



**G. W. JOSEPH & COMPANY**  
*Certified Public Accountants of Kenya*

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**SUNTRANSFER KENYA INVESTMENTS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 2017**

SUNTRANSFER KENYA INVESTMENTS LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST DECEMBER 2017

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**SUNTRANSFER KENYA INVESTMENTS LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2017**

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The Directors submit their report together with the audited accounts for the year ended 31st December 2017

**PRINCIPAL ACTIVITIES**

The principal activity is to carry on business of importers, suppliers and distributors of goods.

**RESULTS**

The results of the company for the year are set out on page 4. The movement in the company's profit and loss account is given on page 5.

**DIVIDENDS**

Directors do not recommend declaration of dividend.

**DIRECTORS**

The directors who held the office during the period were:-

Gathu Kirubi

Harald Schutzeichel

**AUDITORS**

Messrs. G.W. Joseph & Company have indicated their willingness to continue in office in accordance with section 159(2) of the Companies Act.

**BY ORDER OF THE BOARD**



**SECRETARY**

**SUNTRANSFER KENYA INVESTMENTS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2017**

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The Kenya Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company, as at the end of the financial year and of its operating results for the year. It also requires the directors to ensure the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept the responsibility for the preparation and fair presentation of financial statement that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) Selecting and applying appropriate accounting policies; and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31st December 2017 and of its loss and cashflows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Kenya Companies Act.

Nothing has come to the attention of directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Director.....

Date.....23/04/2018



**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF SUNTRANSFER KENYA INVESTMENTS LIMITED**

**Report on the financial statements**

We have audited the accompanying financial statements of Suntransfer Kenya Investments Limited, set out on pages 4 to 17 which comprise the statement of financial position as at 31st December 2017, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Directors' responsibility for the financial statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the requirements of the Kenya Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

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

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

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

**Opinion**

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31st December 2017 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Kenyan Companies Act.

**Report on other legal requirements**

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

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

*Joseph Wanjau P. 1402*

Certified Public Accountants

Date: *2-5* ..... 2018

SUNTRANSFER KENYA INVESTMENTS LIMITED  
 FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31ST DECEMBER 2017

STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2017 Kshs.	2016 Kshs
Sales	1(c)	118,452,110	94,723,657
Other Income		3,124,121	7,470,339
Cost of Sales	7	(67,109,196)	(61,419,453)
Gross profit		54,467,034	40,774,543
<b>EXPENSES</b>			
Operating expenses	8	20,718,193	12,247,903
Administration expenses	9	30,477,404	23,897,344
Operating profit		3,271,438	4,629,296
Finance costs	10	13,763,833	6,487,243
Loss before tax		(10,492,395)	(1,857,947)
Tax	18	3,147,719	557,384
Loss after tax		(7,344,677)	(1,300,563)

**SUNTRANSFER KENYA INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**AS AT 31ST DECEMBER 2017**

**STATEMENT OF FINANCIAL POSITION**

	NOTE	2017 Kshs.	2016 Kshs.
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	18	7,959,170	6,816,700
Deferred Tax Asset	17	7,408,671	4,260,952
		<u>15,367,841</u>	<u>11,077,652</u>
<b>CURRENT ASSET</b>			
Receivables	11	97,613,211	71,138,413
Inventories	7	80,042,985	110,517,000
Cash & Bank Balances	12	21,171,659	20,948,429
		<u>198,827,856</u>	<u>202,603,842</u>
<b>TOTAL ASSETS</b>		<u>214,195,696</u>	<u>213,681,494</u>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	13	41,613,416	78,174,289
		<u>41,613,416</u>	<u>78,174,289</u>
<b>LONG TERM LIABILITIES</b>			
DEG Loan	15(a)	57,449,722	57,449,722
AECF Loan	15(a)	21,925,350	21,925,350
DEON Loan	15(b)	27,730,750	27,730,750
LENDHAND	15(b)	52,406,560	-
STDE Loan	15(a)	5,508,500	5,508,500
SunTransfer Germany - Bettervest loan	15(a)	13,746,010	21,732,819
		<u>178,766,892</u>	<u>134,347,141</u>
<b>SHAREHOLDERS EQUITY</b>			
Share capital	14(a)	100,000	100,000
Preference Share Capital	14(b)	11,017,000	11,017,000
Retained Earnings	21	(17,301,611)	(9,956,935)
		<u>(6,184,611)</u>	<u>1,160,065</u>
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>		<u>214,195,696</u>	<u>213,681,494</u>

The accounts on pages 4 to 17 were approved by the Board of Directors on.....23/04/.....2018  
and were signed on its behalf by:

Director .....

