

**Delta Corp East Africa Limited  
(in Liquidation)**

## REPORT OF THE INDEPENDENT AUDITORS

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### TO THE MEMBERS OF DELTA CORP EAST AFRICA LIMITED (IN LIQUIDATION)

(1) We have audited the accompanying financial statements of Delta Corp East Africa Limited (In Liquidation), which comprise the Consolidated Statement of Financial Position as at 31<sup>st</sup> March 2015, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### (2) Directors' and Liquidator's Responsibility for the Financial Statements

As stated on Page 3, the directors and liquidator are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal control 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.

#### (3) Auditor's Responsibility

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

An audit involves performing to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### (4) Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Delta Corp East Africa Limited (In Liquidation) as of 31<sup>st</sup> March 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Kenyan Companies Act (CAP 486).

#### (5) Emphasis of matter

As stated on page 3, the shareholders of Delta Corp East Africa Limited (In Liquidation) approved a plant of Members Voluntary Liquidation on 10<sup>th</sup> September 2013, and the company commenced liquidation shortly thereafter. As a result, the company has changed its basis of accounting for periods subsequent to 10<sup>th</sup> September 2013 from the going-concern basis to a liquidation basis.

#### (6) Report on Other Legal Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) proper books of account have been kept by the group, so far as appears from our examination of those books; and
- (iii) the group's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Joy V Bhatt – P/No.992.

**Joy V. Bhatt & Co.**

Certified Public Accountants (K)

Nairobi.

Date

## Consolidated Income Statement for the year ended 31st March, 2015

	Notes	2015 Kshs.	2014 Kshs.
Revenue	3	-	4,166,821,600
Cost of Sales	4	-	(2,952,262,263)
<b>Gross Profit</b>		-	1,214,559,337
Other operating income/(loss)	5	12,748,801	60,193,073
Administrative expenses	7	(34,295,472)	(54,528,269)
Other operating expenses	8	-	(729,277)
<b>Operating Profit</b>		(21,546,671)	1,219,494,864
<b>Finance costs</b>	9	(25,274)	(208,894)
<b>Profit before tax</b>		(21,571,945)	1,219,285,970
<b>Income tax expenses</b>	19	(1,856,720)	(369,791,271)
<b>Profit /(loss) for the year</b>		(23,428,665)	849,494,699
<i>Attributable to:</i>			
Equity holders of parent		(23,428,665)	849,515,538
Non-controlling interest	25	-	(20,839)
		(23,428,665)	849,494,699
<b>Earnings per share</b>	10	(0.449)	2.941

Note:

The notes on page 13 to 33 form part of these financial statements.

## Company Income Statement for the year ended 31st March, 2015

	Notes	2015 Kshs.	2014 Kshs.
Revenue	3	-	4,018,000,000
Cost of Sales	4	-	(2,838,190,897)
<b>Gross Profit</b>		-	1,179,809,103
<b>Other operating income</b>	5	<b>7,418,828</b>	242,281,632
<b>Administrative expenses</b>	7	<b>(34,295,472)</b>	(53,019,264)
<b>Other operating expenses</b>	8	-	(511,000)
Operating profit		<b>(26,876,644)</b>	1,368,560,471
<b>Finance costs</b>	9	<b>(25,274)</b>	(130,569)
Profit/(loss) before tax		<b>(26,901,918)</b>	1,368,429,902
<b>Income tax expenses</b>	19	<b>(1,856,720)</b>	(346,807,149)
Profit /(loss) for the year		<b>(28,758,638)</b>	1,021,622,753
<b>Earnings per share</b>	10	<b>(0.551)</b>	3.537

Note:

The notes on page 13 to 33 form part of these financial statements.

## Consolidated Statement of Comprehensive Income for the year ended 31st March, 2015

	<b>2015</b>	2014
	<b>Kshs.</b>	Kshs.
Net profit/(loss) for the year	<u>(23,428,665)</u>	849,494,699
<b>Less: minority interest</b>	<u>-</u>	<u>(20,839)</u>
	<b>(23,428,665)</b>	849,515,538
<b>Other comprehensive income:</b>		
Items that will be reclassified subsequently to profit or loss:		
Exchange difference on translation of:		
foreign subsidiary	<u>3,709</u>	<u>4,879,288</u>
<b>Other comprehensive income for the year</b>	<u>3,709</u>	<u>4,882,997</u>
<b>Total comprehensive income/(loss) for the year attributable to the owners of the group</b>	<u><u>(23,424,956)</u></u>	<u><u>854,398,534</u></u>

## Consolidated Statement of Changes in Equity for the year ended 31st March, 2015

	Share capital	Share premium	Translation reserve	Non-controlling Interest	Accumulated Profits	<b>Total</b>
Balance at 1st April, 2013	2,888,375,330	506,007,795	570,721	19,579,167	245,862,433	3,660,395,446
Net profit/(loss) for the year	-	-	-	(20,839)	849,515,538	849,494,699
<b>Changes in equity in 2014:</b>						
Dividends paid					(1,000,000,000)	(1,000,000,000)
Exchange difference on translation of foreign subsidiary	-	-	4,879,288	(3,364,992)	-	1,514,296
Redemption of Share Capital and Premium	(2,123,930,523)	(372,086,477)				(2,496,017,000)
Repayment to non-controlling interest				(16,172,154)		(16,172,154)
Balance at 31st March 2014	764,444,807	133,921,318	5,450,008	21,183	95,377,971	999,215,287
Net loss for the year		-	-	-	(23,428,665)	(23,428,665)
<b>Changes in equity in 2015:</b>						
Exchange difference on translation of foreign subsidiary	-	-	3,709	(421)	-	3,288
Repayment to non-controlling interest				(20,762)		(20,762)
Elimination of translation reserve upon wind-up of subsidiary reclassified to the income statement			(5,453,717)			(5,453,717)
Redemption of Share Capital and premium	(620,637,991)	(108,728,134)				(729,366,125)
Balance at 31st March 2015	143,806,816	25,193,184	-	-	71,949,306	240,949,306

## Consolidated Statement of Financial Position

### As At 31st March, 2015

	Notes	2015 Kshs.	2014 Kshs.
<b>ASSETS</b>			
<b>Non Current Assets</b>			
		-	-
<b>Current Assets</b>			
Deferred tax asset	17	-	1,584,081
Trade and other receivables	15	53,767,926	70,040,996
Amounts due from related parties	26	230,000,000	853,860,022
Bank balances and cash	20(a)	667,604	274,490,158
		<b>284,435,530</b>	<b>1,199,975,257</b>
<b>TOTAL ASSETS</b>		<b>284,435,530</b>	<b>1,199,975,257</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Share capital	21	143,806,816	764,444,807
Currency translation reserve		-	5,450,008
Share premium	21	25,193,184	133,921,318
Non-controlling interest	25	0	21,183
Accumulated Profits		71,949,306	95,377,971
		<b>240,949,306</b>	<b>999,215,287</b>
<b>Non Current Liabilities</b>			
		-	-
<b>Current Liabilities</b>			
Trade and other payables	18	13,217,806	10,247,781
Amounts due to related parties	26	18,362,880	-
Taxation Account	19	11,905,538	190,512,189
		<b>43,486,224</b>	<b>200,759,970</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>284,435,530</b>	<b>1,199,975,257</b>

