

JIJENGE CREDIT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

AKH .S. Consulting Services
Financial and Management Consultants
P O Box 254720292780-00100
Nairobi, Kenya

Jijenge Credit Limited
Report and Financial Statements
For the Year Ended 31st December 2022

CONTENTS	PAGE
Corporate information	2
Report of the board of directors	3
Statement of board of directors' responsibilities	4
Report of the independent auditors	5-6
Statement of financial performance	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flow	10
Notes to the financial statements	11-18

JIJENGE CREDIT LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Peter Macharia Kamau
Brenda Njeri Maina

REGISTERED OFFICE

Suite 604/605
Town House
Kaunda Street
P O Box 9578-00200
Nairobi

INDEPENDENT AUDITORS

GMC Kenya LLP
Certified Public Accountants
P O Box 4135- 00200
Nairobi, Kenya

PRINCIPAL BANKERS

Family Bank Limited
Kenyatta Avenue Branch
P O Box 74145-00200
Nairobi, Kenya

JJENGE CREDIT LIMITED

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements for the year ended 31st December 2022 which disclose the state of affairs of the Company.

In accordance with Section 42 of the Sixth Schedule, Transitional and Saving Provisions, of the Companies Act, 2015, this report has been prepared in accordance with Section 157 of the repealed Companies Act, as if that repeal had not taken effect

PRINCIPAL ACTIVITY

The principal activity of the company is offering loans, advances and various financial services.

RESULTS

The results of the company for the year are set out on page 7.

DIRECTORS

The Directors who held office during the year to the date of this report are:

Peter Macharia Kamau

Brenda Njeri Maina

RELEVANT AUDIT INFORMATION

The directors in office at the date of this report confirm that

- i) There is no relevant audit information of which the company's auditor is unaware of; and
- ii) Each director has taken all the steps that he 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.

AUDITOR

GMC Kenya LLP, Certified Public Accountants, have expressed their willingness to continue in office in accordance with Section 719 of the Kenyan Companies Act, 2015

BY ORDER OF THE BOARD

.....

DIRECTOR

.....

NAIROBI

.....14th June 2023

JJENGE CREDIT LIMITED

STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITIES

The board of directors presents its report and the audited financial statements for the period ended 31st December 2022.

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 other irregularities.

The directors further accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015.

They also accept responsibility for

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

Having assessed 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 and signed on its behalf by:

.....

Director

.....

Director

Date14th June 2023.....

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF JIJENGE CREDIT LIMITED**

Page 5 of 18

Opinion

We have audited the accompanying financial statements of Jijenge Credit Limited set out on pages 7 to 18 which comprise the statement of financial position as at 31st December 2022, statement of profit or loss and other 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 and other explanatory information. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Jijenge Credit Limited as at 31st 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 'Auditors Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the station 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 other ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current year. We report that there were no key audit matters.

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 a material misstatement of this other information, we are required to report that act. We have nothing to report in this regard.

Management board members' responsibility for the financial statements

As stated on page 4, the directors are responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors may 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, 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 has no realistic alternative but to do so. The directors are responsible for overseeing the company's financial reporting process.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF JIJENGE CREDIT LIMITED (continued)**

Auditor's responsibility for the audit of the financial statements

Page 6 of 18

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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

As required by the Kenyan Companies Act, 2015, we report to you, based on our audit, that:

- i. we have obtained all the information and 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 it 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 Benjamin Gitahi Practicing Certificate Number – P/2424

Date14th June 2023.....

