 which disclose the state of affairs of the company.

1. Incorporation

The company is domiciled in Kenya where it is incorporated as a public company limited by shares under the Kenyan Companies Act, 2015. The address of the registered office is set out on page 1.

2. Principal activities

The principal activity of the company is purchase and selling of land, leasing of properties and mortgaging of properties.

3. Business review

Kimisitu Investment Company PLC continues to offer a wide range of innovative financial solutions leveraging on heavy investment in multi -channels and with a focus on excellent customer experience and a highly motivated and talented team.

4. Our Business Model

Our business model is focused in contributing to sustainable wealth creation for our shareholders by pooling resources for sound, innovative and market-driven investment products that are professionally managed and offer optimum returns through strategic planning, efficient operations, risk management and governance.

5. Financial review

In 2021, the company made a profit before tax of Kshs 10,649,392 compared to Kshs 7,174,571 in 2020. The company asset base increased by 19% to Kshs 158,195,130 from Kshs 132,989,059 in 2020.

The results for the year ended 31 December 2021 are out on page 9.

6. Dividends

The board of directors has recommended a dividend payout ratio of 0.6 to members for the period under review.

7. Directors

The directors who held office during the year and to the date of this report are set out on page 1.

KIMISITU INVESTMENT COMPANY PLC

(A Public company limited by shares)

Report and Financial Statements for the Year Ended 31st December 2021

8. Events after the reporting period

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

9 Statement of disclosure to the company auditor

With respect to each director at the time this report was approved:

- (a) there is, so far as the person is aware, no relevant audit information of which the company auditor is unaware ; and
- (b) the person has taken all the steps that the person ought to have as a director so as to be aware of any relevant audits information and to establish that the company's auditor is aware of that information.

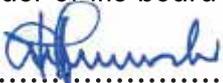
10 Terms and appointment of the auditor

Mbaya & Associates have expressed their willingness to continue in office in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of Kshs 265,000 has been charged to profit or loss in the year.

11 Approval of the financial statements

The financial statements were approved at a meeting of the directors held on
Date.....24/03/..... 2022.

By order of the board


.....

Mr. Jacob Mwisyo

Chair of the Board

Date:24/03/.....2022.

KIMISITU INVESTMENT COMPANY PLC

(A Public company limited by shares)

Report and Financial Statements for the Year Ended 31st December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that: (a) show and explain the transactions of the company; (b) disclose, with reasonable accuracy, the financial position of the company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) Selecting and applying appropriate accounting policies; and
- iii) Making accounting estimates and judgments that are reasonable in the circumstances.

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

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

Approved by the board of directors on 19/03/2022 2022 and signed on its behalf by;



Mr. Jacob Mwisyo
Chair of the Board



Director

Independent Auditor Report

To the members of Kimisitu Investment Company PLC For the year ended 31st December 2021

Opinion

We have audited the accompanying financial statements of Kimisitu Investment Company PLC, set out on pages 9 to 23 which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and cash flows statement for the year ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter.

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

Key audit matter

1.Revenue from sale of land

The company derives its income from buying and selling of land. In the year under review, the company registered a net income of Kshs 40,105,907 an increase from 13% from the prior period (2020: Kshs. 35,459,665.)

We considered revenue from sale of land as a key audit matter because :

- It was a material balance.
- It was the major source of income, that is 91% of the total income.
- Susceptibility of sale of land transactions to fraud and misstatements.

How our audit addressed the key Audit Matter.

-We obtained sales schedules and support documents and ascertained accuracy and completeness.
-We evaluated the internal controls for instance we observed that there was proper segregation of duties.

- We also assessed recognition of these sales in accordance with IFRS 15. We noted that the company is in process of adopting this standard in the current year.

Independent Auditor Report

To the members of Kimisitu Investment Company PLC For the year ended 31st December 2021

Key audit matter

2.Assets held for sale

This comprise of all parcels of land held by the company which where not sold during the year. Closing stock at the year end was Kshs 142.4 million as per note 8 of the financial statements which represents 90%of the total assets.

We consider this a key audit matter because this stock are held in trust of the company's shareholders. They are sold off and thus generate income which is utilized to settle the company's obligations and for the benefit of shareholders in form of dividends. If the assets held for sale are misstated, the resultant statement of financial position will also be misstated.

How our audit addressed the key Audit Matter.

-We obtained stock schedules and tracked movement from opening balance, sales and purchases.

-We reviewed valuation of stock as per valuation policy and confirmed stocks were properly valued.

-We performed analytical review and obtained explanations for the changes. There was a slight increase in stock of 22% compared to prior year attributed to acquisition of additional land for sale during the year.

3.Compliance with regulations and policies

The company is a public limited incorporated under the Kenyan Company's Act 2015. The company has documented policies and manuals which are used as a guideline for daily operations. We consider this a key audit matter as regulations, policies and manuals act as control measure in any institution. Adequate policies and manual safeguards the organization from accidental or fraudulent mismanagement of resources.

