



Annual Report and Financial Statements

For the period ending 31 December 2020



Presented at the Annual
General Meeting held on

Saturday
13th February 2021



MAISHA BORA VENTURES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

PRESENTED AT THE 6TH ANNUAL GENERAL MEETING OF THE COMPANY HELD VIA ELECTRONIC COMMUNICATION ON SATURDAY 13TH FEBRUARY, 2021 AT 10:00 AM



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Vision

To be the leading and trusted investment avenue of choice in the region

Mission

We exist to grow investor wealth through profitable investment opportunities for their social economic well being



NOTICE OF THE 6TH ANNUAL GENERAL MEETING

MAISHA BORA VENTURES PLC

NOTICE IS HEREBY GIVEN that, the 6th Annual General Meeting of the Company will be held via electronic communication on Saturday 13th February, 2021 at 10:00 am to conduct the following business, and, if thought fit, to pass the Resolutions set out below. Due to ongoing Covid 19 Pandemic Shareholders will not be able to attend the AGM in person but will be able to register for, access information pertaining to the proposed resolutions, follow the meeting in the manner detailed below and to vote electronically or by proxy. Shareholders will have an opportunity to ask questions during the meeting

ORDINARY BUSINESS

1. To table the proxies and note the presence of a quorum.
2. To read the notice convening the meeting.
3. To receive, consider and if approved, adopt the Company's Audited Financial Statements for the year ended 31st December 2020 together with the Directors' and Auditors' Reports thereon.

Proposed Resolution:

THAT the audited Financial Statements for the year ended 31 December 2020, together with the Directors' and Auditors' Reports thereon be and are hereby approved and adopted.

4. To approve the payment of a dividend for the year ended 31st December 2020.

Proposed Resolution:

THAT the payment of Ksh. 200 per share as a Dividend for the year ended 31st December 2020 as recommended by the Directors be and is hereby approved.

5. To elect Directors:
 - 5.1 Joseph Kiando retires by rotation, and being eligible, offers himself for re-election.
 - 5.2 Peter Ogola retires by rotation, and being eligible, offers himself for re-election.
 - 5.3 Peter Korir retires by rotation, and being eligible, offers himself for re-election.

6. To approve Directors Remuneration.

Proposed Resolution:

THAT the Directors' Remuneration for the year ended 31st December 2020 as contained in the Annual Report and Financial Statements be and is hereby approved.

7. To authorize the Board to appoint Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to determine and fix their remuneration.

Proposed Resolution:

THAT the Board be and is hereby authorized to appoint Auditors of the Company to hold office until the conclusion of the next Annual General meeting and to determine and fix their remuneration.

8. To transact any other business of the Annual General Meeting in respect of which notice will have been given.

SPECIAL BUSINESS:

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

THAT the Articles of Association of the Company be amended by inserting the following new Article 50B:

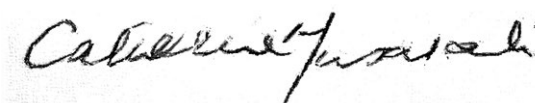
50B ATTENDANCE BY ELECTRONIC MEANS

50B.1 In the case of any general meeting, the Board may make arrangements for simultaneous attendance and participation by electronic means allowing persons not present together at the same place to attend, speak and vote at the meeting. The arrangements for simultaneous attendance and participation at any place at which persons are participating, using electronic means may include arrangements for controlling or regulating the level of attendance at any particular venue provided that such arrangements shall operate so that all members and proxies wishing to attend the meeting are able to attend at one or other of the venues, including venues chosen by such persons individually.

50B.2 The members or proxies at the place or places at which persons are participating via electronic means shall be counted in the quorum for, and be entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that the members or proxies attending at the place or places at which persons are participating via electronic means are able to:

- (a) participate in the business for which the meeting has been convened; and
- (b) see and hear all persons who speak (whether through the use of microphones, loud speakers, computer, audio-visual communication equipment or otherwise, whether in use when these Articles are adopted or developed subsequently) in the place at which persons are participating and any other place at which persons are participating via electronic means.

BY ORDER OF THE BOARD



Catherine Musakali
Company Secretary

22nd January 2021



Some of projects executed successfully year 2020



up to
100%
financing
by
Maisha Bora Sacco

Looking for a
GREAT INVESTMENT?

Enquire  +254 799 215 000

For New UPCOMING Year 2021 Plots
to be advertised soon



MAISHA BORA
SACCO SOCIETY LTD

* Terms & Conditions Apply

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NOTES:

1. Any member may by notice duly signed by him or her and delivered to the Company Secretary, Maisha Bora Ventures Plc, Compound 7, House 3, Diani Close, at the Junction of Diani Road/Ole Dume Road, Nairobi, or delivered from the Company's offices at Maisha Bora Sacco, Industrial Area, not less than 7 days before the date appointed for the Annual General Meeting, give notice of his intention to propose any other person for election to the Board, such notice is to be accompanied by a notice signed by the person proposed of his or her willingness to be elected. The proposed person need not be a member of the Company.
2. A member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his or her behalf. A form of proxy is attached to this Notice and may also be obtained from the Company's offices at Maisha Bora Sacco, Industrial Area or from the Company's website at: <https://maishaboraventures.co.ke/> A proxy need not be a member of the Company. To be valid, a form of proxy must be duly completed and signed by the member and must be lodged at the offices of the Company not later than Thursday 11th February, 2021 at 10.00 am. A copy of the national ID of the member should be attached to the duly signed proxy form when being submitted. Duly signed proxy forms and required ID copy may also be emailed to cmusakali@dorion.co.ke or info@image.co.ke in PDF format or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than Thursday 11th February 2021 at 10.00 am.
3. A copy of this notice, proxy form and the entire Annual Report and Accounts may be viewed at the Company's website at: <https://maishaboraventures.co.ke/>, or a printed copy may be obtained from the Company's offices upon request.
4. In view of the ongoing Coronavirus 2019 (COVID-19) pandemic and the related public health Regulations and directives passed by the Government of Kenya precluding inter alia public gatherings, it is impracticable to hold a physical general meeting in the manner prescribed in the Articles of Association, and therefore pursuant to the Court Orders issued in Miscellaneous Application No. E680 of 2020 on Wednesday 29th April 2020, the Company shall hold the AGM using electronic means, and members and Proxies appointed to vote on behalf of the member will need access to a mobile phone to participate in voting on the various resolutions.
5. All shareholders who have provided their contact details shall receive a link to follow the virtual meeting on email and short message service. For assistance any shareholder who will not have received the link by 8th February 2021 should dial the following helpline number: 0709 170 000 from 9:00 a.m. to 5:00 p.m. from Monday to Friday.
6. Members wishing to raise any questions or clarifications regarding the AGM may do so by:
 - (a) sending their written questions by email to info@image.co.ke;
 - (b) Dialling the USSD code * 483*823# and selecting the Ask question option;
 - (c) to the extent possible, physically delivering their written questions with a return physical address or email address to: info@maishaboraventures.co.ke; or
 - (d) sending their written questions with a return physical address or email address by registered post to: info@maishaboraventures.co.ke;

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7. Members must provide their full details (full names, ID/Passport Number/member Account Number) when submitting their questions and clarifications. All questions and clarification must reach the Company on or before Thursday, 11th February 2021 at 10.00 a.m. Following receipt of the questions and clarifications, the Directors of the Company shall provide written responses to the questions received to the return physical address or email address provided by the Member no later than 48 hours after the conclusion of the meeting. A full list of all questions received and the answers thereto will be published on the Company's website.
8. The AGM will be streamed live via a link which shall be provided to Members.
9. Members and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered Members and proxies may vote (when prompted by the Chairman) via the USSD prompts.
10. A poll shall be conducted for all the resolutions put forward in the notice.
11. Results of the poll shall be published on the Company's website within 24 hours following conclusion of the Annual General Meeting.

