

KANISA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31ST DECEMBER 2018

KANISA HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

CONTENTS	PAGE NO.
Corporate information	1
Report of the directors	2
Statement of directors responsibilities	3
Independent auditor's report	4-5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Cash flow statements	9
Notes to the financial statements	10-14

KANISA HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

CORPORATE INFORMATION

Directors

Bernard Okok
Wilfred Gitau
Boniface Maina
Ann Kioi
Salome Kihara

Company Secretary

Caroline Wangari Mwaura
Mwangi & Mwaura Advocates
Kiprop Centre, 6th Floor
Sports Road
P. O. Box 11762- 001100

Independent Auditor

Erastus HAE and Partners
Certified Public Accountants
Nelleon Centre - Thika
P.O.Box 118-00300 Ronald Ngala
Nairobi

Principal Place of Business

AACC Desmond Tutu Conference Centre (1st Floor)
Waiyaki Way, opposite Safaricom House
P. O. Box 1210 - 00606
Sarit Centre

Principal Bankers

Commercial Bank of Africa
Westlands Branch
P.O Box 30437- 00100
Nairobi, Kenya

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2018

REPORT OF THE DIRECTORS

Directorate

The directors submit their report together with the audited financial statements for the year ended 31st December 2018 which disclose the state of affairs of the company.

Incorporation

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

Principal activities

The principal activity of the company is that of an investment holding company; holding for returns on a long term basis.

Results	2018	2017
	Kshs	Kshs
Profit before tax	6,459	153,868
Income tax charge	(1,938)	(46,160)
Profit for the year transferred to retained earnings	4,521	107,708

Dividends

The directors do not recommend the declaration of dividends for the year.

Directors

The directors who served during the year are set out on page 1.

Statement of disclosure to the company's 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's auditor is unaware; and
- (b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Business review

The company buys large parcels of land, subdivides and sells the subdivided parcels / plots to members and non-members of Kanisa SACCO Limited.

During the year 2018, there was a significant reduction in the Kanisa SACCO Investment pool due to job losses / redundancies. New entrants into the market with broader financial base also had negative effects on the company business portfolio. In addition, the year 2018 was also characterized by harsh economic conditions that were influenced by, among others negative global economic trends and high level of national inflation. Cumulatively this weakened SACCO members' investments ability. As a result of these challenges, the company was only able to launch one project (Koma Shrine View) against its projected two.

The company has planned to mitigate these risks through diversification. As a first step towards this, the company has in 2018 drilled a bore hole in its Isinya 1 project, working towards making it a source of income and plans to negotiate with a reputable construction company to facilitate home owning and farming among the investors and to enlarge its commission earnings by entering into agreements with property agencies.

Terms of appointment of the auditor

Erastus HAE & Partners Certified Public Accountants continues in office in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. 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 Ksh 60,000 has been charged to profit or loss in the year.

By order of the Board

SECRETARY


Date.....11th FEB 2019

KANISA HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITY

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 maintains proper accounting records that are sufficient to show and explain the transactions of the company; disclose, with reasonable accuracy, the financial position of the company; and 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 International Financial Reporting Standards for Small and Medium-sized Entities and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for;

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements 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 11th FEB 2019 and signed on its behalf by:

SALOME KIHARA
Director


Signature

WILFRED LITAM
Director


Signature

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF

KANISA HOLDINGS LIMITED

Opinion

We have audited the financial statements of Kanisa Holdings Limited, set out on pages 6 to 14 which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss, statements of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31st December 2018 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

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

Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

REPORT OF THE INDEPENDENT AUDITOR (continued)

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 scepticism throughout the audit. We also:

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

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

Report on legal and other matters prescribed by the Kenyan Companies Act, 2015

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

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 belief were necessary for the purposes of our audit
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) the Company's balance sheet and the income statement are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is Erastus Ochieng Ageda. P/No. 1949.