-We reviewed company's compliance with laws and regulations and confirmed adherence.

-We reviewed the organizations policies and manuals and ensured that they were adequate and appropriately applied.

Independent Auditor Report

To the members of Kimisitu Investment Company PLC

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Detailed Income Statement as required by the Companies Act 15 of 2015 of Kenya, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

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

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 15 of 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor Report

To the members of Kimisitu Investment Company PLC

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

Report on other legal requirements

In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Andrew Bulemi - Practising Certificate No. 2071.

Mbaya & Associates

Mbaya & Associates



Date 28/03/2022

KIMISITU INVESTMENT COMPANY PLC

(A Public company limited by shares)
Report and Financial Statements for the Period Ended 31st December 2021

A Statement of Profit and Loss for the Period Ended 31st December 2021

| INCOME FROM OPERATIONS | NOTE | 2021 | 2020 |
|--|-------------|--------------------|--------------------|
| | | Kshs. | Kshs. |
| Net Income from sale of property | 2 | 36,649,928 | 33,413,841 |
| Other Income | 2 | 3,455,980 | 2,045,824 |
| TOTAL OPERATIONS INCOME | | 40,105,907 | 35,459,665 |
| EXPENDITURE | | | |
| Administration and Operational expenses | 3 | 11,319,941 | 9,547,484 |
| Staff costs | 4 | 14,365,846 | 15,192,381 |
| Governance costs | 5 | 3,770,728 | 3,545,229 |
| TOTAL COSTS | | 29,456,515 | 28,285,094 |
| | | 10,649,392 | 7,174,571 |
| PROFIT FROM OPERATIONS BEFORE TAX | 6 | (3,271,652) | (1,855,966) |
| PROFIT AFTER TAXATION | | 7,377,740 | 5,318,605 |

KIMISITU INVESTMENT COMPANY PLC

(A Public company limited by shares)

Report and Financial Statements for the Period Ended 31st December 2021

A Statement of Financial Position as at 31st December 2021

| ASSETS | NOTE | 2021 Kshs. | 2020 Kshs. |
|--|-------|---------------------------|---------------------------|
| Non-Current Assets | 7(i) | 9,961,687 | 10,667,074 |
| Investment Property | 7(i) | 5,212,896 | 5,212,896 |
| Non-Current Assets Held for Sale | 8 | 142,391,338 | 116,322,846 |
| Intangible Asset-Operating Software System | 7(ii) | 629,209 | 786,511 |
| | | <u>158,195,130</u> | <u>132,989,328</u> |
| CURRENT ASSETS | | | |
| Trade and Other Accounts Receivables | 9 | 43,248,838 | 46,257,474 |
| Prepayments | | 773,212 | 734,686 |
| Deferred Tax Asset | 6 | - | 2,912,414 |
| Cash and Cash Equivalents | 10 | 7,421,570 | 20,244,742 |
| | | <u>51,443,620</u> | <u>70,149,316</u> |
| TOTAL ASSETS | | <u>209,638,750</u> | <u>203,138,644</u> |
| EQUITY & LIABILITIES | | | |
| Share Capital | 12 | 99,845,613 | 99,149,613 |
| Share Premium | | 20,577,245 | 20,003,045 |
| Retained Earnings | | 4,875,108 | 4,238,954 |
| TOTAL EQUITY | | <u>125,297,966</u> | <u>123,391,612</u> |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 11 | 83,661,722 | 79,728,385 |
| Dividend Payable | 13 | 287,390 | 18,647 |
| Corporation Tax Payable | 6 | 391,673 | - |
| | | <u>84,340,785</u> | <u>79,747,032</u> |
| TOTAL EQUITY & LIABILITIES | | <u>209,638,750</u> | <u>203,138,644</u> |

The financial statements on pages 9 to 23 were approved for issue by the board of Directors and authorised and signed on their behalf by;



Chairman

24/03/2022

Date



Director

24/03/2022

Date

KIMISITU INVESTMENT COMPANY PLC

(A Public company limited by shares)