COMPANY INFORMATION

BOARD OF DIRECTORS

George Wafula	-	Chairman
Joseph Kiando	-	Vice Chairman
Japheth Magomere		
Agnes Chepkurui		
Vitalis Oduor		
Peter Ogola		
Joseph Were		
Peter Korir		
George Karanja		

AUDITORS

D.K Wambua and Associates
 Danny's Court, 1st Flr, Suite A3.
 Mombasa Rd, Adjacent to Security Group Africa (SGA)
 Opp, NextGen Mall/Eka Hotel.
 P.O Box 5957 - 00100
 Nairobi, Kenya
 Telephone; +254 20 2514799
 Cellphone; +254 722 771411, 736 801644
 Email; info@dkwambua.co.ke

COMPANY SECRETARY

Dorion Associates LLP
 Thompson Estate Gate 7, House 2,
 Off Ole Odume Road, Diani Close
 P.o Box 29737-00202
 Nairobi Kenya.
 Tel.No: +254-202353383/+254-722-616-119
 e-mail: info@dorion.co.ke

REGISTERED OFFICE

Maisha Bora Ventures Ltd
 Commercial street
 P.O Box 72713-00200
 Nairobi

BANKERS

Co-operative Bank of Kenya
 Enterprise Road Branch
 P.O. Box 17928-00500
 Nairobi

BOARD OF DIRECTORS



George Wafula
Chairman



Joseph Kiando
Director



George Karanja
Director



Peter Ogola
Director



Agnes Chepkurui
Director



Joseph Were
Director



Japheth Magomere
Director



Vitalis Oduor
Director



Peter Korir
Director



Samuel Ngure
Ag. CEO



Simon Wambui - Operations Manager

Simon Wambui is the Operation Manager in charge of the day-to-day activities of the company. He holds a Bachelor of Commerce degree and is a member of ICPAK.



Emily Akunda - Marketing Officer

in charge of sales & marketing and customer service. Emily joined the company in May 2016 and holds a Bachelor of Science degree.



Husna Chepchirchir is the Assistant Accountant in charge of record keeping and reporting. Husna joined the company in April 2018 and holds a Bachelor of Commerce degree

MINUTES OF THE 5th ANNUAL GENERAL MEETING OF THE COMPANY

HELD AT MAISHA BORA SACCO GROUNDS, COMMERCIAL STREET, INDUSTRIAL AREA, NAIROBI ON SATURDAY 15TH FEBRUARY 2020 AT 10:00 AM

PRESENT:

George Namisi Wafula	Chairman
Joseph Njogu Kiando	Non-Executive Director (Vice Chairman)
George Karanja	Non-Executive Director
Vitalis Oduor Onyango	Non-Executive Director
Japheth Magomere	Non-Executive Director
Joseph Were	Non-Executive Director
Agnes Chepkurui	Non-Executive Director
Peter Ogola	Non-Executive Director
Peter Korir	Non-Executive Director
Sameul N. Ngure	Acting Chief Executive Officer

IN ATTENDANCE:

Catherine Musakali	Company Secretary
James Mukabwa	Dorion Associates
Dennis Wambua	External Auditor
Joseph Sila	External Auditor

1. OPENING

The meeting was opened with a word of prayer at 11:00 AM. The Chairman introduced the Board members, Mr Joseph Njogu Kiando, Mr George Karanja, Mr Vitalis Oduor Onyango, Mr Japheth Magomere, Mr Joseph Were, Ms Agnes Chepkurui, Mr Peter Ogola, Mr. Peter Korir and Mr Samuel Ngure the Acting Chief Executive Officer. The Chairman also introduced Dennis Wambua for D.K Wambua & Associates and the Company Secretary.

2. PROXIES AND QUORUM

The shareholders noted that over 60% of the shareholders were present. The Company Secretary informed the Shareholders that she had received one proxy form from Maisha Bora Sacco appointing Mr. Peter Ogola to attend the A.G.M. on its behalf. The Shareholders, therefore, noted that the meeting was quorate.

3. NOTICE CONVENING THE MEETING

The Company Secretary confirmed that the notice convening the meeting had been sent to all Shareholders on 25th January 2020.

At this juncture, the Chairman proposed the amendment of the notice by the removal of the following sections under the Special Business section:

9. To resolve as follows:

9.1 THAT the Board be and is hereby authorized to issue and allot shares or grant rights to subscribe for cash consideration 50,000 shares ("Initial Offer") at a price of Kshs. 1000 per share (inclusive of the premium) to persons who as at 15th February 2020, are shareholders of the Company at a ratio of 1 share for every 3 shares held on the aforesaid date ("Entitled Shareholders"), on the following terms and conditions:

- i) That the full amount of Kshs. 1000 (including the premium) shall be payable along with the application for such shares in the prescribed application form of the Company.
- ii) That the Board shall make the offer to all shareholders and such offer shall be open from 16th February 2020 and shall remain open until close of business on 9th March 2020.

9.2 THAT in respect of Shares not taken up by 10th March 2020, Shareholders other than the Entitled Shareholders in respect of any proportion of the Initial Offer, be entitled to apply for any additional shares out of the Initial Offer not taken up by 10th March by the respective Entitled Shareholders in the proportion to be decided by the Board of Directors at its discretion having due regard to the proportion such shareholders have to the paid-up share capital of the Company on the following conditions ("Second Offer");

- i) That the full amount of Kshs. 1000 (including the premium) shall be payable along with the application for such shares in the prescribed application form of the Company.
- ii) That the offer shall be open from 10th March 2020 and shall remain open until close of business on 9th April 2020.

9.3 THAT the Board be and is hereby authorized to issue and allot shares or grant rights to subscribe for cash consideration all and/or any remaining shares as at 10th April 2020 to Members of Maisha Bora Sacco at a rate of Kshs. 1300 per share on the following conditions;

- i) That the full amount of Kshs. 1300 (including the premium) shall be payable along with the application for such shares in the prescribed application form of the Company.
- ii) That the Board shall make the offer ONLY to the Members of Maisha Bora Sacco.

