

Annual Report

and Financial Statements

For the period ending 31 December 2021



**Presented at the Annual
General Meeting held on**

**Saturday
12th February 2022**



MAISHA BORA VENTURES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

PRESENTED AT THE 7TH ANNUAL GENERAL MEETING OF THE COMPANY HELD VIA
 ELECTRONIC COMMUNICATION ON SATURDAY 12TH FEBRUARY, 2022 AT 11:00 AM

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NOTICE OF THE 7TH ANNUAL GENERAL MEETING

MAISHA BORA VENTURES PLC

NOTICE IS HEREBY GIVEN that, the 7th Annual General Meeting of the Company will be held via electronic communication on **Saturday 12th February 2022 at 11:00 am** to conduct the following business, and, if thought fit, to pass the Resolutions set out below.

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 2021 together with the Directors' and Auditors' Reports thereon.

Proposed Resolution:

THAT the audited Financial Statements for the year ended 31st December 2021, 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 2021

Proposed Resolution:

THAT the payment of Ksh. 180 per share as a Dividend for the year ended 31st December 2021 as recommended by the Directors be and is hereby approved.

5. To elect Directors:
 - 5.1 Agnes Chepkurui retires by rotation, and being eligible, offers herself for re-election.
 - 5.2 Joseph Were retires by rotation, and being eligible, offers himself for re-election.
 - 5.3 Japheth Magomere retires by rotation and does not offer himself for re-election.
6. To approve Directors Remuneration Policy and Director's Remuneration for the year ended 31st December 2021

Proposed Resolutions:

THAT the Director's Remuneration Policy be and is hereby approved.

THAT the Directors' Remuneration for the year ended 31st December 2021 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.

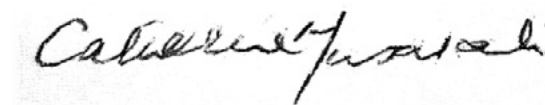
Proposed Resolution;

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.

BY ORDER OF THE BOARD



Catherine Musakali
Company Secretary

21st January, 2022



Fahari Estate

Up to 100% financing

GRAB A PIECE OF RESIDENTIAL PRIME LAND IN

Enkasiti

2.5Km off Namanga road, Enkasiti area branching at Kwa Saitoti, Near **Kitengela Conference Park and Gladphil School**

- **Payment terms:** Cash price: 90 days & up to 100% financing from Maisha Bora Sacco
- **Neighborhood:** Fully developed well built homes, ready for immediate settlement
- Water & Electricity nearby
- **Land use :** Residential

PRICING

Category	Price in Ksh
Maisha Bora Ventures Shareholder	1,120,000
Maisha Bora Sacco Member	1,170,000
Non-Member	1,220,000
N/B:	The price is inclusive of title processing in buyer's name

Tel: 0799 215 000 | **Email:** info@maishaboraventures.co.ke

NOTES:

1. Shareholders wishing to participate in the meeting should register for the AGM by dialling ***483*901#** on their mobile telephone and follow the various prompts on the registration process.
2. Any shareholder may by notice duly signed by him or her and delivered to the Company Secretary, Maisha Bora Ventures Plc, Green Shade Apartments, C1, at the Junction of Argwings Kodhek and Ole Dume Road, Nairobi, or delivered to 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.
3. A shareholder 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 10th February 2022 at 10.00 am. A copy of the national ID of the shareholder 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 10th February 2022 at 10.00 am.
4. Registration for the AGM opens on Monday 24th January, 2022 and closes on Thursday, 10th February 2022 at 10.00am. Shareholders will not be able to register after this time.
5. 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.
6. Maisha Bora Ventures Plc has convened and is conducting this virtual Annual General Meeting in line with the provisions of the Company's Articles of Association.
7. 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.
8. 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 should dial the following helpline number: 0709 170 000 from 9:00 a.m. to 5:00 p.m. from Monday to Friday.
9. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by sending their written questions by email to info@image.co.ke; Dialling the USSD code ***483*901#** and selecting the Ask question option, to the extent possible,

physically delivering their written questions with a return physical address or email address to: info@maishaboraventures.co.ke; or sending their written questions with a return physical address or email address by registered post to: info@maishaboraventures.co.ke;

10. Shareholders 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, 10th February 2022 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 Shareholder 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.
11. The AGM will be streamed live via a link which shall be provided to Shareholder. Shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered Shareholders and proxies may vote (when prompted by the Chairman) via the USSD prompts.
12. A poll shall be conducted for all the resolutions put forward in the notice. 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

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



Ambrose Lugho
CEO



Simon Wambui - Operation Manager

Simon is the operations 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

Emily oversees Sales and Marketing as well as customer service portfolio. She Joined the Company in May 2016 and holds a Bachelor of Science Degree.



