



SPECIMEN GENERIC IFRS FOR SMES FINANCIAL STATEMENTS

KENYA SME LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR END 31st DECEMBER 2018

SPECIMEN GENERIC IFRS FOR SMES FINANCIAL STATEMENTS

KENYA SME LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2018

Note 1: *This specimen provides an illustrative set of financial statements for a private company, not subject to the Small Companies Regime, prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) (as amended in 2015) and the reporting requirements of the Kenyan Companies Act, 2015. The illustration is in respect of a company that was already complying with the amended version of the IFRS for SMEs in the previous year.*

The IFRS for SMEs defines SMEs as entities that:

- a) Do not have public accountability, and*
 - b) Publish general purpose financial statements for external users,*
- and paragraph 1.5 of the standard states that if a publicly accountable entity uses the IFRS for SMEs, its financial statements shall not be described as conforming to the IFRS for SMEs.*

The presentation format is not the only acceptable form of presentation and other forms of presentation may be acceptable provided that they comply with the presentation and disclosure requirements of the IFRS for SMEs.

The specimen is intended for use by the staff of RSM Eastern Africa and its clients only. The specimen is not an interpretation of the IFRS for SMEs, and where necessary, reference should be made to the standard.

Note 2: *The specimen does not cover the following Sections of the IFRS for SMEs:*

- 9. Consolidated and separate financial statements*
- 12. Other financial instruments issues*
- 15. Investments in joint ventures*
- 19. Business combinations and goodwill*
- 24. Government grants*
- 26. Share-based payment*
- 31. Hyperinflation*
- 34. Specialised activities*

Note 3: *Each item in the specimen financial statements is referenced (on the left) to the applicable presentation and disclosure requirements of the IFRS for SMEs and the Kenyan Companies Act, 2015. The following reference format has been used in this specimen:*

9.26: refers to paragraph 9.26 of the IFRS for SMEs as amended in 2015

CAs653: refers to the reporting requirements in section 653 of the Kenyan Companies Act, 2015

BP: refers to best reporting practice adopted in Kenya

DV: disclosure voluntary

Note 4: *Text within square brackets ([...]) represents guidance that does not form part of the Specimen Financial Statements.*

CONTENTS

	PAGE
Company information	1
Report of the directors	2
Statement of directors' responsibilities	3
Report of the independent auditor	4 - 5
Financial statements:	
3.17(b) Profit and loss account	6
3.17(a) Balance sheet	7
3.17(c) Statement of changes in equity	8
3.17(d) Statement of cash flows	9
3.17(e) Notes	10 - 23
Supplementary information:	
Manufacturing account	Appendix I
Schedule of operating expenditure	Appendix II
Alternative presentation:	
Statement of income and retained earnings	Appendix III

Kenya SME Limited
Company information
For the year ended 31st December 2018

CAs654(1) **Board of directors**

.....

.....

.....

.....

BP **Company secretary**

.....

.....

Registered office L.R. No.

...th Floor, Building

..... Street/Road

P.O. Box

Nairobi,

Kenya.

Independent auditor RSM Eastern Africa

Certified Public Accountants

1st Floor, Pacis Centre,

Slip Road, off Waiyaki Way, Westlands

P.O. Box 349 - 00606

Nairobi,

Kenya.

BP **Principal bankers**

.....

BP **Legal advisers**

.....

Kenya SME Limited
Report of the directors
For the year ended 31st December 2018

CA653 The directors submit their report together with the audited financial statements for the year ended 31st December 2018.

Directorate

CA654(1) The directors who held office during the year and to the date of this report are set out on page 1.

Principal activities

CA654(1) The principal activities of the Company are

Recommended dividend

CA654(3) The directors recommend the approval of a final dividend of KSh (2017: KSh).

[Or]

The directors do not recommend the declaration of a dividend for the year.

