

WAVE LAND DEVELOPERS LIMITED (IN LIQUIDATION)

**Wave Land Developers Limited  
(In Liquidation)**

## Report of the Independent Auditor

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### Report of the Independent Auditor to the Members of Wave Land Developers Limited (in liquidation)

1. We have audited the accompanying financial statements of Wave Land Developers Limited (In liquidation), set out on page 5-18 which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.
2. **Director's and Liquidator's Responsibility for the Financial Statements**

As state 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 Standard for Small and Medium-sized Entities 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, 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 accompanying financial statements give a true and fair view of the state of financial affairs of Wave Land Developers Limited (In liquidation) as at 31 March 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and comply with the Kenyan Companies Act (CAP 486).
5. **Emphasis of matter**

As stated on page 3, the shareholders of Wave Land Developers Limited (In Liquidation) approved a plan of Members Voluntary Liquidation on 1<sup>st</sup> April 2014 and the company commercial liquidation shortly thereafter. As a result, the company has changed its basis of accounting for periods subsequent to 1<sup>st</sup> April 2014 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) 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 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 13-4-2015

## Statement of Comprehensive Income For the Year Ended 31st March, 2015

	Note	2015 Kshs.	2014 Kshs.
Other operating income	3	17,204,990	555,818,843
Administrative expenses	4	(2,132,654)	(389,617)
Other operating expenses	5	-	(38,117)
<b>Profit from operations</b>		<u>15,072,336</u>	<u>555,391,109</u>
Finance costs	6	(20,250)	(12,633,023)
<b>Profit before tax</b>		<u>15,052,086</u>	<u>542,758,086</u>
Income tax expenses	12	(5,894,235)	(26,328,997)
<b>Profit for the year attributable to owners of the company</b>		<u>9,157,851</u>	<u>516,429,089</u>
<b>Other comprehensive income:</b>		-	-
<b>Total comprehensive income for the year attributable to the owners of the company</b>		<u><u>9,157,851</u></u>	<u><u>516,429,089</u></u>

*Note:*

The notes on page 9 to 18 form part of these financial statements.

## Statement of Financial Position as at 31st March, 2015

	Note	2015 Kshs.	2014 Kshs.
<b>ASSETS</b>			
<b>Non Current Assets</b>			
		-	-
<b>Current Assets</b>			
Investment in subsidiary	8	141,680,601	587,548,581
Other receivables	9	-	15,131,261
Cash in Hand and at bank	10	122,135,076	2,257,453,374
		<u>263,815,677</u>	<u>2,860,133,216</u>
<b>TOTAL ASSETS</b>		<b><u>263,815,677</u></b>	<b><u>2,860,133,216</u></b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Issued Capital	15	82,108,000	82,108,000
Redeemable preference share capital	15	-	1,701,100,000
Capital redemption reserve	14	-	548,900,000
Accumulated profits/(losses)		180,001,614	519,986,263
		<u>262,109,614</u>	<u>2,852,094,263</u>
<b>Current Liabilities</b>			
Trade and other payables	11	1,703,000	325,500
Taxation account	12	3,063	7,713,453
		<u>1,706,063</u>	<u>8,038,953</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>263,815,677</u></b>	<b><u>2,860,133,216</u></b>

The financial statements on pages 5 to 18 were approved for issue by the board of directors on 10th April 2015 and were signed on its behalf by:

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

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

\_\_\_\_\_  
*Liquidator*

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

	2015 Kshs.	2014 Kshs.
<b>Cash flows from operating activities</b>		
<b>Net profit for the year</b>	15,052,086	542,796,203
<i>Adjustments for:-</i>		
<i>Impairment loss on investment</i>	17,181,568	121,252,040
Interest expenses	-	12,618,863
<b>Operating Profit before working capital changes</b>	32,233,654	676,667,106
(Increase) / Decrease in Trade and other Receivables	15,131,261	(12,679,814)
Increase/(Decrease) in Trade and other Payables	1,377,500	(115,254)
(Decrease) / Increase in amounts due to related parties	-	(305,842,473)
<i>Cash from/(used) in operations</i>	48,742,415	358,029,565
Income Taxes Paid	(13,604,625)	(24,000,862)
Interest paid	-	(12,618,863)
<i>Net Cash from/(used) in operating activities</i>	35,137,790	321,409,840
<b>Cash flows from investing activities</b>		
Redemption of Investment in Delta Corp East Africa Limited (In Liquidation)	428,686,412	1,467,657,996
Distribution of capital redemption reserve	(548,900,000)	-
Redemption of Preference Shares	(1,701,100,000)	(548,900,000)
<i>Net cash from/(used) in Investing activities</i>	(1,821,313,588)	918,757,996
<b>Cash flows from financing activities</b>		
Dividends paid	(349,142,500)	-
<i>Net cash generated/(used) from financing activities</i>	(349,142,500)	-
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,135,318,298)</b>	<b>1,240,167,836</b>
<b>Cash and cash equivalent at beginning of year (Note 10)</b>	<b>2,257,453,374</b>	<b>1,017,285,538</b>
<b>Cash and cash equivalent at end of year (Note 10)</b>	<b>122,135,076</b>	<b>2,257,453,374</b>

