

**3i INFOTECH (AFRICA) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

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3i INFOTECH (AFRICA) LIMITED
COMPANY INFORMATION

REGISTERED OFFICE

Vienna Court , Ground Floor
State House , Crescent Road
P.O Box 13781 - 00800
Nairobi

DIRECTORS

Mr. Harish Shenoy
Ms. Sreerupa Sengupta

COMPANY SECRETARY

Jophece Yogo
P.O Box 45761 - 00100
Nairobi.

AUDITORS

Shah Bhasin and Associates
P.O Box 1470 - 00232
Nairobi.

BANKERS

Standard Chartered Bank Kenya Ltd
Nairobi.

3i INFOTECH (AFRICA) LIMITED
DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements of the Company for the year ended 31st March 2021.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of marketing and distributing various software products, and providing related information and technology support service.

RESULTS FOR THE YEAR

The results for the year are as shown on page 6.

The net loss for the year of Ksh. (128,445,037 / =) has been added to accumulated profits/(losses) , (2020: Loss of Kshs. 59,949,679 / =) , Has also been added to retained earnings / losses.

DIVIDENDS

Directors do not recommend the payment of dividends for the year. (2020 : No dividends)

DIRECTORS

The names of the directors of the Company in office during the financial year and as on the date of this report are:

Mr. Padmanabhan Nemmara Ranganathan Iyer (resigned on 11-May-2021)

Mr. Mrinal Manoj Ghosh (resigned on 2-Sep-2021)

Mr. Sandipkumar Jai Prakash Singh (resigned on 11-May-2021)

Mr. Suryanarayan Kasichainula (resigned on 11-May-2021)

Mr. Jatinder Singh Bedi (resigned on 11-May-2021)

Mr. Harish Shenoy (appointed on 2-Sep-2021)

Ms. Sreerupa Sengupta (appointed on 11-May-2021)

AUDITORS

Shah Bhasin & Associates, the Company's auditors, have indicated willingness to continue in office in accordance with Section 719(2) of the Kenyan Companies Act, 2015

By order of the board

Director

Director

Date: 23rd March 2022.


3i INFOTECH (AFRICA) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES


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

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, selecting and applying appropriate accounting policies and 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 March 2021 and of its profit/loss and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act.

Approved by the board of directors on 23rd March 2022 and signed on its behalf by:

Director  _____

Director  _____



SHAH BHASIN & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the shareholders of 3i INFOTECH (AFRICA) LIMITED

We have audited the Financial Statements of 3i Infotech(Africa) Limited set out on pages 6 to 17, which comprise the Statement of Financial Position as at 31st March 2021, 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.

1. Basis for opinion

In our opinion the accompanying Financial Statements give a true and fair view, in all material respects, the financial position 3i Infotech(Africa) Limited as at 31st March 2021, 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.

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.

2. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial statements of the current period. These matters were addressed in the context of our audit of the Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3. Other information

The directors are responsible for the other information. The other information comprises the Directors' Report 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.

4. Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with 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 operations, or have no realistic alternative but to do so.

5. 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 skepticism 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 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.

6. 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 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 Tejal Mayur Malde .

Shah Bhasin & Associates Practicing certificate No. PF/814

Shah Bhasin & Associates

Certified Public Accountants (K)

Nairobi.

Date: 23rd March 2022

SHAH BHASIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS (K)
P. O. BOX 32589 - 00600
NAIROBI

3i INFOTECH (AFRICA) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021

	<i>Notes</i>	2021 Kshs.	2020 Kshs.
Revenue	3	68,423,755	77,578,574
Cost of sales	4	(638,534)	(2,877,444)
<i>Gross profit</i>		67,785,221	74,701,130
Other operating income	5	(16,297,863)	(2,691,263)
Selling and distribution costs	6	(2,029,672)	(17,766,903)
Administrative expenses	7	(166,153,097)	(103,345,598)
Other operating expenses	8	(11,598,732)	(10,552,380)
Profit/(Loss) from operations		(128,294,143)	(59,655,014)
Finance costs	9	(150,894)	(306,136)
Profit/(loss) before tax		(128,445,037)	(59,961,150)
Income tax expenses		-	11,471
Profit/ (loss) for the year attributable to the owners of the company		(128,445,037)	(59,949,679)

Note:

The notes on page 10 to 17 form part of these financial statements.