Husna Chepchirchir - Accountant

Husna is the Company Accountant in charge of record keeping and financial reporting. Husna Joined the Company in April 2018 and holds a Bachelor of Commerce degree. She is also a member of ICPAK.

MINUTES OF THE 6TH ANNUAL GENERAL MEETING OF THE COMPANY

HELD VIA ELECTRONIC COMMUNICATION ON SATURDAY 13TH FEBRUARY, 2021 AT 10.00AM.

PRESENT:

George Namisi Wafula

Chairman

Joseph Njogu Kiando

Non-Executive Director (Vice Chairman)

George Karanja

Non-Executive Director

Peter Korir

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 and Proxy for Maisha Bora Sacco

Joackim Ngere

Acting Chief Executive Officer

IN ATTENDANCE:

Fredrick Mwendwa

External Auditor

Pius Nduatih

Dorion Associates (Company Secretary)

Nancy Adhiambo

Dorion Associates

1. PRELIMINARIES

The Chairman called the meeting to order at 10:00am and welcomed everyone present. The National Anthem was thereafter played and followed by an opening word of prayer by Emily Akunda.

Thereafter, the Chairman introduced the Acting CEO, the Directors and officers of the Company who were present at the meeting and the Company Secretary. After the introductions, the Chairman explained to the shareholders the structure of the virtual AGM, noting that the shareholders would be invited to vote on all proposed resolutions at the end of the AGM.

2. PROXIES AND QUORUM

At the request of the Chairman, the Company Secretary reported on the proxies received and confirmed the presence of a quorum. The Chairman thereupon declared the meeting properly convened and constituted.

3. NOTICE CONVENING THE MEETING

The Company Secretary reported that the Notice convening the meeting was dated 22nd January, 2021 and was circulated to the shareholders on the same day. He thereafter read the Notice to the Shareholders.

4. TO RECEIVE, CONSIDER AND IF APPROVED ADOPT THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020 TOGETHER WITH THE DIRECTORS AND AUDITOR'S REPORTS THEREON.

The Annual Report and Financial Statements for the year ended 31 December 2020, as certified by the Company's External Auditors, DK Wambua & Associates, had been earlier circulated.

The key highlights of the Chairman's Statement, CEO's report and the Auditors' Report for the year ended 31 December 2020 were read to the shareholders by the Chairman, the Acting CEO and Mr. Mwendwa, the Auditors' representative respectively. With the consent of the shareholders, the report of the Directors on pages 23 and 24 of the Annual Report for the year 2020 was taken as read.

Mr. Mwendwa further reported to shareholders that, the financial statements gave a true and fair view of the state of the financial affairs of the Company as at 31 December 2020 and of the profit and cash flows of the Company for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act 2015.

Thereafter, the Financial Statements and the Statement of Financial Position for the year ended 31 December 2020 were tabled. The Chairman then invited questions from the Shareholders which were answered to the satisfaction of all Shareholders.

There being no further questions or concerns and upon a proposal by Ms. Phyllis Irungu seconded by Mr. Evans Mate, the Chairman proposed the resolution in relation to the financial statements as being: **"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"**.

The Chairman informed the shareholders that they would be called upon to vote on the resolution at the end of the AGM.

5. DIVIDEND

It was reported that the Directors had recommended payment of dividend of Kshs 200/- per share in respect of the Financial Year ended 31 December 2020.

On a proposal by Mr. Paul Wanjohi seconded by Ms. Caroline Nyagah, the Chairman proposed the resolution with respect to payment of Dividend as being: **"That the payment of Kshs 200 per share as a Dividend for the year ended 31st December, 2020 as recommended by the Directors be and is hereby approved"**

The Chairman informed the shareholders that they would be called upon to vote on the resolution at the end of the AGM.

6. TO ELECT DIRECTORS

The Chairman informed shareholders that in accordance with the Company's Articles of Association, Mr. Joseph Kiando, Mr. Peter Ogola and Mr. Peter Korir were due for retirement by rotation and being eligible, offered themselves for re-election. He further informed shareholders that the Company Secretary had by the close of the nomination period, also received the nomination of Juddy Nyambura for election as a Director.

The Chairman highlighted the profiles and photos of the four nominees and informed Shareholders that the nominations of the four persons had been confirmed as being valid and the Board had considered the nominations and recommended the election of three out of the four individuals.