Erastus HAE & Partners Certified Public Accountants
P.O. Box 118 - 00300, Nairobi

16 February 2019

Erastus HAE & Partners



KANISA HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

STATEMENT OF COMPREHENSIVE INCOME

		2018	2017
	Note	Kshs	Kshs
Project income	2	8,580,000	13,600,000
Direct project costs	12	<u>(7,384,585)</u>	<u>(12,246,250)</u>
Gross income		1,195,415	1,353,750
Interest and other income	3	80,708	79,505
Administrative expenses	13	(1,255,044)	(1,264,174)
Finance cost	14	<u>(14,620)</u>	<u>(15,213)</u>
Total expenditure		<u>(1,269,664)</u>	<u>(1,279,387)</u>
Profit before tax		6,459	153,868
Income tax charge	9	<u>(1,938)</u>	<u>(46,160)</u>
Profit after tax		<u><u>4,521</u></u>	<u><u>107,708</u></u>

KANISA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31ST DECEMBER 2018

STATEMENT OF FINANCIAL POSITION

		2018	2017
	Note	Kshs	Kshs
ASSETS			
Non-current assets			
Property, plant & equipment	5	92,572	123,257
Current Assets			
Property held for sale	4	7,189,956	3,324,762
Trade and other receivables	8	2,753,392	1,762,150
Cash and cash equivalents	6	2,749,585	562,638
		<u>12,692,933</u>	<u>5,649,550</u>
TOTAL ASSETS		<u>12,785,505</u>	<u>5,772,806</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	7	1,000,000	1,000,000
Retained earnings	10	2,315,024	2,087,646
Dividends payable	11	700,000	1,500,000
		<u>4,015,024</u>	<u>4,587,646</u>
Current Liabilities			
Payables and accrued charges	15	8,768,542	1,139,000
Tax payable	9(b)	1,938	46,160
		<u>8,770,480</u>	<u>1,185,160</u>
TOTAL EQUITY AND LIABILITIES		<u>12,785,505</u>	<u>5,772,806</u>

The financial statements were approved and authorised for issue by the board of directors on 11th FEB 2019 and were signed on its behalf by:



DIRECTOR



DIRECTOR

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2018

STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs	Retained Earnings Kshs	Proposed dividends Kshs	Total Kshs
Year ended 31st December 2017				
As at 1st January 2017	1,000,000	1,979,938	1,500,000	4,479,938
Net profit for the year	-	107,708	-	107,708
As at 31st December 2017	1,000,000	2,087,646	1,500,000	4,587,646
Year ended 31st December 2018				
As at 1st January 2018	1,000,000	2,087,646	1,500,000	4,587,646
Dividends paid during the year	-	-	(800,000)	(800,000)
Prior Year Adjustment Note 15	-	222,857	-	222,857
Net profit for the year	-	4,521	-	4,521
As at 31st December 2018	1,000,000	2,315,024	700,000	4,015,024

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

STATEMENT OF CASH FLOWS

	Note	2018 Kshs	2017 Kshs
Cash flows from operating activities			
Profit before income tax		6,459	153,868
Adjustments for:			
Depreciation of property, plant and equipment	5	30,685	42,552
Prior year adjustment	16	222,857	-
Interest received	3	(24,708)	(23,505)
Operating profit before working capital changes		235,293	172,915
Increase in:			
Property held for sale	4	(3,865,194)	(800,000)
Trade and other receivables	8	(991,242)	599,352
Payables and accrued charges	15	7,629,542	965,000
Cash used in operations		2,773,106	937,267
Tax paid		(46,160)	(215,346)
Interest received	3	24,708	23,505
Net cash used in operating activities		2,751,654	745,426
Cash flows from investing activities			
Purchase of non-current assets	5	-	-
Proceeds from the issuance of share capital		-	-
Net cash generated from investing activities		-	-
Cash flows from financing activities			
Dividends paid		(800,000)	-
		(800,000)	-
Net (decrease) /increase in cash and cash equivalents		2,186,947	745,426
Cash and cash equivalents at the beginning of the year		562,638	(182,788)
Cash and cash equivalents at the end of the year	6	2,749,584	562,638

1) **SIGNIFICANT ACCOUNTING POLICIES**

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

a) **Basis of preparation**

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention as modified for the revaluation of certain property, plant and equipment and fair value adjustments to investment property and financial instruments.

b) **Revenue recognition**

Revenue is recognised at fair value of the consideration received / receivable from the sale of the parcels of land in the normal course of business. Interest and other income is recognised and accounted for on accruals basis.

c) **Trade and other receivables**

Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

A provision for impairment is recognised in the statement of comprehensive income in the period when recovery of the amount due as per the original terms is considered doubtful. The provision is based on the difference between the carrying amount and the present value of the expected cash flows, discounted at the effective interest rate.