The financial statements on pages 5 to 33 were approved for issue by the board of directors on 2 April 2015 and were signed on its behalf by:

\_\_\_\_\_  
*Director*

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*Director*

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*Liquidator*

## Company Statement of Comprehensive Income for the year ended 31st March, 2015

	<u>2015</u> Kshs.	<u>2014</u> Kshs.
Net profit/(Loss) for the year	(28,758,638)	1,021,622,753
<b>Other comprehensive income:</b>		
<b>Total comprehensive income/(loss) for the year attributable to the owners of the company</b>	<u>(28,758,638)</u>	<u>1,021,622,753</u>



## Company Statement of Changes in Equity for the year ended 31st March, 2015

	Share capital	Share premium	Accumulated Profits	Total
Balance at 1st April 2013	2,888,375,330	506,007,795	79,085,191	3,473,468,316
<b><i>Changes in equity in 2014:</i></b>				
Dividends paid			(1,000,000,000)	(1,000,000,000)
Net profit for the year	-	-	1,021,622,753	1,021,622,753
Redemption of Share Capital and Premium	(2,123,930,523)	(372,086,477)		(2,496,017,000)
Balance at 31st March 2014	764,444,807	133,921,318	100,707,944	999,074,069
<b><i>Changes in equity in 2015:</i></b>				
Net loss for the year	-	-	(28,758,638)	(28,758,638)
Redemption of Share Capital and Premium	(620,637,991)	(108,728,134)		(729,366,125)
Balance at 31st March 2015	143,806,816	25,193,184	71,949,306	240,949,306

## Company Statement of Financial Position As At 31st March, 2015

	Notes	2015 Kshs.	2014 Kshs.
<b>ASSETS</b>			
<b>Non Current Assets</b>			
		-	-
<b>Current Assets</b>			
Deferred tax asset	17	-	1,584,081
Trade and other receivables	15	53,767,926	69,899,778
Amounts due from related parties	26	230,000,000	853,860,022
Bank balances and cash	20(a)	667,604	274,490,158
		<b>284,435,530</b>	1,199,834,039
<b>TOTAL ASSETS</b>		<b>284,435,530</b>	1,199,834,039
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Share capital	21	143,806,816	764,444,807
Share premium	21	25,193,184	133,921,318
Accumulated Profits		71,949,306	100,707,944
		<b>240,949,306</b>	999,074,069
<b>Non Current Liabilities</b>			
		-	-
<b>Current Liabilities</b>			
Trade and other payables	18	13,217,806	10,247,781
Taxation Account	19	11,905,538	190,512,189
Amounts due to related parties	26	18,362,880	-
		<b>43,486,224</b>	200,759,970
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>284,435,530</b>	1,199,834,039

The financial statements on pages 5 to 33 were approved for issue by the board of directors on 2 April 2014 and were signed on its behalf by:

\_\_\_\_\_  
*Director*

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*Director*

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*Liquidator*

## Consolidated Statement of Cash Flows for the year ended 31st March, 2015

	Notes	2015 Kshs.	2014 Kshs.
Cash (used in)/generated from operations	20(b)	630,478,966	3,338,827,676
Interest paid			
Interest received	5	3,964,657	47,368,901
Income tax paid	19	(178,879,290)	(147,120,620)
Net cash (used in)/generated from operating activities		455,564,333	3,239,075,957
<b>INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	11	-	(2,600,000)
Proceeds on disposal of investment in subsidiary	12	-	2,997,000
Net cash disposed of in subsidiary		-	(5,406,912)
Proceeds on disposal of property, plant & equipment		-	52,344,528
Net cash (used in)/generated from investing activities		-	47,334,616
<b>FINANCING ACTIVITIES</b>			
Repayment of Share Capital and Share Premium	21	(729,366,125)	(2,496,017,000)
Dividends paid	23	-	(1,000,000,000)
Non-Controlling interests		(20,762)	(16,172,154)
Net cash (used in)/generated from investing activities		(729,386,887)	(3,512,189,154)
Net decrease in cash and cash equivalents		(273,822,554)	(225,778,580)
Cash and cash equivalent at beginning of the year	20(a)	274,490,158	500,268,738
Cash and cash equivalent at end of the year	20(a)	667,604	274,490,158

## Company Statement of Cash Flows for the year ended 31st March, 2015

	Notes	2015 Kshs.	2014 Kshs.
<b>OPERATING ACTIVITIES</b>			
<i>Cash (used in)/generated from operations</i>	<b>20(b)</b>	<b>630,458,204</b>	3,294,488,663
Interest received	<b>5</b>	<b>3,964,657</b>	46,260,747
Income tax paid	<b>19</b>	<b>(178,879,290)</b>	(119,134,871)
<i>Net cash (used in)/generated from operating activities</i>		<b>455,543,571</b>	3,221,614,539
<b>INVESTING ACTIVITIES</b>			
Proceeds on disposal of investment in subsidiary	<b>12</b>	-	2,997,000
Proceeds on disposal of property, plant & equipment	<b>11</b>	-	52,344,528
<i>Net cash (used in)/generated from investing activities</i>		-	55,341,528
<b>FINANCING ACTIVITIES</b>			
Repayment of Share Capital and Share Premium	<b>21</b>	<b>(729,366,125)</b>	(2,496,017,000)
Dividends paid	<b>23</b>	-	(1,000,000,000)
<i>Net cash (used in)/generated from investing activities</i>		<b>(729,366,125)</b>	(3,496,017,000)
<b>Net decrease in cash and cash equivalents</b>		<b>(273,822,554)</b>	(219,060,934)
<b>Cash and cash equivalent at beginning of the year</b>	<b>20(a)</b>	<b>274,490,158</b>	493,551,092
<b>Cash and cash equivalent at end of the year</b>	<b>20(a)</b>	<b>667,604</b>	274,490,158

## Notes to the Financial Statements for the year ended 31st March, 2015

### GENERAL INFORMATION

Delta Corp East Africa Limited is incorporated and domiciled in Kenya under the Kenyan Companies Act as a private company limited by shares, and is domiciled in Kenya. The address of its registered office is L. R. No. 1870/II/236, The Pride Rock No.6, Donyo Sabuk Avenue, P.O. Box 69952 - 00400, Nairobi. The principal activity of the group is purchasing various properties in Kenya for future development and then resale.

### 1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

In accordance with IAS 1, Presentation of financial statements ("IAS 1"), the Company changed the basis of preparing its consolidated financial statements from going concern to liquidation, effective September 10, 2013. As a result, these consolidated financial statements have been prepared using the liquidation basis of accounting. This basis of presentation differs from the presentation adopted in the previous March 31, 2013 consolidated financial statements on a going concern basis. They are presented in Kenya Shillings (Kshs).

#### STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### STANDARDS AND AMENDMENTS AND INTERPRETATIONS EFFECTIVE 2014

The Group has adopted the following new and revised IFRSs which are mandatory for accounting periods beginning on or after 1 January 2014.

Amendments to IAS 32 titled *Offsetting Financial Assets and Financial Liabilities* (issued in December '2011) – The amendments, which are effective retrospectively, do not change the existing offsetting model for financial instruments but clarify the meaning of "currently has a legally enforceable right of set-off" and that "some gross settlement systems may be considered equivalent to net settlement.

Amendments to IFRS 10, IFRS 12 and IAS 27 titled *Investment Entities* (issued in October 2012) - The amendments define an "investment entities" and provide them an exemption from the consolidation of subsidiaries (except those which provide services relating to the investment entity's investment activities); instead, an investment entity is required to measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IAS 39/IFRS 9, and to account for its investment in the same way in its consolidated and separate financial statements; additional disclosures are introduced. The amendments apply retrospectively with transitional provisions.

#### NEW AND REVISED STANDARDS AND INTERPRETATIONS WHICH HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

The Company has not applied the following revised standards and interpretations that have been published but are not yet effective for the year beginning 1st January 2014.

#### Amendment to IAS 24 (Annual improvements to IFRSs 2010-2012 Cycle, issued in December 2013)-

The amendment, applicable to annual periods beginning on or after 1 July 2014, clarifies how payments to entities providing management services are to be disclosed.

### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on a basis consistent with prior year except for the adoption of the above new or revised standards:

#### a) Liquidation basis of accounting

Under the liquidation basis of accounting, all assets and liabilities are measured at their net realizable values. Costs expected to be incurred during the winding up, including administrative costs and professional fees expected to be incurred in future periods until the winding up of the Company is completed, have been accrued. Provisions for contingent liabilities are accrued when the probability of loss is more likely than not. Contingent assets are not accrued unless receipt is virtually certain.

#### b) Basis of consolidation

The financial statements incorporate the financial statements of the company and its subsidiaries, being those companies in which the Group either directly or indirectly has an interest of more than 50% of the voting rights or otherwise has

## Notes to the Financial Statements for the year ended 31st March, 2015

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power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated as from the date of disposal. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess/(deficiency) of the cost of acquisition over/(below) the fair value of the identifiable net assets acquired is recognised as goodwill or recognised immediately in profit or loss respectively.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances between group enterprises are eliminated on consolidation. A listing of the subsidiaries in the group is provided in note 11.

**c) Goodwill**

Goodwill arising on consolidation represents the excess of the costs of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or a jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and carried in the balance sheet. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to cash generating units. An impairment loss is recognised when the carrying amount of the cash generating unit exceeds its recoverable amount.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is presented separately in the balance sheet.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**d) Investment in subsidiaries**

Investment in subsidiary companies in the company's books are stated at cost less impairment loss where applicable.

**e) Joint ventures**

Joint ventures are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and other venturers under a contractual agreement. The Group's share is accounted for using the equity method.

**f) Revenue recognition**

Revenue from sales of properties is recognised when the properties' title has passed. Revenue from non-refundable deposits are recorded when received with related costs. Revenue from sale of services is recognised 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 value added tax.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income is recognised when the right to receive the payment is established.

**g) Inventories**

Inventories are stated at the lower of cost and net realisable value as valued by directors. Cost comprises direct materials and, where applicable, direct labour costs and overheads that have been incurred in bringing the inventories to their present location and condition. Cost of issues are calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of disposal.

**h) Impairment of tangible and intangible assets**

At each balance sheet date, the company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount represents the greater of the net selling price and the value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that

## Notes to the Financial Statements for the year ended 31st March, 2015

would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognised in income immediately.

### i) **Property, plant and equipment**

All categories of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the profit and loss account in the year to which it relates.

Increases in the carrying amount arising on revaluation are credited to the revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus. All other decreases are charged to the profit and loss account. Annually, the difference between depreciation based on the revalued carrying amount of the asset charged to the profit and loss account and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

Capital work-in-progress	NIL
Furniture & fittings	12.5%
Office equipment	12.5%
Motor vehicle	25%
Computers, faxes & copiers	30%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus reserve relating to that asset are transferred to retained earnings.

### j) **Intangible asset-computer software costs**

Costs incurred on computer software are stated at historical cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to write down the cost of the software to its residual value over the estimated useful life using an annual rate of 33%.

### k) **Investment property**

Buildings held for long-term rental yields and/or capital appreciation and which are not occupied by the group are classified as investment property under non current assets. Investment property is carried at fair value. Leasehold land interest on these properties are treated as operating leases.

### l) **Operating leases**

Leases of assets where a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease period. Prepaid operating lease rentals are recognised as assets and are subsequently amortised over the lease period.

### m) **Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Kenya Shillings using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Kenya Shillings using the exchange rate prevailing as at that date. The resulting gains and losses from the settlement of such transactions and translations are recognised on a net basis in the profit and loss account in the year in which they arise.

## Notes to the Financial Statements for the year ended 31st March, 2015

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The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

**n) Leases and hirepurchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

**o) Income Tax**

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profits defer from net profit as reported in the income statement as it is adjusted in accordance with the Kenyan Income Tax Act. The company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on the differences between the carrying amounts of the assets and the liabilities in the financial statements on the corresponding tax bases used in the computation of the taxable profit (known as temporary differences), and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profits in the future and only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authorities and an entity within the company intends to settle its current tax assets and liabilities on a net basis.

**p) Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

**q) Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds. Borrowing costs are expensed in the period they occur. Borrowing costs, net of any temporary investment income on those borrowings, that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the asset. Capitalisation of borrowing costs ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are complete.



## Notes to the Financial Statements for the year ended 31st March, 2015

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### r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

### s) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

### t) Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

#### (iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income.

## Notes to the Financial Statements for the year ended 31st March, 2015

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Dividends on available-for sale equity instruments are recognised in the income statement as part of other income when the company's right to receive payments is established.

### ***Presentation***

All financial assets are classified as non-current except financial assets at fair value through profit or loss, those with maturities of less than 12 months from the balance sheet date, those which the directors have the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

All financial liabilities are classified as non-current except financial liabilities at fair value through profit or loss, those expected to be settled in the company's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

### ***Offsetting financial instruments***

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated cash receipts (including all fees, transaction costs and premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

### ***Derecognition of financial assets***

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### ***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the assets have been impacted.

For certain categories of financial asset, such as trade receivables, assets are assessed for impairment individually. Objective evidence of impairment for receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amounts reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

### **u) Financial liabilities and equity instruments issued by the company**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

### ***Classification as debt or equity***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

## Notes to the Financial Statements for the year ended 31st March, 2015

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### *Financial liabilities*

Financial liabilities are classified in the category of other financial liabilities.

### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

### *Derecognition of financial liabilities*

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

#### v) **Cash and cash equivalents**

These comprise cash on hand and at bank, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to and insignificant risk of changes in value.

#### w) **Retirement benefit costs**

The liability for post-employment benefit obligations relates to pensions. All full-time staff are covered by the programme. The Company also contributes to a statutory defined contribution pension scheme, the National society security fund (NSSF). Contributions are determined by local statute and shared equally between employer and employee.

The company's obligations to the scheme are charged to the income statement as they fall due.

#### x) **Share capital and share premium**

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

#### y) **Dividend**

Dividends on ordinary shares are recognised as a liability in the year in which they are declared. Proposed dividends are accounted for as a separate component of equity until they have been declared at an annual general meeting.

## 2. **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with International Financial reporting Standards requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying company's accounting policies.

In the process of applying the company's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within current and future financial years. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical areas of accounting estimates and judgments in relation to the preparation of these financial statements are set out below:

#### a) **Property and equipment**

Critical estimates are made by the directors in determining the useful lives and residual values of property, plant and equipment based on the intended useful lives of the assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

#### b) **Inventories**

Critical estimates are made by the directors in determining other costs to be included in the cost of inventories to the extent that they are incurred in bringing the inventories to their present location and condition.

#### c) **Investment property**

Critical estimates are made by the directors in determining the fair value and the portion on prepaid operating lease rentals and buildings for investment property.

#### d) **Impairment of financial instruments**

## Notes to the Financial Statements for the year ended 31st March, 2015

The Group reviews its receivables' portfolio regularly to assess the likelihood of impairment. This requires an estimation of the amounts that are irrecoverable.

### Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

#### e) Use of estimate

Effective September 10, 2013; the preparation of financial statements under the liquidation basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Different assumptions could significantly affect these estimates. Accordingly, the estimated net realizable values of the assets and liabilities may differ from the actual values received or settled in the winding up, and the estimates of future costs expected to be incurred may differ from those actually incurred during the winding up. The primary areas of measurement uncertainty include accruals for the costs expected to be incurred during the winding up (note 19).

	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>3. REVENUE</b>				
Proceeds from sale of property	-	-	4,166,821,600	4,018,000,000
	-	-	4,166,821,600	4,018,000,000
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>4. COST OF SALES</b>				
<b>Property development</b>				
Opening inventories	-	-	2,677,295,118	2,608,838,733
Purchases	-	-	147,717,145	143,352,164
Transfer from investment property	-	-	86,000,000	86,000,000
Stamp duty	-	-	41,250,000	-
	-	-	2,952,262,263	2,838,190,897
Closing inventories	-	-	-	-
	-	-	2,952,262,263	2,838,190,897
Total cost of sales	-	-	2,952,262,263	2,838,190,897
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>5. OTHER OPERATING INCOME/(LOSS)</b>				
Gain/(loss) on disposal of investment	-	-	2,159,790	2,897,000
Profit/(loss) on disposal of subsidiary	<b>5,453,717</b>	-	-	-
Unrealised exchange gain/(loss)	<b>580,355</b>	<b>580,355</b>	(7,584,835)	(7,584,835)
Realised exchange gain/(loss)	-	-	(15,295,223)	(15,295,223)
Loss on disposal of stock in trade	-	-	(4,991,590)	(4,991,590)
Loss on disposal of property, plant & equipment	-	-	(6,007,585)	(6,007,585)
Interest Received	<b>3,964,657</b>	<b>3,964,657</b>	47,368,901	46,260,747
Stamp duty	-	-	41,250,000	41,250,000
Other income	<b>2,750,072</b>	<b>2,750,072</b>	3,293,615	3,293,615
Dividends Received	-	-	-	100,000,000

## Notes to the Financial Statements for the year ended 31st March, 2015

	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
Profit from partnership	-	<b>123,744</b>	-	82,459,503
	<b>12,748,801</b>	<b>7,418,828</b>	60,193,073	242,281,632
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>6. OPERATING PROFIT</b>				
<b>(a) Items charged</b>				
The following items have been charged in arriving at operating profit:				
Directors remuneration	-	-	11,100,000	11,100,000
Directors bonus	<b>26,232,686</b>	<b>26,232,686</b>	-	-
Employee benefits expense	-	-	2,787,466	2,787,466
Interest	-	-	845	845
Realised exchange loss	-	-	15,295,223	15,295,223
Auditors' remuneration - current year	<b>1,624,000</b>	<b>1,624,000</b>	3,692,711	3,360,000
And after crediting:				
Unrealised exchange gain	<b>580,355</b>	<b>580,355</b>	(7,584,835)	(7,584,835)
Interest Received	<b>3,964,657</b>	<b>3,964,657</b>	47,368,901	46,260,747
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>7. ADMINISTRATION EXPENSES</b>				
Auditors Remuneration	<b>1,624,000</b>	<b>1,624,000</b>	3,692,711	3,360,000
<i>Under provision prior year</i>	-	-	150,000	150,000
Directors remuneration	-	-	12,318,500	12,318,500
Directors bonus	<b>26,232,686</b>	<b>26,232,686</b>	-	-
General Expenses	<b>27,500</b>	<b>27,500</b>	2,089,046	2,089,046
Insurance	<b>15,731</b>	<b>15,731</b>	501,310	501,310
Legal & Professional Expenses	<b>5,989,480</b>	<b>5,989,480</b>	12,404,884	12,359,784
Licences	-	-	81,713	81,713
Light and water	<b>5,000</b>	<b>5,000</b>	132,417	132,417
Miscellaneous	-	-	1,122,027	-
Newspapers & Periodicals	-	-	42,360	42,360
Travelling and accomodation	<b>37,238</b>	<b>37,238</b>	266,277	266,277
Telephone, Fax, Email & Postage	<b>35,640</b>	<b>35,640</b>	340,301	340,301
Printing & Stationery	<b>200</b>	<b>200</b>	75,365	75,365
Rent & Rates	-	-	115,436	115,436
Repairs & Maintenance	-	-	466,921	466,921
Salaries & Wages	-	-	12,665,343	12,665,343
Secretarial Fees	122,500	122,500	311,667	302,500

