NZMOBILE KENYA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

CONTENTS

COMPANY INFORMATION

Board of directors	Mr. Chirag Shah
Company secretary	Commercial Registrars P.O. Box 49925-00100 Nairobi. Kenya.
Registered office	L.R. No. 1870/VI/260 New Rehema House, 1st Floor, Rhapta Road P.O. Box 67486-00200 Nairobi. Kenya.
Independent auditor	Baker Tilly Certified Public Accountants New Rehema House P.O. Box 6748-00200 Nairobi. Kenya.
Principal bankers	NCBA Bank Plc ABC Branch P.O. Box 44599-00100 Nairobi. Kenya. Standard chartered bank Ltd Westlands Branch, P. O. Box 14438 - 00800, Nairobi, Kenya Bank of India, Westlands Branch, Nairobi, Kenya

REPORT OF THE DIRECTORS

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 March 2023.

Incorporation

The company is domiciled in Kenya where it is incorporated as a private company limited by shares under the Kenyan Companies Act, 2015.The address of the registered office is set out on page 1.

Directorate

The directors who held office during the year and to the date of this report are set out on page 1.In accordance with the company's Articles of Association, no director is due for retirement by rotation.

Principal activities

The company is primarily engaged in providing mobile value added services (VAS) through telecom consumer base in Kenya including game download and subscription based services .

Results

The results for the year are shown on page 6

Dividend

The directors do not recommend the declaration of dividend for the year. (2022:Nil)

Business review

During the year ended 31 March 2023 the total revenue of the company increased from Shs.87,061,968 to Shs. 138,302,562 reflecting the effects of new source of income of offering Disney content to customers and also consumption of the creative content has increased on Safaricom, which has resulted in higher Sales. The profit before tax decreased from Shs. 25,627,597 in 2022 to loss before tax of Shs. (195,140,632) in 2023 because of of write of debt receivable from NZ World a related party as a result of disolution of the company.

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

Baker Tilly 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. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

By order of the Board

....

Director / Company Secretary

Nairobi 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company 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 International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

i) designing, implementing and maintaining 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 judgments 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 ....2023 and signed on its behalf by:

Director's name: CHIRAG SHAH **Signature:**...............................

Director's name:.................................... **Signature:**...............................

Opinion

We have audited the accompanying financial statements of NZmobile Kenya Limited, set out on pages 6 to 16 which comprise the statement of financial position as at 31 December 2022, the statement of profit or loss and statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the Company as at 31 March 2023 and of its financial performance 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, 2015.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or other wise appears to be materially misstated. If, based on the work we have performed on the other information, 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 these financial statements in accordance with International Financial Reporting Standards and the Companies Act, 2015, and for such internal control as management determines 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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.

We communicated 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 Madhav Bhandari. P/No. 1213.

Baker Tilly
Certified Public Accountants
P.O. Box 67486 - 00200, Nairobi

....09|05|...2023

STATEMENT OF PROFIT OR LOSS ACCOUNT

	Notes	2023 Kshs	2022 Kshs
Sales	4	138,302,562	87,061,968
Cost of sales	5	(64,942,515)	(49,554,096)
Gross profit		73,360,046	37,507,872
Other income	6	9,912,732	4,830,090
Administrative expenses	8	(246,782,794)	(7,338,779)
		(163,510,016)	34,999,183
Finance costs	7	(31,662,616)	(9,371,586)
(Loss)/profit before tax		(195,172,633)	25,627,597
Income tax charge	11	(6,783,064)	(12,225,871)
(Loss)/profit for the year		**(201,955,696)**	**13,401,726**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023 Kshs.	2022 Kshs.
ASSETS			
Non current asset			
Property, plant and equipment	12	1,170	1,672
Intangible assets	15	2,329,753	5,514,613
Trade and other receivables	13	-	232,948,631
Deferred tax assets	18	1,174,360	3,016,338
		3,505,283	241,481,254
Current assets			
Trade and other receivables	13	30,471,023	21,589,604
Cash and cash equivalents	14	3,511,896	183,328,030
		33,982,919	204,917,634
TOTAL ASSETS		**37,488,202**	**446,398,888**
REPRESENTED BY			
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	100,000	100,000
Retained earnings		7,007,188	208,962,828
Shareholders deficit/equity		7,107,188	209,062,828
Non current liabilities			
Trade and other payables	16	10,560,094	185,199,930
		10,560,094	185,199,930
Current liabilities			
Trade and other payables	16	17,366,532	42,642,406
Tax payable	11	2,454,388	9,493,724
		19,820,920	52,136,130
TOTAL EQUITY AND LIABILITIES		**37,488,202**	**446,398,888**

