UNITED KENYA CLUB

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS **PAGE**

Directors	Prof. William Ogara- Retired on 6th October 2022 Prof. Julius Mwabora Mr. Peters Awuondo- Retired on 6th October 2022 Dr. Andrew Kiura- Retired on 6th October 2022 Mrs. Beatrice Okoko- Retired on 6th October 2022 Ms. Sarah Karingi Mr. Job Makanga Mr. Felix Okatch Mr. Noah Onsomu Prof. Arthur Kemoli- Retired on 6th October 2022 Dr. Pamela Olet- Retired on 6th October 2022 Dr. Henry Wanga- Retired on 6th October 2022 Mr. Dickson Karani Justice Jemimah Wanza Keli- Resigned Dr. Grace Kiringa-Appointed 6th October 2022 Mr. Patrick Kigen-Appointed 6th October 2022 Dr. Jennifer Kilonzo- Appointed 6th October 2022 Mr. Antony Waithaka Dr. John Magambo- Appointed 6th October 2022 Mr. Joseph Tarus- Appointed 6th October 2022
Registered Office and Principal Place of Business	State House Road P.O. Box 42220 – 00100 Nairobi
Principal Bankers	Barclays Bank Limited Market Branch P.O Box 30018 - 00100 Nairobi. Equity Bank Limited Kimathi Branch P.O Box 10785 - 00100 Nairobi Kenya Commercial Bank Limited University Way Branch P.O Box 7206 - 00300 Nairobi

Company Secretary	Bridgeways associates P.O Box 7206 - 00300 Nairobi.
Independent Auditor	Parker Randall Eastern Africa Certified Public Accountants Karengata Park, Off Marula Lane- Karen P.O Box 25426 - 00100 Nairobi.
Legal advisors	Mr. Njoroge Regeru Abor House Arboretum Drive P.O Box 46971 - 00100 Nairobi. Mr. Ezekiel Wanjama Agip House, 2nd Floor P.O Box 50027 - 00200 Nairobi Mr. Solomon Wamwayi Development House 13th Floor Suite 7 P.O. Box 16670-06200 Nairobi

The directors submit their report and the audited financial statements for the year ended 31 December 2022.

1. Incorporation
The Club was incorporated in Kenya under the Kenyan Companies Act on 29th day of August 2012. It is a private limited liability company domiciled in Kenya.

2. Principal Activity
The Club is engaged in offering hospitality services and operates principally in Kenya as a private members club. It is limited by guarantee and does not have share capital.

3. Results
The results for the year are set out on page 9.

4. Directors
The directors of the Club during the year and to the date of this report are as set out in page 1.

5. Membership
As at 31 December 2022, the club's membership was as follows:

MEMBER CATEGORY	ACTIVE	DEFAULTERS	LAPSED	TOTAL
Town members	338	227	173	738
Junior members	-	3	1	4
Overseas members	11	6	7	24
Upcountry members	9	7	17	33
Life members	70	-	-	70
TOTALS	**428**	**243**	**198**	**869**

6. Results
The club's result for the year ended 31st December 2022 were as follows:

	2022	2021
	Kshs	Kshs
Surplus/(Deficit) for the year	3,492,634	(4,395,886)

7. Statement as to disclosure to the company's auditor

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

i. There is, so far as the director is aware, no relevant audit information of which the Company's auditor is unaware; and

ii. The director has taken all the steps that the director 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.

8. Terms of appointment of the auditor

Parker Randall Eastern Africa rotate out of office after completing their term as per the club'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

....
Secretary

Date 7 November, 2023

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 maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and errors.
The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 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 07/11/2023 2023 and signed on its behalf by:

Chairman

Treasurer

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF UNITED KENYA CLUB
FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion
We have audited the accompanying financial statements of United Kenya Club, set out on pages 9 to 25, which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of 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 financial position of United Kenya Club as at 31 December 2022 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 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 firm 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 otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

The directors' are responsible for the preparation and fair presentation of the finar statements that give a true and fair view in accordance with the International Finar Reporting Standard for Small and Medium-sized Entities, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are from material misstatements, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the fir ability to continue as a going concern, disclosing as applicable, matters related to the gc concern and using the going concern basis of accounting unless the proprietor intend liquidate the firm 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 whole are free from material misstatement, whether due to fraud or error, and to issue a auditor's report that includes our opinion. Reasonable assurance is a high level of assuranc but is not a guarantee that an audit conducted in accordance with ISAs will always detect material misstatement when it exists.
Misstatements can arise from fraud or error and are considered material, if individually or i the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintair professional scepticism 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 management.