## Notes to the Financial Statements for the year ended 31st March, 2015

	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
Security Expenses	-	-	989,984	989,984
Subscriptions	-	-	1,148,400	1,148,400
Staff uniforms	-	-	67,160	67,160
Pension	-	-	1,833,075	1,833,075
Staff welfare & medical	-	-	866,631	866,631
Motor vehicle running expenses	-	-	333,866	333,866
Training Levy	-	-	20,600	20,600
Work Permit	-	-	250,000	250,000
Other general expenses	-	-	43,475	43,475
Other light and water expenses	<b>205,497</b>	<b>205,497</b>	7,641	7,641
Other rent and rates expenses	-	-	1,095,477	1,095,477
Other security expenses	-	-	1,095,682	1,095,682
	<b>34,295,472</b>	<b>34,295,472</b>	<b>54,528,269</b>	<b>53,019,264</b>
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>8. OTHER OPERATING EXPENSES</b>				
Depreciation	-	-	218,277	-
Donations	-	-	511,000	511,000
	-	-	729,277	511,000
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>9. FINANCE COSTS</b>				
Bank charges	<b>25,274</b>	<b>25,274</b>	208,049	129,724
Interest expenses	-	-	845	845
	<b>25,274</b>	<b>25,274</b>	<b>208,894</b>	<b>130,569</b>
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>10. EARNINGS PER SHARE</b>				
Net profit attributable to ordinary shareholders	<b>(23,428,665)</b>	<b>(28,758,638)</b>	849,515,538	1,021,622,753
Number of ordinary shares	<b>52,211,723</b>	<b>52,211,723</b>	288,837,533	288,837,533
<b>Earnings per share</b>	<b>(0.449)</b>	<b>(0.551)</b>	2.94	3.54

a) Basic earnings per share is calculated on the profit after taxation and on the average number of ordinary shares in issue during the year.

b) The basic and diluted earnings per shares are the same.

## Notes to the Financial Statements for the year ended 31st March, 2015

11. PROPERTY, PLANT AND EQUIPMENTS (company)		Leasehold land - PPE	Buildings - PPE	Office equipment	Furnitures & fittings	Motor Vehicles	Computers, Fax & Copier	Total
<b>COST</b>								
At 1 April 2013		22,000,000	22,000,000	8,507,257	8,208,123	6,723,724	1,983,428	69,422,532
Additions		-	-	-	-	-	419,800	419,800
Disposals		(22,000,000)	(22,000,000)	(8,507,257)	(8,208,123)	(6,723,724)	(2,403,228)	(69,842,332)
At 31 March 2014		-	-	-	-	-	-	-
At 31 April 2014		-	-	-	-	-	-	-
At 31 March 2015		-	-	-	-	-	-	-
<b>DEPRECIATION</b>								
At 1 April 2013		-	275,000	1,888,729	3,663,825	4,211,322	1,170,040	11,208,916
Charge for the year		-	-	-	-	-	-	-
Disposal		-	(275,000)	(1,888,729)	(3,663,825)	(4,211,322)	(1,170,040)	(11,208,916)
At 31 March 2014		-	-	-	-	-	-	-
At 1 April 2014		-	-	-	-	-	-	-
At 31 March 2015		-	-	-	-	-	-	-
<b>NET BOOK VALUE</b>								
At 31 March 2015		-	-	-	-	-	-	-
At 31 March 2014		-	-	-	-	-	-	-

## Notes to the Financial Statements for the year ended 31st March, 2015

## 11. PROPERTY, PLANT AND EQUIPMENTS (group)

	Leasehold land - PPE	Buildings - PPE	Office equipment	Furniture & fittings	Motor Vehicles	Computers, Fax & Copier	Total
<b>COST</b>							
At 1 April 2013	22,000,000	22,000,000	8,507,257	8,208,123	6,723,724	1,983,428	69,422,532
Additions	-	-	-	-	-	419,800	419,800
Disposals	(22,000,000)	(22,000,000)	(8,507,257)	(8,208,123)	(6,723,724)	(2,403,228)	(69,842,332)
At 31 March 2014	-	-	-	-	-	-	-
At 31 April 2014	-	-	-	-	-	-	-
At 31 March 2015	-	-	-	-	-	-	-
<b>DEPRECIATION</b>							
At 1 April 2013	-	275,000	1,888,729	3,663,825	4,211,322	1,170,040	11,208,916
Charge for the year	-	-	-	-	-	-	-
Disposal	-	(275,000)	(1,888,729)	(3,663,825)	(4,211,322)	(1,170,040)	(11,208,916)
At 31 March 2014	-	-	-	-	-	-	-
At 1 April 2014	-	-	-	-	-	-	-
At 31 March 2015	-	-	-	-	-	-	-
<b>NET BOOK VALUE</b>							
At 31 March 2015	-	-	-	-	-	-	-
At 31 March 2014	-	-	-	-	-	-	-



## Notes to the Financial Statements for the year ended 31st March, 2015

12. INVESTMENT IN SUBSIDIARIES	2015 Kshs.	2014 Kshs.
Investment in Delta Square Limited:	-	100,000
(100% shareholding of 1,000 shares each at Kshs 100/=)		
Disposal of shares in Delta Square Limited on 20th August 2013	-	(100,000)
Investment - Kaizen Capital LLP at cost	-	-
(85% share of GBP£ 1,900,000 capital contribution- Subsidiary by virtue of 85% voting rights from 1.4.2010)		
	-	-

(2014: On 20th August 2013; the investment in Delta Square Limited; 100% shareholding of 1,000 shares each at Kshs 100/- were sold)

### Kaizen Capital LLP - Details of net assets acquired and goodwill are as follows:

	£		£	
Purchase consideration:				
85% share of GBP£ 1,900,000 capital contribution	1,615,000	201,875,000	1,615,000	201,875,000
The assets and liabilities as of 10th August 2009 arising from the venture/acquisition are as follows:				
Inventories	2,631,480	328,935,000	2,631,480	328,935,000
Bank balance	198,685	24,835,625	198,685	24,835,625
Prepayments	38,316	4,789,500	38,316	4,789,500
Creditors	(18,481)	(2,310,125)	(18,481)	(2,310,125)
Loan	(950,000)	(118,750,000)	(950,000)	(118,750,000)
	1,900,000	237,500,000	1,900,000	237,500,000
Minority interest 15%	(285,000)	(35,625,000)	(285,000)	(35,625,000)
	1,615,000	201,875,000	1,615,000	201,875,000
Goodwill	-	-	-	-

### 13. INVESTMENT PROPERTY INVESTMENT PROPERTY-LAND

This consists of investment property acquired under long term leases (previously stated as prepaid operating rentals) and measured at fair value (see below).