The financial statements on pages 6 to 16 were approved and authorized for issue by the Board of Directors on_________________________2023 and were signed on its behalf by:

Director

STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs	Retained earnings Kshs	Total Kshs
Year ended 31 March 2022			
As at 1 April 2021	100,000	195,561,102	195,661,102
Profit for the year	-	13,401,726	13,401,726
As at 31 March 2022	**100,000**	**208,962,828**	**209,062,828**
Year ended 31 March 2023			
As at 1 April 2022	100,000	208,962,884	209,062,884
Loss for the year	-	(201,955,696)	(201,955,696)
As at 31 March 2023	**100,000**	**7,007,188**	**7,107,188**

STATEMENT OF CASH FLOWS

	Notes	2023 Kshs	2022 Kshs
Operating activities			
(Loss)/profit before tax		(195,172,633)	25,627,597
Add Back : Depreciation		502	716
:Amortisation		3,184,860	3,184,863
Operating (loss)/profit before working capital changes		(191,987,271)	28,813,176
Adjustments for:			
Changes in working capital			
- Increase/(decrease) in trade and other receivables		222,552,566	(20,440,467)
- (Increase)/decrease in trade and other payables		(199,915,710)	26,952,931
Cash (used in)/generated from operations		(169,350,414)	35,325,640
Tax paid		(10,465,720)	(5,917,641)
Net cash (used in)/generated from operating activities		(179,816,135)	29,407,999
Decrease in cash and cash equivalents		(179,816,135)	29,407,999
Movement in cash and cash equivalents			
At start of year		183,328,030	153,920,031
Decrease in cash and cash equivalents		(179,816,135)	29,407,999
At end of year	14	**3,511,895**	**183,328,030**

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Kenya SME 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 L.R. No. 1870/VI/260, New Rehema House, 1st Floor. The principal activities of the company are providing mobile value added services (VAS) through telecom consumer base in Kenya including game download and subscription based services .

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 for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The financial statements are presented in Kenyan Shillings (KSh), rounded to the nearest one Shilling. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

Revenue recognition

The company recognizes revenue as and when it satisfies a performance obligation by transferring control of product or service to a customer. The amount of revenue recognized is the amount the company expects to receive in accordance with the terms of the contract and excludes amounts collected on behalf of third party, such as Value Added Tax.

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 Act.

Deferred tax is determined on differences arising between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences), using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. However, for investment property that is measured using the fair value model, there is a rebuttable presumption

Deferred tax liabilities are recognised for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Kenya Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Share capital,

Ordinary shares are recognised at par value and classified as 'share capital' in equity.

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.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets (continued)

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

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the profit and loss account. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset charged to the profit and loss account and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation surplus reserve to retained earnings.

Depreciation on other assets is calculated on the reducing balance/ straight line basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

The annual depreciation rates in use are:	Rate
Computer & Office Equipment	30%

Each part of an item of property,plant and equipment with a cost that is significant in relation to the total cost of the item, is depreciated separately.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

Intangible assets

Software licence costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the company are recognised as intangible assets. Amortisation is calculated using the straight line method to write down the cost of each licence or item of software to its residual value over its estimated useful life using an annual rate of 20%.

Impairment of non-financial assets

At each reporting date, property and equipment, investment property and intangible 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Judgements and key sources of estimation uncertainty

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

The directors have, however, had to make key assumptions regarding depreciation of property and equipment and amortisation of intangible assets.