- 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 a significant doubt on the firm'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 or in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence up to the date of the auditor's report. However, future events or conditions may cause the firm to cease to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 legal requirements

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

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Victor Majani, practicing license number 1546.

....

Partner

For and on Behalf;

Certified Public Accountants
Nairobi

07/11/**2023**

	Notes	2022 Kshs	2021 Kshs
Revenue	3	72,156,355	53,457,765
Other income	5	5,807,165	7,331,168
		77,963,520	60,788,933
Cost of Sales	4	(25,553,707)	(19,418,551)
Operating expenses	6	(48,917,179)	(45,766,268)
		(74,470,886)	(65,184,819)
Surplus/(Deficit) for the year		**3,492,634**	**(4,395,886)**

The notes set out on pages 13 to 25 form an integral part of the financial statements.

		2022	2021
ASSETS	**Notes**	**Kshs**	**Kshs**
Non-current assets			
Property, plant and equipment	7	907,478,668	908,532,088
Current assets			
Inventory	8	888,063	872,776
Trade and other receivables	9	2,803,851	1,331,112
Cash and cash equivalent	10	2,657,322	2,275,807
		6,349,236	4,479,695
TOTAL ASSETS		**913,827,904**	**913,011,783**
EQUITY AND LIABILITIES			
Equity			
Development levy	11	27,384,071	26,529,071
Capital reserves	12	19,697,762	19,697,762
Revaluation reserves	12	93,304,292	93,304,292
Revenue deficit		(65,000,074)	(68,613,602)
		75,386,051	**70,917,523**
Non-current liabilities			
Government grant- land	13	785,000,000	785,000,000
Current liabilities			
Trade and other payables	14	53,441,853	57,094,260
		53,441,853	**57,094,260**
TOTAL EQUITY AND LIABILITIES		**913,827,904**	**913,011,783**

The financial statements were approved by the board of Director on ....7/11/... 2023 and signed on their behalf by:

....

Chairman **Treasurer**

The notes set out on pages 13 to 25 form an integral part of the financial statements.

	Development levy	Capital reserve	Revaluation reserve	Revenue deficit	Total
Year ended 31 December 2022	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Balance at 1 January 2022	26,529,071	19,697,762	93,304,292	(68,613,602)	70,917,523
**Prior year adjustments*	-	-	-	*120,894*	*120,894*
Restated balance	26,529,071	19,697,762	93,304,292	(68,492,708)	71,038,417
Development levies received	855,000	-	-	-	855,000
Profit for the year	-	-	-	3,492,634	3,492,634
Balance as at 31 December 2022	**27,384,071**	**19,697,762**	**93,304,292**	**(65,000,074)**	**75,386,051**
Year ended 31 December 2021					
As at 1 January 2021	26,099,071	19,697,762	93,304,292	(64,217,716)	74,883,409
Development levies received	430,000	-	-	-	430,000
Loss for the year	-	-	-	(4,395,886)	(4,395,886)
Balance as at 31 December 2021	**26,529,071**	**19,697,762**	**93,304,292**	**(68,613,602)**	**70,917,523**

**The prior year adjustment was as a result of year-end audit fees which had been over-accrued in the previous period.*

The notes set out on pages 13 to 25 form an integral part of the financial statements.

	Notes	2022 Kshs	2021 Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) for the year		3,492,634	(4,395,886)
Adjustments:			
Opening balance adjustment		*120,894*	-
Depreciation and amortization	7	1,349,257	2,129,987
Cash flows used in operating activities		4,962,785	(2,265,899)
(Increase)/decrease in inventories	8	(15,287)	59,137
(Increase)/decrease in trade and other receivables	9	(1,472,739)	3,666,092
Increase in trade and other payables	14	(3,652,407)	(2,091,174)
Net cash (used in) operating activities		**(177,648)**	**(631,844)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(295,839)	(287,376)
Net cash flows from investing activities		**(295,839)**	**(287,376)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Development levy received	11	855,000	430,000
Net cash generated from financing activities		**855,000**	**430,000**
Cash and cash equivalents			
Increase/(decrease) in cash and cash equivalents		381,516	(489,220)
Cash and cash equivalents as at 1 January		2,275,806	2,765,026
Cash and cash equivalents as at 31 December	10	**2,657,322**	**2,275,806**

The notes set out on pages 13 to 25 form an integral part of the financial statements.

