Wave Land Developers Limited
(In Liquidation)

Independent Auditor's Report

To the shareholders of Waveland Developers Limited (In Liquidation)

Opinion

We have audited the Financial Statements of Waveland Developers Limited (In Liquidation), which comprise the Statement of Financial Position as at 31st March, 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view, in all material respects, the financial position of Waveland Developers Limited (In Liquidation) as at 31st March, 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 (Parts A and B) (IESBA Code)* and other independence requirements applicable to performing audits of financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

The shareholders of Wave Land Developers Limited (In Liquidation) approved a plan of Members Voluntary Liquidation on 1st April 2014, and the company commenced liquidation shortly thereafter. As a result, the company has changed its basis of accounting for periods subsequent to 1st April 2014 from the going-concern basis to a liquidation basis.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Reports as required by the Kenyan Companies Act, which we obtained prior to the date of this report. Other information 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 an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance withe International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 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 operation, 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements 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, misrepresentation, 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 the directors.
- Conclude on the appropriateness of the directors' 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 our 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 the directors 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 explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and

iii) the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Joy V. Bhatt Practicing certificate No. P992.

Joy V. Bhatt & Co.
Certified Public Accountants (K)
Nairobi.

Date: 12th April, 2017

Statement of Comprehensive Income For the Year Ended 31st March, 2017

	Notes	2017 Kshs.	2016 Kshs.
Other operating (loss) / income	*3*	(9,644,204)	17,305,619
Administrative expenses	*4*	(1,376,821)	(229,500)
Other operating expenses	*5*	-	(1,410)
(Loss)/Profit from operations		(11,021,025)	17,074,709
Finance costs	*6*	(5,060)	(1,430)
(Loss)/Profit before tax		(11,026,085)	17,073,279
Income tax expenses	*11*	(1,799,763)	(1,570,745)
(Loss)/Profit for the year attributable to owners of the company		(12,825,848)	15,502,534
Other comprehensive income:		-	-
Other comprehensive income for the year		**-**	**-**
Total comprehensive (loss)/income for the year attributable to the owners of the company		(12,825,848)	15,502,534

Statement of Financial Position as at 31st March, 2017

	Notes	**2017 Kshs.**	**2016 Kshs.**
ASSETS			
Current Assets			
Investment in subsidiary	8	-	92,859,652
Amounts due from related party	15	7,232,523	-
Tax recoverable	11	-	24,581
Cash in hand and at bank	9	233,928	186,430,915
		7,466,451	279,315,148
TOTAL ASSETS		**7,466,451**	**279,315,148**
EQUITY & LIABILITIES			
Capital & Reserves			
Issued capital	14	-	82,108,000
Retained earnings		-	195,504,148
		-	277,612,148
Current Liabilities			
Trade and other payables	10	932,181	1,703,000
Amounts due to related party	15	6,534,270	-
		7,466,451	1,703,000
TOTAL EQUITY & LIABILITIES		**7,466,451**	**279,315,148**

The financial statements were approved for issue by the board of directors on 12th April, 2017 and were signed on its behalf by:

Director

Director

Liquidator

Statement of Cash Flows for the year ended 31st March, 2017

	2017 Kshs.	2016 Kshs.
Cash flows from operating activities		
Net profit/(loss) for the year	(11,026,085)	17,073,279
Adjustments for:-		
Impairment loss on investment	40,526,762	1,780,149
Operating Profit before working capital changes	29,500,677	18,853,428
(Increase) / Decrease in Trade and other Receivables	4,700	-
Increase / (Decrease) in Trade and other Payables	(770,819)	-
(Decrease) / Increase in amounts due to related parties	(698,253)	-
Cash from/(used) in operations	28,036,305	18,853,428
Income Taxes Paid	(1,779,882)	(1,598,389)
Net Cash generated from/(used) in operating activities	26,256,423	17,255,039
Cash flows from investing activities		
Redemption of Investment in Delta Corp East Africa Limited (In Liquidation)	52,332,890	47,040,800
Net cash generated from/(used) in Investing activities	52,332,890	47,040,800
Cash flows from financing activities		
Dividends paid	(182,678,300)	-
Repayment of share capital	(82,108,000)	-
Net cash generated/(used) from financing activities	(264,786,300)	-
Net (decrease) / increase in cash and cash equivalents	***(186,196,987)***	***64,295,839***
Cash and cash equivalent at beginning of year (Note 9)	**186,430,915**	**122,135,076**
Cash and cash equivalent at end of year (Note 9)	**233,928**	**186,430,915**

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

	Share Capital	Retained earnings	Total
Balance at 31 March 2015	82,108,000	180,001,614	262,109,614
Net profit for the year	-	15,502,534	15,502,534
Balance at 31 March 2016	82,108,000	195,504,148	277,612,148
Redemption of Share Capital	(82,108,000)	-	(82,108,000)
Net profit for the year	-	(12,825,848)	(12,825,848)
Dividends paid	-	(182,678,300)	(182,678,300)
Balance at 31 March 2017	-	-	-

Notes to the Financial Statements for the year ended 31st March, 2017

GENERAL INFORMATION

Wave Land Developers Limited is incorporated under the Kenyan Companies Act as a private company limited by shares, and is domiciled in Kenya. The address of its registered office is LR 1870/11/236, The Pride Rock, No. 6 Donyo Sabuk Avenue, Nairobi.

I BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In accordance with paragraph 3.9 of Section 3 of IFRS for SMEs, 'Financial Statement Presentation', the Company changed the basis of preparing its financial statements from going concern to liquidation, effective April 1, 2014. As a result, these financial statements have been prepared using the liquidation basis of accounting. This basis of presentation differs from the presentation adopted in the previous March 31, 2014 financial statements on a going concern basis. They are presented in Kenya Shillings(Kshs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

a Liquidation basis of accounting

Under the liquidation basis of accounting, all assets and liabilities are measured at their net realizable values. Costs expected to be incurred during the winding up, including administrative costs and professional fees expected to be incurred in future periods until the winding up of the Company is completed, have been accrued. Provisions for contingent liabilities are accrued when the probability of loss is more likely than not. Contingent assets are not accrued unless receipt is virtually certain.

b Basis of consolidation

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

c Revenue recognition

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

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

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

d Interests in associated companies

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

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

e Goodwill

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

f Intangible assets

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

g Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenya Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which expressed in foreign currencies are translated into Kenya shilling at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the profit and loss account in the year in which they arise.

Notes to the Financial Statements for the year ended 31st March, 2017

h Impairment of tangible assets

At each balance sheet date, the company reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount represents the greater of the net selling price and the value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognised in income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

i Property, plant & equipment

All categories of property, plant and equipment, including investment property, are measured at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the profit and loss account in the year to which it relates.

Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

j Leases

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

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

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

k Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average cost method. Cost comprises direct materials and, where applicable, direct labour costs and overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of disposal.

1 Borrowing costs

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

Notes to the Financial Statements for the year ended 31st March, 2017

m Cash and Cash equivalents

These comprise cash on hand and at bank, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to and insignificant risk of changes in value.

n Impairment of non-financial assets

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

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

o Financial assets

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

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

p Financial liabilities

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

q Share capital, share premium and dividends

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

r Provision

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

s Current Taxation

The tax currently payable is based on taxable profit for the year. Taxable profits defer from net profit as reported in the income statement as it is adjusted in accordance with tax legislation.

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

t Comparatives

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

u Leasing and Hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

v Income Tax

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

Notes to the Financial Statements for the year ended 31st March, 2017

The tax currently payable is based on taxable profit for the year. Taxable profits defer from net profit as reported in the income statement as it is adjusted in accordance with the Kenyan Income Tax Act. The company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on the differences between the carrying amounts of the assets and the liabilities in the financial statements on the corresponding tax bases used in the computation of the taxable profit (known as temporary differences), and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profits in the future and only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or Credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authorities and an entity within the company intends to settle its current tax assets and liabilities on a net basis.

w Receivables

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

x Investments in subsidiaries

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

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

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

a Property and equipment

Critical estimates are made by the directors in determining the useful lives and residual values of property, plant and equipment based on the intended useful lives of the assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

b Use of estimate

Effective April 1, 2014; the preparation of financial statements under the liquidation basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Different assumptions could significantly affect these estimates. Accordingly, the estimated net realizable values of the assets and liabilities may differ from the actual values received or settled in the winding up, and the estimates of future costs expected to be incurred may differ from those actually incurred during the winding up.

Notes to the Financial Statements for the year ended 31st March, 2017

		2017	2016
3	**OTHER OPERATING INCOME/(LOSS)**	**Kshs.**	Kshs.
	Dividends received	22,235,589	-
	Interest Income	5,999,209	5,235,815
	Impairment loss on investment	(40,526,762)	(1,780,149)
	Unrealised exchange gain/(loss)	2,647,751	13,849,953
		(9,644,204)	17,305,619

		2017	2016
4	**ADMINISTRATIVE EXPENSES**	**Kshs.**	Kshs.
	Auditors Remuneration	203,000	203,000
	General expense	4,700	-
	Legal & Professional Expenses	32,660	26,500
	Liquidation expenses	1,136,461	-
		1,376,821	229,500

		2017	2016
5	**OTHER OPERATING EXPENSES**	**Kshs.**	Kshs.
	Penalties and fines	-	1,410
		-	1,410

		2017	2016
6	**FINANCE COSTS**	**Kshs.**	Kshs.
	Bank charges and commission	5,060	1,430
		5,060	1,430

7 **PROFIT/(LOSS) BEFORE TAX**

The following items have been recognised as expenses (income) in determining profit before tax:

	2017	2016
	Kshs.	Kshs.
Auditor’s remuneration	203,000	203,000

		2017	2016
8	**INVESTMENT IN SUBSIDIARY**	**Kshs.**	Kshs.
	Delta Corp East Africa Limited (In Liquidation)		
	Balance brought forward	92,859,652	141,680,601
	Redemption of investment in Subsidiary	(52,332,890)	(47,040,800)
	Impairment loss on investment	(40,526,762)	(1,780,149)
	(2016: 58.8% shareholding (4,453,152 of 7,573,258 shares as cost))	-	92,859,652

During the year ended 31st March 2017; the company's investment in the subsidiary was recouped upon which an impairment loss of Kshs 40,526,762/- was incurred. The Company's holding in Delta Corp East Africa Limited (In Liquidation) represents 58.80%; which was placed under Liquidation with effect 10th September 2013 and will now proceed to dissolution with the intention to hold the final meeting of the members on or around 15th May 2017.