**Certified Public Accountants
Nairobi, Kenya.**

STATEMENT OF FINANCIAL PERFORMANCE

		2022	2021
	NOTES	<u>Kshs.</u>	<u>Kshs.</u>
Interest Income	5	96,448,721	96,944,651
Interest Expense	6(a)	(8,906,223)	(6,411,661)
Net interest income		87,542,498	90,532,990
Fee and commission income	5	20,388,240	19,861,388
Costs of fees and commissions	6(b)	(8,192,916)	(9,129,467)
Net fee and commission income		12,195,324	10,731,921
Operating Income before impairment losses		99,737,823	101,264,911
Loans impaired and written off	7	(3,056,859)	(5,891,624)
Operating income after impairment		96,680,963	95,373,287
Net Investment Income		17,142,450	17,107,682
Operating expenses	9	(13,981,488)	(14,309,072)
Depreciation	8	(7,220,177)	(6,678,980)
Selling & Marketing costs	11	(2,709,174)	(2,818,573)
Personnel expenses	12	(5,307,981)	(5,194,641)
Administrative Expense	13	(1,271,196)	(1,209,668)
Finance Charges	14	(749,429)	(808,166)
Total Operating expenses		(31,239,445)	(31,019,101)
Profit before tax		82,583,968	81,461,869
Tax Charge for the period		(20,412,887)	(20,991,880)
Profits for the period		62,171,081	60,469,989

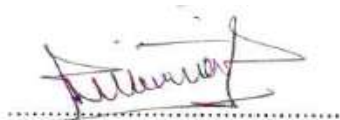
Jijenge Credit Ltd.**Reports and Financial Statements****For the Year ended 31st December 2022****STATEMENT OF FINANCIAL POSITION**

<u>Assets</u>	Notes	<u>2022</u> <u>Kshs.</u>	<u>2021</u> <u>Kshs.</u>
Cash and Cash Equivalents	15	5,422,707	3,039,498
Loans and Advances to customers	4(a)	357,939,315	294,581,193
Intangible Assets	10	298,200	298,200
Property & Equipment	8	111,876,687	103,072,685
Deferred Tax	17	8,834,404	221,828
Total Assets		<u>484,371,312</u>	<u>401,213,404</u>
<u>Liabilities</u>			
Bank loans	16	64,991,365	44,444,609
Trade and Other Payables		908,931	468,860
Total Liabilities		<u>65,900,296</u>	<u>44,913,469</u>
<u>Financed By:</u>			
Capital:			
Share capital	18	30,000,000	30,000,000
Capital reserves		29,000,000	29,000,000
Revaluation reserves		11,615,281	11,615,281
Retained Earnings		338,655,378	276,484,297
Directors Current Account		9,200,357	9,200,357
Total Equity		<u>418,471,016</u>	<u>356,299,935</u>
Total Equity&Liabilities		<u>484,371,312</u>	<u>401,213,404</u>

The financial statements on pages 7 to 19 were approved for issue by the board of directors

on27th May 2022 and signed on its behalf by:

DIRECTOR



DATE 14th June 2023

DIRECTOR



DATE 14th June 2023



STATEMENT OF CHANGES IN EQUITY

	Share capital Kshs	Capital reserves Kshs	Revaluation reserves Kshs	Revenue reserves Kshs	Total Kshs
Year ended 31st December 2022					
At 01 January 2022	30,000,000	29,000,000	11,615,281	276,484,297	347,099,578
Profit for the year	-	-	-	62,171,081	62,171,081
At 31st December 2022	<u>30,000,000</u>	<u>29,000,000</u>	<u>11,615,281</u>	<u>338,655,378</u>	<u>409,270,659</u>
Year ended 31st December 2021					
At 01 January 2021	30,000,000	29,000,000	11,615,281	216,014,308	286,629,589
Profit for the year	-	-	-	60,469,989	60,469,989
At 31st December 2021	<u>30,000,000</u>	<u>29,000,000</u>	<u>11,615,281</u>	<u>276,484,297</u>	<u>347,099,578</u>