And replace the removed section with the following Special Business:

9. To resolve as follows:

9.2 THAT the Shareholders, at their own will, as and when it is desirable, and upon approval by the Board, be allowed to transfer any of their shares in whole or in part, ONLY to Maisha Bora Sacco Members.

The Chairman explained to the shareholders that the Company initially intended to raise capital for a project that would enable the Company to achieve its long-term goals. However, the project did not pass the due diligence, and therefore the Company no longer needed to raise capital.

The Company Secretary thereafter read the Notice.

Upon a proposal by Mr Simon Arunga and secondment by Mr Robert Maoga the notice convening the meeting was unanimously amended and adopted.

4. CONFIRMATION OF MINUTES FOR THE ANNUAL GENERAL MEETING HELD 16TH MARCH, 2019

The Chairman informed the Shareholders that the Board at its meeting held on 27th April 2019 confirmed the minutes for the 4th Annual General Meeting as a true record of the proceedings of the said meeting. The Chairman further informed the shareholders that, as a matter of good practice, AGM minutes would be confirmed by the Board moving forward.

5. APPROVAL AND ADOPTION OF THE COMPANY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON.

The Chairman read his statement as captured in the Annual Report and informed the Members that the total comprehensive income for the Company was Kshs. 25,565,056 compared to Kshs. 20,583,761 in 2018 and that the total liabilities and equity was Kshs. 225,927,207 compared to the previous year Kshs. 198,769,256.

The Chairman then invited D.K Wambua & Associates to read the Auditor's Report.

Thereafter, the floor was opened for questions, observations and/or comments. The following matters were discussed:

1. A shareholder sought to understand why Maisha Bora SACCO had been registered as the shareholder and not members of the Maisha Bora SACCO. In response, the shareholders were informed that the SACCO Societies Act. No. 14 of 2008 permitted SACCO's to invest in equity shares. Therefore, Maisha Bora SACCO was an ordinary shareholder as permitted by the said Act hence being registered as the shareholder of the Company.
2. The Shareholders also noted that the Company and Maisha Bora SACCO were separate legal entities; therefore, Shareholders were advised to treat the two (2) entities as such.
3. Shareholders were also informed that the administrative expenses had increased from Kshs. 16,801,988 in 2018 to Kshs. 20,511,254 in 2019 because an Operations Manager had been hired during the year under review. Shareholders also noted that the governance expense had increased because the Company Secretary had been requested to develop a compliance checklist and conduct a desktop review on the Company's compliance with the Companies Act 2015. It was however suggested that compliance matters should be included in the terms of reference of a committee of the Board. Management was requested to ensure that this is done. Action Party: Management
4. The shareholders were also informed that the Company's current account at Cooperative Bank had Kshs. 35,965,387 because the Company had called back money invested in CIC Unit Trust account to invest; however, the expected investment did not materialize. Management would, therefore, reinvest the money in the unit trust.
5. The Shareholders also noted that the tax of Kshs. 13,959,384 was paid in accordance with the law.
6. Concern about the number of women on the Board was raised, and the Board informed the Shareholders that the Board was cognizant of the fact that the Board had one (1) female Director and that the Board was working on addressing this matter. Upon a proposal by Mr Peter Kimoni and secondment by Mr Julius Maundu the shareholders RESOLVED that the Audited Financial Statements of the Company for the year ended 31st December 2019 together with the Directors' and Auditors' Report thereon be and are hereby approved and adopted.

6. TO APPROVE THE PROPOSED DIVIDEND

The Chairman informed Shareholders that the Board had considered the performance of the Company and was proposing a dividend of Ksh. 165 per share. Upon a proposal by Mr. James Kariithi and secondment by Ms. Maryanne Disii the shareholders RESOLVED that the proposed Dividend of Kshs. 165 per share be and is hereby approved.

7. TO ELECT DIRECTORS

The Chairman confirmed that there were three vacancies on the Board as a result of three Directors retiring. The Chairman handed over to the Vice-Chairman to lead this session. The Vice-Chairman informed the Shareholders that the retiring Directors were Mr. George Wafula, Mr. George Karanja, and Mr. Vitalis Oduor.

The Vice-Chairman then briefed the meeting that being eligible for reappointment, the three candidates had offered themselves for reappointment. The Vice-Chairman then invited the three candidates to address the meeting, and thereafter he invited proposals for each candidate.

Upon a proposal by Mr. Washington Okech and secondment by Mr. Geoffrey Ng'eno, it was RESOLVED that Mr. George Wafula be and is hereby elected as a Director

Upon a proposal by Mr. Peter Kimoni and secondment by Ms. Caroline Kiruthu, it was RESOLVED that Mr. George Karanja be and is hereby elected as a Director

Upon a proposal by Mr. Kennedy Muriuki and secondment by Mr. Michael Muhanda, it was RESOLVED that Mr. Vitalis Oduor be and is hereby elected as a Director.

8. TO APPROVE DIRECTORS REMUNERATION

The Chairman directed the Shareholders to page 25 of the Annual Report and requested the Shareholders to approve the remuneration of the Directors for the year ended 31st December 2019.

Upon a proposal by Mr. Julius Maundu and secondment by Ms. Margarete Adhiambo the shareholders RESOLVED that the Directors remuneration be and is hereby approved.

9. TO RESOLVE THAT D. K. WAMBUA & ASSOCIATES BE APPOINTED AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND THAT THEIR REMUNERATION BE FIXED BY THE DIRECTORS.

The Chairman informed the Shareholders that the term of service for the Company's external auditors D.K Wambua & Associates had come to an end and that D.K Wambua & Associates had expressed their willingness to be reappointed as the Company's Auditors under the terms of Section 721 of the Companies Act 2015.

Upon a proposal by Mr Felix Maingi and secondment by Mr Simon Arunga, it was RESOLVED that D. K. Wambua & Associates be appointed auditors of the Company to hold office until the conclusion of the next annual general meeting and that their remuneration be fixed by the Directors.

10. SPECIAL BUSINESS – MODIFICATION OF THE ARTICLES OF THE COMPANY

1.1 Transfer of Shares

The Shareholders noted that some shareholders desired to transfer their shares in part or whole. Upon a proposal by Mr Julius Maundu and secondment by Mr James Kariithi, the Shareholders RESOLVED that the shareholders, at their own will, as and when it is desirable, and upon approval by the Board, be allowed to transfer any of their shares in whole or in part, ONLY to Maisha Bora Sacco Members.

1.2 Related Party Borrowing

The Shareholders noted that Article 84 of the Articles of Association of the Company delegated to the Board powers to borrow. However, in accordance to sections 166 and 168 of the Companies Act 2015, Shareholders are required to approve borrowing of funds from persons connected to Directors and from persons related to the Company. The Shareholders therefore noted that the Board's proposal to borrow a maximum of Kshs. 50,000,000 from Maisha Bora SACCO.

