



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

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**KENYA PROPERTY DEVELOPERS ASSOCIATION
LIMITED**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2021

Kenya Property Developers Association Limited
Annual Report and financial statements
For the period ended 31 December 2021

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Kenya Property Developers Association Limited
Society Information
For the period ended 31st December 2021

Directors

Kenneth Luusa
Ravi Kohli
Palkesh Shah
Hamish Govani
Mucai Kunyiha
V. Gikonyo Gitonga
Caroline Karugu
Anne Muchiri
Wanjeri Caroline
Alex Waiharo

Registered office Fatima Flats, Marcus Garvey Road
P.O Box 76154-00508
Nairobi,
Kenya.

Company secretary Jophece Yogo
P.O Box 10532-00400
Nairobi

Independent auditor G. W. Joseph & Company
Blue Violet office suites 105
P.O Box 4617-00200
Nairobi,
Kenya.

Principal bankers NCBA Bank Limited

Kenya Property Developers Association Limited
Report of the directors
For the period ended 31 December 2021

The directors have pleasure in presenting their report together with audited financial statements of the company for the period ended 31 December 2021

Directorate

The directors who held office during the year and to the date of this report are set out on page 1.

Results

The results of the company for the year are set out on page 6.

Dividend

The directors do not recommend the payment of any dividend for the year under review.

Statement as to disclosure to the company's auditor

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

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

Terms of appointment of the auditor

Messrs. G W Joseph & Company, who were appointed during the year, continues in office in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor.

By order of the board


Director/Company Secretary

Nairobi: _____ 2022

Kenya Property Developers Association Limited
Statement of directors' responsibilities
For the period ended 31 December 2021

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 keeps proper accounting records that: (a) show and explain the transactions of the company; (b) disclose, with reasonable accuracy, the financial position of the company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.


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

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

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

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

Approved by the board of directors on 27/12/2022 and signed on its behalf
by:



Director



Director

Kenya Property Developers Association Limited

**Report of the independent auditor to the members of Kenya Property Developers Association Limited
For the period ended 31 December 2021**

Opinion

We have audited the accompanying financial statements of Kenya Property Developers Association Limited, set out on pages 6 to 16, which comprise the balance sheet as at 31st December 2021, the profit and loss account and statements of changes in equity and cashflows 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 cashflows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit 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 the International Financial Reporting Standard 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:

- i) 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.
- ii) 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.
- ii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iii) 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.
- iii) 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 matters prescribed by the Kenyan Companies Act, 2015

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

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA**
W. A. M. M. G. JOSEPH P/NO. 1402

G. W. Joseph & Company
For and on behalf of G.W. Joseph & Company
Certified Public Accountants
Date: **29th April** 2022

Kenya Property Developers Association Limited

Financial statements

For the period ended 31 December 2021

STATEMENT OF COMPREHENSIVE INCOME

	Note	2021 Kshs	2020 Kshs
Income	4	4,410,639	5,475,492
Events organization cost	Appendix I	(484,882)	(88,414)
Gross income		3,925,757	5,387,078
Other income		430,578	183,007
Administrative expenses	Appendix I	(3,314,516)	(3,802,206)
Establishment expenses	Appendix I	(712,169)	(839,100)
Operating profit		<u>329,650</u>	<u>928,779</u>
Finance cost	Appendix I	-	-
Net profit before taxation		<u>329,650</u>	<u>928,779</u>
Taxation	6	(155,556)	(268,579)
Profit for the period		<u><u>174,094</u></u>	<u><u>660,200</u></u>

Report of the independent auditor - page 4 & 5

Kenya Property Developers Association Limited
 Financial statements
 For the period ended 31 December 2021

STATEMENT OF FINANCIAL POSITION

		2021	2020
		Kshs	Kshs
NON CURRENT ASSETS			
Property, plant and equipment	7	95,663	194,581
Deferred tax	8	63,734	63,734
		<u>159,397</u>	<u>258,316</u>
CURRENT ASSETS			
Receivables	9	445,061	620,804
Cash and cash equivalents	11	4,421,834	4,491,372
Tax claimable	6	47,074	-
Tax refund account	6	323,918	323,918
		<u>5,237,887</u>	<u>5,436,094</u>
TOTAL ASSETS		<u>5,397,284</u>	<u>5,694,410</u>
EQUITY AND LIABILITIES			
EQUITY			
Restricted funds		-	1,982,442
Reserves	12	3,948,519	1,791,983
		<u>3,948,519</u>	<u>3,774,425</u>
CURRENT LIABILITIES			
Payables & accruals	10	1,448,764	1,836,043
Tax payable	6	-	83,942
		<u>1,448,764</u>	<u>1,919,985</u>
TOTAL SHAREHOLDERS FUNDS AND LIABILITIES		<u>5,397,283</u>	<u>5,694,410</u>