Notes to the Financial Statements for the year ended 31st March, 2017

9 CASH AND CASH EQUIVALENTS

	At 1 April 2016 Kshs.	Cash Flows Kshs.	At 31 March 2017 Kshs.
Cash in hand	1,092	-	1,092
Cash at bank	186,429,823	(186,196,987)	232,836
	186,430,915	(186,196,987)	233,928

10 TRADE AND OTHER PAYABLES

	2017 **Kshs.**	2016 Kshs.
Other payable	729,181	1,500,000
Accruals	203,000	203,000
	932,181	1,703,000

11 TAXATION

	2017 **Kshs.**	2016 Kshs.
a Statement of Comprehensive Income		
Current tax applicable rate 30%	1,799,763	1,570,745
Tax charge	1,799,763	1,570,745
b Statement of Financial Position		
Balance as at 01/04/2016	(24,581)	3,063
Corporation tax for the year	1,799,763	1,570,745
	1,775,182	1,573,808
Tax paid	(880,000)	(813,063)
Withholding tax paid	(899,882)	(785,326)
Balance of overpayment written off	4,700	-
Balance as at 31/03/2017	-	(24,581)
c Reconciliation of tax charge to expected tax based on accounting profit/(loss)		
Accounting profit / (loss) before tax	(11,026,085)	17,073,279
Tax applicable rate of 30%	(3,307,826)	5,121,984
Tax effect of (expenses not deductable for tax)/non taxable income)	2,443,262	(5,191,262)
Tax on interest income	1,799,763	1,570,745
Losses carried forward / (offset)	864,564	69,279
Current tax charge	1,799,763	1,570,745

Notes to the Financial Statements for the year ended 31st March, 2017

12 DEFERRED TAX

Deferred Tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2016: 30%).

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

	(Credited) to P & L	**2017 Kshs.**	2016 Kshs.
Deferred Tax Assets			
Taxable losses	864,564	5,423,148	4,558,584
Taxable losses-asset not recognised	(864,564)	(5,423,148)	(4,558,584)
	-	-	-

13 DIVIDENDS

	2017 Kshs.	2016 Kshs.
Dividends paid	182,678,300	-
Dividend per share	2,224.85	-

2017: During the year ended 31st March 2017, dividend per share of Kshs 2,224.85 totalling to Kshs 182,678,300/- was declared.

14 SHARE CAPITAL

	2017 Kshs.	2016 Kshs.
ORDINARY SHARE CAPITAL		
AUTHORISED		
100,000 Ordinary shares of Kshs 1,000/= each	100,000,000	100,000,000
ISSUED & FULLY PAID UP		
82,108 Ordinary shares of Kshs 1,000/= each	82,108,000	82,108,000
Redemption of share capital	(82,108,000)	-
NIL Ordinary shares	-	82,108,000

Notes to the Financial Statements for the year ended 31st March, 2017

15 RELATED PARTIES

Related party balance as shown in the accounts (relationship due to common shareholders) represents intercompany financing and other capital related transactions.

		2017 Kshs.	2016 Kshs.
i)	**Delta Corp East Africa Limited (In Liquidation)**		
	Dividends received	22,235,598	-
ii)	**Delta Square Limited**		
	Distribution in specie received from Delta Corp East Africa Limited (In Liquidation)	47,820,965	-
	Distribution in specie to Reliance Global Business BV	(47,820,965)	-
iii)	**Reliance Global Business BV**		
	Dividends declared	182,678,300	-
	Redemption of share capital	82,108,000	-
iv)	**Amounts due to related party**		
	Reliance Global Business BV	6,534,270	-
		6,534,270	-
v)	**Amounts due from related party**		
	Delta Corp East Africa Limited (In Liquidation)	7,232,523	-
		7,232,523	-

The amount of Kshs 47,820,965/- owed by Delta Square Limited was received as a distribution in specie from Delta Corp East Africa Limited (In Liquidation). This receivable in turn was distributed in specie to Reliance Global Business BV. Under the written instructions of the Liquidator, Delta Square Limited is required to pay this amount directly to Reliance Global Business BV.

Subsequent to the year end, the amount of Kshs 7,232,523/- receivable from Delta Corp East Africa Limited (In Liquidation) was paid on the 5th of April 2017. The amount owed to Reliance Global Business BV of Kshs 6,534,270/- was settled on the 5th of April 2017.