Receivables not collectable are written off against the related provisions. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income in the period of recovery.

d) **Income tax**

Income tax expense is the aggregate amount charged /(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the profit and loss account except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

Current tax

Current income tax is the amount of income tax payable on the taxable profit for the year and any adjustment to tax payable in respect of prior years, determined in accordance with the fiscal laws of Kenya.

Deferred tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability other than a business combination that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

e) **Cash and cash equivalents**

For purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings under current liabilities.

f) **Related parties**

Transactions entered into with related parties are at arms length and in the normal course of business.

g) **Trade and other payables**

Trade and other payables are stated at their nominal value and represent sums received in exchange of the obligations or the undiscounted amounts of cash and cash equivalents required to settle the obligations.

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

NOTES TO THE FINANCIAL STATEMENTS

h) Property, plant, and equipment

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Leasehold land is depreciated over the remaining period of the lease.

Depreciation on other assets is calculated on the reducing balance/ straight line basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Furniture and equipment	12.50
Computer and accessories	30.00

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

	2018	2017
	Kshs	Kshs
2 Direct project sales		
Koma Shrine (6 plots)	2,970,000	-
Koma Hill (2 plots)	1,060,000	13,600,000
Isinya 2 (13 plots)	4,550,000	-
	<u>8,580,000</u>	<u>13,600,000</u>
3 Interest and other income		
Project registration fees	56,000	56,000
Money market interest income	24,708	23,505
	<u>80,708</u>	<u>79,505</u>
4 Land (held for sale)		
	2018	2017
	Kshs	Kshs
Plots at Isinya 1 held for sale as common areas in future (5 plots at cost)	853,333	853,333
Plots at Isinya 2 held for sale (4 plots at cost)	445,714	1,671,429
Koma Hill Plots held for sale	-	800,000
Koma Shrine Plots held for sale (16 plots at cost)	5,890,909	-
	<u>7,189,956</u>	<u>3,324,762</u>

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5	Property, plant & equipment	Computer and Accessories	Office equipment	Total
		Kshs	Kshs	Kshs
	Cost			
	As at 1 January 2018	178,168	57,650	235,818
	Additions	-	-	-
	As at 31 December 2018	178,168	57,650	235,818
	Depreciation			
	As at 1 January 2018	90,865	21,696	112,561
	Charge for the year	26,191	4,494	30,685
	As at 31 December 2018	117,056	26,190	143,246
	Net book value			
	As at 31 December 2018	61,112	31,460	92,572
	As at 31 December 2017	87,303	35,954	123,257
		2018	2017	
		Kshs	Kshs	
6	Cash and cash equivalents			
	Cash at bank	2,436,508	273,399	
	Cash in hand	98	968	
	Marketable securities	312,979	288,271	
		2,749,585	562,638	
7	Share capital			
	Authorized			
	10,000 Ordinary shares of Kshs 100 each	1,000,000	1,000,000	
	Issued and fully paid			
	10,000 Ordinary shares of Kshs 100 each	1,000,000	1,000,000	
8	Trade and other receivables			
	Receivable from Kanisa SACCO (related party receivable)	-	208,800	
	Receivables from Kantafu project	625,392	820,250	
	Receivables from Isinya 2 project	1,234,000	309,000	
	Receivables from Koma Hill	2,000	424,100	
	Receivables from Koma Shrine	892,000	-	
		2,753,392	1,762,150	