Report and Financial Statements for the Period Ended 31st December 2021

A Statement of Changes In Equity for the Period Ended 31 December 2021

| Note | Share Capital | Share Premium | Proposed Dividend | Re-stated Retained Earnings | Total |
|--------------------------------------|-------------------|-------------------|-------------------|-----------------------------|--------------------|
| | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. |
| AS AT 01.01.2021 | 99,149,613 | 20,003,045 | 18,647 | 4,238,954 | 123,410,259 |
| Issued During the Year | 696,000 | 574,200 | - | - | 1,270,200 |
| Proposed dividend | - | - | 4,426,644 | (4,426,644) | - |
| Proposed directors' fee | - | - | 634,307 | (634,307) | - |
| Prior Period Adjustments | - | - | - | (1,680,637) | (1,680,637) |
| 2020 Dividends Paid In 2021 | - | - | (4,792,208) | - | (4,792,208) |
| Profit for the Period After Taxation | - | - | - | 7,377,740 | 7,377,740 |
| | 99,845,613 | 20,577,245 | 287,390 | 4,875,108 | 125,585,356 |
| AS AT 31.12.2021 | 99,845,613 | 20,577,245 | 287,390 | 4,875,108 | 125,585,356 |
| AS AT 01.01.2020 | 92,921,769 | 19,451,279 | 5,577,491 | (124,795) | 117,825,744 |
| Issued During the Year | 669,000 | 551,766 | - | - | 1,220,766 |
| Proposed dividend | 5,558,844 | - | (5,558,844) | - | - |
| Prior Period Adjustments | - | - | - | (877,683) | (877,683) |
| Profit for the Period After Taxation | - | - | - | 5,318,605 | 5,318,605 |
| | 99,149,613 | 20,003,045 | 18,647 | 4,316,127 | 123,487,432 |
| 2019 DIVIDENDS PAID IN 2020 | - | - | - | (77,173) | (77,173) |
| AS AT 31.12.2020 | 99,149,613 | 20,003,045 | 18,647 | 4,238,954 | 123,410,259 |

KIMISITU INVESTMENT COMPANY PLC

(A Public company limited by shares)

Report and Financial Statements for the Period Ended 31st December 2021

A Statement of Cash Flows for the Period Ended 31st December 2021

| | 2021 | 2020 |
|---|-------------------------|--------------------------|
| | Kshs. | Kshs. |
| Cash flow from Operations | | |
| Profit before taxation for the period | 10,649,392 | 7,174,571 |
| Adjustments for: | | |
| Depreciation | 738,530 | 1,144,837 |
| Amortisation | 157,302 | 196,628 |
| Prior period adjustment | (1,680,637) | (877,683) |
| Cash flow from Operations before working Capital changes | 9,864,588 | 7,638,354 |
| Decrease in Accounts Receivables | 2,970,110 | (18,950,140) |
| Increase in trade and other payables | 3,933,338 | 49,410,242 |
| Decrease in Non-Current Assets held for sale | (26,068,492) | (23,841,605) |
| Income tax paid during the period | 32,434 | (83,177) |
| | <u>(9,268,022)</u> | <u>14,173,674</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of Non-Currect Assets during the period (PPE) | (33,140) | (4,768,116) |
| | <u>(33,140)</u> | <u>(4,768,116)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Issue of Share Capital during the period | 1,270,200 | 1,220,766 |
| Dividends paid | (4,792,208) | (77,174) |
| | <u>(3,522,008)</u> | <u>1,143,592</u> |
| Net (decrease)/increase in Cashflows | (12,823,170) | 10,549,150 |
| Cash and Cash Equivalents at the start of the year | 20,244,741 | 9,695,591 |
| Cash and Cash Equivalents at the end of the period | <u><u>7,421,570</u></u> | <u><u>20,244,741</u></u> |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1) SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and summary of significant accounting policies

The financial statements are prepared on the historical cost basis in accordance with International Financial Reporting Standards. The financial statements comprise the income statement and statement of comprehensive income (as one statement), the statement of financial position, the statement of changes in equity, the statement of cash flows, significant accounting policies and the notes.

(i) Standards and interpretations effective in current period

The following new interpretations issued by the International Financial Reporting Interpretations Committee and revised standards are effective in the current period:

- IAS12, Income tax: Tax consequence on dividends (As revised in 2017: Effective for annual periods beginning on or after 1 January 2019).
- IFRS 16, Leases: New lessee accounting model (As revised in 2016: Effective for annual periods beginning on or after 1 January 2019)

The directors have assessed the relevance of the new standards, interpretations and amendments to existing standards with respect to the scheme's operations and concluded that they will not impact on the financial statements.

(b) Going Concern

The Company forecasts and projections, taking account of reasonably possible changes in trading performance, show the Company should be able to operate within their current funding levels into the foreseeable future.

The aforementioned situation will have an effect on the Company's performance for the subsequent year. The Company's management have carried out an assessment on each of the portfolio companies with the metrics considered being; staff collaboration, business activity, supply chain, liquidity and financial performance. They have then put in place mitigating measures to combat the risks identified in these areas.