The Chairman proposed the resolution with respect to election of Directors as being:

- a) Upon a proposal by Mr. Samuel Murigu seconded by Mr. James Kareithi, **"Mr. Joseph Kiando who retires by rotation and being eligible offers himself for re-election"**
- b) Upon a proposal by Ms. Maryanne Disii seconded by Ms. Margaret Kositany, **"Mr. Peter Ogola who retires by rotation and being eligible offers himself for re-election"**
- c) Upon a proposal by Ms. Jematur Chepkonga seconded by Mr. Joash Ngeno, **"Mr. Peter Korir who retires by rotation and being eligible offers himself for re-election"**
- d) Upon a proposal by Ms. Josephine Nduku seconded by Mr. Dennis Mwangi, **"Ms. Juddy Nyambura being eligible offers herself to be elected a Director"**

The Chairman informed Shareholders that the resolutions on the Directors would be voted on individually and the Shareholders could only vote for (3) candidates under the Directors poll.

He further informed the shareholders that they would be called upon to vote on the resolutions at the end of the AGM.

7. DIRECTORS REMUNERATION

The Chairman informed members that the Directors Remuneration Report for year 2020 was detailed on page 25 of the Annual Report.

On a proposal by Mr. Elijah Ooro seconded by Mr. Julius Kipsang, the Chairman proposed the resolution in relation to the Directors' remuneration as being: **"That the Directors' Remuneration for the year ended 31 December 2020 as contained in the Annual Report and Financial Statements be and is hereby approved."**

The Chairman informed the shareholders that they would be called upon to vote on the resolutions at the end of the AGM.

8. TO APPOINT AUDITORS.

On a proposal by Mr. Peter Korir seconded by Ms. Caroline Karimi, The Chairman proposed the resolution in relation to appointment of External Auditors as being: **"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"**

The Chairman informed the shareholders that they would be called upon to vote on the resolutions at the end of the AGM.

9. SPECIAL BUSINESS

The Chairman informed the shareholders that the Company's current Articles of Association were drafted at a time when a situation such as the Covid 19 pandemic and its impact was not envisaged. He observed that the Company's Articles of Association did not expressly provide for convening and holding of AGMs electronically hence the need to make sure that this was possible in the future. In view of this, the Directors had proposed an amendment to the Articles as set out in detail in the agenda of the meeting on pages 2 and 3 of the Annual Report.

On a proposal by Mr. Allan Njoroge seconded by Ms. Eunice Nganga, the Chairman proposed the following resolution:

10. 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
- (a) 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.

The Chairman then requested Image Registrars to play a video for the shareholders guiding them on how they would be able to cast their votes.

The Chairman then invited the shareholders to a Question and Answer session during which he responded to both the questions raised earlier through email and those raised through live video communication.

Following the Question and Answer session and in accordance with Articles 56 of the Company's Articles of Association, the Chairman demanded a poll for the Resolutions and invited the shareholders to vote on the same. He further informed the shareholders that the results would be published on the Company's website within 24 hours and included in the Minutes of the AGM as Resolutions passed or rejected as if the results were declared during the AGM.

The resolutions passed at the meeting are hereto attached.

The Chairman thanked the Shareholders for attending the meeting and brought the meeting to a close with a word of prayer from Emily followed by the National Anthem.

There being no further business the meeting ended at 1.00pm.

Confirmed as a true record of the deliberations of the meeting:

Chairman



Date

RESOLUTIONS OF THE 6TH ANNUAL GENERAL MEETING OF THE COMPANY

HELD VIA ELECTRONIC COMMUNICATION ON 13TH FEBRUARY, 2021.

Ordinary Resolutions

1. 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"
2. 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.
3. THAT Mr. Joseph Kiando be and is hereby re-elected as a Director of the Company.
4. THAT Mr. Peter Ogola be and is hereby re-elected as a Director of the Company.
5. THAT Mr. Peter Korir be and is hereby re-elected as a Director of the Company.
6. THAT the Directors' Remuneration for the year ended 31 December 2020 as contained in the Annual Report and Financial Statements be and is hereby approved.
7. 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.

Special Resolution

8. 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

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.

CHAIRMAN REPORT.

It gives me immense pleasure to welcome you all to the 7th Annual General Meeting of our Company today. I trust your family and you are keeping well amid unprecedented pandemic COVID-19. We had very much hoped to be able to go through with the general meeting as usual and be able to invite you to visit our offices, but unfortunately, this is not possible with the current restrictions. The various governments protocol on corporate gathering are still in place necessitating the virtual meeting. We all must adjust as circumstances dictate..