## Statement of Recognised Gains and Losses for the year ended 31st March, 2015

	2015 Kshs.	2014 Kshs.
<i>Net profit for the year</i>	9,157,851	516,467,206
<b>Total recognised gains</b>	<u>9,157,851</u>	<u>516,467,206</u>

## Statement of changes in equity for the year ended 31st March, 2015

	Note	Share capital	Redeemable Preference Share Capital	Capital Redemption Reserve	Accumulated profits/(losses)	Total
<b>Balance at 31 March 2013</b>		82,108,000	2,250,000,000	-	552,419,057	2,884,527,057
Transfer to capital redemption reserve	15	-	-	548,900,000	(548,900,000)	-
Redemption of redeemable preference shares		-	(548,900,000)	-	-	(548,900,000)
Net profit for the year		-	-	-	516,467,206	516,467,206
<b>Balance at 31 March 2014</b>		82,108,000	1,701,100,000	548,900,000	519,986,263	2,852,094,263
Distribution of capital redemption reserve		-	-	(548,900,000)	-	(548,900,000)
Redemption of redeemable preference shares		-	(1,701,100,000)	-	-	(1,701,100,000)
Net profit for the year					9,157,851	9,157,851
Dividends paid					(349,142,500)	(349,142,500)
<b>Balance at 31 March 2015</b>		<u>82,108,000</u>	<u>-</u>	<u>-</u>	<u>180,001,614</u>	<u>262,109,614</u>

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

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### GENERAL INFORMATION

Wave Land Developers Limited is incorporated under the Kenyan Companies Act as a private company limited by shares, and is domiciled in Kenya. The address of its registered office is LR 1870/II/236, The Pride Rock, No. 6 Donyo Sabuk Avenue, Nairobi.

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

In accordance with paragraph 3.9 of Section 3 of IFRS for SMEs, 'Financial Statement Presentation', the Company changed the basis of preparing its financial statements from going concern to liquidation, effective April 1, 2014. As a result, these 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, 2014 financial statements on a going concern basis. They are presented in Kenya Shillings(KShs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

##### **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 consolidated financial statements incorporate the financial statements of the company and enterprises controlled by the company. The company has prepared separate financial statements in accordance with paragraph 9.3 of Section 9 of IFRS for SMEs and has elected not to present consolidated financial statements as the ultimate parent company, Reliance Industries Limited (registered office - 3rd Floor Maker Chamber IV, 222, Nariman Point, Mumbai -400 021, India), shall present consolidated financial statements available for public use.

##### **c Revenue recognition**

Revenue is recognised upon delivery of service supplied by the company, currently there is no revenue.

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

Dividend income from investments is recognised when the company's right to receive payment as a shareholder have been established.

##### **d Interests in associated companies**

An associated company is an enterprise over which the company is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee enterprise.

The company accounts for investment in associates using the cost model in accordance with Section 14 of International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)

##### **e Goodwill**

Goodwill arising on acquisition of interest in an associate is initially recognised at cost as an asset and subsequently measured at cost less any accumulated impairment losses.

##### **f Intangible assets**

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of three years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

##### **g Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Kenya Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which expressed in foreign currencies are translated into Kenya shilling at rates ruling at that date. The resulting differences from conversion and translation are dealt with 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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### **h** Impairment of tangible assets

At each balance sheet date, the company reviews the carrying amount of its tangible 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 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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **i** Property, plant & equipment

All categories of property, plant and equipment, including investment property, are measured 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.

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.

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.

### **j** Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

### **k** Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average cost method. 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. Net realisable value represents the estimated selling price less all estimated costs of disposal.

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

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**l Borrowing costs**

All borrowing costs are recognised in net profit or loss for the period in which they are incurred.