	GROUP 2015 Kshs.	COMPANY 2015 Kshs.	GROUP 2014 Kshs.	COMPANY 2014 Kshs.
<b>Cost</b>				
At 1st April 2014	-	-	12,000,000	12,000,000
Transfer to inventories	-	-	(12,000,000)	(12,000,000)
At 31st March 2015	-	-	-	-
<b>Fair value changes</b>				
At 1st April 2014	-	-	31,000,000	31,000,000
Transfer to inventories	-	-	(31,000,000)	(31,000,000)
At 31st March 2014	-	-	-	-
<b>Fair value</b>	-	-	-	-

## Notes to the Financial Statements for the year ended 31st March, 2015

	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>INVESTMENT PROPERTY- BUILDING</b>				
<b>Cost/Revaluation</b>				
At 1st April 2014	-	-	43,000,000	43,000,000
Additions	-	-	-	-
Transfer to inventories	-	-	(43,000,000)	(43,000,000)
At 31st March 2015	-	-	-	-
At 31st March 2015	-	-	-	-
<b>TOTAL INVESTMENT PROPERTY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>14. INTANGIBLE ASSETS</b>				
<b>Computer software</b>				
<b>Cost</b>				
At 1st April 2013	-	-	800,740	800,740
Addition	-	-	-	-
Disposal	-	-	(800,740)	(800,740)
At 1st April 2015	-	-	-	-
<b>Amortisation</b>				
At 1st April 2014	-	-	662,243	662,243
Charge for the year	-	-	-	-
Disposal	-	-	(662,243)	(662,243)
At 31st March 2015	-	-	-	-
<b>Net book value</b>				
At 31st March 2015	-	-	-	-
	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>15. TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	-	-	7,150,000	7,150,000
Vat receivable	<b>11,905,540</b>	<b>11,905,540</b>	12,039,919	11,898,701
Interest receivable	-	-	4,301,466	4,301,466
Deposits	<b>11,231</b>	<b>11,231</b>	3,384,688	3,384,688
Other receivables & advances	<b>41,851,155</b>	<b>41,851,155</b>	43,164,923	43,164,923
	<b>53,767,926</b>	<b>53,767,926</b>	<b>70,040,996</b>	<b>69,899,778</b>

There were no impairments recognised (see note below); trade receivables are non-interest bearing. The above represent the fair value of trade and other receivables.

### 16. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

## Notes to the Financial Statements for the year ended 31st March, 2015

- Group 1 - new customers/related parties (less than 6 months)/recent banks.
- Group 2 - existing customers/related parties (more than 6 months) with no defaults in the past/other reputable banks
- Group 3 - existing customers/related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered. Currently, nothing is in this category.

None of the financial assets that are fully performing has been renegotiated in the last year. Loan to related party is not impaired.

	2015		2014		
	Kshs. Group 1	Kshs. Group 2	Kshs.	Kshs. Group 1	Kshs. Group 2
<b>Unimpaired trade receivables:</b>					
Company	-	-	-	7,150,000	-
	-	-	-	-	7,150,000
<b>Short-term bank deposits:</b>					
Company	-	667,604	667,604	-	274,490,158
Group	-	667,604	667,604	-	274,490,158
<b>Loans to related parties:</b>					
Company	-	230,000,000	230,000,000	-	853,860,022
Group	-	230,000,000	230,000,000	-	853,860,022

### 17. DEFERRED TAX

Deferred Tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (March 2014: 30%).

The deferred tax assets are the tax effects of expected future income tax benefits relating to:

- (a) differences between the carrying amounts and tax written down values of property, plant and equipment;
- (b) the foreign exchange loss on trade payables, which will not be tax-deductible until the payables are settled but has already been recognised as an expense in measuring the company's profit for the year.

The movement on the deferred tax account is as follows:

	GROUP 2015 Kshs.	COMPANY 2015 Kshs.	GROUP 2014 Kshs.	COMPANY 2014 Kshs.
At beginning of the year	1,584,081	1,584,081	(180,247)	(180,247)
Income statements (Debits)/Credits	(1,584,081)	(1,584,081)	2,364,328	1,764,328
Disposal of subsidiary-deferred tax charge	-	-	(600,000)	-
Balance as at 31/03/2015	-	-	1,584,081	1,584,081

Deferred Tax assets and Deferred Tax credits in the profit and loss account are attributable to the following items:

	GROUP 2015 Kshs.	COMPANY 2015 Kshs.	GROUP 2014 Kshs.	COMPANY 2014 Kshs.
<b>Deferred tax asset</b>				
Provisions	-	-	1,584,081	1,584,081
<b>Deferred Tax Liabilities</b>				
Net Deferred tax asset/(liability)	-	-	1,584,081	1,584,081

(2014: The provisions are expected to crystallise within the next twelve months and therefore they have been classified under current assets).

## Notes to the Financial Statements for the year ended 31st March, 2015

	GROUP 2015 Kshs.	COMPANY 2015 Kshs.	GROUP 2014 Kshs.	COMPANY 2014 Kshs.
<b>18. TRADE AND OTHER PAYABLES</b>				
Trade payables	-	-	1,889,848	1,889,848
Other payables and advances	7,869,806	7,869,806	327,342	327,342
Provisions	5,000,000	5,000,000	4,652,000	4,652,000
Accruals	348,000	348,000	3,378,591	3,378,591
	<u>13,217,806</u>	<u>13,217,806</u>	<u>10,247,781</u>	<u>10,247,781</u>
(March 2014: Kshs 4,652,000/= has been recognised to cater for liquidation expenses)				
	GROUP 2015 Kshs.	COMPANY 2015 Kshs.	GROUP 2014 Kshs.	COMPANY 2014 Kshs.
<b>19. TAXATION ACCOUNT</b>				
<b>a) Statement of comprehensive income</b>				
Current tax at applicable rate of 30%	1,189,397	1,189,397	372,155,599	348,571,477
Over provision prior year	(916,758)	(916,758)	-	-
Deferred tax (Note 17)	1,584,081	1,584,081	(2,364,328)	(1,764,328)
Tax Charge	<u>1,856,720</u>	<u>1,856,720</u>	<u>369,791,271</u>	<u>346,807,149</u>
<b>b) Statement of financial position</b>				
Balance as at 01/04/2014	190,512,189	190,512,189	(23,898,245)	(38,924,417)
disposal of subsidiary	-	-	(15,026,172)	-
Corporation tax for the year	1,189,397	1,189,397	372,155,599	348,571,477
disposal of subsidiary - tax charge	-	-	(23,584,122)	-
Under/(over) provision in prior years	(916,758)	(916,758)	-	-
Tax paid	(176,369,668)	(176,369,668)	(140,315,472)	(112,487,001)
Withholding tax paid	(2,509,622)	(2,509,622)	(6,805,148)	(6,647,870)
disposal of subsidiary - tax paid	-	-	27,985,749	-
Balance as at 31/03/2015	<u>11,905,538</u>	<u>11,905,538</u>	<u>190,512,189</u>	<u>190,512,189</u>
<b>c) Reconciliation of tax charge to expected tax based on accounting profit</b>				
Accounting profit before taxation	(21,571,945)	(26,901,918)	1,219,285,970	1,368,429,902
Tax at applicable rate of 30%	(6,471,583)	(8,070,575)	365,785,791	410,528,971
Tax effect of expenses not deductible for tax/ (non taxable income)	9,245,061	10,844,053	4,005,480	(63,721,822)
Under/(Over) provision in taxes	(916,758)	(916,758)	-	-
Current tax charge	<u>1,856,720</u>	<u>1,856,720</u>	<u>369,791,271</u>	<u>346,807,149</u>