Upon a proposal by Mr Felix Maingi and secondment by Mr. Washington Okech, the Shareholders RESOLVED that the Board be and is hereby authorized to borrow money to the maximum of Kshs. 50,000,000 from Maisha Bora Sacco on such terms and conditions as the Board deems fit.

11. CLOSING

The Chairman concluded the meeting by thanking the shareholders for their attendance. There being no other business, the meeting was closed with a word of prayer.

The meeting ended at 1.00 PM.

Confirmed as a true record:

Chairman _____ Date 25th May 2020

CHAIRMAN'S REPORT

Dear shareholder,

We are excited to hold our 6th Annual General Meeting today. It comes at a time when the world is experiencing covid-19 (coronavirus) challenges which has made it impossible for us to hold a physical meeting due to Ministry of Health Covid 19 protocols. We have explored the virtual option of holding this Annual General Meeting. Maisha Bora Ventures continues to be profitable while offering competitively priced properties that are priced at below the market as part of the company's strategy and promise to our customers. Once again, we appreciate your patronage of our products.

Economic Overview 2020

The global economy is emerging from one of its deepest recessions and is beginning subdued recovery from a contraction of 4.3%, but the recovery is not likely to return to the pre covid-19 position in the foreseeable future as restrictive measures have been re-introduced as different strains of the virus continue to emerge. There has been substantial progress in the development of vaccine and inoculation has begun. The impact of the pandemic on investments and human capital is expected to erode growth prospects in emerging markets and developing economies and set back key development goals.

Real GDP is expected to decelerate from five-year average of 5.7% to a contraction of 1.1%.

(Source: <https://www.worldbank.org>)

In 2020 the real estate sector witnessed a decline due to reduction of concluded transaction to an annual yield of 6.1% from 7.0 % in 2019. The reduced performance is due to reduction of rates to attract and retain clients amid the tough economic environment, oversupply of space, reduced revenue, downward pressure on prices and rent, constrained financing, reduced building approvals due to lockdown, decreased activities in hospitality industry due to travel restrictions and constrained consumer spending. There were some upward trends caused by increase in affordable housing projects, cheap mortgage through the Kenya mortgage refinance company, introduction of Land information management system, improved infrastructure including Nairobi expressway and standard gauge railway and easing of travel ban and restrictions in the last quarter of the year.

Investors considered land as a good investment asset as evidenced by a 2.3% annual capital appreciation in 2020 (Source: <https://cytonn.com> ,<https://www.worldbank.org>)

Economic Overview 2021

Global economy is expected to grow by 4% in 2021 from 2020 contraction of 4.3%. Kenyan economy is projected to grow at 4% in 2021 up from 1% projected in 2020. The downturn was mitigated by the resilient growth in the agricultural sector. With vaccines ready for distribution and the government lifting movement restrictions, we expected improved consumer demand. There is expected private sector credit growth as financial institutions are more concerned about loan quality as business recovers.

Inflation is projected to be at 5.2% which is within the governments target of 2.5% to 7.5% with inflationary pressure easing off due to improved agricultural production.

In the real estate sector, increased activities are expected in the affordable housing despite the reduced budgetary allocation of 6.9bn down from 10.5bn in 2020. The ongoing infrastructural development projects will open areas leading to increased transactions in the real estate sector. Kenyans population growth rate of 4% and urbanisation rate of 2.2% will drive volume of transactions in 2021(Source: <https://cytonn.com>)

Performance Review

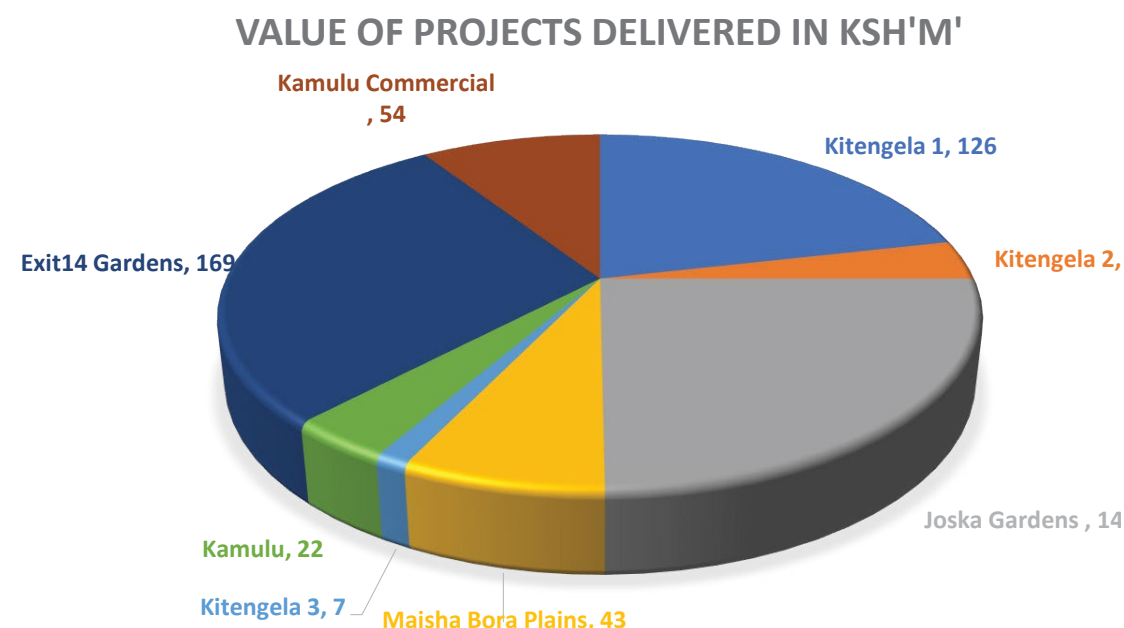
During the year we generated revenue of 143m (2019,136m) and gross income 84m (2019, 60m). Total expenditure was 22m (2019,21m). We slowed down on projects from March 2020 to September as there were uncertainties and property prices remained volatile. During this period, we considered alternative investments in line with our target investment areas. Government bonds and Money market became the go to option in the volatile Covid 19 crisis season.

Profitability for 2020 was 62m Vs 39m in 2019. The better than 2019 performance was attributed to focusing on liquidating the projects roll out in previous years and investments in alternative investment.

Our total assets stood at 234m a growth of 4% from 226 in 2019. Included in the assets is cash and cash equivalent of 186m with 100m invested in government infrastructure bonds and 86m in short term deposits with financial institutions. At the close of the year we had Ksh 2m in stocks of land down from Ksh 70m in 2019 which represented plots bookings awaiting completion. The lower than expected growth was as a result of the Covid 19 effects that affected our ability to roll out new projects.

We have finalized piping water to the plots in two projects ie Kaputei gardens in Kitengela and Joska gardens, the two boreholes are fully powered by solar which is more reliable, cost effective and in line with our promise of concern for the environment. The plot owners from the two projects are requested to apply for connection through the office.