Director.....

SUNTRANSFER KENYA INVESTMENTS LIMITED  
 FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31ST DECEMBER 2017

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31ST DECEMBER 2017	Share Capital <u>Kshs.</u>	Preference Shares <u>Kshs.</u>	Retained Earnings <u>Kshs.</u>	Total <u>Kshs.</u>
Balance as at 1st January 2017	100,000	11,017,000	(9,956,935)	1,160,065
Loss of the year	-	-	(7,344,677)	(7,344,677)
Balance as at 31st December 2017	100,000	11,017,000	(17,301,611)	(6,184,611)

YEAR ENDED 31ST DECEMBER 2016

	Share Capital <u>Kshs.</u>	STDE Quasi Equity <u>Kshs.</u>	Retained Earnings <u>Kshs.</u>	Total <u>Kshs.</u>
Balance as at 1st January 2016	100,000	16,525,500	(8,656,372)	7,969,128
Movement in the year	-	(5,508,500)	-	(5,508,500)
Loss of the year	-	-	(1,300,563)	(1,300,563)
Balance as at 31st December 2016	100,000	11,017,000	(9,956,935)	1,160,065



**SUNTRANSFER KENYA INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2017**  
**STATEMENT OF CASHFLOWS**

	2017 Kshs	2016 Kshs
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Net loss before tax	(10,492,395)	(1,857,947)
Add :Depreciation	1,938,493	2,081,169
Release on disposal	1,693,263	154,589
	<hr/>	<hr/>
Operating(loss)/profit before working capital changes	(6,860,639)	377,811
<b>WORKING CAPITAL CHANGES</b>		
Increase in Inventories	29,874,290	(18,142,055)
Decrease/Increase in accounts receivable	(26,474,798)	(30,870,755)
Increase in prepayments	-	-
Decrease/Increase in accounts payable	(36,560,873)	31,866,453
	<hr/>	<hr/>
	(33,161,381)	(17,146,357)
	<hr/>	<hr/>
Cash generated from operation	(40,022,021)	(16,768,546)
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4,339,500)	(5,108,500)
Sale of Motorcycles	165,000	292,000
	<hr/>	<hr/>
	(44,196,521)	(21,585,046)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Long term LENDAHAND	52,406,560	-
Long term DOEN loan	-	14,022,000
Short term loan	-	5,508,500
STDE Quasi Equity	-	(5,508,500)
SunTransfer Germany - Bettervest loan	(7,986,809)	21,732,819
	<hr/>	<hr/>
Net cash in/(out)flows	223,231	14,169,773
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	20,948,429	6,778,656
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	21,171,660	20,948,429
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**SUNTRANSFER KENYA INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2017**

**1 GENERAL INFORMATION**

The company is incorporated in Kenya under the Companies Act. It is a private limited company and is domiciled in Kenya.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies will be consistently applied over the years unless otherwise stated.

**a) Basis of preparation**

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention and presented in the functional translated currency, Kenya Shillings (Kshs.) rounded to the nearest shilling.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

**b) Revenue recognition**

Sales are recognised upon delivering goods to customers and acceptance of the goods.

**c) Property, plant, equipment and depreciation**

Property, plant and equipment are initially stated at cost or subsequently at valuation, less accumulated depreciation and any impairment in value.

**d) Property, plant, equipment and depreciation**

Subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate, only where it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other expenses and maintenance are classified to the profit and loss account in the financial period in which they are incurred. Increases in the carrying amount arising from revaluation are credited to a revaluation surplus in equity. Decreases that offset period increases of the same asset are charged against the revaluation surplus.