KANISA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018	2017
	Kshs	Kshs
9 Income tax		
a) Income tax expense		
Current tax	1,938	46,160
Deferred tax	-	-
	1,938	46,160
Reconciliation of tax charge to expected tax based on		
b) accounting profit:		
Net profit for the year before income tax	6,459	153,868
Income tax at 30%	1,938	46,160
Tax effect of expenses not deductible for tax purposes	-	-
	1,938	46,160
c) Balance sheet		
Balance brought forward	46,160	215,346
Tax paid for previous year	(46,160)	(215,346)
Provision for the year	1,938	46,160
Tax paid for the current year	1,938	46,160
10 Retained earnings		
	2018	2017
	Kshs	Kshs
As at 1st January 2018	2,087,646	1,979,938
Prior Year Adjustment Note 15	222,857	-
Net profit for the period	4,521	107,708
As at 31st December 2018	2,315,024	2,087,646
11 Dividends payable		
As at 1st January 2018	1,500,000	1,500,000
Dividends paid during the year	(800,000)	-
As at 31st December 2018	700,000	1,500,000

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018 Kshs Koma Shrine	2018 Kshs Koma Hill	2018 Kshs Isinya I	2018 Kshs Isinya II
12 Direct project costs				
Cost of prior year plots sold in year 2018	-	800,000	-	1,671,429
Cost of land paid	1,620,000	-	-	-
Cost of land payable	6,480,000	-	-	-
Other expenses	73,624	40,000	50,000	-
Legal fees	293,500	-	-	-
Survey costs	-	-	-	181,821
Fencing	-	873,477	-	-
Welfare Contribution	-	-	25,500	-
Borehole Drilling Expenses	-	-	1,389,000	-
Cost of property held for sale	(5,890,909)	-	-	(222,857)
	2,576,215	1,713,477	1,464,500	1,630,393
13 Administrative expenses			2018 Kshs	2017 Kshs
BOD transport expenses and reimbursements			205,500	260,000
Annual General meeting expenses			156,370	152,000
Legal fees			45,000	50,000
Office travelling expenses			47,000	9,000
Land search and transport costs			60,990	33,290
Communication and marketing costs			42,575	25,500
Salaries and wages (KHL refunds to SACCO)			300,000	-
Office cleaning expenses			20,700	19,000
Office supplies			410	3,995
Printing costs			400	-
Office rent			90,484	150,807
Audit fees			60,000	60,000
Other meeting expenses			8,040	46,030
Strategic plan development/ Business Plan			9,890	-
Sub committees / business plan implementation costs			107,000	129,000
Biannual brainstorming sessions			35,000	250,000
Education to BOD			35,000	33,000
Depreciation			30,685	42,552
			1,255,044	1,264,174
14 Finance costs				
Bank charges			14,620	15,213
15 Payables and accrued charges				
Payable to Koma Shrine land vendor			6,480,000	-
Kantafu land survey costs accrued			-	255,000
Kantafu expenses			164,500	-
Isinya 2 Survey cost accrued			-	824,000
Payable to Kanisa SACCO Society Limited			2,064,042	-
Erastus HAE & Partners			60,000	60,000
			8,768,542	1,139,000
16 Prior year adjustment				
Profit from sale of 2 plots (Isinya II plots)			222,857	-
17 Incorporation				
The company is domiciled and incorporated in Kenya under the Companies Act.				
18 Currency				
The financial statements are presented in Kenya Shillings (Kshs). The financial statements are rounded off to the nearest one Kenya shilling.				
19 Financial and business risk management				
The company risk limits are regularly assessed to ensure alignment with the company objectives and prevalent market conditions. The directors are closely involved in ensuring a variety of techniques are used to assess and manage the risks.				

KANISA HOLDINGS LIMITED

INCOME TAX COMPUTATION

YEAR OF INCOME 2018

PIN: P051503327W

	Kshs
Net profit as per the income statement	6,459
Add back:	
Penalties	-
Depreciation	30,685
	<u>37,144</u>
Less: Wear and tear	<u>(30,685)</u>
	<u>6,459</u>
Income tax @ 30%	<u>1,938</u>