Management has put in place ample measures such as remote working for some employees and setting up robust IT infrastructure for the employees ,directors and shareholders to be able to safely access relevant IT applications and conduct virtual meetings. The Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. The financial statements therefore have been prepared on a going concern basis.

c) Revenue

Revenue from sale of services is recognized upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government of Kenya.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

d) Borrowing costs

All borrowing costs are recognized in statement of comprehensive income in the period in which they are incurred.

e) Dividends

Dividends on ordinary shares are charged to equity in the year in which they are declared. Proposed dividends are shown as a separate component of equity until they have been ratified at the Annual General Meeting.

f) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The current tax is based on taxable profit for the year, determined in accordance with the Kenyan Income Tax Act.

g) Deferred tax

Deferred income tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in statement of comprehensive income.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

h) Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Kenya Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the statement of financial position date are translated using the closing rate. All exchange differences arising on settlement or translation are recognized in statement of comprehensive income.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Accounting policies (Contd...)

g) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using reducing balance method. The following annual rates are used for the depreciation of property, plant and equipment:

| | |
|--------------------------|-------|
| Computers | 30.0% |
| Furniture and fittings | 12.5% |
| Office equipments | 12.5% |
| Motor vehicle | 25.0% |
| Borehole building | 2.0% |
| Amortisation of software | 20.0% |

Full depreciation is charged in the year of purchase and none in the year of asset disposal.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the statement of comprehensive income.

h) Trade receivables

Trade receivables are carried at original invoiced amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off in the year in which they are identified.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, 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.

j) Financial liabilities

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest

k) Employee benefits: post-employment benefits

i) Retirements benefits

The company and its employees also contribute to the National Social Security Fund (NSSF). Contributions are determined by local statute and the company's contributions are charged to the statement of comprehensive income in the year which they relate.

ii) Provident fund

The company contributes to a Staff Provident Fund held by Britam at the rate of 12.5 % of the employee's pensionable pay while the employees contributes 5% of their individual.

iii) Staff accident and medical insurance cover

The company operates a group personal accidents cover and a group life assurance cover for their staff, and a medical insurance cover for the employees and their immediate families.

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Notes to the Financial Statements for the Period Ended 31st December 2021

| 2 NET INCOME FROM SALE OF PROPERTY | 2021 | 2020 |
|---|--------------------|--------------------|
| Sales | Kshs. | Kshs. |
| Harmony Gardens | 42,539,200 | - |
| Kimisitu Olives | 28,943,400 | 11,234,000 |
| Kitengela Milimani 1C | 19,409,000 | - |
| Kimuka Gardens | 7,535,000 | - |
| Kitengela Milimani 1B | 6,295,000 | - |
| Mbuni Gardens | 5,091,867 | - |
| Baraka Gardens | 2,940,000 | 16,955,000 |
| Ngelani | 2,553,240 | - |
| Kiserian Phase 2 | 1,090,400 | 759,400 |
| Kiserian Phase 3 | 930,000 | 667,600 |
| Nakuru Springs | 770,000 | 2,320,000 |
| Lukenya Silver Oak Gardens | - | 3,590,000 |
| Kiserian Phase 1 | - | 1,490,400 |
| Kitengela Milimani 2 | - | 5,305,200 |
| Kitengela Milimani 4 | - | 20,465,000 |
| Kitengela Milimani 1 | - | 64,876,000 |
| Nanyuki Greenfields | - | 1,730,000 |
| Kitengela Milimani 5 | - | 1,470,000 |
| | 118,097,107 | 130,862,600 |
| COST OF SALES | | |
| Opening Stock | 116,322,813 | 92,481,208 |
| Purchases | | |
| Harmony Gardens & Kimuka Gardens | 107,515,704 | 121,290,365 |
| Cost of goods available for sale | 223,838,517 | 213,771,572 |
| Prior Period Adjustments | - | - |
| Closing Stock (NOTE A) | (142,391,338) | (116,322,813) |
| Cost of sales | 81,447,179 | 97,448,759 |
| Gross Profit From Property Sales | 36,649,928 | 33,413,841 |
| | 2021 | 2020 |
| OTHER INCOME | Kshs. | Kshs. |
| Bank Interest on Fixed & Call Deposits | 338,285 | 554,515 |
| Other Incomes | 510,453 | 179,500 |
| Water Revenue | 2,607,241 | 1,311,809 |
| | 3,455,980 | 2,045,824 |
| Total Net Income | 40,105,907 | 35,459,665 |

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Notes to the Financial Statements for the Period Ended 31st December 2021