All other decreases are charged in the profit and loss account.

Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and the depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

Property, plant and equipment acquired under hire purchase agreements and finance lease hire arrangements are capitalized at the date of the agreement. The interest element of each instalment is charged to the profit and loss account at the time each instalment falls due.

Freehold land and investment properties are not depreciated.

Depreciation is calculated on reducing balance basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives.

The rates in use are:

Computers	30.00%
Furniture and fittings	12.50%
Motor Bikes	25.00%

Full depreciation is charged in the year of acquisition but none in the year of disposal. Leasehold buildings are written off over the estimated useful lives of the buildings, or the lease period, whichever is less. Expenditure on improvements to leased premises is amortised over.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value less

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit/(loss). On disposal of recorded assets amounts in the revaluation surplus relating to the asset are translated to related earnings. If any such indications exist and where the carrying values exceed the recoverable amount, property, plant and equipment are written down to their recoverable amounts.

**NOTES(CONTINUED)**

**e) Inventories**

Inventories and work in progress are valued at the lower of cost and net realizable value.

Net realizable value is the price at which the stock can be realized in the normal course of business after allowing for the costs of the realization and, where appropriate, the cost of conversion from its existing state to a realizable condition.

Provision is made for obsolete, slow moving and defective stocks.

**f) Trade receivables**

Trade receivables are carried at anticipated realizable values. Specific provision is for all known doubtful debts.

Bad debts are written off when all reasonable steps to recover them have been taken without success.

**g) Trade payables**

Trade payables are stated at the nominal value.

**h) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalent comprise balances that are readily convertible to known amounts of cash.

**i) Foreign currency transactions**

Transactions during the year are converted into Kenya shillings at rates ruling at the transactions date. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya Shillings at the rates ruling at that date.

The resulting differences from conversion and transaction are dealt with in the profit and loss account.

**j) Taxation**

Current taxation is provided for on the basis of the results for the year as shown in the financial statements, adjusted in accordance with the tax legislation. Deferred taxation is

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and the unused tax credits can be utilized.

**l) Interest bearing borrowings**

All borrowings are initially recognized at cost, being the fair value of the consideration received net of issued costs associated with the borrowings.

After initial recognition, interest bearing borrowings are subsequently measured at amortized costs using the effective interest rate method. Amortized costs are calculated by taking into account any issue costs, and any discount or premium on settlement by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in the profit and loss account when the liabilities are derecognised or impaired, as well as through the amortization process component of equity until declared.



**SUNTRANSFER KENYA INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2017**

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**NOTES(CONTINUED)**

**m) Retirement benefit costs**

The company contributes to a statutory defined contribution pension scheme, National Social Security Fund (NSSF). Contributions are determined by local statute and are currently limited to Kshs 200 per employee per month, with the company contributing a similar amount.

The company's contributions to the above are charged to the profit and loss account in the year to which they relate.

**n) Contingent liabilities**

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured.

Contingent liabilities are not recognized but are disclosed unless they are remote.

**3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's activities expose it to a variety of financial risks, including credit risks and the effects of changes in foreign currency exchange rates and interest rates.

The company's overall risks management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The company

The company has policies in place to ensure that sales are made to customers with an appropriate credit history.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**Critical accounting estimates and assumptions.**

**Property, plant and equipment**

- i) Critical estimates are made by the directors in determining depreciation rates for the property, plant and equipment. The rates are set out in note 2(d).

Critical judgements in applying the entity's accounting policies

- ii In the process of applying the organization's accounting policies, executive committee has made judgement in determining:

- . Whether assets are impaired
- . The classification of financial assets
- . Marketing provisions for contingent liabilities.