Business review

CA655(3) *[This section shall include: (a) a fair review of the company's business; and (b) a description of the principal risks and uncertainties facing the company. It should be a balanced and comprehensive analysis of the development and performance of the business of the company during the company's financial year and the financial position of the company at the end of the year, consistent with the size and complexity of the business.]*

CA655(6) *[The review should include (to the extent necessary for an understanding of the development, performance or position of the company's business): (a) an analysis using financial key performance indicators; (b) if appropriate, an analysis using other key performance indicators (including information relating to environmental matters and employee matters); and (c) references to, and additional explanations of, amounts included in the company's annual financial statements.]*

Statement as to disclosure to the Company's auditor

CA657(2) With respect to each director at the time this report was approved:
(a) there is, so far as the director is aware, no relevant audit information of which the Company's auditor is unaware; and
(b) 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.

CA725 **Terms of appointment of the auditor**

The directors approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KSh xxx has been charged to profit or loss in the year. *[Regulations in respect of this disclosure are yet to be issued by the Cabinet Secretary.]*

By order of the board

.....
Director/Company Secretary

Nairobi 2019

Kenya SME Limited
Statement of directors' responsibilities
For the year ended 31st December 2018

ICPAK

CAs635
CAs628

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that: (a) show and explain the transactions of the Company; (b) disclose, with reasonable accuracy, the financial position of the Company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard 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 judgements that are reasonable in the circumstances.

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

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

Approved by the board of directors on 2019 and signed on its behalf by:

.....
Director

Opinion

We have audited the accompanying financial statements of Kenya SME Limited (the Company), set out on pages 6 to 23, which comprise the balance sheet as at 31st December 2018, the profit and loss account and statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

CAs727 In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2018 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

ISA 720 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 fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Kenya SME Limited
Report of the independent auditor to the members of Kenya SME Limited
For the year ended 31st December 2018

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain 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 significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other matters prescribed by the Kenyan Companies Act, 2015

CA_s728 In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

CA_s730(2) ***[If, in reporting on the financial statements the auditor forms the opinion:
a) That the Company has not kept adequate accounting records; or
b) The Company's financial statements are not in agreement with the Company's accounting records;
the auditor shall state that opinion in this section of the report.]***

CA_s735 **RSM Eastern Africa
Certified Public Accountants
Nairobi**
..... 2019

ICPAK CA_s735 The signing partner responsible for the independent audit was *[F]*CPA *[name of partner]*, Practising Certificate No.

[Note: The auditor's report should be signed in the name of the audit firm. The personal signature of the partner responsible for the report is not required.]

[Note: this specimen applies only to companies not required to include key audit matters in the auditor's report. It is illustrative of an 'unmodified' opinion given in accordance with ISA 700.]

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

3.17(b)(i) **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2018**

5.2(a)	3.23(d)	Note	2018 KSh'000	2017 KSh'000
5.5(a)	Revenue	4		
5.9	Cost of sales			
5.9	Gross profit			
5.9	Other income	5		
5.9	Selling and distribution expenses			
5.9	Administrative expenses			
5.9	Establishment expenses			
5.5(b)	Finance costs	6		
5.9	Profit/(loss) before tax	7		
5.5(d)	Tax (expense)/income	8		
3.19	Profit/(loss) for the year			

5.11 *[Note 1: The format illustrated above aggregates expenses according to their function (cost of sales, distribution, administrative etc.). Alternatively, expenses may be aggregated according to their nature (raw materials and consumables, employee salaries and other benefits, depreciation and amortisation, impairment, etc.).]*

5.4(b) *[Note 2: The format illustrated is appropriate only for entities with no 'other comprehensive income'. The IFRS for SMEs requires only four types of 'other comprehensive income':*
 - *some gains or losses arising on translating the financial statements of foreign operations*
 - *some actuarial gains and losses*
 - *some changes in fair values of hedging instruments*
 - *changes in the revaluation surplus for property, plant and equipment.*

If any of the above are applicable, the entity should present either a single 'statement of comprehensive income' or an 'income statement' and a 'statement of comprehensive income'.]