In the last 5 years we have delivered projects worth Ksh 588m as shown below;



Governance

Corporate Governance is the framework of rules and practices by which a Board of Directors ensures accountability, fairness, and transparency in a company's relationship with shareholders, community, financiers, customers, suppliers, employees and the Government. This framework is necessary to mitigate any possible conflicts of interests. Corporate Governance involves balancing the interests of all stakeholders of the company.

The company maintains its commitment of good corporate governance practises to achieve effective and responsible leadership characterised by ethical values of responsibility, accountability, fairness and transparency. Our corporate values and ethics are entrenched in our strategic and business objectives, which focus on accelerating value creation for our stakeholders.

Our Governance system involves:

- Annual General Meeting of shareholders approves the Company's audited financial accounts, Directors fees, appointment and remuneration of the Auditors and elect the Members of the Board.
- The Board of Directors, which provides oversight for the Company, is committed to ensuring that the business and operations are conducted with integrity and in compliance with the law, internationally accepted principles and best practice in corporate governance.
- The Board committees namely Investment & Operations, Audit & Risk and Human Resources & Governance which are responsible for driving the strategic agenda of the company.

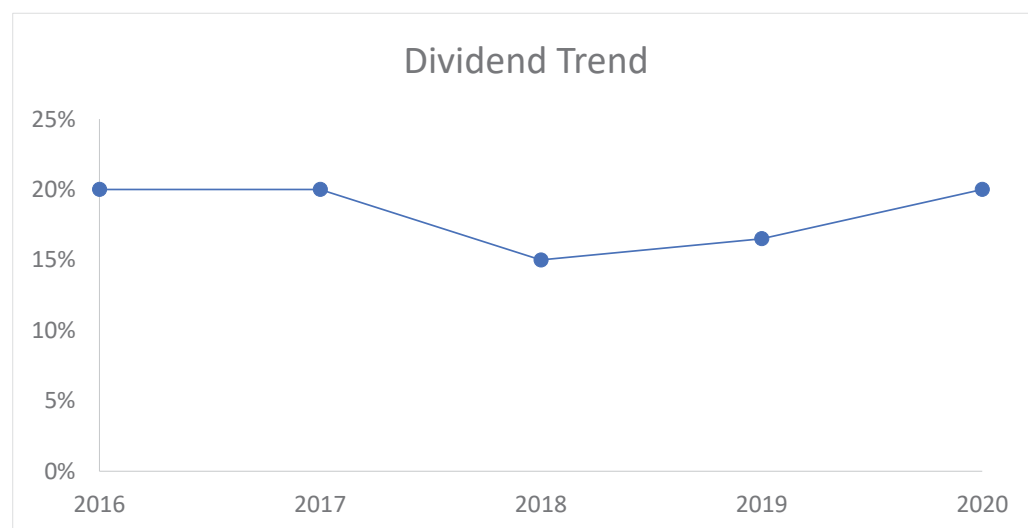
For a Board to remain high performing and effective, it must embrace continuous improvement strategies through continuous monitoring and updating of internal systems to ensure they reflect best international practice tailored to the needs of our shareholders and conducting annual Board Evaluation and corporate governance trainings which gives the Board an opportunity for self-assessment against known parameters, laws, regulations, and best practice.

We carry out our Board evaluations and trainings every year with a view to helping the Board identify its strengths and weaknesses to put in place mechanisms for ensuring that it remains focussed to its strategies.

Dividend

The directors have proposed payment of a dividend of Ksh 200/- for each share held as at 31st Dec 2020 being an increase of 21.12% on 2019 dividend of Ksh 165/-. This translates to a dividend return of 20.0% which is well above returns prevailing in the market during the year under review.

Dividend trend over the years is as follows;



Elections

In accordance with Articles 24 & 25 of the Company's Articles, 3 (three) directors retire by rotation and, being eligible, have offered themselves for re-election. The directors are;

1. Joseph Kiando
2. Peter Ogola
3. Peter Korir

We have received directors' nomination form from the following candidate.

1. Juddy Nyambura

We request the shareholders to vote for the directors through the option provided in the virtual AGM platform.

Appreciation

I would like to thank our shareholders and customers for entrusting us with your investment over the years and believing in our promise which we have always kept. The support has ensured we remain your preferred investment vehicle delivering projects from your preferred areas and offering competitive returns on your investments.

I want to thank our staff for their contribution to the performance of the company. I would like to thank my fellow Board Members for their contribution and for applying their highest professional skills in carrying out the business of the Board and in decision making. Finally, I want to appreciate the support provided by Maisha bora Sacco staff and board of directors.

As I conclude, I urge you to take advantage of the current parcels on offer as they are competitively priced.

Yours Truly,

George Wafula
Chairman

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Maisha Bora Ventures is committed to the highest standards of corporate governance underpinned by the four core values of responsibility, accountability, fairness and transparency which are the building blocks that ensure that the strategic objectives of the Company are set, attained and performance monitored.

Corporate Governance is the process through which the Board directs, controls and is held to account by the shareholders. It offers the framework for engagement and interaction between the Company's Board, management, stakeholders and regulators for the sustainable benefit of the shareholders.

Board meetings

The board meets at least once every quarter or more often in accordance with the requirements of the business. The Board work plan and calendar are prepared in advance.

Adequate notice is given for each Board meeting and the agenda and papers circulated in good time. The Board held 7 meetings in the year which were attended as follows:

Name	Position	Board	Investment & Operations Committee (IOC)	Audit & Risk Committee (ARC)	Human Resource & Governance Committee (HRGC)	Special board
George Wafula	Board chairman	4			1	11
Joseph Kiando	Chairman- IOC	4	9			4
Peter Ogola	Chairman- HRGC	4		8	6	11
Agnes Chepkurui	Member- ARC & HRGC	4		8	6	9
George Karanja	Member- IOC & ARC	4	9	8		7
Japheth Magomere	Member- IOC	3	4			6
Joseph Were	Chairman- ARC	4		8	5	8
Peter Korir	Member- IOC	2	8			2
Vitalis Oduor	Member- IOC	4	9			
Samuel Ngure	Ag. CEO (up to Aug)	3	5	4	3	2
Joackim Ngere	Ag. CEO (From Sep)	1	4	4	3	9

Individual Directors shareholding

No member of the board holds shares in his or her personal capacity that exceeds 5% of the total shareholding of the company. The breakdown of the Directors' personal shareholding in the company as at 31st December 2020 is as follows;

Name	No. of shares	Holding
George Karanja	7,500	5.00%
Peter Korir	7,500	5.00%
George Wafula	3,002	2.01%
Joseph Were	1,500	1.00%
Japheth Magomere	1,500	1.00%
Joseph Kiando	629	0.42%
Peter Ogola	600	0.40%
Agnes Chepkurui	345	0.23%
Vitalis Onyango	149	0.10%

Board Remuneration

In accordance with guidelines provided in the Companies Act and the approvals given by shareholders at the Annual General Meeting, the Directors are paid taxable sitting allowance for every meeting attended, as well as travel and accommodation allowance while on company duty. Maisha Bora Ventures does not grant personal loans or guarantees to its Directors. It is proposed that each Director receives fees of Ksh 250,000 per annum for the financial year ended 31st December 2020.