SUNTRANSFER KENYA INVESTMENTS LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST DECEMBER 2017

## NOTES(CONTINUED)

## 5 LOSS BEFORE TAX

	2017 Kshs.	2016 Kshs.
Loss before tax is stated after charging:-		
Depreciation	1,938,493	2,081,169
Audit fee	100,000	100,000
Staff Costs	21,858,019	19,162,034

## 6 SALES

Turnover	118,452,110	95,734,657
Less: Return Inwards	-	(1,011,000)
Total	118,452,110	94,723,657

## 7 COST OF SALES

Opening stock	110,517,000	92,374,945
Purchases	36,635,182	79,561,508
Goods available for sale	147,152,182	171,936,453
Closing stock	(80,042,985)	(110,517,000)
Cost of sales	67,109,196	61,419,453

## 8 OPERATING EXPENSES

Rent	2,353,500	2,073,500
Internet services	681,331	416,259
Depreciation	1,938,493	2,081,169
Office expenses	1,376,793	1,044,445
Printing & stationery	617,224	332,160
Repairs & maintenance	3,432,089	1,283,427
Licences	217,423	161,650
Field visits costs	422,685	-
Telephone & postage	2,488,782	1,135,138
Insurance	892,092	505,914
Loss on disposal	12,875	154,588
Warehousing costs	620,000	677,000
Travelling cost	185,902	487,360
Transportation costs	5,479,004	1,895,294
	20,718,193	12,247,903



SUNTRANSFER KENYA INVESTMENTS LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST DECEMBER 2017

## NOTES(CONTINUED)

	2017 Kshs.	2016 Kshs.
<b>9 ADMINISTRATION EXPENSES</b>		
Staff Costs:Salaries	21,858,019	19,162,034
:Wages	319,385	-
Staff welfare & training	1,725,466	1,063,470
Bank charges	1,362,831	776,476
Electricity & water	157,438	318,583
Audit fees	100,000	100,000
Marketing expenses	4,954,265	2,476,781
	<u>30,477,404</u>	<u>23,897,344</u>
<b>10 FINANCE COSTS</b>		
Loan interest expense	13,763,833	6,487,243
	<u>13,763,833</u>	<u>6,487,243</u>
<b>11 RECEIVABLES</b>		
Trade debtors	96,529,497	70,758,713
Deposit on rent	196,000	356,500
Vat claimable	887,714	23,200
	<u>97,613,211</u>	<u>71,138,413</u>
<b>12 CASH AND BANK BALANCES</b>		
Bank of Africa USD	-	1,331,790
Bank of Africa KSHS	40,895	1,361,170
Safaricom Paybill	2,474,767	2,649,409
Jamii Bank Fixed Deposit Account	-	15,000,000
Coop bank KSHS	7,619,239	207,474
Coop bank EURO	5,703,493	-
Equity bank	5,255,265	221,165
Cash in hand	78,000	177,421
	<u>21,171,659</u>	<u>20,948,429</u>
<b>13 PAYABLES</b>		
Trade creditors	17,939,168	48,869,121
Other payables(VSK)	23,558,247	29,189,166
Accrued audit fees	116,000	116,000
	<u>41,613,415</u>	<u>78,174,288</u>

**SUNTRANSFER KENYA INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 2017**

	2017 Kshs.	2016 Kshs.
<b>14(a) SHARE CAPITAL</b>		
Authorised:		
1000 ordinary shares of Kshs. 100 each	100,000	100,000
Issued and fully paid:		
1000 ordinary shares of Kshs. 100 each	100,000	100,000
<b>14(b) PREFERENCE SHARES</b>	11,017,000	11,017,000
<b>15(a) LOAN</b>		
The company Loan from Suntransfer Germany		
DEG Loan	57,449,722	57,449,722
AECF Loan	21,925,350	21,925,350
SunTransfer Germany - Bettervest loan	13,746,010	21,732,818
STIDE Loan (Euro 50,000)	5,508,500	5,508,500
	98,629,582	106,616,390
<b>15(b) DEON LOAN</b>	27,730,750	27,730,750
LENDHAND	52,406,560	-
	80,137,310	27,730,750
<b>16 INCOME TAX EXPENSE</b>		
Current income tax based on taxable (loss)/profit for the year at 30%	(3,147,719)	(557,384)
The tax on company's profit before income tax differs from theoretical amount that would arise using the statutory income tax rate as follows:		
Accounting (loss)/profit before tax	(10,492,395)	(1,857,947)
Tax calculated at the applicable rate of 30%	(3,239,416)	(536,012)
Tax effect on expenses not allowable for tax purposes	91,698	(21,373)
	(3,147,719)	(557,384)
<b>17 DEFERRED TAX</b>		
Deferred income tax is calculated using the enacted income tax rate of 30%		
Movement on the Deferred Income Tax Account is as follows:		
As at the start of the year	(4,260,952)	(3,703,568)
(Charge)/Credit to profit and loss account	(3,147,719)	(557,384)
As at 31st December 2017	(7,408,671)	(4,260,952)