| | 2021 | 2020 |
|--|--------------------|--------------------|
| | Kshs. | Kshs. |
| NOTE A - CLOSING STOCK | | |
| Harmony Gardens | 45,504,830 | - |
| Ngelani | 39,441,154 | 41,213,790 |
| Kimuka Gardens | 24,310,122 | - |
| Kimisitu Olives | 10,619,328 | 31,857,985 |
| Mbuni Gardens | 7,420,677 | 11,130,983 |
| Lukenya Silver Oak Gardens | 6,708,372 | 6,708,372 |
| Kitengela 2 | 1,560,824 | 1,560,825 |
| Baraka Gardens | 1,535,976 | 3,583,944 |
| Kitengela Milimani 1B | 1,196,291 | 3,289,801 |
| Lukenya Maanzoni | 1,180,223 | 1,180,223 |
| Kitengela Milimani 2 | 932,403 | 932,403 |
| Kiserian Phase 3 | 807,142 | 605,357 |
| Kitengela 1 | 301,717 | 301,717 |
| Joska 1,3 & 4 | 648,317 | 648,317 |
| Kiserian Phase 2 | 223,961 | 447,922 |
| Nakuru Springs | - | 560,765 |
| Kitengela Milimani 1C | - | 12,300,409 |
| | 142,391,338 | 116,322,813 |
| 3 ADMINISTRATIVE AND OPERATING EXPENSES | | |
| Share Registry Services Fees | 2,012,760 | 590,820 |
| Rent Expenses | 1,840,000 | 1,680,000 |
| Borehole expenses | 1,577,956 | 355,205 |
| Marketing & Public Relations | 1,163,490 | 1,248,708 |
| Depreciation | 738,530 | 1,144,837 |
| Travelling & Property Search Expenses | 668,431 | 420,646 |
| Consultancy Services | 554,123 | - |
| Office Expenses | 500,990 | 557,060 |
| Software Licences | 384,405 | 205,780 |
| Company Secretarial Services | 200,000 | 333,759 |
| Telephone/Business Mobile & Postage | 196,377 | 136,317 |
| Bank Charges | 192,810 | 182,911 |
| Water & Electricity Expense | 176,680 | 184,315 |
| Support & Maintenance - Equipment | 166,139 | 286,685 |
| Email, Internet & Intranet | 158,533 | 168,010 |
| Operating System - Amortisation | 157,304 | 196,628 |
| General Office Insurance - Office Equipment | 141,037 | 204,834 |
| Vehicle Running Expenses | 118,157 | 190,771 |
| Land Related Expenses | 100,000 | 646,649 |
| Business Licence | 98,200 | 107,700 |
| Travelling Expenses | 89,761 | 116,362 |
| Printing & Stationery | 74,260 | 165,827 |
| Website development & Hosting | 10,000 | 69,331 |
| Legal Fees | - | 16,400 |
| Office Building Maintenance | - | 50,100 |
| ERP Support Fees | - | 42,750 |
| Microsoft Dynamics Enhancement Plan | - | 245,079 |
| | 11,319,941 | 9,547,484 |

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Notes to the Financial Statements for the Period Ended 31st December 2021

4 STAFF COSTS

| | 2021 | 2020 |
|--------------------------------|-------------------|-------------------|
| | Kshs. | Kshs. |
| Salaries and Wages | 9,211,648 | 9,487,196 |
| Staff Medical Insurance | 2,121,221 | 2,391,961 |
| Sales Commissions | 1,993,691 | 2,008,051 |
| Staff Pension Cost | 768,813 | 863,478 |
| Staff Life Assurance | 70,816 | 100,796 |
| Staff Welfare and Benefits | 67,073 | 131,280 |
| Personal Accident Cover | 45,151 | 92,065 |
| Staff Recruitment Expenses | 42,883 | 4,960 |
| NSSF Contribution | 27,800 | 27,400 |
| Professional Subscription | 10,000 | 26,367 |
| Staff Training and Development | 6,750 | 58,826 |
| | 14,365,846 | 15,192,381 |

5 GOVERNANCE COSTS

| | | |
|--|------------------|------------------|
| Board Allowances & Travelling Expenses | 1,756,161 | 1,311,348 |
| AGM Expenses | 1,057,741 | 1,370,958 |
| Directors Fees | 634,306 | 465,820 |
| Audit Fees | 265,000 | 276,000 |
| Directors Indemnity Insurance | 52,605 | 80,400 |
| Hospitality | 4,915 | 40,703 |
| | 3,770,728 | 3,545,229 |

6 TAXATION

| | | |
|---|----------------|--------------------|
| Adjusted Taxable Profit / (Loss) | 10,905,507 | 7,423,863 |
| Tax Thereon @30% | 3,271,652 | 1,855,966 |
| Total Tax Liability | 3,271,652 | 1,855,966 |
| Less: | | |
| Tax overpayment in 2020 b/f | (2,912,414) | (4,685,202) |
| Withholding Tax on Interest Income | 32,434 | (83,177) |
| Tax Payable/(Receivable) as at 31.12.2021 | 391,673 | (2,912,414) |