Economic Overview 2021

The global economic recovery is continuing, even as the pandemic resurges. The fault lines opened up by COVID-19 are looking more persistent. Vaccine access and early policy support are the principal drivers of the gaps. Rapid spread of Delta and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome.
(<https://www.imf.org/en/Publications>)

According to the World Bank, the Kenyan economy grew by 4.5% in 2021. This was mainly attributed to favourable weather conditions, reopening of the economy, external funding and improved growth rates across several sectors, such as agriculture and construction.
(<https://www.nse.co.ke>)

In a 2021 Real Estate Market Outlook done by Cytonn Real Estate, attributes the projected sluggish performance to a tough economic environment in the wake of the Covid-19 pandemic, which has resulted in reduced disposable income.

Economic Overview 2022

According to a recent report by the World Bank the 2022 growth outlook is positive. The world economy is projected to grow by 6.8%. The rebound assumes that economic activity will normalize due to a full reopening of the economy, the Economic Recovery Strategy being successfully implemented, and Kenya capitalizing on an expected improvement in external liquidity and benefiting from initiatives to meet its external financing needs.

Growth in the Real Estate sector in the country is expected to remain neutral this year according to the latest projections by real estate company Cytonn Investments. The sector is expected to experience improvements in the business environment leading to increased transactions driven by Infrastructural Development with the government implementing various infrastructural development projects, especially in road construction. Land sector is expected to improve with an annual capital appreciation of 2.6% while the infrastructure sector will be driven by government projects.

Infrastructural development has seen land values go up while a growing population has ensured sustained demand. In the hope that land values will increase in the future, investors are increasingly buying land with the intention of selling it in the future, a concept known as land speculation.

Performance Review

Throughout the financial year under review, the management had focussed on developing the core businesses of the company with the objective of both laying the groundwork for further solid and profitable growth in the future, as well as ensuring that the bottom-line improvement continues.

I am pleased to report that we have made significant progress with the objectives we set ourselves and this is clearly evident in the much-improved performance of the company compared to the average market return of 15.5%. (<https://www.nse.co.ke/>).

While 2021 was not a record year in term of performance, the Company reported favorable operating incomes of 44m compared to 54m in 2020. Total Expenditures amounted to 20.4m compared to 21.7 m in 2020. The net profit after tax was 35m compared to 49.9m in 2020. Our balance sheet grew by 9% to 256 m from 234m previous year. Our performance for 2021 was affected by the effect of COVID-19. The reduced disposal income has greatly impacted our business.

Included in the assets is cash and cash equivalent of 164.9m with 100m invested in government infrastructure bonds and 58.8m in short term deposits with financial institutions. At the close of the year, we had Ksh 25.6m in stocks of land up from Ksh 2m in 2020 which represented Plots available for sale as at 31st December 2021. The lower-than-expected growth was as a result of the Covid 19 effects that affected our ability to roll out new projects and turn them around quickly.

Governance

To protect and enhance shareholder value, the board has a strong ongoing commitment to transparency and good corporate governance as an imperative part of discharging its responsibilities. We have always maintained a high level of corporate governance and we continue to refine our practices in this area each year.

The board again this year actively contributed to the oversight of the company business, strategy, and people development. The board sub-committees met on a regular basis during the year and continued to provide the board with the necessary assurance that risk, audit and human resource and governance structures as well as processes were being correctly implemented by management.

We have a culture of evaluating our director's performance to ensure efficiency in the performance of their mandate. I am pleased to report that we did our board evaluations, and the areas of strength and weaknesses were view a view of improvement.

Dividend

The directors have proposed payment of a dividend of Ksh 180/- for each share held as at 31st Dec 2021. This translates to a dividend returns of 18% which is well above returns prevailing in the market during the year under review.

Shareholders we have started a journey to build our balance sheet for stable and healthy pool of working capital through consistent and disciplined retentions. Increased retentions will be in line with our strategic plan vision of ensuring steady income streams by diversifying our investment portfolio.

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, two being eligible, have offered themselves for re-election. The directors are.

1. Agnes Chepkurui
2. Joseph Were

Shareholders, one of our directors -Japheth Magomere is also retiring not offering himself for election. We Wish him a wonderful retirement. Enjoy this new chapter of your life, and we hope it's filled with good health, relaxation, and fun!

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

1. Antoinette Atieno Absaloms.

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

Strategic plan 2018-2022

Shareholder we have a very progressive Strategic plan 2018-2022. It envisaged venturing into property and wealth management, agricultural financing, and utility services. However, with the unstable markets owing to covid 19 we froze most of the activities. We concentrated more on plot sales, money markets and government securities. We project to exit 2018-2022 strategic plan with asset position of 286m being 58% of the strategic plan projections of 490m. The current strategic plan expires this year, the board together with the management will be embarking on the formulation of a 2023-2027 strategic plan.