	2023 Kshs	2022 Kshs
4 Revenue		
Sales	138,302,562	87,061,968
5 Cost of sales		
Direct cost	19,954,180	7,701,704
Advertising costs	44,988,336	41,852,392
	64,942,515	49,554,096
6 Other income		
Interest income	5,373,315	4,713,689
Miscellaneous Income	4,539,417	116,401
	9,912,732	4,830,090
7 Finance (income) /Cost		
Unrealized exchange	1,596,089	9,371,586
Realized exchange (gain) /loss	30,066,528	
	31,662,616	9,371,586
8 Administrative expenses		
Audit fees: current year	338,249	459,404
over provision in prior year	(225,400)	-
Legal Professional fees	4,580,933	346,531
Insurance expenses	-	756,665
Licence Fees	2,060,874	-
Office expenses	51,708	5,081
Write offs	234,538,322	-
Rates& Taxes	1,619,406	43,667
Short Code Services	(80,000)	808,856
Bulk SMS	75,689	-
Loss on Liquidation of Subsidiary	70,000	-
Bank charges	195,602	148,553
Bandwidth expenses	372,048	1,584,443
Depreciation	502	716
Amortisation of intangible assets	3,184,860	3,184,863
Total administrative expenses	246,782,794	7,338,779

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2023 Kshs	2022 Kshs
9 Operating profit		
The following items have been charged in arriving at operating profit:		
Audit fees	338,249	459,404
10 Share capital		
Issued and fully paid		
At 31 March	100,000	100,000

The total number of authorized ordinary shares is 1,000 with a par value of Kshs 100 each.

11 Tax

(a) Tax expense

	2023 Kshs	2022 Kshs
Current tax	9,967,729	13,104,308
Over provision in prior years	(5,026,643)	-
Deferred income tax charge (Note 19)	1,841,978	(878,437)
Current tax	6,783,064	12,225,871

Income tax charge

11 Tax (continued)

(a) Tax expense (continued)

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

	2023 Kshs	2022 Kshs
(Loss)/profit before tax	(195,172,633)	25,627,597
Tax calculated at a tax rate 30% (2022:30%)	(58,551,790)	7,688,279
Tax effect of:		
- expenses not deductible for tax purposes	65,334,854	4,537,592
	6,783,064	**12,225,871**

b) Tax payable

	2023 Kshs	2022 Kshs
Tax payable b/fwd.	9,493,724	2,307,055
Tax charge	9,967,729	13,104,308
Relocation to refund section	(1,514,702)	
Tax paid: 2022 balance of tax	(2,952,379)	-
Tax paid - Withholding tax	(7,513,341)	(5,073,441)
Tax paid-instalment tax	-	(844,199)
Over provision in prior years	(5,026,643)	
Tax recoverable c/fwd.	**2,454,388**	**9,493,724**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Property, plant and equipment

	Computers Kshs	Total Kshs
Year ended 31 March 2022		
Cost		
As at 1st April 2020 and 31st March 2022	29,000	29,000
Depreciation		
As at 1st April 2021	26,612	26,612
Charge for the year	716	716
As at 31st March 2022	27,328	27,328
Net book value	**1,672**	**1,672**
Year ended 31 March 2023		
Cost		
As at 1st April 2022 and 31st March 2023	29,000	29,000
Depreciation		
As at 1st April 2022	27,328	27,328
Charge for the year	502	502
As at 31 March 2023	27,830	27,830
Net book value	**1,170**	**1,170**

	2023 Kshs	2022 Kshs
13 Trade and other receivables		
Non Current		
Receivable from related party (Note 17)	-	232,948,631
Current		
Trade receivables	77,119	4,082,607
Other receivables*	30,393,904	17,506,997
	30,471,023	21,589,604
14 Cash and cash equivalents		
Cash at bank	3,511,896	9,630,530
Short term fixed deposit - Bank of India	-	173,697,500
	3,511,896	183,328,030
15 Intangible assets		
Cost		
At start of year	15,924,300	15,924,300
Additions	-	-
At end of year	15,924,300	15,924,300
Amortisation		
At start of year	10,409,686	7,224,824
Charge for the period	3,184,860	3,184,863
At end of year	13,594,547	10,409,686
Net book value	2,329,753	5,514,613

	2023 Kshs	2022 Kshs
16 Trade and other payables		
Non current trade and other payable		
Payable to related party (Note 17)	10,560,094	185,199,930
Current trade and other payable		
Trade payables	3,199,008	4,749,109
Payable to related party (Note 17)	4,231,690	7,387,876
Other payables	9,935,834	30,505,421
	17,366,532	42,642,406
Total trade and other payables	**27,926,626**	**227,842,336**

17 Related parties transactions

The company is related to other companies which is the parent company and also are related through common shareholding or common directorships.