CAPITAL ALLOWANCES COMPUTATION

| WEAR & TEAR ALLOWANCE | Class A | Class B | Total |
|-----------------------------|------------------|------------------|------------------|
| | 25% | 10% | |
| WDV AS AT 01.01.2020 | 2,248,094 | 2,312,615 | 4,560,709 |
| ADDITIONS | 22,000 | 1,955,164 | 1,977,164 |
| | 2,270,094 | 4,267,779 | 6,537,873 |
| Wear & Tear Allowance | 567,524 | 426,778 | 994,301 |
| WDV AS AT 31.12.2020 | 1,702,571 | 3,841,001 | 5,543,572 |
| WDV AS AT 01.01.2021 | 1,702,571 | 3,841,001 | 5,543,572 |
| ADDITIONS | - | 4,640 | - |
| | 1,702,571 | 3,845,641 | 5,543,572 |
| Wear & Tear Allowance | 425,643 | 384,564 | 810,207 |
| WDV AS AT 31.12.2021 | 1,276,928 | 3,461,077 | 4,733,365 |

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Notes to the Financial Statements for the Period Ended 31st December 2021

COMPUTER SOFTWARE ALLOWANCE

| | 2021 Kshs. |
|----------------------|-----------------------|
| WDV AS AT 01.01.2021 | 786,511 |
| ADDITIONS | - |
| | <u>786,511</u> |
| Allowance @ 20% | 157,302 |
| Total Allowance | <u>157,302</u> |
| WDV AS AT 31.12.2021 | <u><u>629,209</u></u> |

7 (i) NON-CURRENT ASSETS MOVEMENT SCHEDULE (see worksheet - PPE)

7 (ii) INTANGIBLE ASSETS

Operating System

| | 2021 | 2020 |
|-------------------------------------|-----------------------|-----------------------|
| Initial Cost | | - |
| Cost at at 01.01.2020 | - | 1,228,924 |
| Additions | - | - |
| Amortisation Charge for the Year | - | 245,785 |
| Total Cost as at 31.12.2020 | | <u>983,139</u> |
| Cost at at 01.01.2021 | 786,511 | 983,139 |
| Additions | - | - |
| Total Cost as at 31.12.2021 | <u>786,511</u> | <u>983,139</u> |
| Amortisation Charge for the Month | 157,302 | 196,628 |
| Total Amortisation as at 31.12.2021 | <u>157,302</u> | <u>196,628</u> |
| | <u>629,209</u> | <u>786,511</u> |

8 NON-CURRENT ASSETS HELD FOR SALE

| Asset Description | 2021 | 2020 |
|---------------------------------------|---------------------------|---------------------------|
| Harmony Gardens (44 plots) | 45,504,830 | - |
| Ngelani (89 Plots) | 39,441,154 | 41,213,790 |
| Kimuka Gardens (64 plots) | 24,310,122 | - |
| Kimisitu Olives (19 plots) | 10,619,328 | 31,857,985 |
| Mbuni Gardens (14 Plots) | 7,420,677 | 11,130,983 |
| Lukenya Silver Oak Gardens (22 Plots) | 6,708,372 | 6,708,372 |
| Kitengela 2 (5 Plots) | 1,560,824 | 1,560,825 |
| Baraka Gardens (3 plots) | 1,535,976 | 3,583,944 |
| Kitengela Milimani 1B (1 Plot) | 1,196,291 | 3,289,801 |
| Lukenya Maanzoni (2 Plots) | 1,180,223 | 1,180,223 |
| Kitengela Milimani 2 (2 Plot) | 932,403 | 932,403 |
| Kiserian Phase 3 (4 Plots) | 807,142 | 605,357 |
| Kitengela 1 (1 Plot) | 301,717 | 301,717 |
| Joska 3 (1 Plot) | 228,324 | 228,324 |
| Kiserian Phase 2 (1 Plot) | 223,961 | 447,922 |
| Joska 1 (1 Plot) | 212,957 | 212,957 |
| Joska 4 (1 plot) | 207,036 | 207,036 |
| Nakuru Springs | - | 560,765 |
| Kitengela Milimani 1C | - | 12,300,409 |
| | <u>142,391,338</u> | <u>116,322,814</u> |

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Notes to the Financial Statements for the Period Ended 31st December 2021

9 TRADE & OTHER RECEIVABLES

| | 2021 Kshs. | 2020 Kshs. |
|--|-------------------|-------------------|
| Harmony Gardens | 13,927,164 | - |
| Kimisitu Olives | 11,559,490 | 6,280,650 |
| Kitengela Milimani 1C | 6,182,088 | 20,336,356 |
| Kimuka Gardens | 3,260,000 | - |
| Baraka Gardens | 2,517,800 | 6,057,908 |
| Kitengela Milimani 1B | 1,419,402 | 6,897,385 |
| Kitengela Milimani Project Contributions Receivables | 1,098,545 | 1,496,607 |
| Red Pine Ngelani | 1,041,680 | 580,000 |
| Mbuni Gardens | 752,367 | 453,250 |
| Refundable deposits | 533,984 | 503,984 |
| Kiserian Phase 3 | 356,500 | 991,600 |
| Nakuru Springs | 185,000 | 813,754 |
| Other Debtors | 173,660 | 92,600 |
| Kitengela Milimani 4 | 142,600 | 333,200 |
| Kitengela Milimani 3 | 99,000 | 299,000 |
| Kiserian Phase 1 | - | 162,000 |
| Kiserian Phase 2 | - | 538,123 |
| Kona Baridi | - | 16,510 |
| Kitengela Milimani 2 | - | 350,000 |
| Staff Receivable | (443) | 54,546 |
| | <u>43,248,838</u> | <u>46,257,474</u> |