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

4.1 **BALANCE SHEET AT 31ST DECEMBER 2018**

	Note	2018 KSh'000	2017 KSh'000
EQUITY			
4.11(f) Share capital	9		
4.3, CA Share premium	9		
4.11(f) Retained earnings			
4.2(r) Total equity			
Non-current liabilities			
4.4 Borrowings	11		
4.2(p) Post-employment benefit obligation	12		
Total non-current liabilities			
REPRESENTED BY			
Non-current assets			
4.4 Property, plant and equipment	13		
4.2(e) Investment property at cost less depreciation and impairment	14		
4.2(g) Intangible assets	15		
4.2(j) Investment in associate	16		
4.2(c) Investment in quoted shares	17		
4.2(o) Deferred tax asset	18		
Current assets			
4.4 Inventories	19		
4.2(d) Trade and other receivables	20		
4.2(n) Current tax recoverable			
4.2(a) Cash at bank and in hand			
Current liabilities			
4.4 Trade and other payables	21		
4.2(l) Current tax payable			
4.2(n) Provision for warranty obligations	22		
4.2(a) Borrowings	11		
4.2(p) Current portion of post-employment benefit obligation	12		
Net current assets/(liabilities)			

32.9 The financial statements on pages 6 to 23 were approved for issue by the board of directors on
 CAs652 2019 and were signed on their behalf by:

.....
 CAs652(1) **Director**

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

6.3 **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Note	Share capital KSh'000	Share premium KSh'000	Retained earnings KSh'000	Total KSh'000
At 1st January 2017					
6.3(c)(i)					
6.3(c)(iii)	10				
At 31st December 2017					
At 1st January 2018					
6.3(c)(i)					
6.3(c)(iii)	9				
6.3(c)(iii)	10				
At 31st December 2018					

3.18 *[Note: if the only changes to equity during the periods presented arise from profit or loss, payment of dividends, corrections of prior period errors, and changes in accounting policies, an entity may present a single statement of comprehensive income and retained earnings instead of separate statements of comprehensive income and changes in equity (see Appendix III).]*

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

7.3 **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2018**

3.17(d)

	Note	2018 KSh'000	2017 KSh'000
7.1			
Cash flows from operating activities			
7.7(a) Profit for the year			
7.8(b) Adjustments for:			
Tax expense			
Depreciation of property, plant and equipment	13		
Impairment of property, plant and equipment	13		
Depreciation of investment property	14		
Amortisation of intangible assets	15		
Fair value (gain)/loss on quoted shares	17		
7.13 Unrealised exchange (gain)/loss			
Provision for post-employment benefit obligations	12		
Gain on sale of property, plant and equipment			
Dividend income	5		
Interest expense	6		
7.8(a) Changes in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables			
Decrease/(increase) in inventories			
Increase/(decrease) in trade payables			
<i>Cash generated from operations</i>			
7.15 Interest paid			
7.17 Income tax paid			
<i>Net cash from operating activities</i>			
7.1			
Cash flows from investing activities			
7.5(c) Purchase of quoted shares	17		
7.15 Dividends received on quoted shares			
7.15 Dividend received from associate			
7.5(b) Proceeds from sale of property, plant and equipment			
7.5(a) Purchases of property, plant and equipment	13		
<i>Net cash used in investing activities</i>			
7.1			
Cash flows from financing activities			
7.6(e) Payment of finance lease liabilities	11		
7.6(d) Repayment of borrowings			
7.16 Dividends paid			
<i>Net cash used in financing activities</i>			
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at start of year			
Cash and cash equivalents at end of year	23		

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

3.17(e) **NOTES**

1. General information

3.24(a) Kenya SME Limited (the Company) is domiciled in Kenya where it is incorporated under the Kenyan
 3.24(b) Companies Act, 2015 as a private company limited by shares. The address of its registered office and principal place of business is The principal activities of the Company are

8.5 **2. Basis of preparation and summary of significant accounting policies**

3.3 These financial statements have been prepared on a going concern basis and in compliance with the
 3.23(d) International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by
 3.23(e) the International Accounting Standards Board. The financial statements are presented in Kenya Shillings
 8.5(a) (KSh), rounded to the nearest thousand. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

23.30(a) *Revenue recognition*

23.4 Revenue from sales of goods is recognised when the goods are delivered and title has passed. Revenue from
 23.10 sale of services is recognised by reference to the stage of completion of the transaction at the end of the
 23.14 reporting period. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government of Kenya.

