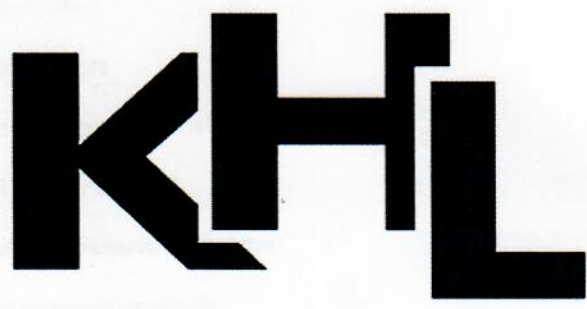


KANISA HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2017
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KANISA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31ST DECEMBER 2017

KANISA HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
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KANISA HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017**

CORPORATE INFORMATION

Directors

Bernard Okok Obuoga
Wilfred Gitau
Boniface Maina
Ann Kioi
Quinn Kariuki

Company Secretary

FCPS(K) Carol Mwaura
Kipro Centre, 6th Floor, Westlands
Prof George Saitoti Avenue
P.O Box 26513 - 00504
Nairobi

Independent Auditor

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

Principal Place of Business

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

Principal Bankers

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

KANISA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2017

REPORT OF THE DIRECTORS

Directorate

The directors submit their report together with the audited financial statements for the year ended 31st December 2017 which disclose the state of affairs of the company.

Incorporation

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

Principal activities

The principal activity of the company is that of an investment company.

Results	2017	2016
	Kshs	Kshs
Profit before tax	153,868	717,821
Income tax charge	<u>(46,160)</u>	<u>(215,346)</u>
Profit for the year transferred to retained earnings	<u>107,708</u>	<u>502,475</u>

Dividends

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

Directors

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

Statement as to disclosure to the company's auditor

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

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

Business review

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

During the year 2017, there was a significant reduction in the Kanisa SACCO Investment pool due to job losses / redundancies. New entrants into the market with broader financial base and the protracted general elections all had negative effects on the company business. As a result of these challenges, the company was only able to launch one project (Koma Hill) against its projected two.

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

Terms of appointment of the auditor

Erastus HAE & Partners Certified Public Accountants continues in office in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of Ksh 60,000 has been charged to profit or loss in the year.

By order of the Board

SECRETARY

Date.....

Caroline W. Mwaura
Caroline W. Mwaura
Advocate, Notary Public &
Commissioner for Oaths
P.O. Box 26513 - 00504, Nbi.
1st March 2018

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017**

STATEMENT OF DIRECTORS' RESPONSIBILITY

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

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for;

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

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

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

Approved by the board of directors on ... 1st MARCH 2018 and signed on its behalf by:

BERNARD OKOK OBUOGA
Director

Signature



ANN KIOI
Director

Signature



**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF KANISA HOLDINGS LIMITED**

Opinion

We have audited the financial statements of Kanisa Holdings Limited, set out on pages 7 to 14 which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss, statements of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31st December 2017 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

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

Other information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

REPORT OF THE INDEPENDENT AUDITOR (continued)

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

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

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

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

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

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

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

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

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

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

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

1st March 2018



Erastus HAE & Partners

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

STATEMENT OF COMPREHENSIVE INCOME

		2017	2016
	Note	Kshs	Kshs
Project income	2	13,600,000	21,500,000
Direct project costs	11	<u>(12,246,250)</u>	<u>(17,214,007)</u>
Gross income		1,353,750	4,285,993
Interest and other income	3	79,505	111,240
Administrative expenses	12	(1,264,174)	(3,664,111)
Finance cost	13	(15,213)	(15,301)
Other expenses		<u>-</u>	<u>-</u>
Total expenditure		<u>(1,279,387)</u>	<u>(3,679,412)</u>
Profit before tax		153,868	717,821
Income tax charge	9	<u>(46,160)</u>	<u>(215,346)</u>
Profit after tax		<u>107,708</u>	<u>502,475</u>

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2017
STATEMENT OF FINANCIAL POSITION

	Note	2017 Kshs	2016 Kshs
ASSETS			
Non-current assets			
Property, plant & equipment	5	123,257	165,809
Current Assets			
Property held for sale	4	3,324,762	2,524,762
Trade and other receivables	8	1,762,150	3,861,501
Cash and cash equivalents	6	562,638	-
		<u>5,649,550</u>	<u>6,386,263</u>
TOTAL ASSETS		<u><u>5,772,807</u></u>	<u><u>6,552,072</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	7	1,000,000	1,000,000
Retained earnings		2,087,647	1,979,939
Proposed dividends		-	1,500,000
		<u>3,087,647</u>	<u>4,479,939</u>
Current Liabilities			
Payables and accrued charges	14	2,639,000	1,674,000
Cash and cash equivalents	6	-	182,787
Tax payable		46,160	215,346
		<u>2,685,160</u>	<u>2,072,133</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,772,807</u></u>	<u><u>6,552,072</u></u>