10 CASH AND CASH EQUIVALENTS

| | 2021 Kshs. | 2020 Kshs. |
|-----------------------------------|------------------|-------------------|
| KCB Current Account | 6,036,610 | 9,578,380 |
| Co-operative Bank current Account | 1,203,435 | 1,867,505 |
| Mpesa Holding Control Account | 78,220 | 50,118 |
| Kimisitu Sacco Corporate Account | 58,000 | - |
| M-Pesa Float | 32,576 | 621,453 |
| Cash in Hand | 12,728 | 4,264 |
| Fixed Deposit Account | - | 8,123,020 |
| | <u>7,421,570</u> | <u>20,244,742</u> |

11 TRADE AND OTHER PAYABLES

| | 2021 Kshs. | 2020 Kshs. |
|---|---------------|---------------|
| Trade Payables | 42,417,926 | 49,578,779 |
| Accrued Expenses - Harmony gardens | 17,550,633 | - |
| Accrued Expenses - Kimuka gardens | 5,602,459 | - |
| Other Payables | 3,599,167 | 238,868 |
| Plot Booking Deposits | 3,089,294 | 3,537,821 |
| Accrued Expenses - Kitengela Milimani 1C | 2,866,656 | 10,735,080 |
| Accrued Expenses - - Kimisitu Olives | 2,284,319 | 3,957,053 |
| Accrued Expenses - Mbuni Gardens | 2,016,584 | 2,742,294 |
| Accrued Expenses - Baraka Gardens, Komarock | 1,202,796 | 2,413,596 |
| Accrued Expenses - Kitengela Milimani 1B | 908,876 | 1,115,766 |
| Accrued Expenses - Lukenya Silver Oak | 736,996 | 736,996 |
| Accrued Expenses - Nakuru Springs | 698,502 | 810,002 |
| Accrued Directors Remuneration/Fees | 650,329 | 481,662 |
| Payroll Control Account | 572,875 | 431,212 |
| Rescource Gardens - Payment for Apartments | 535,283 | 435,283 |
| Undetermined Deposits | 529,330 | 707,231 |

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Notes to the Financial Statements for the Period Ended 31st december 2021

TRADE AND OTHER PAYABLES CONT...

| | | |
|--|-------------------|-------------------|
| Rescource Gardens - Unutilized Marketing Funds | 430,647 | 430,647 |
| Water Connection Fees | 404,000 | 404,000 |
| Staff Payroll Cost - PAYE | 259,416 | 202,030 |
| Withholding VAT Payable | 55,907 | 11,629 |
| Sunset Boulevard - Marketing Funds | 26,595 | 26,595 |
| Staff Payroll Cost - NHIF | 21,200 | 17,450 |
| Housing Fund Levy | 11,572 | 11,572 |
| Accrued Expenses - Kitengela Milimani | 9,004 | 13,271 |
| Staff Payroll Cost - NSSF | 8,400 | 6,800 |
| Accrued Expenses - Katani | 7,842 | 7,842 |
| Pension Payable Control Account | 928 | (6) |
| Accrued Expenses - Kiserian Phase 3 | - | 2,335,606 |
| Accrued Audit Fees | - | 276,000 |
| Dividends Payable | - | 3,800 |
| Accrued Expenses - Kitengela Milimani 5 | (22,000) | - |
| Accrued Expenses - Kona Baridi | (717,270) | - |
| Accrued Expenses - Ngelani | (2,096,495) | (1,940,495) |
| | <u>83,661,722</u> | <u>79,728,385</u> |

12 SHARE CAPITAL

| | 2021 | 2020 |
|---|--------------------|--------------------|
| | Kshs. | Kshs. |
| Authorized Share Capital | | |
| 10,000,000 Ordinary Shares of Kshs. 10 each | <u>100,000,000</u> | <u>100,000,000</u> |
| Issued and Fully Paid Up Share Capital | 99,149,613 | 99,149,613 |
| Issued During the year 2021 | 696,000 | |
| Share Premium | - | - |
| As at 31.12.2021 | <u>99,845,613</u> | <u>99,149,613</u> |

13 PROPOSED DIVIDENDS

| | 2021 | 2020 |
|----------------------------|------------------|--------------------|
| | Kshs. | Kshs. |
| At the Start: | 18,647 | 5,577,491 |
| Paid During the Year | (4,157,901) | - |
| Proposed for the Year 2021 | <u>4,426,644</u> | <u>(5,558,844)</u> |
| | <u>287,390</u> | <u>18,647</u> |

14 PRIOR YEAR ADJUSTMENTS

This figure of 1,680,637.00 included under Statement of Changes in Equity relates to reversals of sales during the 2021 period.