SUNTRANSFER KENYA INVESTMENTS LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST DECEMBER 2017

## NOTES(CONTINUED)

## 18 SCHEDULE OF PROPERTY PLANT AND EQUIPMENT

Year ended 31st December 2017

	Motor Cycles Kshs.	Computer Kshs.	Furniture & Fittings Kshs.	Hand held Programmers Kshs.	Office Equipment Kshs.	Motor Vehicle Kshs.	Software Kshs.	Total Kshs.
<b>COST</b>								
As at 01.01.2017	2,291,700	1,124,290	750,805	504,439	641,500	5,650,000	501,040	11,463,774
Additions	582,000	36,000	127,000	-	-	3,200,000	394,500	4,339,500
Disposal	(351,800)	-	-	-	-	(2,600,000)	-	(2,951,800)
As at 31.12.2017	2,521,900	1,160,290	877,805	504,439	641,500	6,250,000	895,540	12,851,474
<b>DEPRECIATION</b>								
As at 01.01.2017	752,086	667,516	247,497	291,629	173,840	2,265,625	248,883	4,647,074
Charge for the year	442,454	147,832	78,788	53,203	58,458	996,094	161,664	1,938,493
Release on disposal	(190,138)	-	-	-	-	(1,503,125)	-	(1,693,263)
As at 31.12.2017	1,004,401	815,348	326,286	344,831	232,297	1,758,594	410,547	4,892,304
<b>NET BOOK VALUE</b>								
As at 31.12.2017	1,517,499	344,942	551,519	159,608	409,203	4,491,406	484,993	7,959,170
As at 31.12.2016	1,007,287	435,535	337,709	283,747	372,969	1,462,500	336,210	4,235,957

Year ended 31st December 2016

	Motor Cycles Kshs.	Computer Kshs.	Furniture & Fittings Kshs.	Hand held Programmers Kshs.	Office Equipment Kshs.	Motor Vehicle Kshs.	Software Kshs.	Total Kshs.
<b>COST</b>								
As at 01.01.2016	1,444,650	907,290	513,305	504,439	480,000	2,600,000	501,040	6,950,724
Additions	1,442,500	217,000	237,500	-	161,500	3,050,000	-	5,108,500
Disposals	(595,450)	-	-	-	-	-	-	(595,450)
As at 31.12.2016	2,291,700	1,124,290	750,805	504,439	641,500	5,650,000	501,040	11,463,774
<b>DEPRECIATION</b>								
As at 01.01.2016	437,364	471,755	175,596	220,692	107,031	1,137,500	164,830	2,714,768
Charge for the year	463,584	195,761	71,901	70,937	66,809	1,128,125	84,053	2,081,169
Release on disposals	(148,863)	-	-	-	-	-	-	(148,863)
As at 31.12.2016	752,086	667,516	247,497	291,629	173,840	2,265,625	248,883	4,647,074
<b>NET BOOK VALUE</b>								
As at 31.12.2016	1,539,615	456,775	503,308	212,810	467,660	3,384,375	252,158	6,816,700
As at 31.12.2015	1,007,287	435,535	337,709	283,747	372,969	1,462,500	336,210	4,235,957