1. Summary of significant accounting policies

a. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Kenyan Companies Act. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in Kenyan Shillings (Kshs).

b. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both.

Significant estimates and judgements made relate to:

Trade and other receivables

The Club assess its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit and loss, the club makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratio, adjusted for national and industry- specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Tax

The Club has not provided for income tax as required under the Income Tax Act as it is exempted by a tax exemption certificate.

1 Summary of significant accounting policies (continued)

c. Revenue

Subscriptions, entrance and other related members fees is recognised when due.

Revenue received/receivable from renting of the apartments and hotel services, cafeteria and bar sales are recognised net of value added tax, rebates and discounts.

Other income is recognised as and when due.

d. Cost of Sales

The related cost of providing services recognised as revenue in the current period is included in the cost of sales.

e. Property plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost. These include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant, and equipment, the carrying amount of the replaced part is derecognised.

Property is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. When an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Property and equipment are depreciated as follows:

Item	Rate
Buildings	nil
Machinery & equipment	12.5%
Furniture and Fittings	12.5%
Library books	12.5%
Furnishings & linen	33.3%
Computer equipment	33.3%
High wastage assets	33.3%

1 Summary of significant accounting policies (continued)

f. Property plant and equipment (Continued)

The residual value, useful life, and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognisition of an item of property, plant, and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

g. Impairment of assets

The Club assess at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Club estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it not possible to estimate the recoverable amount of the asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

h. Inventories

Inventories are measured at the lower of cost and net realisable value on the first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occur. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 Summary of significant accounting policies (continued)

i. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense in the statement of comprehensive income. Payments made to industry managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Club's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

j. Provisions

Provisions are recognised when:

- The club has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expected obligation.

k. Financial instruments

Classification depends on the purpose for which the financial instruments were obtained incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.
When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

1. Summary of significant accounting policies (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions and accruals

Provisions are recognized 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 obligation, and a reliable estimate of the amount of the obligation can be made.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with banking institutions. For purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and cash at bank.

l. Tax

Current tax

Current tax liability is measured at the amount expected to be paid to the tax authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

m. Foreign Currency Transactions

A foreign currency transaction is recorded, on initial recognition in Kenyan Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

2. Financial Instruments and Risk Management

The company's principal financial instruments comprise cash and cash equivalents, trade receivables, trade payables and amounts due to related parties. These instruments arise directly from its operations. The company does not enter into derivative transactions. The company has exposure to the following risks from its use of financial instruments:

(i) Credit risk

This is the risk that counterparty to a financial instrument will fail to discharge an obligation and cause the company to incur a financial loss. The maximum loss the company may suffer would be the carrying amount net of any impairment losses. The company only deals with recognized, creditworthy third parties, carefully monitors trade receivables and maintains a short credit period and therefore does not consider the credit risk exposure to be significant.

(ii) Liquidity risk

Liquidity risk is current or prospective risk to earnings and capital arising from the company's failure to meet its maturing obligations when they fall due without incurring unacceptable losses. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal conditions without incurring unacceptable losses or risking damage to the company's reputation.

(iii) Operational risk

Exposure to operational risk is associated with human error, systems failures, and inadequate records. To minimize these risks, the management has put in place the following measures:

- An effective and integrated operational risk management format that incorporates a clearly defined organizational structure;
- Defines roles and responsibilities in each department for risk management;
- Appropriate tools that support the identification, assessment and reporting of key risks;
- Information technology systems put in place are highly scalable and require minimal lead-time to increase capacity to match growth in demand; and
- Ensuring legislative compliance.