This plan will guide the company in its activities and the vision of being a one billion company. We intend to venture in rental space, Plot sales outside of Nairobi metropolitan, active equities investment, Property and wealth management, strategic partnerships, innovation, and customer centric products design.

We believe that we have now created that foundation with our new business structure. We are ready to build on the strategy we have had in the last 5 years and become an even stronger company, based on knowledge and network.

We remain very confident regarding the longer-term prospects of the company thanks to the combination of a well-established growth strategy, a strong balance sheet, significant market opportunities and ever-growing customer base.

In the words of Robert Waterman, an expert in best management practices,

"A strategy is necessary because the future is unpredictable."

Changes in the Tax Regime

Effective 1 January 2021, the government enacted fundamental changes to the tax regime, some of which directly affect the real estate industry.

1. Residential Rental Income Tax (RRIT)

The upper threshold of RRIT has been increased from KES 10 million to KES15 million per annum. The lower threshold has also been increased from KES144,000 per annum to KES288,000 per annum. These wider tax bands will increase the number of landlords who fall within the ambit of the tax

2. System Overhaul at the Lands Registry

The Lands Registry will be undergoing a system overhaul that is expected to improve efficiency in the long term but may occasion delays in land transactions in the short term. This process has negatively affected our turnaround time on title delivery timelines. However, we firmly believe that we will have the issues sorted and deliver titles to buyers who are yet to receive their titles.

3. The ongoing land title conversion

On 31 December 2020, the cabinet secretary for Lands and Physical Planning notified the public, by way of a Gazette Notice, of the commencement of conversion of current title numbers to new parcel numbers, starting with Nairobi. The aim is to collapse the land registration system under the previous land laws which were repealed in 2012, to ensure a centralised and simpler land registration process, and reduce susceptibility to fraud.

4. Implementation of the National Land Information Management System (NLIMS)

The government's policy is to digitalise all land transactions and do away with the current manual system.

Appreciation

I wish to extend my sincere appreciation to all our shareholders, customers business associates and service providers for their endearing trust, support and loyalty to our business and company at large. This inspires us to continue to push on our vision of being to be the leading and trusted investment avenue of choice in the region.

I am equally grateful to my fellow directors for the wise counsel and exemplary leadership they continue to offer. Above all a big thank you to our staff whose spirit has been a credit to themselves and the company in such an year.

As I conclude shareholders, I urge you to patronize our Maisha Bora Fahari Estate and Maisha Bora Usawa Gardens projects located at Enkasiti and Kimalat both in Kitengela.

The projects are affordable, strategically located near social amenities and with well-established neighbourhood ready for immediate development.

Yours Truly,



George Wafula
Chairman



Usawa Gardens

GRAB A PIECE OF PRIME LAND IN
KIMALAT

3.5Km off Namanga road, Kimalat area branching at Levron Petrol station, Near Blessings of Hope School and next to Methodist Church of Kenya (MCK)



- **Cash price :90 days & up to 100% financing from Maisha Bora Sacco**
- **Fully developed well built homes, ready for immediate settlement**
- **Water & Electricity nearby**

PRICING

Category	Price in Ksh
Maisha Bora Ventures Shareholder	799,000
Maisha Bora Sacco Member	849,000
Non-Member	899,000
N/B:	The price is inclusive of title processing in buyer's name

Tel: 0799 215 000 | **Email:** info@maishaboraventures.co.ke

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 meetings in the year which were attended as follows:

NO.	Name	Main Board	Investment and Operation Committee	Audit and Risk Committee	Human Resource and Governance Committee	Special Board
1	George Wafula	4	1	1	-	8
2	Joseph Kiando	4	10	-	-	5
3	Peter Ogola	4	-	5	7	7
4	Agnes Chepkurui	4	10	5	7	7
5	George Karanja	4	10	3	-	6
6	Japheth Magomere	4	11	-	-	5
7	Joseph Were	4	-	5	7	5
8	Peter Korir	3	7	-	-	5
9	Vitalis Oduor	4	10	-	-	4
10	Joackim Ngere	1	2	2	1	4
11	Angela Mokua	-	-	1	-	-

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 2021 is as follows;

	Name of Director	No of Shares	Shareholding
1	George Karanja	7500	5.00%
2	Peter Korir	7500	5.00%
3	George Wafula	3002	2.00%
4	Japheth Magomere	1963	1.31%
5	Joseph Were	1861	1.24%
6	Joseph Kiando	779	0.52%
7	Peter Ogola	719	0.48%
8	Vitalis Oduor	400	0.27%
9	Agnes Chepkurui	345	0.23%

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 2021.

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.