SUNTRANSFER KENYA INVESTMENTS LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST DECEMBER 2017

## NOTES(CONTINUED)

	2017 Kshs.	2016 Kshs.
<b>19 CASH GENERATED FROM OPERATIONS</b>		
Reconciliation of (loss)/profit before income tax to cash generated from operations:		
Net loss before income tax	(10,492,395)	(1,857,947)
Adjustment for:-		
Depreciation	1,938,493	2,081,169
Release on disposal	1,693,263	154,588
<b>Operating (loss)/profit before changes in working capital</b>	<u>(6,860,639)</u>	<u>377,809</u>
<b>Changes in working capital</b>		
Inventories	(30,474,015)	18,142,055
Receivables	26,474,798	30,870,755
Payables and accruals	36,560,873	(31,866,455)
Cash generated from operations	<u>32,561,656</u>	<u>17,146,355</u>
<b>20 RESERVES</b>		
Balance brought forward	(9,956,935)	(8,656,372)
Loss for the year	(7,344,677)	(1,300,563)
Balance carried forward	<u>(17,301,611)</u>	<u>(9,956,935)</u>



SUNTRANSFER KENYA INVESTMENTS LIMITED  
SUPPLEMENTARY INFORMATION  
FOR THE PERIOD ENDED 31ST DECEMBER 2017

## SCHEDULE OF DETAILED INCOME STATEMENT

	NOTE	2017 Kshs.	2016 Kshs.
<b>TURNOVER</b>	1(b)	118,452,110	95,734,657
Less: Return inwards		-	(1,011,000)
Less: Cost of sales	7	(67,109,197)	(61,419,453)
<b>Gross Profit</b>		<b>51,342,913</b>	<b>33,304,204</b>
Grant Income		3,124,121	7,470,339
<b>LESS: EXPENSES</b>		<b>54,467,034</b>	<b>40,774,543</b>
Staff Costs: Salaries		21,858,019	19,162,034
: Wages		319,385	-
Rent		2,353,500	2,073,500
Internet services		681,331	416,259
Depreciation		1,938,493	2,081,169
Office expenses		1,376,793	1,044,445
Printing & stationery		617,224	332,160
Bank Charges		1,362,831	776,476
Repairs & maintainance		3,432,089	1,283,427
Warehousing costs		620,000	677,000
Transport expenses		5,479,004	1,895,294
Staff Training		480,955	-
Electricity & water expenses		157,438	318,583
Telephone & postage expense		2,488,782	1,135,138
Licenses		217,423	161,650
Field visits costs		422,685	-
Loss on disposal		12,875	154,588
Loan interest expense		13,763,833	6,487,243
Insurance		892,092	505,914
Staff welfare		1,244,511	1,063,470
Marketing expenses		4,954,265	2,476,781
Audit fees		100,000	100,000
Travelling expenses		185,902	487,360
<b>Total expenses</b>		<b>64,959,429</b>	<b>42,632,490</b>
<b>Net loss for the period</b>		<b>(10,492,395)</b>	<b>(1,857,947)</b>



SUNTRANSFER KENYA INVESTMENTS LIMITED  
TAX COMPUTATION  
PIN:P051311568X  
2017 YEAR OF INCOME

SCHEDULE OF WEAR AND TEAR ALLOWANCE

	Class II Kshs.	Class III Kshs.	Class IV Kshs.	Totals Kshs.
W.D.V. brought forward	826,671	6,450,067	1,195,270	8,472,008
Additions	36,000	3,782,000	127,000	3,945,000
Disposal	-	(2,951,800)	-	(2,951,800)
	<u>862,671</u>	<u>7,280,267</u>	<u>1,322,270</u>	<u>9,465,208</u>
Wear and tear allowance	258,801	1,820,067	165,284	2,244,152
W.D.V. carried forward	<u>603,870</u>	<u>5,460,200</u>	<u>1,156,986</u>	<u>7,221,056</u>

TAX COMPUTATION

	2017 Kshs.	2016 Kshs.
Loss as per accounts	(10,492,395)	(1,857,947)
Add: Depreciation	1,938,493	2,081,169
Less: Wear and tear allowance	<u>(2,244,152)</u>	<u>(2,009,927)</u>
Adjusted loss for the year	<u>(10,798,054)</u>	<u>(1,786,705)</u>
Tax calculated at the rate of 30%	<u>(3,239,416)</u>	<u>(536,012)</u>