	2022	2021
3 Revenue	**Kshs**	**Kshs**
Kitchen sales	28,887,826	17,778,262
Accommodation	21,700,122	18,536,896
Bar sales	12,597,407	9,566,827
Subscription fees	8,971,000	7,575,780
	72,156,355	53,457,765
4 Cost of sales		
Kitchen direct costs	15,623,488	11,053,022
Bar direct costs	7,579,854	6,764,626
Accommodation direct costs	2,350,365	1,600,903
	25,553,707	19,418,551
5 Other income		
Membership fees - New Members	2,145,000	1,622,240
Sundry income	738,020	1,151,933
Hire of halls	1,764,090	860,782
Hire of grounds	230,000	198,431
Parking fees	42,200	161,850
Gym	163,775	149,960
Mpesa Profit	116,994	124,173
Temporary membership	10,500	20,500
Laundry	257,295	-
Write back of long outstanding trade and other Payables	-	3,041,299
Minimum Spend	339,290	-
	5,807,165	7,331,168
6 Operating expense		
Utilities	5,223,765	4,294,493
Security	1,932,000	1,932,000
Depreciation, amortization and impairments	1,349,257	2,129,987
Disposables - kitchen	773,253	367,746
Printing and stationery	701,070	839,919
Repairs and maintenance	644,910	405,091
Internet & satellite TV	589,001	705,521
Penalties	586,405	2,165
IT support	502,889	432,320
Meeting Expenses	492,808	206,902
Commission paid	443,542	343,979
Transport and freight	423,047	345,144

		2022	2021
6	**Operating expense(Continued)**	**Kshs**	**Kshs**
	Laundry	405,397	277,642
	Members entertainment	273,992	401,257
	Permits and licenses	259,000	332,100
	Land rates	257,250	257,240
	Audit fees - current year	248,154	231,040
	Bank charges	226,757	208,393
	Other expenses	207,633	106,721
	Professional fees	174,550	383,200
	Hire of utensils/Equipment	156,295	178,980
	Crockery and cutlery	140,196	165,442
	Telephone and fax	129,906	89,380
	Library	79,800	82,360
	Directors Travel Reimbursement	30,000	173,000
	Gym expenses	21,200	16,240
	Sundry expenses	15,446	39,217
	Insurance	10,438	-
	Postage and delivery	9,450	9,570
	Bad debts written off	-	2,127,164
	Directors Retreat	-	882,616
	Provision for doubtful debt	-	556,869
	Advertising	-	46,400
		16,307,411	18,570,098

	Operating expense		
6	**Employment costs:**		
	Salaries and wages	31,133,864	25,657,860
	Staff meals	1,145,570	975,508
	NSSF Club contributions	106,200	107,600
	Staff Training	91,000	
	Medical expenses	78,175	425,031
	Staff welfare	41,959	-
	Staff uniforms	13,000	30,171
		32,609,768	27,196,170

7 Property plant and equipment

	Land	Building	Machinery & equipment	Furniture & fittings	Furnishing & linen	Library books	Computer equipment	High wastage assets	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Year ended 31 December 2022									
Cost									
At 1 January	785,000,000	121,544,447	13,760,707	14,593,039	4,094,752	640,085	1,844,107	120,495	941,597,632
Additions	-	-	255,471	13,700	20,168	-	6,500	-	295,839
At 31 December	785,000,000	121,544,447	14,016,178	14,606,739	4,114,920	640,085	1,850,607	120,495	941,893,471
Depreciation									
At 1 January	-	-	12,897,795	13,739,532	4,052,077	447,838	1,807,807	120,495	33,065,544
Charge for the year	-	-	1,040,668	253,508	30,001	8,236	16,844	-	1,349,257
At 31 December	-	-	13,938,463	13,993,040	4,082,078	456,074	1,824,651	120,495	34,414,801
Net Carrying amount									
At 31 December	785,000,000	121,544,447	77,715	613,699	32,842	184,011	25,956	-	907,478,668

7 Property plant and equipment (Continued)

	Land	Building	Machinery and equipment	Furniture and fittings	Furnishing and linen	Library books	Computer equipment	High wastage assets	Totals
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Year ended 31 December 2021									
Cost									
At 1 January	785,000,000	121,544,447	13,760,707	14,593,039	4,039,940	640,085	1,794,107	120,495	941,492,820
Additions		-	-	-	54,812	-	50,000	-	104,812
At 31 December	785,000,000	121,544,447	13,760,707	14,593,039	4,094,752	640,085	1,844,107	120,495	941,597,632
Depreciation									
At 1 January	-	-	11,566,795	13,443,576	3,571,369	439,602	1,793,919	120,495	30,935,756
Charge for the year	-	-	1,331,000	295,956	480,708	8,236	13,888		2,129,788
At 31 December	-	-	12,897,795	13,739,532	4,052,077	447,838	1,807,807	120,495	33,065,544
Net Carrying amount									
At 31 December	785,000,000	121,544,447	862,912	853,507	42,675	192,247	36,300	-	908,532,088