The financial statements were approved and authorised for issue by the board of directors on 1st MARCH 2018 and were signed on its behalf by:

.....
DIRECTOR

.....
DIRECTOR

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs	Retained Earnings Kshs	Proposed dividends Kshs	Total Kshs
Year ended 31st December 2016				
As at 31st January 2016	1,000,000	2,977,463	2,500,000	6,477,463
Dividends paid during the year	-	-	(2,500,000)	(2,500,000)
Net profit for the period	-	502,475	-	502,475
Proposed dividends	-	(1,500,000)	1,500,000	-
As at 31st December 2016	1,000,000	1,979,938	1,500,000	4,479,938
Year ended 31st December 2017				
As at 1st January 2017	1,000,000	1,979,938	1,500,000	4,479,938
Dividends paid during the year	-	-	(1,500,000)	(1,500,000)
Net profit for the period	-	107,708	-	107,708
Proposed dividends	-	-	-	-
As at 31st December 2017	1,000,000	2,087,646	-	3,087,646

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

STATEMENT OF CASH FLOWS

	Note	2017 Kshs	2016 Kshs
Cash flows from operating activities			
Profit before income tax		153,868	717,821
Adjustments for:			
Depreciation of property, plant and equipment	5	42,552	59,321
Interest received	3	<u>(23,505)</u>	<u>(29,240)</u>
Operating profit before working capital changes		172,915	747,902
Increase in:			
Property held for sale	4	(800,000)	7,228,571
Trade and other receivables	8	2,099,352	(1,526,501)
Payables and accrued charges	14	<u>965,000</u>	<u>(2,339,500)</u>
Cash used in operations		2,437,267	4,110,472
Tax paid		(215,346)	(2,347,485)
Interest received	3	<u>23,505</u>	<u>29,240</u>
Net cash used in operating activities		<u>2,245,426</u>	<u>1,792,227</u>
Cash flows from investing activities			
Purchase of non-current assets	5	-	(178,818)
Proceeds from the issuance of share capital		<u>-</u>	<u>-</u>
Net cash generated from investing activities		<u>-</u>	<u>(178,818)</u>
Cash flows from financing activities			
Dividends paid		<u>(1,500,000)</u>	<u>(2,500,000)</u>
		<u>(1,500,000)</u>	<u>(2,500,000)</u>
Net (decrease) /increase in cash and cash equivalents		745,426	(886,591)
Cash and cash equivalents at 31 December 2016		<u>(182,788)</u>	<u>703,803</u>
Cash and cash equivalents at 31 December 2017	6	<u><u>562,638</u></u>	<u><u>(182,788)</u></u>

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017**
NOTES TO THE FINANCIAL STATEMENTS

1) **SIGNIFICANT ACCOUNTING POLICIES**

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

a) **Basis of preparation**

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

b) **Revenue recognition**

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

c) **Trade and other receivables**

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

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

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

d) **Income tax**

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

Current tax

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

Deferred tax

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

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

e) **Cash and cash equivalents**

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

f) **Related parties**

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

g) **Trade and other payables**

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017
NOTES TO THE FINANCIAL STATEMENTS**

h) Property, plant, and equipment

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

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

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

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

	<u>Rate %</u>
Furniture and equipment	12.5
Computer and accessories	30.00

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

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

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

	2017	2016
	Kshs	Kshs
2 Direct project sales		
Komahill	13,600,000	-
Kantafu	-	15,200,000
Isinya 2	-	6,300,000
	<u>13,600,000</u>	<u>21,500,000</u>
3 Interest and other income		
Project registration fees	56,000	82,000
Money market interest income	23,505	29,240
	<u>79,505</u>	<u>111,240</u>
4 Land (held for sale)		
Plots at Isinya 1 held for sale (5 plots at cost)	853,333	853,333
Plots at Isinya held for sale (15 plots at cost)	1,671,429	1,671,429
Koma Hill Plots held for sale (2 Plots at Cost)	800,000	-
	<u>3,324,762</u>	<u>2,524,762</u>