No loans were granted to any non-executive and executive directors.

Conflict of interest and declaration of interest

Directors have a statutory duty to avoid situations in which they have interests that conflict with those of the company. Business transactions with all parties, directors or their related parties are carried out at arm's length.

Each Director is obligated to fully disclose to the Board any real or potential conflict of interest, which comes to his/her attention whether directly or indirectly.

An acknowledgement that should it come to the attention of director that a matter concerning the company may result in a conflict of interest, obligates the director to declare the same and exclude himself/herself from any discussion or decision over the matter in question.

At every meeting of the Board, an agenda item exists requiring directors to make a declaration of any interest they may have in the business to be discussed.

There were no business transactions with the Directors or their related parties.

Board Committees

All Board Committees including the Audit & Risk Committee are established with written terms of reference outlining their respective authority and duties.

The Company Secretary

The Company Secretary, who is a member of the Institute of Certified Secretaries of Kenya (ICPSK), offers the critical role of supporting the Board on procedural and regulatory matters while ensuring the Company adheres to the Board Policies and Procedures.

Going Concern

The Board confirms that the Company has adequate resources to continue in business for the foreseeable future. For this reason, the Company continues to adopt the going concern basis when preparing the financial statements.

BOARD OF DIRECTORS' REPORT

Board of directors' report

The Board of Directors submit their report and the audited Financial Statements as at 31st December 2020 which disclose the state of affairs of the Company.

Principal activity

The principal activity of the Company is that of investment in Real Estate.

Results for the year

The results for the year ended 31 December 2020 are set out on page 29 and the appropriations there from in the Statement of Changes in Equity on page 31.

Dividend

The Board of Directors do recommend the declaration of a dividend for the year at Kshs 200 per share.

Directorate

The Board of Directors who held office at the date of this report are shown on page 8.

Auditors

The Company's auditors, DK Wambua & Associates were appointed during the year and have expressed their willingness to continue in office in accordance with section 721(2) of the Companies Act 2015.

.....

DIRECTOR

.....

DIRECTOR

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- Designing, implementing and maintaining such internal control as they determine necessary to
- Selecting suitable accounting policies and applying them consistently
- 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 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 21st January 2021 and signed on its behalf by:



DIRECTOR



DIRECTOR

DIRECTORS' REMUNERATION REPORT

The Board establishes and approves formal and transparent remuneration policies to attract and retain both executive and non-executive Board members. These policies clearly stipulate remuneration elements such as Directors' fees, honorarium and meeting attendance allowances.

In accordance with guidelines provided in the Companies Act and the approvals given by shareholders at the Annual General Meeting, the Directors are paid taxable sitting allowance for every meeting attended, as well as travel and accommodation allowance while on company duty. Maisha Bora Ventures Ltd does not grant personal loans, guarantees, share options or incentives to its Directors.

In accordance with the Company's Articles, a third of the Board is elected at every Annual General Meeting by the shareholders for a term of 3 years on rotation basis.

In line with the directors' remuneration policy director's fees based on performance Kshs.250,000 per annum for the financial year ended 31st December 2020, subject to approval by shareholders during the Annual General Meeting to be held on 13th February 2021.

The following table shows Directors' remuneration for the year ended 31 December 2020:

Name	Position	Directors fees	Allowances	Honorarium	Total
George Wafula	Chairman	250,000	176,106	100,000	526,106
Joseph Kiando	Vice-Chairman	250,000	102,179		352,179
Peter Ogola	Director	250,000	199,679		449,679
Agnes Chepkurui	Director	250,000	188,965		438,965
Joseph Were	Director	250,000	168,965		418,965
George Karanja	Director	250,000	178,250		428,250
Vitalis Oduor	Director	250,000	158,608		408,608
Japheth Magomere	Director	250,000	92,536		342,536
Peter Korir	Director	250,000	70,732		320,732
Total		2,250,000	1,336,020	100,000	3,686,020

Year 2019 comparative:

Name	Position	Directors fees	Allowances	Honorarium	Total
George Wafula	Chairman	165,000	105,000	50,000	320,000
Joseph Kiando	Vice-chairman	165,000	115,000		280,000
Peter Ogola	Director	165,000	125,500		290,500
Agnes Chepkurui	Director	165,000	120,000		285,500
Joseph Were	Director	165,000	85,500		250,500
George Karanja	Director	165,000	125,500		290,500
Vitalis Oduor	Director	165,000	120,000		285,000
Japheth Magomere	Director	165,000	75,000		240,000
Peter Korir	Director	165,000	50,000		215,000
Total		1,485,000	922,000	50,000	2,457,000

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF MAISHA BORA VENTURES PLC FOR THE YEAR ENDED 31ST DECEMBER 2020

Opinion

"We have audited the accompanying financial statements of Maisha Bora Ventures Limited, which comprise the balance sheet as at 31st December 2020, the profit and loss account and statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies. In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31st December 2020 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015."

Basis for opinion

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

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."

Directors' responsibility 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 International Financial Reporting Standards 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."

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.

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.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Report on other legal requirements

As required by the Kenyan Companies Act, 2015 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 profit and loss account are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is , Dennis Wambua Kimanzi -P/No.1675

D.K.Wambua & Associates


 Certified Public Accountants
 P.O BOX 5957-00100
 Nairobi-Kenya

21st January 2021

D. K. WAMBUA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P. O. Box 5957 – 00100
NAIROBI

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2020

	Notes	2020 Shs	2019 Shs
Operating income	4(a)	54,608,885	49,163,578
Other Incomes	4(b)	29,101,402	10,233,134
Administrative expense	5	(21,754,751)	(20,511,254)
Profit before tax		61,955,536	38,885,458
Tax	6	(12,014,059)	(13,959,384)
Net profit		49,941,477	24,926,074
Other comprehensive income			
Gain on property and equipment revaluation		-	638,982
Gain (Loss) on revaluation on investments		(2,047,305)	-
Total comprehensive income		47,894,173	25,565,056

The notes on pages 33 to 44 form an integral part of these financial statements.

Report of the auditors-page 26.