		2022	2021
8	**Inventory**	**Kshs**	**Kshs**
	Bar stocks	457,540	530,685
	Kitchen stocks	351,433	263,001
	Returnable containers	69,090	69,090
	Scratch cards	10,000	10,000
		888,063	872,776

Inventory is stated at the less of cost and net realisable value. In the opinion of the directors, the carrying amounts as stated above approximate to their fair values.

		2022	2021
9	**Trade and other receivables**	**Kshs**	**Kshs**
	Trade debtors	2,797,082	1,567,890
	Bad Debts Written off	-	(2,127,164)
	Provision for bad debts	(556,869)	(556,869)
	Net trade debtors	2,240,213	1,011,021
	Deposits & prepayments	493,547	250,000
	Unclaimed Assets: Barclays Uwezo	70,091	70,091
		2,803,851	1,331,112

Unclaimed assets relate to funds held by the Unclaimed Assets Authority (UFAA) on behalf of the club. These amounts were previously held in one of the company's bank accounts, however when this account became dormant, the funds were surrendered by the bank to the UFAA pending re-activation of the dormant account.

The maximum exposure to credit risk at the reporting date is the fair value of each of amounts mentioned above. The Club does not hold any collateral as security.

		2022	2021
10	**Cash and cash equivalent**	**Kshs**	**Kshs**
	Cash in hand	2	80,771
	Bank balances	2,657,320	2,195,036
		2,657,322	2,275,807

For the purpose of statement of cash flows, cash and cash equivalents comprise of:

Cash at bank and in hand	2,657,322	2,275,807
	2,657,322	2,275,807

In the opinion of the directors, the Club is not exposed to credit risk on cash and bank balances as these are held with sound financial institutions.

		2022	2021
11	**Development levy**	**Kshs**	**Kshs**
	As at 1 January	26,529,071	26,099,071
	Levy from new members	855,000	430,000
	As at 31 December	27,384,071	26,529,071

Development levy is contributed by joining members for development purposes.

		2022	2021
12	**Reserves**	**Kshs**	**Kshs**
	Capital reserves	19,697,762	19,697,762
	Revaluation reserves	93,304,292	93,304,292
		113,002,054	113,002,054

13	**Government grant (Club Land)**		
	As at 1 January and 31 December	785,000,000	785,000,000

The grant related to the leasehold land reference number 209/6534 & 209/6740 (original 209/4975) on which the Club stands awarded by the Government of the Republic of Kenya in 1965 (original 1961) for a lease period of 85 years (original 99 years) with the following conditions:

a) The land will only be used for the purposes of a residential club,
b) Buildings on the land must not cover more than a third of the land,
c) No subdivision of the land,
d) No right to sell, transfer or sublet or part with the possession of the land or building thereon,
e) The Club shall pay the rates charge as specified by the Government of the local authority upon the land and
f) The Club may be required to surrender all or part of the land upon receiving a six months' notice in writing.

		2022	2021
14	**Trade and other payables**	**Kshs**	**Kshs**
	Trade payables	8,879,634	8,746,398
	Member balances	4,070,111	3,958,305
	Vat payable	11,092,260	11,224,161
	Accommodation deposit	2,104,173	1,974,173
	Members deposits	3,932,983	3,752,983
	Provident fund payable	2,397,926	3,890,828
	Provision and accruals	20,964,766	23,547,412
		53,441,853	57,094,260

Trade and other payables are non-interest bearing. In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair values.

15. Contingent liability

There are ongoing legal litigations against the Club of Kshs. 7,321,103 inclusive of legal fees as confirmed by Wanjama & Company Advocates. This amount has not been provided for in the financial statements for the year ended 31 December 2022.

16. Currency

These financial statements are presented in Kenya Shillings (Kshs).

17. Comparative information

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

18. Events after the reporting date

There were no material events after the date of the statement of financial position which requires to be disclosed.