BOARD REMUNERATION POLICY

1.POLICY STATEMENT

Maisha Bora Ventures Ltd places a high value on contributions made by the board of directors in providing direction and strategy to the Company and seeks to ensure that upon retirement they are treated in accordance with principles of equality, fairness, and respect that they deserve.

The policies and procedures outlined are provided to enable Maisha Bora Ventures Ltd to take appropriate action to ensure that any retiring director is treated with dignity and respect and ensure that all necessary arrangements are made to ensure smooth transition.

2.EQUALITY STATEMENT

This policy applies equally to all directors regardless of their capacity in the board, disability, race, tribe, gender, religion or belief. The principles of universal declaration of human rights apply in this policy.

3.ELIGIBILITY

A board member shall be eligible for this scheme if she/he:-

- (a) Has served the Company for at least one term of 3 years or a completed balloted term.
- (a) Member ought to have retired in good standing as per Board Charter

4.BOARD'S RESPONSIBILITY

The board of directors shall co-opt a member of good character, sound mind and healthy credit history to fill the void in respective committee or capacity as prescribed by Maisha Bora Ventures Ltd Articles of association and the Companies Act in case a director resigns during a financial year.

The board of directors shall follow all the procedures laid by Maisha Bora Ventures Ltd Articles of association and the Companies Act to ensure that the co-opted member is properly incorporated in the board during and properly oriented.

5.HANDING OVER

A director who retires will be required to hand over responsibilities, reports, minutes of the previous meeting to the incoming board member. This shall be facilitated by the chair of the respective committee. The director will also hand the company's property in his/her possession by virtue of being a director.

Where possible, the outgoing director shall attend the first committee meeting after retiring to orient the incoming director and ensure smooth transition and avoid disruption of the committee activities.

Where this is not possible, the committee chair shall take responsibility to orient/brief the incoming director of committees/ board expectations and responsibilities.

Maisha Bora Ventures Ltd shall from time to time facilitate training by external bodies for newly elected or co-opted members of the board to ensure that they fully understand their roles and responsibilities.

6. BENEFITS

Upon retirement, the Human Resource & Governance Committee in collaboration with the Management will organize a party for all outgoing directors in a given financial year at a venue that shall be determined by the committee. This shall be guided by the budget as below:

1. One Year Directors fees per term served with a maximum of 5 terms payment. The applicable Directors fees will be the Directors fees for the last term served grossed up for tax.
2. Benefit not applicable for incomplete terms (terms of less than 3 years) except where such term was because of prespecified reason, such term will be deemed to have been a full term as per this policy.
3. For purposes of this policy and implementation, the duration and benefit for time not exceeding 3 years shall not be prorated.
4. The policy will also be triggered in the even of the death or permanent/Partial disability (Unable to undertake duties of a director) of a Serving Board Member.

7. OTHER DOCUMENTS

This policy can be read together with Maisha Bora Ventures Board Charter.

BOARD OF DIRECTORS' REPORT

Board of directors' report

The Board of Directors submit their Interim report and the audited Financial Statements as at 31st December 2021 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 31st December 2021 are set out on page 30-31 and the appropriations there from in the Statement of Changes in Equity on page 32.

Dividend

The Board of Directors do recommend the declaration of a dividend for the year at Kshs 180 per share.

Directorate

The Board of Directors who held office at the date of this report are shown on page 1.

Auditors

The Company's auditors, DK Wambua & Associates Certified Public Accountants were appointed during the year and 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 are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities. .

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:

- 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
- 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 20th of January 2022 and signed on its behalf by:



DIRECTOR



DIRECTOR

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF MAISHA BORA VENTURES PLC FOR THE YEAR ENDED 31ST DECEMBER 2021

Opinion

"We have audited the accompanying financial statements of Maisha Bora Ventures Limited, which comprise the balance sheet as at 31st December 2021, 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 2021 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

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

22 Jan
2021

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2021

	Notes	2021 Shs	2020 Shs
Operating income	4(a)	44,140,833	54,608,885
Other Incomes	4(b)	21,936,622	29,101,402
Total Incomes		66,077,455	83,710,287
Administrative expense	5	(20,431,641)	(21,754,751)
Net Profit before tax		45,645,814	61,955,536
Tax for the year	6	(10,438,744)	(12,014,059)
Net profit After Tax		35,207,070	49,941,477
Other comprehensive income			
Gains on property and equipment revaluation		17,416,462	-
Gain/(Loss) on revaluation on investments		332,133	(2,047,305)
Total comprehensive income		52,955,665	47,894,173

The notes on pages 34 to 44 form an integral part of these financial statements. Report of the auditors-page 27 to 29.

STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

	Notes	2021 Shs	2020 Shs
Assets			
Property and equipment's	7	2,319,341	3,011,532
Stock of land	8	25,663,290	2,177,450
Investment property land	9	53,653,284	28,510,687
Intangible asset	10	611,782	764,727
Trade receivables & prepayments	11	1,388,063	7,545,755
Investments	12(a)	7,169,426	6,837,292
Investment in Maisha Bora Sacco	12(b)	425,500	
Cash and cash equivalents	13	164,923,578	185,507,458
Total assets		256,154,264	234,354,901
Liabilities and equity			
Liabilities			
Trade & other payables	14	61,765,850	61,014,846
Tax payable	6	(1,123)	5,299,181
		61,764,727	66,314,028
Equity			
Share capital	15	1,500,000	1,496,070
Share premium	16	148,500,000	148,110,930
Retained earnings		23,913,390	15,706,323
Revaluation reserve	17	20,476,148	2,727,552
		194,389,538	168,040,876
Total liabilities and equity		256,154,264	234,354,901

The financial statements on pages 30 to 44 were approved by the board of directors on 20th January 2022 and were signed on its behalf by:

 DIRECTOR  DIRECTOR

The notes on pages 34 to 44 form an integral part of these Financial Statements Report of the auditors-page 27 to 29.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2021

		Share capital	Share premium	Revaluation reserve	Retained earnings (loss)	Total
	Notes	Shs	Shs	Shs	Shs	Shs
At 1st January 2021		1,496,070	148,110,930	2,727,552	15,706,320	197,962,276
						-
Issued in period		3,930	389,070	-	-	393,000
						-
Net profit		-	-		35,207,070	35,207,070
						-
Revaluation of invest- ments				332,133		332,133
						-
Revaluation of prop- erty				17,416,462		17,416,462
Proposed Dividend for year 2021					(27,000,000)	(27,000,000)
At 31st December 2021		1,500,000	148,500,000	20,476,148	23,913,390	224,310,941
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 invest- ments				(2,047,305)		(2,047,305)
						-
Revaluation of prop- erty						-
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

STATEMENT OF CASH FLOWS

For the year ended 31st December 2021

	Notes	2021 Shs	2020 Shs
Cash flow from operating activities			
Cash generated from/(used in) operations	19	25,207,366	100,191,800
Tax paid	6	(15,739,049)	(12,365,020)
Net cash generated from operating activities		9,468,317	87,826,781
Cash flow from investing activities			
Investments	12(a)	(425,500)	-
Property and equipment	7	(98,295)	(2,694,526)
Intangible assets	10	-	-
Net cash flow generated from investing activities		(523,795)	(2,694,526)
Cash flow from financing activities			
Share capital contributions	15	3,930.00	-
Share premium	16	389,070.00	-
Dividend paid		(29,921,400)	(24,685,155)
Net cash (outflow)/inflow from financing activities		(29,528,400)	(24,685,155)
Net cash flow for the year		(20,583,878)	60,447,100
Changes in cash and cash equivalents			
At the beginning of the year		185,507,458	125,060,358
Net cash flows for the year		(20,583,878)	60,447,100
Cash and cash equivalents at the end of the year	13	164,923,579	185,507,458

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 Society in future financial periods, or not applicable to the Society based on the existing assets and liabilities:

IAS 7: Disclosure initiative - statement of cash flows

The amendments are part of the IASB's Discloser 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 Non-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.
- ii) 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	10
Motor Vehicle	25
Computer equipment	25
Intangible assets	25

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) Market risk 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) Market risk Credit risk

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

(d) Market risk 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

The Company makes assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Useful lives and residual values of property, plant and equipment

The Company tests annually whether, the useful life and residual value estimates were appropriate and in accordance with its accounting policy.

	2021 Shs	2020 Shs
4(a) Operating income		
Sales turnover	127,886,500	117,152,688
Less:		
Cost of sales	(83,525,667)	(59,734,953)
Discounts and Commissions	(220,000)	(2,808,850)
	44,140,833	54,608,885
4(b) Interest & Other income	21,936,622	29,101,402
Total operating income	66,077,455	83,710,287
5 Administrative expense		2020 Shs
Personnel expense	3,287,268	2,919,853
Governance expense	5,959,156	6,302,061
Marketing expense	994,290	1,933,618
Software maintenance	43,903	80,928
Office expense	4,105,711	3,216,334
Land Prospecting expense	1,281,193	980,296
Projects development expense	625,369	3,750,140
AGM expense	1,134,400	683,252
Audit fees	150,000	108,463
Financial expense	750,811	43,838
Depreciation & amortisation	943,431	315,967
Professional fees	1,156,108	1,420,000
Total administrative costs	20,431,641	21,754,751