7 (i)

NON-CURRENT ASSETS MOVEMENT SCHEDULE

| | Computers and Accessories | Office & Other Equipment | Furniture, Fittings & Equipment | Buildings | Motor Vehicle | Land | Total |
|--------------------------|---------------------------------|-----------------------------|---------------------------------------|------------------|------------------|------------------|-------------------|
| | Kshs. | Kshs. | Kshs. | Kshs. | | Kshs. | Kshs. |
| Cost as at 01.01.21 | 3,392,797 | 2,455,238 | 1,873,993 | 7,217,579 | 2,578,541 | 5,212,896 | 22,731,313 |
| Additions | 28,500 | 4,640 | - | - | - | - | 33,140 |
| Cost as at 31.12.2021 | 3,421,297 | 2,460,148 | 1,873,993 | 7,217,579 | 2,578,541 | 5,212,896 | 22,764,453 |
| Acc. dep. as at 01.01.21 | 2,789,094 | 1,045,163 | 1,056,105 | 522,071 | 1,438,909 | - | 6,851,342 |
| Charge for the period | 174,371 | 119,818 | 90,731 | 102,664 | 250,945 | - | 738,530 |
| Acc. dep. as at 01.12.21 | 2,963,465 | 1,164,981 | 1,146,836 | 624,736 | 1,689,853 | - | 7,589,872 |
| NBV as at 31.12.2021 | 457,831 | 1,295,167 | 727,157 | 6,592,843 | 888,689 | 5,212,896 | 15,174,583 |
| NBV as at 31.12.2020 | 603,703 | 1,410,075 | 817,888 | 6,695,507 | 1,139,632 | 5,212,896 | 15,879,701 |

KIMISITU INVESTMENT COMPANY PLC

TAX COMPUTATION - 2021

PIN NO: P051339151H

Kshs.

| | | |
|---|-------------------|-------------------|
| Taxable Profit / (Loss) | | 10,649,392 |
| Add Back Disallowable Expenses | | |
| Pension | 327,792.00 | |
| Depreciation | 738,529.78 | |
| Amortisation | <u>157,302.27</u> | |
| | | 1,223,624 |
| Less Allowable Expenses | | |
| Wear and Tear | (810,207) | |
| Computer Software Allowance | (157,302) | |
| Computer Software allowance Claimed | - | (967,509) |
| Adjusted Taxable Profit / (Loss) | | <u>10,905,507</u> |
| Tax thereon @ 30% | | <u>3,271,652</u> |
| Total Tax Liability | | 3,271,652 |
| Less: | | |
| Tax overpayment in 2020 b/f | | (2,912,414) |
| Final tax for year 2020 paid in year 2021 | | - |
| Installment Tax Paid During the Year | | - |
| Withholding Tax on Interest Income | | 32,434 |
| Tax Payable/(Receivable) as at 31.12.2021 | | <u>391,673</u> |
| Tax Payable at the Beginning of the Year | | - |
| Tax Paid Current Year | | <u>-</u> |

WEAR AND TEAR SCHEDULE

| | Class A 25.0% Kshs. | Class B 10.0% Kshs. | Total Kshs. |
|-------------------------|------------------------------------|------------------------------------|------------------------|
| W.D.V as at 1.1.2020 | 2,248,094 | 2,312,615 | 4,560,709 |
| Additions | <u>22,000</u> | <u>1,955,164</u> | <u>1,977,164</u> |
| | 2,270,094 | 4,267,779 | 6,537,873 |
| Wear and tear allowance | <u>567,524</u> | <u>426,778</u> | <u>994,301</u> |
| W.D.V as at 31.12.2020 | <u>1,702,571</u> | <u>3,841,001</u> | <u>5,543,572</u> |
| W.D.V as at 1.1.2021 | 1,702,571 | 3,841,001 | 5,543,572 |
| Additions | <u>-</u> | <u>4,640</u> | <u>4,640</u> |
| | 1,702,571 | 3,845,641 | 5,548,212 |
| Wear and tear allowance | <u>425,643</u> | <u>384,564</u> | <u>810,207</u> |
| WDV AS AT 31.12.2021 | <u>1,276,928</u> | <u>3,461,077</u> | <u>4,738,005</u> |

SOFTWARE ALLOWANCE

| | Kshs |
|-----------------------------|-----------------------|
| W.D.V as at 1.1.2021 | 786,511 |
| Additions | <u>-</u> |
| | 786,511 |
| Allowance @ 20% | 157,302 |
| Additional Allowance | - |
| WDV AS AT 31.12.2021 | <u>629,209</u> |



Contact Us

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