20.25 Rental income from investment properties is recognised on a straight-line basis over the respective lease term and is included in 'other income'.

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

Borrowing costs

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

Income tax

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

Glossary 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.

29.8 Deferred tax is determined on differences arising between the carrying amounts of assets and liabilities in
 29.27 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.

29.29 The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from
 29.30 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 that the carrying amount of the investment property will be recovered through sale.

29.16 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.

29.16 Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be
 29.23 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.

NOTES (CONTINUED)

2. Basis of preparation and summary of significant accounting policies (continued)

Translation of foreign currencies

30.9 All transactions in foreign currencies are initially recorded in Kenya Shillings, using the spot rate at the date
 30.10 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, share premium, and dividends

22.10 Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received
 32.8 from the issue of shares in excess of the par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

14.12(a) *Investments in associates*

14.2 14.5 An associate is an entity that is not a subsidiary, over which the Company has significant influence. Investments in associates are accounted for at cost less any accumulated impairment losses.

Financial assets

11.13 Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis
 11.14 of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal
 11.21 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.

11.14(c) Investments in quoted shares are initially recognised at the transaction price and subsequently measured at fair value with changes in fair value being recognised in profit or loss. Fair value is determined using the quoted bid price at the reporting date.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Property, plant and equipment

17.31(a) Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

17.31(b) Freehold land is not depreciated. For all other assets, depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

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

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

Investment property

16.2 16.7 Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment property whose fair value cannot be measured reliably without undue cost or effort is measured at cost less accumulated depreciation and any accumulated impairment losses.

NOTES (CONTINUED)

2. Basis of preparation and summary of significant accounting policies (continued)

Investment property (continued)

16.1 Depreciation is charged so as to allocate the cost of the property less its residual value over its estimated useful life, using the straight-line method.

16.7 * ***[This specimen illustrates investment property being accounted for using the cost model. Investment property whose fair value can be measured reliably without undue cost or effort must be measured at fair value at each reporting date.]***

Intangible assets

18.27 (a) Intangible assets comprise purchased computer software and are stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to write down the cost of each item of software to its residual value over its estimated useful life. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.
 & (b)

Leases

20.4 Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

20.9 20.11 Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.
 20.12

20.15 Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

13.22(a) *Inventories*

13.4 13.5 Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.

Impairment of non-financial assets

27.7 At each reporting date, property, plant and equipment, investment property, intangible assets, and
 27.6 investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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

27.29 If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES (CONTINUED)

2. Basis of preparation and summary of significant accounting policies (continued)

Financial liabilities

11.13 11.14 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.

Employee benefits - post-employment benefit obligations

28.19 The liability for post-employment benefit obligations relates to terminal gratuities. All full-time staff, excluding
 28.41(a) directors, are covered by the programme. Employees who resign or retire after completing at least years of service are entitled to days pay for each completed year of service. The Company does not fund this obligation in advance.

28.41(c) The Company's obligations, both vested and unvested, to pay terminal gratuities to employees are recognised
 28.24 based on employees' service up to the reporting date and their salaries at that date. The net change in the obligation is recognised in profit or loss.

The Company and the employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the Company's contributions are charged to profit or loss in the year to which they relate.

Provision for warranty obligations

All goods sold by the Company are warranted to be free of manufacturing defects for a period of one year. Goods are repaired or replaced at the Company's option. When revenue is recognised, a provision is made for the estimated cost of the warranty obligation.