Brought forward

Current tax

Tax paid

Withheld at source

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit before tax	45,645,814	61,955,536
Tax effect of:		
Prior year adjustments	-	-
Add: Expenses not deductible for tax purposes(Depreciation/ amortisation)	943,431	315,967
Less: Wear and tear allowance	(943,431)	(315,967)
Less Non taxable income		
	45,645,814	61,955,536
Less Bonds Interest	(10,850,000)	(13,899,301)
Taxable Profits	34,795,814	48,056,235
Less Tax For the year at 30%	10,438,744	12,014,059
Tax charge	10,438,744	12,014,059

Rate

COST		
As at 1.1.2021	3,635,267	940,741
Additions	98,295	2,694,526
Disposals	-	-
As at 31.12.2021	3,733,562	3,635,267

As at 1.1.2021

As at 1.1.2021	623,735	498,950
Charge for the year	790,486	124,785
Disposals		

As at 31.12.2021	1,414,221	623,735
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NBV AT 31/12/2021	2,319,341	3,011,532
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As at 1.1.2020

As at 1.1.2020	940,741
Additions	2,694,526
Disposals	0.00

As at 31.12.2020	3,635,267
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As at 1.1.2020

As at 1.1.2020		498,950
Charge for the year		124,785
Disposals		

As at 31.12.2020	623,735
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NBV AT 31/12/2020	3,011,532
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As at 1.1.2019

As at 1.1.2019		804,801
Additions		135,940
Disposals		-

As at 31.12.2019		940,741
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As at 1.1.2019

As at 1.1.2019	367,871
Charge for the year	131,079
Disposals	-

As at 31.12.2019	498,950
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NBV AT 31/12/2019	441,791
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8 Stock of land for Resale

Opening Balance	2,177,450	69,675,870
Additions	118,527,702	-
Disposals	(95,041,862)	(67,498,421)
	25,663,290	2,177,450

9 Investment In Property(Land)

Opening balance	28,510,687	18,879,459
Additions	7,726,135	9,631,228
Revaluations	17,416,462	-
	53,653,284	28,510,687

10 Intangible asset

	Computer Software	Computer Software
	2021 Shs	2020 Shs
Cost		
As at beginning of the year	2,917,202	2,917,202
Additions		
Disposals		
As at year end	2,917,202	2,917,202
Armortisation		
As at beginning of the year	2,152,475	1,961,293
Charge for the year	152,945	191,182
Disposals	-	-
As at year end	2,305,420	2,152,475
NBV	611,782	764,727

11 Trade receivables and prepayments

Trade receivable	1,388,063	7,403,582
Project Receivables	-	142,173
Balance at the end of period	1,388,063	7,545,755

12a.b Short term investments

Other Investments	7,169,426	6,837,292
Investment in Maisha Bora Sacco	425,500	-
Total investments	7,594,926	6,837,292

13 Cash and cash equivalents

Cooperative bank current Account	1,344,685	3,565,448
Maisha Bora Fosa a/c	2,507,300	(304,785)
Mpesa paybill	-	-
Petty Cash	5,120	3,787
CIC unit trust	58,878,373	81,171,790
IFB	102,188,100	101,071,219
	164,923,578	185,507,458

14 Trade and other payables

Trade Payables	5,269,613	7,965,469
Projects Development Payable	17,898,252	14,636,329
Accrued Expenses	4,964,288	5,964,288
Plot booking	6,442,080	2,160,900
Dividend Payables	27,000,000	29,921,400
Payroll Accruals	116,430	257,997
Audit fees	75,187	108,463
MBS Loan	-	-
	61,765,850	61,014,846

15 Share capital

Balance at the beginning of period	1,496,070	1,496,070
Contributed during the year	3,930	-
Balance at the end of period	1,500,000	1,496,070

The total authorised ordinary share capital is 150,000 ordinary shares of Kshs.10 each. There are 150,000 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	389,070	-
Balance at the end of period	148,500,000	148,110,930

17 Revaluation reserve

Revaluation on equities	3,059,686	4,774,857
Revaluation on property	17,416,462	-
	20,476,148	4,774,857

18 Dividends

a) Dividend payable		
At the beginning of the year	-	-
Declared	29,921,400	24,685,155
Paid during the year	(29,921,400)	(24,685,155)
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	45,645,814	61,955,536
Adjustments for non cash items;		
Depreciation Expense	943,431	315,967
	46,589,246	62,271,503
Dividends		
Revaluation	17,416,462	
Movement in current assets and liabilities		
Receivables	6,157,692	(5,516,532)
Inventories	(48,628,438)	57,867,193
Other payables	3,672,404	(14,430,363)
Cash generated in operating activities	25,207,366	100,191,800

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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