STATEMENT OF FINANCIAL POSITION

As at 31st December 2020

	Notes	2020 Shs	2019 Shs
Assets			
Property, plant and equipment	7	3,011,532	441,791
Stock of land	8	2,177,450	69,675,870
Investment property land	9	28,510,687	18,879,459
Intangible asset	10	764,727	955,909
Trade receivables & prepayments	11	7,545,755	2,029,223
Investments	12	6,837,292	8,884,597
Cash and cash equivalents	13	185,507,458	125,060,358
Total assets		234,354,901	225,927,207
Liabilities and equity			
Liabilities			
Trade & other payables	14	61,014,846	45,523,810
Tax payable	6	5,299,181	5,650,142
		66,314,027	51,173,951
Equity			
Share capital	15	1,496,070	1,496,070
Share premium	16	148,110,930	148,110,930
Retained earnings		15,706,323	20,371,401
Revaluation reserve	17	2,727,552	4,774,857
		168,040,876	174,753,258
Total liabilities and equity		234,354,901	225,927,207

The financial statements on pages 29 to 44 were approved by the board of directors

on 21st January 2021 and were signed on its behalf by:



.....DIRECTOR



.....DIRECTOR

The notes on pages 33 to 44 form an integral part of these Financial Statements
Report of the auditors - page 26.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2020

	Share capital	Share premium	Revaluation reserve	Retained earnings (loss)	Total
	Shs	Shs	Shs	Shs	Shs
At 1st January 2020	1,496,070	148,110,930	4,774,857	20,371,401	174,753,258
					-
Issued in period	-	-	-	-	-
					-
Net profit	-	-	-	49,941,477	49,941,477
					-
Revaluation of investments			(2,047,305)		(2,047,305)
					-
Revaluation of property					-
Dividends paid				(24,685,155)	(24,685,155)
Proposed Dividend for year 2020				(29,921,400)	
At 31st December 2020	1,496,070	148,110,930	2,727,552	15,706,323	197,962,276
At 1st January 2019	1,496,070	148,110,930	4,135,875	17,883,977	171,626,852
					-
Issued in period	-	-	-	-	-
					-
Net profit	-	-	-	24,926,074	24,926,074
					-
Revaluation of investments			638,982		638,982
					-
Revaluation of property					-
					-
Interim Dividends paid				(22,438,650)	(22,438,650)
					-
At 31st December 2019	1,496,070	148,110,930	4,774,857	20,371,401	174,753,258

STATEMENT OF CASH FLOWS

For the year ended 31st December 2020

	Notes	2020 Shs	2019 Shs
Cash flow from operating activities			
Cash generated from/(used in) operations	19	100,191,800	23,975,294
Tax paid	6	(12,365,020)	(9,978,241)
Net cash generated from operating activities		87,826,781	13,997,053
Cash flow from investing activities			
Investments	11	0	(3,000,000)
Property and equipment	7	(2,694,526)	(135,940)
Intangible assets	10	-	-
Net cash flow generated from investing activities		(2,694,526)	(3,135,940)
Cash flow from financing activities			
Share capital contributions	15	-	-
Share premium	16	-	-
Dividend paid		(24,685,155)	(22,438,650)
Net cash (outflow)/inflow from financing activities		(24,685,155)	(22,438,650)
Net cash flow for the year		60,447,100	(11,577,537)
Changes in cash and cash equivalents			
At the beginning of the year		125,060,358	136,637,895
Net cash flows for the year		60,447,100	(11,577,537)
Cash and cash equivalents at the end of the year	13	185,507,458	125,060,358

ACCOUNTING POLICIES & NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below:

1.1 Basis of preparation

The Financial Statements are prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment and investment property and carrying of, other investments at fair value through profit or Loss and are in compliance with International Financial Reporting Standards (IFRS).

The preparation of Financial Statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following:

1.2.2 New standards and interpretations not yet adopted

The following new Standards, amendments to standards and interpretations effective after 31 December 2020 are not expected to have a significant effect on the financial statement of the Company in future financial periods, or not applicable to the Company based on the existing assets and liabilities:

IAS 7: Disclosure initiative - statement of cash flows

The amendments are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are intended to provide information to help investors better understand changes in a Company's debt.

Beginning on or after 1 January 2021

New standards, amendments and interpretations issued but not effective

IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or

revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. The amendments are effective for annual periods beginning on or after January 1, 2022.

IASB issued reference to the conceptual framework (Amendments to IFRS 3) with amendments to IFRS 3 Business Combinations "that updates an outdated reference in IFRS 3 without significantly changing its requirements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022

IASB issued classification of liabilities as current or No-current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual agreements in place at the reporting date. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022, however, their effective date has been delayed to 1 January 2023

IFRS 2: Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2

The amendment to IFRS 2 are intended to eliminate diversity in practice, and addresses three main areas; (1) The effect of vesting conditions on the measurement of a cash-settled share-based payment transaction; (2) The classification of a share-based payment transaction with net settlement features for the withholding tax obligations; (3) The accounting where a modification of the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

1.3 Revenue recognition

- i) Revenue is recognised upon delivery of products and customer acceptance, if any, or performance of services, net of VAT where applicable and discounts
- ii) Sale of services are recognised in the accounting period in which the service are rendered, by reference to completion of the specific transactions assessed on the basis of the actual service provided as a proportion of the total services provided.
- iii) Interest is accounted for in the period in which it is earned, unless collectability is in doubt.

1.4 Expenditure recognition

All expenditures incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency is charged to the revenue in arriving at the profit (loss) for the year of comprehensive income

For the purpose of presentation of the statements of comprehensive income, the directors are of the opinion that the function of expenses method presents fairly the element of the company's performance, hence such presentation method is adopted

1.5 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Cost includes all cost directly attributable to bring the asset to working condition for their intended use.

Depreciation is calculated on the reducing balance basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Office Equipment	12.5
Motor Vehicle	25.0
Computer equipment	30.0
Intangible assets	20.0

The assets' residual values and useful life's are reviewed, and adjusted if appropriate, at each period end.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

1.6 Trade receivables

Trade receivables are carried at original amortised amount less an estimate made for doubtful debts 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.

1.7 Cash and cash equivalents

For the purposes of the cash Flow Statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts and money market lines. In the Statement of Financial Position, bank overdrafts if any is included in borrowings in current payables.

1.8 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 and re-evaluates this designation at every reporting date

i). Financial assets at fair value through profit or loss

This category has two sub-categories: Financial Assets held for trading, and those designated at fair value through profit or loss at inception. A Financial Asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the financial

Position date.

iii). Available-for-sale financial assets.

Available-for-Sale Financial Assets are non-derivates that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Financial position date.

1.9 Share capital

Share Capital consists of ordinary share capital. Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's Shareholders.

1.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

1.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive income over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

1.12 Income tax

Provision is made for current income tax on the net taxable profit for the year at the applicable rates of tax taking into account income and expenditure which is not subject to tax. Withholding tax is payable on gross value of dividends. This withholding tax is treated as advance payment of company tax and is set off against additional Company tax in the financial year in which it is paid. Dividends are disclosed gross of this withholding tax

1.13 Comparatives

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

1.14 Employee entitlements

Employee annual leave entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of this Financial Position date. This is recognised as an expense accrual. However there were no leaves outstanding as at end of the year.

2.0 Financial risk management

2.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: Market risk, fair value interest rate risk, credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's performance. Risk management is carried out under policies approved by the Board of Directors.