3. Judgements and key sources of estimation uncertainty

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

8.7 The directors have, however, had to make key assumptions regarding the recoverable amount of impaired trade receivables. The recoverable amount of such receivables at the end of the reporting period has been estimated at KSh*

8.7 Estimates made in determining the warranty provision are based on past experience and may change based on the actual cost of fulfilling the warranties.*

**[This is illustrative and must be tailored to reflect the significant judgements made by the directors and the key sources of estimation uncertainty.]*

23.30(b)	4. Revenue	2018 KSh'000	2017 KSh'000
	Sale of goods	_____	_____
	Sale of services	_____	_____
		=====	=====

5. Other income

	Rental income from investment property		
11.48(a)(i)	Dividends received from investments in quoted shares		
14.13	Dividend received from associate		
11.48(a)(i)	Fair value gain - quoted shares		
	Gain on disposal of property, plant and equipment	_____	_____
		=====	=====

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

NOTES (CONTINUED)

		2018 KSh'000	2017 KSh'000
11.48(b)	6. Finance costs		
11.48(a)(iv)	Interest on bank loan and overdraft		
	Interest on finance leases		
	Exchange loss/(gain) on foreign currency borrowings*	_____	_____
		=====	=====
25.1(c)	<i>* [Such exchange losses/gains should be classified as finance costs only if they relate to borrowing and can be regarded as an adjustment to interest costs.]</i>		
	7. Profit before tax		
	(a) The following items have been recognised as expenses (income) in determining profit before tax:		
13.22(c)	Cost of inventories recognised as expense		
	Employee benefits expense (see 7(b) below)		
	Depreciation of property, plant and equipment		
27.33(b)	Impairment loss on property, plant and equipment (included in cost of sales)		
	Depreciation of investment property		
11.48(c)	Impairment loss on trade receivables		
20.16(b)	Operating lease rentals		
30.25(a)	Foreign exchange loss on trade payables (included in cost of sales)		
	(b) Employee benefits expense [include executive directors]		
	Wages, salaries and allowances		
	Retirement benefit costs:		
28.41(g)(i)	- Net increase in provision for post-employment benefit obligation		
28.40	- Defined contribution scheme		
28.40	- National Social Security Fund	_____	_____
		=====	=====
CA649	The average number of persons employed during the year, by category, were:		
		Number	Number
	Production		
	Sales and distribution		
	Management and administration	_____	_____
	Total	=====	=====
CA649(2)	<i>[The categories are to be determined by management, having regard to the manner in which the Company's activities are organised.]</i>		
	8. Tax expense	2018 KSh'000	2017 KSh'000
29.39(a)	Current tax		
29.39(c)	Deferred tax (Note 18)		
29.39(b)	Under-provision in prior year		
29.39(g)	Write down/(reversal of a write down) of a deferred tax asset	_____	_____
	Tax expense/(credit)	=====	=====

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

NOTES (CONTINUED)

		2018	2017
		KSh'000	KSh'000
	8. Tax expense (continued)		
29.40(c)	The tax expense for the year differs from the theoretical amount that would result from applying the statutory tax rate of 30% (2017: 30%) to profit before tax as follows:		
	Profit/(loss) before tax	_____	_____
	Tax calculated at the statutory rate of 30%		
	Tax effect of:		
	Income not subject to tax		
	Expenses not deductible for tax purposes		
	Under-provision in prior year		
	Change in deferred tax asset not recognised		
	Tax expense/(credit)	=====	=====
4.12(a)	9. Share capital		
		No. of ordinary shares issued	Issued and fully paid up capital KSh'000
			Share premium KSh'000
	At 1st January 2017 and 31st December 2017		
4.12(a)(iv)	Issued for cash in 2018	_____	_____
	At 31st December 2018	=====	=====
4.12(a)(i)	The total number of authorised ordinary shares is (2017:) with a par value of		
4.2(a)(iii)	KSh each.		
4.12(a)(iii)	On, the issued and paid up capital was increased from KSh to KSh by an issue for cash of ordinary shares at a price of KSh per share.		
4.12(b)	The share premium account, which represents the excess of the price paid for shares over the par value, is not distributable.		
	10. Dividends		
DV	During the year, an interim dividend of KSh per share amounting to KSh (2017: KSh per share amounting to KSh) was paid. The total amount of dividend paid and proposed per share for the year is KSh (2017: KSh) amounting to KSh (2017: KSh). At the forthcoming annual general meeting, a final dividend in respect of the year ended 31st December 2018 of KSh per share amounting to KSh (2017: KSh per share amounting to KSh) is to be proposed.		
	11. Borrowings		
		2018	2017
		KSh'000	KSh'000
	Non-current		
11.42	Bank loan - fully repayable in 201_, prepayable without penalty		
	Obligations under finance leases	_____	_____
		_____	_____
	Current		
	Bank overdraft		
	Bank loan		
	Obligations under finance leases	_____	_____
		_____	_____
	Total borrowings	=====	=====