**m 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.

**n Impairment of non-financial assets**

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**o Financial assets**

Investments in quoted shares are initially recognised at the transaction price and subsequently measured at fair value, with changes in fair value being recognised in profit or loss. Fair value is determined using the quoted bid price at the reporting date.

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

**p Financial liabilities**

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

**q Share capital, share premium and dividends**

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of the par value are classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

**r Provision**

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.

**s Current Taxation**

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 tax legislation. The company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

**t Comparatives**

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

**u Leasing and Hire purchase 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.

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

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### v Income Tax

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

### w Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off in the year in which they are identified.

### x Investments in subsidiaries

A Subsidiary is an entity that is controlled by the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The company accounts for investment in subsidiaries using the cost model in accordance with Section 9 of International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

## 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying company's accounting policies. The critical areas of accounting estimates and judgments in relation to the preparation of these financial statements are as 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 Use of estimate

Effective April, 1, 2014; 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.

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

	<b>2015</b>	<b>2014</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>3 OTHER INCOME</b>		
Realised exchange gain/(loss)	-	977,882
Dividends received	-	588,008,464
Interest Income	19,647,449	87,763,324
Impairment loss on investment	(17,181,568)	(121,252,040)
Unrealised exchange gain/(loss)	14,739,109	321,213
	<u>17,204,990</u>	<u>555,818,843</u>
<b>4 ADMINISTRATIVE EXPENSES</b>		
Auditors Remuneration	203,000	203,000
Legal & Professional Expenses	165,000	142,500
Postage & Telephone	4,060	6,000
Liquidation expenses	1,760,594	-
	<u>2,132,654</u>	<u>351,500</u>
<b>5 OTHER OPERATING EXPENSES</b>		
Penalties and fines	-	38,117
	<u>-</u>	<u>38,117</u>
<b>6 FINANCE COSTS</b>		
Bank charges and commission	20,250	14,160
Loan Interest	-	12,618,863
	<u>20,250</u>	<u>12,633,023</u>
<b>7 PROFIT BEFORE TAX</b>		
The following items have been recognised as expenses (income) in determining profit before tax:		
	<b>2015</b>	<b>2014</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Auditor's remuneration	203,000	203,000
	<u>203,000</u>	<u>203,000</u>
<b>8 INVESTMENT IN SUBSIDIARY</b>		
<b>Delta Corp East Africa Limited</b>		
58.80% shareholding 44,950,119 of 76,444,480 shares (2014: 169,838,914 of 288,837,533 shares) at cost	587,548,581	2,176,458,617
Redemption of investment in Subsidiary	(428,686,412)	(1,467,657,996)
Impairment loss on investment	(17,181,568)	(121,252,040)
58.8% shareholding (8,455,985 of 14,380,682 shares) at cost	<u>141,680,601</u>	<u>587,548,581</u>

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

The Company's holding in Delta Corp East Africa Limited (In Liquidation) represents 58.80%; which was put under Liquidation with effect 10th September 2013.

(March 2013: The above company became a subsidiary on 20.6.12 with investment of 58.801%, before which investment represented 43.613%)

	<b>2015</b>	<b>2014</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>9 OTHER RECEIVABLES</b>		
Other receivables	-	15,131,261
	<u>-</u>	<u>15,131,261</u>
<b>10 CASH AND CASH EQUIVALENTS</b>		
	At 1 April 2014	Cash Flows
	Kshs.	Kshs.
Cash in hand	1,092	-
Cash at bank	477,269	(477,269)
Call deposits	2,256,975,013	(2,134,841,029)
	<u>2,257,453,374</u>	<u>(2,135,318,298)</u>
		At 31 March 2015
		Kshs.
		1,092
		-
		122,133,984
		<u>122,135,076</u>
<b>11 TRADE AND OTHER PAYABLES</b>		
Other payable	1,500,000	-
Accruals	203,000	325,500
	<u>1,703,000</u>	<u>325,500</u>
<b>12 TAXATION</b>		
<b>a Income Statement</b>		
Current tax applicable rate 30%	5,894,235	26,328,997
Tax charge	<u>5,894,235</u>	<u>26,328,997</u>
<b>b Balance sheet</b>		
Balance as at 01/04/2014	7,713,453	5,385,318
Corporation tax for the year	5,894,235	26,328,997
	<u>13,607,688</u>	<u>31,714,315</u>
Tax paid	(8,387,821)	(12,738,334)
Withholding tax paid	(5,216,804)	(11,262,528)
Balance as at 31/03/2015	<u>3,063</u>	<u>7,713,453</u>
<b>c Reconciliation of tax charge to expected tax based on accounting profit</b>		
Accounting profit before tax	15,052,086	542,796,203
Tax applicable rate of 30%	4,515,626	162,838,861
Tax effect of (expenses not deductible for tax )/non taxable income)	(4,711,497)	(166,440,853)
Tax on interest income	5,894,235	26,328,997
Losses carried forward / (offset)	195,871	3,601,992
Current tax charge	<u>5,894,235</u>	<u>26,328,997</u>