STATEMENT OF CASH FLOWS

	Notes	2022 <u>Kshs</u>	2021 <u>Kshs</u>
Operating Activities			
Profits before tax		82,583,968	81,461,869
Adjustments for			
Depreciation		7,220,177	6,678,980
Interest		8,906,223	6,411,661
activities before working capital changes		98,710,368	94,552,510
Advances to customers		(63,358,122)	(30,992,479)
Tax Paid	17	(29,025,462)	(20,199,657)
Other liabilities		440,071	37,033
Cash generated from operating activities		6,766,855	43,397,408
Investing Activities			
Purchase of property and equipment	9	(16,024,179)	(41,398,308)
Purchase of Intangible Assets	10	-	(75,530)
Cash generated from investing activities		(16,024,179)	(41,473,838)
Financing Activities			
Proceeds from Borrowings		52,970,477	31,100,000
Interest Payments		(8,906,223)	(6,411,661)
Repayment of Borrowings		(32,423,721)	(26,608,042)
Cash generated from Financing activities		11,640,534	(1,919,704)
Net movement in cash and cash equivalents		2,383,210	3,867
Cash and cash equivalents at the beginning of the year		3,039,498	3,035,631
Cash and cash equivalents at the end of the period		5,422,708	3,039,498

1. GENERAL INFORMATION

Jijenge Credit Limited is a financial institution incorporated in Kenya under the Companies Act (Chapter 486) as a private limited liability Company, domiciled in Kenya. The company is primarily involved in offering of loans and other credit facilities, investment and asset management services in various parts of Kenya. The company information is included on page 1 of these financial statements.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements are prepared under the historical cost convention and modified by the measurement at fair value. Assets and liabilities designated at fair value through profit or loss, land and buildings carried under the revaluation model. The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Significant accounting estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Going concern

The Company's management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Impairment losses on loans and advances

The Company reviews its individually significant loans and advances at each statement-of-financial-position date to assess whether an impairment loss should be recorded in profit or loss.

Management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about several factors and actual results may differ, resulting in future changes to the allowance. Loans and advances that have been assessed individually (and found not to be impaired) are assessed together with all individually insignificant loans and advances in groups of assets with similar risk characteristics. This is to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilization, loan-to-collateral ratios, etc.), and judgments on the effect of concentrations of risks and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

(c) Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non-restricted current accounts with banks and amounts due from banks on demand.

(d) Property and equipment

Recognition and measurement

All categories of property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes costs incurred to acquire the asset, costs incurred to bring the asset to working condition or its intended use and the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met. Additions and improvements that result in future benefits are capitalized. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs incurred to keep assets in normal operating condition are recognized in profit or loss as incurred. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Depreciation

Depreciation is calculated on a reducing balance basis the useful life of the asset as follows:

Fixtures	12.5%
Furniture and equipment	12.5%
Office machinery	12.5%
Motor Vehicles	25%
Computers	30%

3. TAX

Current tax is provided based on the result for the year, as shown in the financial, statements, adjusted in accordance with tax legislation.

4. FINANCIAL RISK MANAGEMENT

Risk management framework

The Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. Management policies, are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Director is responsible for monitoring compliance with the Company's risk policies and procedures, and for reviewing their adequacy.

The Company has exposure to the following risks from its use of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Operational risks

Below is the information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

(a) Credit risk

Credit risk is the risk of monetary loss to the Company if a customer or counterparty to a financial instrument fails to meet, its contractual obligations and arises principally from the Company's loans and advances to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Director is responsible for oversight of the Company's credit risk, including:

- (1) Formulating credit policies covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- (2) Establishing the authorization structure for the approval and renewal of credit facilities.
- (3) Reviewing and assessing credit risk.
- (4) Developing and maintaining the Company's risk grading in order to categories exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks.

Jijenge Credit Ltd
Notes To The Financial Statements
For the Year ended 31st December 2022 (Cont.)

- (5) Reviewing compliance of the business with agreed exposure limits, including those for selected industries, country risk and product types.
- (6) Providing advice, guidance and specialist skills to the business to promote best practice throughout the company the management of credit risk.

The directors have also put in place controls to ensure that the principal given out is only around 50% of security value so as to mitigate any credit risk

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities.

Management of liquidity risk

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 and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(c) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all the Company's operations and are faced by the business.