Report of the independent auditor - page 4 & 5

The financial statements on pages 6 to 16 were approved for issue by the board of directors on

..... 2022 and were signed on their behalf by:


 DIRECTOR

STATEMENT OF CHANGES IN EQUITY

	Restricted Funds Kshs	Revenue Reserve Kshs	Total Kshs
As at 01 January 2020	1,982,442	1,131,783	3,114,225
Increase during the year	-	-	-
Profit for the year	-	660,200	660,200
As at 31 December 2020	<u><u>1,982,442</u></u>	<u><u>1,791,983</u></u>	<u><u>3,774,425</u></u>
Profit for the year	-	174,094	174,094
Prior year adjustments	(1,982,442)	1,982,442	-
As at 31 December 2021	<u><u>-</u></u>	<u><u>3,948,519</u></u>	<u><u>3,948,519</u></u>

Report of the independent auditor - page 4 & 5

STATEMENT OF CASH FLOWS

	Note	2021 Kshs	2020 Kshs
Operating activities			
Cash generated from operations	13	217,034	1,627,752
Tax paid	6	<u>(286,572)</u>	<u>(76,779)</u>
Net cash used in operating activities		<u>(69,538)</u>	<u>1,550,973</u>
Investing activities			
Purchase of property, plant and equipment		-	-
Proceeds from sale of property		<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>-</u>	<u>-</u>
Financing activities			
Increase in borrowings		-	-
Increase in share capital		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Increase/decrease in cash and cash equivalents		<u>(69,538)</u>	<u>1,550,973</u>
Movement in cash and cash equivalents			
Cash and cash equivalents at start of year		4,491,372	2,940,399
Increase/decrease during the year		<u>(69,538)</u>	<u>1,550,973</u>
Cash and cash equivalents at end of year	11	<u>4,421,834</u>	<u>4,491,372</u>

Report of the independent auditor - page 4 & 5

NOTES

1. General information

Kenya Property Developers Association Limited (the company) is domiciled in Kenya where it is incorporated under the Kenyan Companies Act, 2015 as a private company limited by shares. The address of its registered office and principal place of business is as shown in page 1.

2. Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard issued by the International Accounting Standards Board. The financial statements are presented in Kenya Shillings (KSh), rounded to the nearest thousand. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

Revenue recognition

Revenue from sale of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government of Kenya.

Dividend income from investments, including associates, is recognised in the period in which the right to receive payment has been established, and is included in 'other income'.

Borrowing costs

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

Income tax

Tax expense represents the aggregate amount included in profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income tax payable or refundable in respect of the taxable profit or loss for the current and prior periods, determined in accordance with the Kenyan Income Tax

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 is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared. Proposed dividends are accounted for as a separate component of equity until they have been declared at an annual general meeting

NOTES (CONTINUED)

Financial assets

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. Debt instruments such as Treasury bills or corporate bonds are initially recognised at the transaction price including transaction costs, and subsequently measured at amortised cost using the effective interest method.

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.

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.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight - line method. The following annual rates are used for the depreciation of property, plant and equipment:

Computers	30%
Furniture & Fittings	12.5%

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

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in profit or loss.

NOTES (CONTINUED)

Impairment of non-financial assets

At each reporting date, property, plant and equipment, investment property, intangible assets, and investments in associates 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 the 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.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

Financial liabilities

Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

3. Judgements and key sources of estimation uncertainty

No significant judgements have had to be made by the directors in preparing these financial statements.