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

### 13 DEFERRED TAX

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

The company has recognised a valuation allowance against the deferred tax assets because, on the basis of past years and future expectations, management considers it is not currently probable that taxable profits will be available against which the future income tax deductions can be utilised.

	(Credited) to P & L	2015 Kshs.	2014 Kshs.
<i>Deferred Tax Assets</i>			
Taxable losses	131,120	4,489,305	4,358,185
Taxable losses-asset not recognised	(131,120)	(4,489,305)	(4,358,185)
	<u>-</u>	<u>-</u>	<u>-</u>

### 14 DIVIDENDS

	2015	2014
Dividend paid	349,142,500	-
Dividend per share	4.25	-

During Liquidation, dividends were declared and paid of Kshs 4.25/- per share amounting to Kshs 349,142,500/-

### 15 SHARE CAPITAL

	Kshs.	Kshs.
<b>ORDINARY SHARE CAPITAL</b>		
<i>AUTHORISED</i>		
100,000 Ordinary shares of Kshs 1,000/= each	100,000,000	100,000,000
<i>ISSUED &amp; FULLY PAID UP</i>		
82,108 Ordinary shares of Kshs 1,000/= each	82,108,000	82,108,000
<b>REDEEMABLE PREFERENCE SHARE CAPITAL</b>		
<i>AUTHORISED, ISSUED &amp; FULLY PAID UP</i>		
1,701,100 Redeemable Preference shares of Kshs 1,000/= each (2014: 2,250,000 Redeemable Preference shares of Kshs 1,000/= each)	1,701,100,000	2,250,000,000
1,701,100 Redemption of Preference shares at Kshs 1,000/= each (2014: 548,900 Redemption of Preference shares at Kshs 1,000/= each)	(1,701,100,000)	(548,900,000)
	<u>-</u>	<u>1,701,100,000</u>

On 23rd May, 2014, a further 1,701,100 Redeemable Preference Shares were redeemed at a nominal value of Ksha 1000/- per share issued to Reliance Global Business BV (2014: The 2,250,000 redeemable preference shares do not have dividend coupon and repayment is at the discretion of the Company. Out of the 2,250,000 redeemable preference shares; 548,900 were redeemed at a nominal value of Kshs 1,000/- per share issued to Reliance Global Business BV on 3rd April 2013).

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

### 16 RELATED PARTIES

Related party balance as shown in the accounts (relationship due to common shareholders) represents intercompany financing only, which varied in the year.

	2015 Kshs.	2014 Kshs.
<b>i) Delta Corp East Africa Limited</b>		
Loan received from Delta Corp East Africa Limited	-	510,465,652
Interest charged by Delta Corp East Africa Limited	-	10,726,035
Repayment of loan and interest	-	(827,034,160)
	<u>                    </u>	<u>                    </u>
<b>ii) Amounts due to related party</b>		
Delta Corp East Africa Limited	-	-
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

(2014: The loan was fully paid on 1st October 2013.)

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

### TAX COMPUTATION

	<u>Kshs.</u>	<u>Kshs.</u>
Profit before tax		15,052,086
<i>Add:</i>		
Impairment loss on investment	17,181,568	
General Provision	1,500,000	
		<u>18,681,568</u>
		33,733,654
<i>Less:</i>		
Interest Income	(19,647,449)	
Unrealised exchange loss/(gain)	(14,739,109)	
		<u>(34,386,558)</u>
<i>Adjusted taxable loss for the year</i>		(652,904)
Loss brought forward:		
2011	(215,838)	
2012	(380,869)	
2013	(1,923,935)	
2014	(12,006,641)	
	<u>(14,527,283)</u>	
Losses not carried forward for 2011	(215,838)	
<i>Adjusted tax loss brought forward</i>		(14,311,445)
<i>Adjusted tax loss carried forward</i>		<u>(14,964,349)</u>
<b>2. <u>Interest Income</u></b>		<b><u>19,647,449</u></b>
Tax liability@ 30%		5,894,235