3i INFOTECH (AFRICA) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2021

	Share capital Kshs.	Retained earnings Kshs.	Total Kshs.
At 1 April 2019	100,000	(53,353,103)	(53,253,103)
Net profit / (loss) for the year		(59,949,679)	(59,949,679)
<u>At 31 March 2020</u>	<u>100,000</u>	<u>(113,302,782)</u>	<u>(113,202,782)</u>
At 1 April 2020	100,000	(690,584,198)	(690,484,198)
Net profit / (loss) for the year		(128,445,037)	(128,445,037)
<u>At 31 March 2021</u>	<u>100,000</u>	<u>(819,029,235)</u>	<u>(818,929,235)</u>

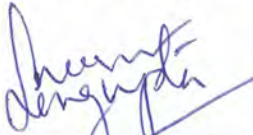
3i INFOTECH (AFRICA) LIMITED
STATEMENT OF FINANCIAL POSITION
31ST MARCH 2021

	Notes	2021 Kshs.	2020 Kshs.
ASSETS			
Current Assets			
Trade and other receivables	11	11,923,738	254,276,112
Cash in Hand and at bank	12	16,054,404	7,088,030
		<u>27,978,142</u>	<u>261,364,142</u>
Non Current Assets			
Property, Plant and Equipment	13	-	467,827
Deferred Tax	16	426,012	426,012
		<u>426,012</u>	<u>893,839</u>
TOTAL ASSETS		<u>28,404,154</u>	<u>262,257,981</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	14	24,057,448	115,240,009
Current tax payable	15	(5,009,740)	(18,570,908)
Amounts due to related party	17	828,285,681	278,791,662
		<u>847,333,389</u>	<u>375,460,763</u>
Non Current Liabilities			
		-	-
Equity			
Issued Capital	18	100,000	100,000
Retained Earnings		(819,029,235)	(113,302,782)
		<u>(818,929,235)</u>	<u>(113,202,782)</u>
TOTAL EQUITY & LIABILITIES		<u>28,404,154</u>	<u>262,257,981</u>

The financial statements on pages 6 to 20 were approved for issue by the board of directors on 23rd March 2022 and were signed on their behalf by:



 Director



 Director

3i INFOTECH (AFRICA) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	2021 Kshs.	2020 Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(128,445,037)	(59,961,150)
<i>Adjustments for non-cash income and expenses:-</i>		
Depreciation	-	177,583
Interest expense	-	-
Operating profit/(loss) before working capital changes	(128,606,540)	(59,783,567)
<i>Changes in operating assets and liabilities:</i>		
Decrease/ (increase) in trade and other receivables	242,352,374	(7,828,889)
Increase/ (decrease) in Related parties	(14,414,608)	81,712,209
Increase/ (decrease) in trade and other payables	(91,182,561)	13,026,396
<i>Cash generated from operations</i>	<i>8,148,665</i>	<i>27,126,149</i>
Interest paid	-	-
Tax paid	188,379	(24,739,028)
<i>Net cash from operating activities</i>	<i>8,337,044</i>	<i>2,387,121</i>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	-	(94,124)
<i>Net cash used in investing activities</i>	<i>-</i>	<i>(94,124)</i>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	-	-
<i>Net cash used in financing activities</i>	<i>-</i>	<i>-</i>
Net increase / (decrease) in cash and cash equivalents	8,966,374	2,292,997
Cash and cash equivalent at beginning of year (Note 12)	7,088,030	4,795,033
Cash and cash equivalent at end of year (Note 12)	16,054,404	7,088,030

3i INFOTECH (AFRICA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

GENERAL INFORMATION

3i Infotech (Africa) Limited is incorporated in Kenya under the Kenyan Companies Act as a private company limited by shares and is domiciled in Kenya. The address of its registered office and principal place of business is Nairobi. The principal activity of the company is that of marketing and distributing various software products, and providing related information and technology

1 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 for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. 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 Revenue recognition

Revenue from sales of goods is recognised when the goods are delivered and title has passed. Revenue from sale of services is recognised upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and VAT.

b Inventories

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. Cost of issues are calculated using the First In First Out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs of disposal.

c 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 using the following annual rates:

Equipment & machinery	12.5%
Heavy Commercial Vehicles	37.5%
Motor Vehicles	25%
Furniture & fittings	12.5%
Computers	30%

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.

1 ACCOUNTING POLICIES (continued)

c Property, plant & equipment

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.

3i INFOTECH (AFRICA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

d 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 five 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.

e 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.

f 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.

g 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 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.

g Impairment of non-financial assets

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.

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.

h 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.