The Company's objective is to manage operational risk to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Director, standards for the management of operational risk in the following areas:

- (i) Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- (ii) Requirements for the reconciliation and monitoring of transactions.
- (iii) Compliance with regulatory and other legal requirements.
- (iv) Documentation of controls and procedures.
- (v) Requirements for the yearly assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- (vi) Requirements for the reporting of operational losses and proposed remedial action.
- (vii) Development of contingency plans.
- (viii) Training and professional development.
- (ix) Ethical and business standards.
- (x) Risk mitigation, including insurance where this is effective all data on operational risk loss events, risk indicators, and developing risk matrices aimed at reducing the Company's Operational Risk Capital Charge.

Jijenge Credit Ltd
Notes To The Financial Statements
For the year ended 31st December 2022(Cont)

	2022 <u>Kshs.</u>	2021 <u>Kshs.</u>
5. Revenues		
Income from Loans and advances		
Interest Income	51,121,033	49,917,787
Penalties income	45,327,688	47,026,864
	96,448,721	96,944,651
Income from fees and commissions		
Processing fees	5,334,008	5,618,798
Legal fees	2,902,708	2,598,038
Crb Charges income	323,949	274,642
Logistics charges	568,026	669,206
Transfer fees	544,049	499,095
Search fees	317,963	236,584
Insurance Charges	3,406,784	3,468,119
Tracking fees	600,840	786,822
Valuation fees	4,836,856	4,340,823
Storage fees	1,553,057	1,369,261
	20,388,240	19,861,388
Income from Investments		
Rental Income	17,597,871	17,380,560
Property Maintenance Expenses	(455,421)	(272,878)
Net Investment Income	17,142,450	17,107,682
Total Revenues	133,979,411	133,913,721
6(a). Interest Expense		
Interest on Loan	8,906,223	6,411,661
	8,906,223	6,411,661
6(b). Costs of the Interest, fees and Commissions		
Valuation paid	1,824,223	1,927,786
Legal Fees	1,612,697	1,932,812
Insurance Paid	1,876,846	1,908,835
CRB Expenses	5,361	16,700
Search fees	45,953	51,035
Tracking fees	1,893,974	1,970,543
Storage fees	27,352	64,221
Transfer fees	906,509	1,091,831
Auctioneers Fees	-	165,704
	8,192,916	9,129,467
7. Impairment losses on loans and advances		
General Provisions for Loan impaired	3,056,859	5,891,624
	3,056,859	5,891,624

Jijenge Credit Ltd
Notes To The Financial Statements
For the year ended 31st December 2022(Cont)

8. Property Plant & Equipment Schedule

	Land and Buildings <u>KShs.</u>	Partitions, Furnitures and Fittings <u>KShs.</u>	Office Equipment <u>KShs.</u>	Motor Vehicles <u>KShs.</u>	Computers and Peripherals <u>KShs.</u>	Totals <u>KShs.</u>
Year ended 31st December 2022						
Cost/valuation						
At 01 January 2022	75,438,979	12,942,198	6,981,356	21,515,939	12,199,634	129,078,106
Additions	-	15,769,888	254,291	-	-	16,024,179
At 31st December 2022	75,438,979	28,712,086	7,235,647	21,515,939	12,199,634	145,102,285
Depreciation						
At 01 January 2022	-	3,421,341	2,028,705	10,714,081	9,841,295	26,005,421
Charge for the year	-	3,161,343	650,868	2,700,465	707,502	7,220,177
At 31st December 2022	-	6,582,684	2,679,573	13,414,545	10,548,796	33,225,599
NBK						
At 31st December 2022	75,438,979	22,129,402	4,556,074	8,101,394	1,650,838	111,876,687
Year ended 31st December 2021						
Cost/valuation						
At 01 January 2021	55,620,000	4,441,998	2,969,802	13,874,339	10,773,659	87,679,798
Additions	19,818,979	8,500,200	4,011,554	7,641,600	1,425,975	41,398,308
At 31st December 2021	75,438,979	12,942,198	6,981,356	21,515,939	12,199,634	129,078,106
Depreciation						
At 01 January 2021	-	2,061,219	1,321,183	7,113,461	8,830,578	19,326,441
Charge for the year	-	1,360,122	707,522	3,600,620	1,010,717	6,678,980
At 31st December 2021	-	3,421,341	2,028,705	10,714,081	9,841,295	26,005,421
NBK						
At 31st December 2021	75,438,979	9,520,857	4,952,651	10,801,859	2,358,339	103,072,685