## Notes to the Financial Statements for the year ended 31st March, 2015

### 20. a) CASH AND CASH EQUIVALENTS

	GROUP 2015 Kshs.	COMPANY 2015 Kshs.	GROUP 2014 Kshs.	COMPANY 2014 Kshs.
Cash on hand	1,780	1,780	12,510	12,510
Cash at bank	665,824	665,824	4,477,648	4,477,648
Short-term call deposits	-	-	270,000,000	270,000,000
	<u>667,604</u>	<u>667,604</u>	<u>274,490,158</u>	<u>274,490,158</u>
Bank overdraft	-	-	-	-
	<u>667,604</u>	<u>667,604</u>	<u>274,490,158</u>	<u>274,490,158</u>

### b) RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

Profit before income tax	<u>(21,571,945)</u>	<u>(26,901,918)</u>	<u>1,219,285,970</u>	<u>1,368,429,902</u>
Adjustments for:-				
Depreciation on property, plant and equipment	-	-	218,277	-
Profit/(loss) on disposal of subsidiary	(5,453,717)	-	-	-
(Gain)/loss on disposal of investment	-	-	(2,159,790)	(2,897,000)
Loss on disposal of property, plant and equipment	-	-	6,007,585	6,007,585
Exchange difference on translation of foreign subsidiary	3,288	-	1,514,296	-
Interest income	<u>(3,964,657)</u>	<u>(3,964,657)</u>	<u>(47,368,901)</u>	<u>(46,260,747)</u>
Operating Profit Before Working Capital Changes	<u>(30,987,031)</u>	<u>(30,866,575)</u>	<u>1,177,497,436</u>	<u>1,325,279,740</u>
(Increase)/Decrease in Inventories	-	-	2,049,095,118	2,694,838,733
(Increase)/Decrease in Trade and other Receivables	16,273,070	16,131,852	128,608,941	(14,369,401)
(Decrease)/Increase in Trade and other Payables	2,970,025	2,970,025	346,117,927	(354,420,256)
(Decrease)/Increase in Related party balances	642,222,902	642,222,902	(362,491,746)	(356,840,153)
Cash (used in)/generated from operations	<u>630,478,966</u>	<u>630,458,204</u>	<u>3,338,827,676</u>	<u>3,294,488,663</u>

### 21. SHARE CAPITAL

	2015 Kshs.	2014 Kshs.
<b>AUTHORISED</b>		
289,000,000 Ordinary shares of Kshs 10/= each	<u>2,890,000,000</u>	<u>2,890,000,000</u>
<b>ISSUED &amp; FULLY PAID UP</b>		
Ordinary shares of Kshs 10/= each	764,444,807	2,888,375,330
Redemption of Share Capital (62,063,799 Ordinary shares)	<u>(620,637,991)</u>	<u>(2,123,930,523)</u>
14,380,682 Ordinary shares of Kshs 10/= each (2014: 76,444,480)		
Ordinary shares of Kshs 10/= each	<u>143,806,816</u>	<u>764,444,807</u>

## Notes to the Financial Statements for the year ended 31st March, 2015

### SHARE PREMIUM

Share premium	<b>133,921,318</b>	506,007,795
Redemption of Share Capital	<b>(108,728,134)</b>	(372,086,477)
	<b>25,193,184</b>	133,921,318

2015: Further distribution were made during the year ended 31st March 2015 towards redemption of Share Capital and Share Premium amounting to Kshs 729,366,125/- (2014: Since the commencement of the liquidation; interim distributions were made towards redemption of Ordinary Share Capital and Share Premium totalling to Kshs 2,496,017,000/-).

	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>22. RESERVES</b>				
Share premium	<b>25,193,184</b>	<b>25,193,184</b>	133,921,318	133,921,318
Translation reserve	-	-	5,450,008	-
Accumulated Profits	<b>71,949,306</b>	<b>71,949,306</b>	95,377,971	100,707,944
	<b>97,142,490</b>	<b>97,142,490</b>	234,749,298	234,629,262

#### Translation reserve:

This is used to record exchange differences on consolidation and translation of the foreign entity, Kaizen Capital LLP which will be eliminated upon disposal.

During the year ended 31st March 2015; the subsidiary was dissolved and the balances due to the partners were settled in their respective percentage ownership. As a result the translation reserve is eliminated and re-cycled to the Company's Retained Earnings.

<b>23. DIVIDENDS</b>	<b>2015 Kshs.</b>	<b>2014 Kshs.</b>
Dividend - interim	-	1,000,000,000
Number of ordinary shares	<b>14,380,682</b>	288,837,533
Dividend per share (Kshs)	-	3.46

(2014: Prior to liquidation of the company, an interim dividend of KShs 3.46 per share, amounting to KShs 1,000,000,000/- was approved and paid).

### 24. CONTINGENT LIABILITIES

#### Contingent liabilities:

During the year ended 31st March 2015; a Civil Case was filed at the High Court, Milimani Law Court under Commercial and Admiralty Division, Civil Case Number 152 of 2014 by Edward M Kamau, Ngoroge N Mungai, Peter M Muraged and Esther N omulele trading as (T/A) Muiru Mungai & Company Advocates Versus Delta Resources Limited (former name of Delta Corp East Africa Limited) claiming special damages amounting to KShs. 55.3 million. The Company's Lawyers are of the opinion that they are unable to assess the probable outcome of the case at present (March 2014: NIL).

<b>25. NON-CONTROLLING INTEREST (GROUP)</b>	<b>2015 Kshs.</b>	<b>2014 Kshs.</b>
At the beginning of year	<b>21,183</b>	19,579,167
(Loss) for the year	-	(20,839)
Other comprehensive income	<b>(421)</b>	(3,364,992)
Repayment to non-controlling interest	<b>(20,726)</b>	(16,172,154)
At the end of the year	<b>0</b>	21,183

## Notes to the Financial Statements for the year ended 31st March, 2015

### 26. RELATED PARTIES

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

The following transactions were carried out with related parties.