	2023 Kshs	2022 Kshs
(i) Payable to related party (Note 16)		
Non Current		
Nazara Technologies (Mauritius)	10,560,094	185,199,930
Current		
Nazara Technologies Limited (India)	4,231,690	1,469,236
Nazara Pte Ltd	-	5,918,640
	4,231,690	7,387,876
	14,791,784	192,587,806
(ii) Receivables from related party (Note 13)		
NZ World Kenya Limited*	-	232,948,631

NZ World Kenya Limited has been wound up and thus the balance receivable written off in the books.

	2023 Kshs	2022 Kshs
(ii) Purchases from Related parties		
Nazara Technologies Limited, India -Adminastration & business expenses	19,954,180	3,603,138
Nazara Technologies Limited, India - License fees	2,060,874	-
Nazara Technologies Mauritius -Advertising expenses	-	1,481,622
Nazara Pte limited -Advertising expenses	-	7,020,000
Nazara Technologies Limited, India -Technologies services	18,009,666	7,989,336
Direct cost	37,963,846	20,094,096

18 Deferred tax asset /(liability)

The deferred tax liability is attributable to the following items :		
Balance b/fwd.	3,016,338	2,137,901
(Charge)/credit to the Statement of Comprehensive Income (Note 11)	(1,841,978)	878,437
Deferred tax asset /(liability)	1,174,360	3,016,338

Deferred income tax is calculated using the enacted tax rate of 30%. Deferred tax assets and liabilities, and the deferred tax charge/(credit) in the profit and loss are attributable to the following items:

Year ended 31 March 2023	**At 01 April**	**Credit for the year**	**At 31 March**
Deferred tax asset /(liability)	**Kshs**	**Kshs**	**Kshs**
Excess of depreciation over capital allowances	204,863	490,671	695,534
Exchange difference	2,811,476	(2,332,649)	478,827
	3,016,339	**(1,841,978)**	**1,174,361**

Year ended 31 March 2022	**At 01 April**	**Credit for the year**	**At 31 March**
Deferred tax asset /(liability)	**Kshs**	**Kshs**	**Kshs**
Excess of depreciation over capital allowances	(130,895)	335,758	204,863
Exchange difference	2,268,796	542,680	2,811,476
	2,137,901	**878,437**	**3,016,338**

19 Currency

The financial statements are presented in Kenya Shillings and rounded off to the nearest one Kenyan Shilling

20 Comparatives

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

NZMOBILE KENYA LIMITED

PIN: P051431543Q

INCOME TAX COMPUTATION

FOR THE YEAR ENDED 31ST MARCH 2023

	Business income Kshs	Interest income Kshs	Total income Kshs
a) Tax computation			
Net (loss) /profit before tax	(205,085,365)	9,912,732	(195,172,633)
Add Back:			
Depreciation	502	-	502
Amortisation of intangible assets	3,184,860	-	3,184,860
Unrealized exchange loss current year	1,596,089		1,596,089
Sundry balance written off	234,538,322	-	234,538,322
Less :			
Unrealised exchange loss for prior years now deemed realised	(9,371,586)	-	(9,371,586)
Wear and tear allowance	(1,549,790)	-	(1,549,790)
Adjusted taxable profit	23,313,032	9,912,732	33,225,764
Current tax on adjusted taxable profits	**6,993,909**	**2,973,820**	**9,967,729**

b) Tax payable /(recoverable)	
Tax (recoverable)/payable brought forward	9,493,724
Less: Over provision in prior year	(5,026,643)
Relocation to refund section	(1,514,702)
Add: Tax charge for the year	9,967,729
Less tax paid: Witholding tax	(7,513,341)
Less: 2022 balance of Tax	(2,952,379)
Tax payable	**2,454,388**

c) Wear and Tear schedule	**Grade A Kshs**	**Total Total**
As at 1st April 2022	6,199,161	8,265,549
Additions	-	-
	6,199,161	6,199,161
Charge for the year	(1,549,790)	(1,549,790)
As 31st March 2023	4,649,371	4,649,371