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Property, plant & equipment	Computer and Accessories	Office equipment	Total
	Kshs	Kshs	Kshs
Cost			
As at 1 January 2017	178,168	57,650	235,818
Additions	-	-	-
As at 31 December 2017	178,168	57,650	235,818
Depreciation			
As at 1 January 2017	53,450	16,559	70,009
Charge for the year	37,415	5,137	42,552
As at 31 December 2017	90,865	21,696	112,561
Net book value			
As at 31 December 2016	124,718	41,092	165,809
As at 31 December 2017	87,303	35,955	123,257
		2017	2016
		Kshs	Kshs
6 Cash and cash equivalents			
Cash at bank		273,399	(448,576)
Cash in hand		968	1,293
Marketable securities		288,271	264,496
		562,638	(182,787)
7 Share capital			
Authorized			
10,000 Ordinary shares of Kshs 100 each		1,000,000	1,000,000
Issued and fully paid			
10,000 Ordinary shares of Kshs 100 each		1,000,000	1,000,000
8 Trade and other receivables			
Receivables from Isinya project		-	170,200
Receivable from Kanisa SACCO (related party receivable)		208,800	36,000
Receivables from Kantafu project		820,250	2,334,200
Receivables from Isinya 2 project		309,000	1,321,100
Receivables from Koma Hill		424,100	-
		1,762,150	3,861,500

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2017 Kshs	2016 Kshs
9 Income tax		
a) Income tax expense		
Current tax	46,160	215,346
Deferred tax	-	-
	<u>46,160</u>	<u>215,346</u>
b) Reconciliation of tax charge to expected tax based on accounting profit:		
Net profit for the year before income tax	<u>153,868</u>	<u>717,821</u>
Income tax at 30%	46,160	215,346
Tax effect of expenses not deductible for tax purposes	-	-
	<u>46,160</u>	<u>215,346</u>
c) Balance sheet		
Balance brought forward	215,346	2,347,485
Tax paid for previous year	(215,346)	(2,347,485)
Provision for the year	46,160	215,346
Tax paid for the current year	<u>46,160</u>	<u>215,346</u>

10 Investment property

Fair value model

Investment property are long-term investments in land and buildings that are not occupied substantially for own use. Investment property are initially recognised at cost and subsequently carried at fair value representing open market value at the reporting date. Changes in fair value are recorded in profit or loss.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other expenditure is recognised as an expense in the year which it is incurred.

Gains and losses on disposal of investment property are determined by reference to their carrying amount and are taken into account in determining operating profit / (loss).

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2017 Kshs Koma Hill	2017 Kshs Isinya 2	2017 Kshs Kantafu
11 Direct project costs			
Cost of land	10,530,000	-	-
Survey costs and stamp duty to individuals	700,000	-	-
Legal fees	305,600	-	-
Transport and other expenses	103,850	-	110,800
Land fencing expenses	-	-	496,000
	<u>11,639,450</u>	<u>-</u>	<u>606,800</u>
		2017	2016
		Kshs	Kshs
12 Administrative expenses		260,000	366,000
BOD transport expenses and reimbursements		152,000	325,660
General meeting expenses		50,000	25,000
Legal fees		9,000	25,200
Office travelling expenses		33,290	28,740
Land search and transport costs		25,500	944,530
Communication and marketing costs		-	900,000
Salaries and wages		19,000	8,500
Office cleaning expenses		3,995	54,589
Office supplies		-	50,080
Printing costs		150,807	96,161
Office rent		-	50,000
Corporate Social Responsibility		60,000	50,000
Audit fees		46,030	80,830
Other meeting expenses		-	223,500
Strategic plan development/ Business Plan		129,000	71,000
Sub committees/Business plan implementation costs		-	155,000
Policy development and review		250,000	145,000
Biannual Brainstorming sessions		-	5,000
Repairs and Maintenance		33,000	-
Education to BOD		42,552	59,321
Depreciation		<u>1,264,174</u>	<u>3,664,111</u>
13 Finance costs		<u>15,213</u>	<u>15,301</u>
Bank charges			
14 Payables and accrued charges		255,000	540,000
Survey costs accrued		1,500,000	-
KANISA SACCO Dividends *		824,000	1,084,000
Isinya 2 Survey cost accrued		60,000	50,000
Erastus HAE & Partners		<u>2,639,000</u>	<u>1,674,000</u>
15 Incorporation			
The company is domiciled and incorporated in Kenya under the Companies Act.			
16 Currency			
The financial statements are presented in Kenya Shillings (Kshs). The financial statements are rounded off to the nearest one Kenya shilling.			
17 Financial and business risk management			
The company risk limits are regularly assessed to ensure alignment with the company objectives and prevalent market conditions. The directors are closely involved in ensuring a variety of techniques are used to assess and manage the risks.			

KANISA HOLDINGS LIMITED

INCOME TAX COMPUTATION
YEAR OF INCOME 2017

PIN: P051503327W

Kshs

Net profit as per the income statement

153,868

Add back:

Penalties

-

Depreciation

42,552

196,420

(42,552)

Less: Wear and tear

153,868

Income tax @ 30%

46,160