Kenya Property Developers Association Limited
 Financial statements
 For the period ended 31 December 2021

NOTES (CONTINUED)

	2021	2020
	Kshs	Kshs
4 Income		
Subscriptions	3,784,716	5,119,747
Events	625,923	341,745
Advertisement	-	14,000
	<u>4,410,639</u>	<u>5,475,492</u>
5 Other income		
Interest income	154,078	183,007
Donations	276,500	-
	<u>430,578</u>	<u>183,007</u>
6 Taxation		
Taxation (Credit)/ charge	155,556	160,721
Current tax	-	107,858
Deferred tax	155,556	268,579

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

Profit / Loss before taxation	329,650	928,779
Tax calculated at the rate 30% (2020: 25%)	98,895	232,195
Tax effects of		28,599
Items not deductible for tax purposes	157,828	7,785
Items deductible for tax purposes	(101,167)	-
Tax charge	<u>155,556</u>	<u>268,579</u>

Corporate Tax Account

As at 1st January	83,942	(323,918)
Less:- Reclassification to Tax Refund Account	-	323,918
As restated	83,942	-
Provision for the year	155,556	160,721
Paid during the year	(286,572)	(76,779)
As at December	<u>(47,074)</u>	<u>83,942</u>

Tax Refund Account

As at 1st January	(323,918)	-
Reclassification from Corporate Tax Account	-	(323,918)
As at December	<u>(323,918)</u>	<u>(323,918)</u>

Tax Refund Account relates to tax which do not have Payment Registration Number (PRN) hence cannot be carried forward in company's Account as itax would not allow. A tax refund registration certificate has been issued instead implying that the company should follow up for the amount to be refunded by Kenya Revenue Authority (KRA) but the ultimate time for claim refund which may be paid or rejected cannot be ascertained as at balance sheet date.

Kenya Property Developers Association Limited

Financial statements

For the period ended 31 December 2021

NOTES (CONTINUED)

7 Property, plant and equipment

	Furniture Fittings & Equipment	Computers	Total
Cost	Kshs	Kshs	Kshs
Balance as at 01 January 2021	740,948	966,700	1,707,648
Additions	-	-	-
Disposal	-	-	-
Balance as at 31 December 2021	<u>740,948</u>	<u>966,700</u>	<u>1,707,648</u>
Accumulated depreciation			
Balance as at 01 January 2021	552,667	960,400	1,513,067
Charge for the year	92,619	6,300	98,919
Accum. Depreciation on disposals	-	-	-
Balance as at 31 December 2021	<u>645,286</u>	<u>966,700</u>	<u>1,611,986</u>
Carrying amount			
As at 31 December 2021	<u><u>95,663</u></u>	<u><u>-</u></u>	<u><u>95,663</u></u>

NOTES (CONTINUED)

	2021 Kshs	2020 Kshs
8 Deferred tax		
<p>Deferred income taxes are calculated on all temporary timing differences under the liability method using an enacted tax rate of 30%. The movement on the deferred income tax account is as follows:</p>		
At the beginning of the year	(63,734)	(171,592)
Charge to income	<u>-</u>	<u>107,858</u>
At the end of the year	<u><u>(63,734)</u></u>	<u><u>(63,734)</u></u>
9 Receivables		
Trade receivables	400,061	495,804
Prepayments	45,000	45,000
Staff loans	<u>-</u>	<u>80,000</u>
	<u><u>445,061</u></u>	<u><u>620,804</u></u>

Kenya Property Developers Association Limited
 Financial statements
 For the period ended 31 December 2021

NOTES (CONTINUED)

	2021	2020
	Kshs	Kshs
10 Payables		
Trade payables	786,122	233,324
Advance members' subscriptions	484,403	1,319,477
Accruals	135,638	150,316
VAT payable	42,601	132,926
	<u>1,448,764</u>	<u>1,836,043</u>
11 Cash and cash equivalents		
Cash in hand	87,838	137,438
Bank balance	1,958,544	2,079,099
Fixed deposit	2,375,452	2,274,835
	<u>4,421,834</u>	<u>4,491,372</u>
12 Reserves		
At start of year	660,200	-
Loss for the year	174,094	660,200
At end of year	<u>834,294</u>	<u>660,200</u>
13 Cash generated from operations		
Reconciliation of loss before taxation to cash generated from operations:		
Net loss before taxation	329,650	928,779
Adjustments for:		
Depreciation	98,919	111,518
Working capital changes		
Increase in receivables	175,743	(55,567)
Increase in payables	(387,279)	643,022
Cash generated from/(used in) operations	<u>217,034</u>	<u>1,627,752</u>