(a) Market risk

i). Foreign currency risk

In the normal course of business, the Company does not enter into transactions denominated in foreign currencies and therefore not exposed to fluctuation risk.

ii). Cash flow and fair value interest rate risk

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risk

(b)...Cash flow and fair value interest rate risk

The Company's interest bearing assets, mainly cash is invested in a manner to obtain a balance between access and sufficient return.

(c) Credit risk

Financial assets of the Company, which are subject to credit risk, consist mainly of receivables and cash resources

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of underlying business, the management of the Company aims to maintain flexibility in funding by keeping committed credit lines available.

2.2 Fair value estimation of financial instruments

Financial instruments consist of bank and cash balances, receivables and other payables resulting from normal business operations. The nominal value less impairment provision of payables are assumed to approximate their fair values. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.0 Critical accounting estimates and judgements

Useful lives and residual values of property, plant and equipment

	2020	2019
	Shs	Shs
Operating income		
Sales turnover	117,152,688	127,402,375
Less:		
Cost of sales	(59,734,953)	(76,556,774)
Discounts and Commissions	(2,808,850)	(1,682,023)
	54,608,885	49,163,578
Interest & Other income	29,101,402	10,233,134
Total operating income	83,710,287	59,396,712
Administrative expense		
Personnel expense	2,919,853	2,591,993
Governance expense	6,302,061	4,092,521
Marketing expense	1,933,618	2,523,406
Software maintenance	80,928	443,039
Office expense	3,216,334	3,183,495
Land survey expense	-	-
Land Prospecting expense	980,296	539,340
Projects development expense	3,750,140	5,136,329
AGM expense	683,252	525,226
Legal expense	-	-
Audit fees	108,463	95,700
Financial expense	43,838	38,718
Depreciation & amortisation	315,967	370,056
Professional fees	1,420,000	971,430
Total administrative costs	21,754,751	20,511,254

Brought forward

Brought forward	5,650,142	1,668,999
Current tax	12,014,059	13,959,384
Tax paid	(11,375,698)	(8,584,821)
Withheld at source	(989,322)	(1,393,420)
	5,299,181	5,650,142

Profit before tax	61,955,536	38,885,458
Tax effect of:		
Prior year adjustments	0	7,645,822
Add: Expenses not deductible for tax purposes(- Depreciation/ amortisation)	315,967	370,056
Less: Wear and tear allowance	(315,967)	(370,056)
Less Non taxable income		
	61,955,536	46,531,280
Less Bonds Interest	(13,899,301)	-
Taxable Profits	48,056,235	13,959,384
Less Tax For the year at 25%	12,014,059	
Tax charge	12,014,059	13,959,384

Rate

COST		
As at 1.1.2020	940,741	804,801
Additions	2,694,526	135,940
Disposals	-	-
As at 31.12.2020	3,635,267	940,741

	2019 Shs	2018 Shs
DEPRECIATION		
As at 1.1.2020	498,950	367,871
Charge for the year	124,785	131,079
Disposals		
As at 31.12.2020	623,735	498,950
NBV AT 31/12/2020	3,011,532	441,791
COST		
As at 1.1.2019	804,801	353,452
Additions	135,940	330,941
Disposals	-	-
As at 31.12.2019	940,741	684,393
DEPRECIATION		
As at 1.1.2019	367,871	180,261
Charge for the year	131,079	51,957
Disposals	-	-
As at 31.12.2019	498,950	232,218
NBV AT 31/12/2019	441,791	452,175
8 Stock of land		
Opening Balance	69,675,870	40,485,511
Additions	-	105,224,694
Disposals	(67,498,421)	(76,034,334)
	2,177,450	69,675,870
9 Land Inventories		
Opening balance	18,879,459	13,800,001
Additions	9,631,228	5,079,458
Revaluations	-	-
	28,510,687	18,879,459

10 Intangible asset - computer software

Cost

As at beginning of the year

Additions

Disposals

As at year end

Armortisation

As at beginning of the year

Charge for the year

Disposals

As at year end

NBV

11 Trade receivables and prepayments

Trade receivable

Project Receivables

Balance at the end of period

12 Short term investments

CIC investment

Other Investments

Total investments

13 Cash and cash equivalents

Cooperative bank current Account

Maisha Bora Fosa a/c

Mpesa paybill

Petty Cash

CIC unit trust

IFB

	2019 Shs	2018 Shs
As at beginning of the year	2,917,202	2,917,202
As at year end	2,917,202	2,917,202
As at beginning of the year	1,961,293	1,722,316
Charge for the year	191,182	238,977
Disposals	-	-
As at year end	2,152,475	1,961,293
NBV	764,727	955,909
Trade receivable	7,403,582	25,500
Project Receivables	142,173	2,003,723
Balance at the end of period	7,545,755	2,029,223
Other Investments	6,837,292	8,884,597
Total investments	6,837,292	8,884,597
Cooperative bank current Account	3,565,448	35,965,387
Maisha Bora Fosa a/c	(304,785)	8,262,786
Mpesa paybill	-	-
Petty Cash	3,787	13,050
CIC unit trust	81,171,790	80,819,135
IFB	101,071,219	
	185,507,458	125,060,358

14 Trade and other payables

	2019 Shs	2018 Shs
Trade Payables	23,929,757	19,281,743
Surveyor cost Payable	4,636,329	12,671,199
Plot booking	2,160,900	13,285,502
Dividend Payables	29,921,400	-
Payroll Accruals	257,997	189,666
Audit fees	108,463	95,700
	61,014,846	45,523,810

15 Share capital

Balance at the beginning of period	1,496,070	1,496,070
Contributed during the year	-	-
Balance at the end of period	1,496,070	1,496,070

The total authorised ordinary share capital is 150,000 ordinary shares of Kshs.10 each.
There are 149,607 ordinary shares of Kshs. 10 each issued.

16 Share premium

Balance at the beginning of period	148,110,930	148,110,930
Contributed during the year	-	-
Balance at the end of period	148,110,930	148,110,930

17 Revaluation reserve

Revaluation on equities	4,774,857	4,135,875
Revaluation on property	-	638,982
	4,774,857	4,774,857

18 Dividends

a) Dividend payable		
At the beginning of the year	-	-
Declared	24,685,155	22,438,650
Paid during the year	(24,685,155)	(22,438,650)
At the end of the year	-	-

19 Cash generated from/(used in) operations

Reconciliation of profit before tax to cash generated from operations


Operating profit for the year	61,955,536	38,885,458
Adjustments for non cash items;		
Depreciation Expense	315,967	370,056
	62,271,503	39,255,514
Dividends		
Revaluation		
Movement in current assets and liabilities		
	(5,516,532)	(1,060,802)
	57,867,193	(34,269,817)
	(14,430,363)	20,050,399
Cash generated in operating activities	100,191,800	23,975,294

20 Country of incorporation

The Company is incorporated in Kenya as an entity as per the the Companies Act 2015.

21 Currency

These Financial Statements are presented in Kenya Shillings(Shs)



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Maisha Bora Ventures



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