3i INFOTECH (AFRICA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

i 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.

j Financial liabilities

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

Financial liabilities are initially recognised at the transaction price (including 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.

k 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. Proposed dividends are accounted for as a separate component of equity until they have been declared at an annual general meeting.

l Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. Prior period financial statements have been reclassified to conform to current period presentation for trade and other receivable and bank interest and charges.

m Income Tax

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

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.

3i INFOTECH (AFRICA) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH 2021

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:

	2021 Kshs.	2020 Kshs.
3 REVENUE		
Sales	68,423,755	77,578,574
	<u>68,423,755</u>	<u>77,578,574</u>
4 COST OF SALES		
Product and implementation costs	638,534	2,877,444
	<u>638,534</u>	<u>2,877,444</u>
5 OTHER INCOME		
Unrealised exchange Loss	(8,070,530)	(5,968,247)
Realised exchange gain/(loss)	-	-
Other income	(8,388,836)	3,276,984
Gain/loss on disposal of PPE	161,503	-
	<u>(16,297,863)</u>	<u>(2,691,263)</u>
6 SELLING AND DISTRIBUTION COSTS		
Advertisement & sales promotion	42,065	7,670
Travelling expenses	1,987,607	17,759,233
	<u>2,029,672</u>	<u>17,766,903</u>
7 ADMINISTRATIVE EXPENSES		
<i>Employment:</i>		
Salaries and wages	44,417,530	47,182,451
Staff Welfare and medical	58,822	223,946
Other staff costs	3,200,543	7,341,256
Work permit	1,184,151	687,089
<i>Total employment costs</i>	<u>48,861,046</u>	<u>55,434,742</u>

3i INFOTECH (AFRICA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

	2021 Kshs.	2020 Kshs.
7 ADMINISTRATIVE EXPENSES (Continued)		
<i>Other administration costs:</i>		
Auditors remuneration	314,336	600,000
Office expenses	1,010,516	243,651
Legal & Professional Expenses	1,156,261	310,784
Management Charge out Fess	110,032,316	41,350,465
General Expenses	2,619,469	547,561
Postage, Telephone & E-mail	538,339	1,066,674
Printing & Stationery	12,330	41,143
Motor vehicle and Car hire Expenses	96,135	2,702,288
Bad debts	830,327	1,004,693
Miscellaneous expenses	665,586	43,597
<i>Total other administration expenses</i>	<u>117,292,051</u>	<u>47,910,856</u>
<i>Total administrative expenses</i>	<u>166,153,097</u>	<u>103,345,598</u>
8 OTHER OPERATING EXPENSES	2021 Kshs.	2020 Kshs.
Rent ,Rates and Taxes	9,897,555	8,657,810
Electricity and water	56,396	232,863
Insurance	1,397,901	1,366,536
Repairs & maintenance	75,384	117,588
Depreciation of property, plant & equipment	171,496	177,583
	<u>11,598,732</u>	<u>10,552,380</u>
9 FINANCE COSTS	2021 Kshs.	2020 Kshs.
Bank charges and commission	150,894	306,136
	<u>150,894</u>	<u>306,136</u>
10 PROFIT BEFORE TAX		
The following items have been recognised as expenses (income) in determining profit before tax:		
	2021 Kshs.	2020 Kshs.
Depreciation of property, plant and equipment	171,496	177,583
Auditor's remuneration	314,336	600,000
11 TRADE AND OTHER RECEIVABLES	2021 Kshs.	2020 Kshs.
Trade receivables	-	70,118,940
Prepayments , deposits and other receivables	11,923,738	184,157,172
	<u>11,923,738</u>	<u>254,276,112</u>

3i INFOTECH (AFRICA) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH 2021

12 CASH AND CASH EQUIVALENTS

	At 1 April 2020 Kshs.	Cash Flows Kshs.	2021 Kshs.
Cash in hand	(35,188)	135,188	100,000
Cash at bank	7,123,218	8,831,186	15,954,404
	7,088,030	8,966,374	16,054,404

13 PROPERTY, PLANT AND EQUIPMENTS (refer Page 17)

14 TRADE AND OTHER PAYABLES

	2021 Kshs.	2020 Kshs.
Trade payables	-	64,905,293
Other payables	24,057,448	50,334,716
	24,057,448	115,240,009

15 TAXATION

a Statement of Comprehensive Income

	2021 Kshs.	2020 Kshs.
Current tax applicable rate 30%	-	-
Deferred tax	-	(11,471)
Tax charge	-	(11,471)

b Statement of Financial Position

	2021 Kshs.	2020 Kshs.
At 1 April 2020	(5,198,119)	6,168,120
Corporation tax for the year	-	-
Tax Paid	188,379	-
Withholding Tax paid	-	(24,739,028)
At 31 March 2021	(5,009,740)	(18,570,908)

16 DEFERRED TAX

Deferred Tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2020: 30%).