	<b>GROUP 2015 Kshs.</b>	<b>COMPANY 2015 Kshs.</b>	<b>GROUP 2014 Kshs.</b>	<b>COMPANY 2014 Kshs.</b>
<b>i) Delta Square Ltd</b>				
Sale of property to Delta Square Limited	-	-	654,200,000	654,200,000
Funds received against sale of property	<b>(315,000,000)</b>	<b>(315,000,000)</b>	(109,200,000)	(109,200,000)
Interest free loan to/ (repaid by) subsidiary	-	-	2,557,288	2,557,288
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ii) Amratlal Shah</b>				
Payment received against sale of shares	<b>(2,997,000)</b>	<b>(2,997,000)</b>	-	-
Sale of shares in Delta Square Limited	-	-	2,997,000	2,997,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>iii) Wave Land Developers Limited</b>				
Loan advanced to Wave Land Developers Limited	-	-	510,465,652	510,465,652
Interest charged to Wave Land Developers Limited	-	-	10,726,035	10,726,035
Repayment of loan and interest	-	-	(827,034,160)	(827,034,160)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>iv) Delta Pan Africa Limited</b>				
Loan advanced to Delta Pan Africa Limited	-	-	340,253,548	340,253,548
Interest charged to Delta Pan Africa Limited	-	-	7,162,408	7,162,408
Repayment of loan and interest	-	-	(541,150,640)	(541,150,640)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>v) Delta Properties Limited</b>				
Intercompany financing	-	-	3,263,022	3,263,022
Payment received against sale of property	<b>(305,863,022)</b>	<b>(305,863,022)</b>		
Sale of property, plant and equipment	-	-	902,600,000	902,600,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>vi) Neelish Shah</b>				
Performance bonus	<b>(18,362,880)</b>	<b>(18,362,880)</b>	-	-
Loan advanced to Neelish Shah	-	-	17,316,310	17,316,310
Interest charged to Neelish Shah	-	-	358,631	358,631
Repayment of loan and interest	-	-	(17,674,941)	(17,674,941)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>vii) Directors' remuneration</b>				
Directors' remuneration	<b>26,232,686</b>	<b>26,232,686</b>	11,100,000	11,100,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

## Notes to the Financial Statements for the year ended 31st March, 2015

<b>viii) Amounts due from related party</b>				
Delta Square Ltd	<b>230,000,000</b>	<b>230,000,000</b>	545,000,000	545,000,000
Amratlal Shah	-	-	2,997,000	2,997,000
Delta Properties Limited	-	-	305,863,022	305,863,022
	<b>230,000,000</b>	<b>230,000,000</b>	<b>853,860,022</b>	<b>853,860,022</b>
<b>ix) Amounts due from related party</b>				
Neelish Shah	<b>(18,362,880)</b>	<b>(18,362,880)</b>	-	-
	<b>(18,362,880)</b>	<b>(18,362,880)</b>	-	-
<b>x) Directors remuneration and key management compensation</b>				
Directors remuneration-as executives	<b>26,232,686</b>	<b>26,232,686</b>	11,100,000	11,100,000
- fees	-	-	3,000,000	3,000,000
- pension contribution	-	-	789,300	789,300
	<b>26,232,686</b>	<b>26,232,686</b>	<b>14,889,300</b>	<b>14,889,300</b>

(2014: On 28th June 2013, the company sold LR 209/1819 (Delta Chambers), LR 209/12923 (Delta Point), LR 4393/7/5 (Delta Waiyaki) and LR 209/7439 (Lavington Office and House) to Delta Properties Limited, which is a related party through common Shareholding of Mr Neelish Shah; in accordance to the sale agreement dated 28th June 2013).

### 27. CAPITAL RISK MANAGEMENT

The group's objectives when managing capital are:

- i) to match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- ii) to maintain financial strength to support business growth; and
- iii) to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The group has a number of sources of capital available to it and seeks to optimize its debt to equity structure in order to ensure that it can consistently maximise returns to shareholders.

The above strategies have been parted with as the company is under liquidation with the view of striking off the company within the next few months.

### 28. FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, and cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group doesn't use derivative financial instruments to hedge certain risk exposures. Risk management is carried out by the board of directors. The board identifies and evaluates risks.

#### (a) Market risk

##### (i) Foreign currency risk

The group's main operations are concentrated in Kenya and its assets and liabilities are reported in Kenya and its assets and liabilities are reported in the local currency. It has transactions in foreign currency which are mainly denominated in US Dollars and British Pounds.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.



## Notes to the Financial Statements for the year ended 31st March, 2015

The balances in foreign currencies were as follows:

	GROUP 2015 Kshs.	COMPANY 2015 Kshs.	GROUP 2014 Kshs.	COMPANY 2014 Kshs.
<b>Assets in foreign currencies:</b>				
Bank and cash	307,296	307,296	648,969	648,969
Trade and other receivables	-	-	141,221	-
Foreign currency assets	<u>307,296</u>	<u>307,296</u>	<u>790,190</u>	<u>648,969</u>
<b>Liabilities in foreign currencies:</b>				
Trade and other payables	-	-	1,069,424	1,069,424
Foreign currency liabilities	-	-	1,069,424	1,069,424
Net foreign currency asset/(liability) position	<u>307,296</u>	<u>307,296</u>	<u>(279,234)</u>	<u>(420,455)</u>

The following table demonstrates the sensitivity to a reasonably possible change in USD and Pound, with all other variables held constant, of the group's and the company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	GROUP 2015 Kshs.	COMPANY 2015 Kshs.	GROUP 2014 Kshs.	COMPANY 2014 Kshs.
<b>Profit before tax:</b>				
Increase in US\$ by 5%	15,365	15,365	27,293	27,293
Decrease in US\$ by 5%	(15,365)	(15,365)	(27,293)	(27,293)
Increase in GBP£ by 5%	-	-	(7,061)	5,155
Decrease in GBP£ by 5%	-	-	7,061	(5,155)

### (ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans. The Group manages its interest risk by having a balanced portfolio of local and foreign currency loans and borrowings.

There would be an immaterial change to the financial statements had interest rates changed.

Borrowings issued at variable rates expose the group to cash flow interest rate risk

Borrowings issued at fixed rates expose the group to fair value interest rate risk.

Group policy is to maintain its borrowings on variable interest rates.

The group's borrowings are at variable rates but pegged to local banks' base rate for local borrowings and LIBOR for foreign borrowings, hence reducing the risk as these rates have fluctuated marginally.

### (b) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Prudent liquidity risk management includes maintaining sufficient cash. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

Surplus cash held by the group over and above balance required for working capital management are invested in deposits.

Summarised in the table below is the maturity profile of financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date.

## Notes to the Financial Statements for the year ended 31st March, 2015

The amounts disclosed are the contractual undiscounted cash flows:

### At 31st March 2015

	Less than 1 year Kshs.	2 - 5 years Kshs.	Total Kshs.
Trade and other payables	<b>13,217,806</b>	-	13,217,806
	<b>31,580,686</b>	-	31,580,686

### At 31st March 2014

	Less than 1 year Kshs.	2 - 5 years Kshs.	Total Kshs.
Trade and other payables	10,247,781	-	10,247,781
	10,247,781	-	10,247,781

	Kshs.	Kshs.
Profit/(loss) before tax		(26,901,918)
<b>Add:</b>		
General provision	5,000,000	
Water, telephone and miscellaneous expenses	219,995	
Cost of sales	115,000	
		5,334,995
		(21,566,923)
<b>Less:</b>		
Unrealised exchange gain	(580,355)	
Profit from partnership	(123,744)	
professional fees allowed	(1,392,000)	
Interest received	(3,964,657)	(6,060,756)
Adjusted tax loss for the year		(27,627,679)
Adjusted tax loss carried forward		(27,627,679)
Tax liability@ 30%		-
<b>2. INTEREST INCOME</b>		3,964,657
Tax liability@ 30%		1,189,397