Jijenge Credit Ltd
Notes To The Financial Statements
For the year ended 31st December 2022(Cont)

	2022	2021
	<u>Kshs.</u>	<u>Kshs.</u>
9. Operating expenses		
Loan recovery expenses	4,150,497	4,583,811
Transport, Travel and Accommodation	2,943,460	2,586,619
Licenses and Permits	110,100	112,378
Computer services and repairs	1,441,105	1,020,858
Rent and Rates	4,485,387	5,152,482
Repairs and Maintenance	850,940	852,924
	<u>13,981,488</u>	<u>14,309,072</u>
10. Intangible Assets		
Software	298,200	298,200
	<u>298,200</u>	<u>298,200</u>
11. Selling & Marketing costs		
Telephone, Internet, Postage and Delivery	1,263,887	1,161,201
Commissions	473,433	629,943
Advertising and Promotion	971,853	1,027,429
	<u>2,709,174</u>	<u>2,818,573</u>
12. Personnel expenses		
Staff medical expenses	24,050	25,500
Staff Welfare	1,340,787	1,391,613
Payroll Expenses	3,943,144	3,777,528
	<u>5,307,981</u>	<u>5,194,641</u>
13. Administrative expenses		
Directors Expenses	588,682	581,770
Donations	27,737	12,105
Motor Vehicles Expenses	7,717	84,061
Meals and Entertainment	28,134	17,455
Professional fees	153,038	149,800
Insurance	48,212	67,313
Stationery and Printing	417,675	187,545
	<u>1,271,196</u>	<u>1,209,668</u>
14. Finance Charges		
Bank charges	29,429	105,766
Loan processing fees	720,000	702,400
	<u>749,429</u>	<u>808,166</u>

Jijenge Credit Ltd
Notes To The Financial Statements
For the year ended 31st December 2022(Cont)

				2022	2021
				<u>Kshs.</u>	<u>Kshs.</u>
15. Cash and Cash equivalents					
Cash at Bank				4,946,036	2,952,618
Cash in hand				476,671	86,880
				<u>5,422,707</u>	<u>3,039,498</u>
16. Bank loans					
	Balance B/F	New Loan	Repayments	Interest	Balance C/D
	Kshs	Kshs	Kshs	Kshs	Kshs
Mortgage & Asset Loans	18,129,646	3,855,477	(9,144,436)	2,590,684	15,431,373
Other Working Capital Loans	26,314,962	49,115,000	(32,185,508)	6,315,538	49,559,992
	<u>44,444,609</u>	<u>52,970,477</u>	<u>(41,329,944)</u>	<u>8,906,223</u>	<u>64,991,365</u>
17. Tax Payable					
As at 1st Jan				(221,828)	(1,014,051)
Profit for the period				82,583,968	81,461,869
Non Taxable Income				(17,597,871)	(17,380,560)
Income Adjusted				64,986,097	64,081,309
Add back:					
Depreciation				7,220,177	6,678,980
General Provisions for Loan impaired				3,056,859	5,891,624
Less:					
Wear and Tear allowance				(4,365,788)	(6,678,980)
Taxable Profits				<u>70,897,345</u>	<u>69,972,933</u>
30% there of				<u>21,269,204</u>	<u>20,991,880</u>
Tax Paid				(29,025,462)	(20,199,657)
As at 31st Dec				<u>(7,978,087)</u>	<u>(221,828)</u>
18. Share capital					
Authorized share capital					
30,000 shares of Kshs.1,000 each				30,000,000	30,000,000
Issued share capital					
3,0000 shares of Kshs.1,000 each				30,000,000	30,000,000

19. Incorporation

The company is incorporated in Kenya under the Companies Act, Cap 486.

20. Currency

The financial statements are presented in Kenya Shillings