The deferred tax assets are the tax effects of expected future income tax benefits relating to:

- differences between the carrying amounts and tax written down values of property, plant and equipment;
- the foreign exchange loss on trade payables, which will not be tax-deductible until the payables are settled but has already been recognised as an expense in measuring the company's profit for the year.

3i INFOTECH (AFRICA) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH 2021

16 **DEFERRED TAX (Continued)**

The movement on the deferred tax account is as follows:

	2021 Kshs.	2020 Kshs.
At beginning of the year	(426,012)	(414,541)
Income statements (Credits)	-	(11,471)
At 31 March 2021	<u>(426,012)</u>	<u>(426,012)</u>

Deferred Tax assets and Deferred Tax credits in the profit and loss account are attributable to the following items:

	(Credited) to P & L	2021 Kshs.	2020 Kshs.
<i>Deferred Tax Liabilities</i>			
Accelerated Tax Depreciation	38,800	(387,212)	(426,012)
Foreign exchange gain	-	-	-
	<u>38,800</u>	<u>(387,212)</u>	<u>(426,012)</u>
<i>Deferred Tax Assets</i>			
Foreign exchange loss	-	-	-
	<u>38,800</u>	<u>(387,212)</u>	<u>(426,012)</u>
Net Deferred tax liability		<u>(387,212)</u>	<u>(426,012)</u>

17 **RELATED PARTIES**

The company is related to other companies which are related through common shareholding or common directorships. The following transactions were carried out with related parties:

ii) Amounts due from related party		
Related Party	-	-
	<u>-</u>	<u>-</u>
Amounts due to related party		
Related Party	828,285,681	278,791,662
	<u>828,285,681</u>	<u>278,791,662</u>

18 **SHARE CAPITAL**

	2021 Kshs.	2020 Kshs.
<i>AUTHORISED</i>		
100 ordinary shares of Kshs. 1,000/- each	100,000	100,000
<i>ISSUED & FULLY PAID UP</i>		
100 ordinary shares of Kshs. 1,000/- each	100,000	100,000

3i INFOTECH (AFRICA) LIMITED
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FOR THE YEAR ENDED 31ST MARCH 2021

13 PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Furniture & fittings	Computers	Total
COST				
At 1 April 2020	2,414,500	1,147,327	988,973	4,550,800
Additions	-	-	-	-
Disposals	-	(1,147,327)	(988,973)	(2,136,300)
At 31 March 2021	2,414,500	-	-	2,414,500
Accumulated Depreciation and Impairment				
At 1 April 2020	2,414,500	799,421	869,052	4,082,973
Impairment	-	-	-	-
Charge for the Year	-	-	-	-
Disposal	-	(799,421)	(869,052)	(1,668,473)
At 31 March 2021	2,414,500	-	-	2,414,500
CARRYING AMOUNT				
At 31 March 2021	-	-	-	-

3i INFOTECH (AFRICA) LIMITED
TAX COMPUTATION - 2021

PIN NO: P 051 209 307 Y

	<u>Kshs.</u>	<u>Kshs.</u>
Profit/(loss) before tax		(128,445,037)
<i>Add:</i>		
Bad debts	830,327	
Fines and penalties	16,436	
Unrealised exchange loss year 2020	8,070,530	
		<u>8,917,293</u>
		<u>(119,527,744)</u>
<i>Less:</i>		
Rent received		
Wear and tear deductions	(108,116)	
Gain on disposal of assets	(161,503)	
		<u>(269,619)</u>
Adjusted tax Profit/(loss) for the year		(119,797,363)
Loss b/f		(119,556,757)
Adjusted tax Loss for the year		(239,354,120)
Total tax liability		-
Withholding tax paid		-
TAXES OVERPAID		-

WEAR AND TEAR SCHEDULE

	Class II	Class III	Class IV	Total
	30%	25%	12.5%	
	Kshs.	Kshs.	Kshs.	Kshs.
W.D.V as at 1.04.2020	159,330	44,707	393,123	597,160
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>159,330</u>	<u>44,707</u>	<u>393,123</u>	<u>597,160</u>
Wear and tear allowance	(47,799)	(11,177)	(49,140)	(108,116)
W.D.V as at 31.03.2021	<u>111,531</u>	<u>33,530</u>	<u>343,983</u>	<u>489,044</u>