NOTES (CONTINUED)

11. Borrowings (continued)

- 11.46 The bank overdraft and loan are secured by a floating lien over land and buildings owned by the Company with a carrying amount of KSh at 31st December 2018 (2017: KSh).
- 11.42 The bank loan is denominated in US dollars.
- 11.42 Interest is payable on the bank overdraft at 200 points above the London Interbank Borrowing Rate (LIBOR). Interest is payable on the seven-year bank loan at a fixed rate of 5 per cent of the principal amount.
- 11.47 The Company defaulted in making payments of principal on the bank loan during the year. The amounts have been paid, together with penalty interest, subsequent to the year-end.

Obligations under finance leases

- 20.13(c) The Company holds one piece of specialised machinery with an estimated useful life of eight years under a
 20.13(b) six-year finance lease. The future minimum lease payments are as follows:

	2018	2017
	KSh'000	KSh'000
Not later than one year	_____	_____
Later than one year but not later than five years	_____	_____
Later than five years	_____	_____
Less: future finance costs inherent in the lease	_____	_____
Present value of minimum lease payments, as above	=====	=====
7.6(e) In the statement of cash flows, payments of finance lease liabilities represents:		
Payments of principal	_____	_____
Payments of interest	_____	_____
	=====	=====

12. Post-employment benefit obligation

- 28.41(e) The Company's obligation to pay terminal gratuities, based on employees' years of service and salaries at the balance sheet date is as follows:

	2018	2017*
	KSh'000	KSh'000
At start of year	_____	_____
28.41(g) Additional provision made during the year, charged to profit or loss	_____	_____
28.41(e) Benefits paid during the year	_____	_____
At end of year	=====	=====
The obligation is classified as:		
Current liability	_____	_____
Non-current liability	_____	_____
Total	=====	=====

28.41 ***[Disclosure of comparative figures is voluntary.]**

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

NOTES (CONTINUED)

		Land* and buildings KSh'000	Fixtures and equipment KSh'000	Total KSh'000
17.31	13. Property, plant and equipment			
4.11(a)	Cost			
17.31(d)	At start of year			
17.31(e)(i)	Additions			
17.31(e)(ii)	Disposals			
17.31(d)	At end of year			
	Accumulated depreciation and impairment			
17.31(d)	At start of year			
17.31(e)(iv)	Annual depreciation			
17.31(e)(v)	Impairment			
17.31(e)(ii)	Less accumulated depreciation on assets disposed of			
17.31(d)	At end of year			
	Carrying amount			
	At end of year			

20.5 ***[Leasehold land that meets the criteria for classification as a finance lease, may be included in property, plant and equipment.]**

The following annual rates are used for the depreciation of property, plant and equipment:

17.31(c)	Buildings	2 per cent
	Fixtures and equipment	10-30 per cent

17.24 During 2018, the Company noticed a significant decline in the efficiency of a major piece of equipment and so carried out a review of its recoverable amount. The review led to the recognition of an impairment loss of KSh

20.13(a) The carrying amount of the Company's fixtures and equipment includes an amount of KSh (2017: KSh) in respect of assets held under finance leases.

In the statement of cash flows, purchases of property, plant and equipment represent:

		2018 KSh'000	2017 KSh'000
7.19(a)	Additions, as above		
	Less: amounts financed through finance leases		

4.14 17.26 On 10th December 2018, the directors resolved to dispose of a machine. The machine's carrying amount of KSh is included in fixtures and equipment at 31st December 2018. Because the proceeds on disposal are expected to exceed the net carrying amount of the asset, no impairment loss has been recognised.

17.32(b) Contractual commitments for the acquisition of property, plant and equipment amounted to KSh at 31st December 2018 (2017: KSh).

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

NOTES (CONTINUED)

	2018 KSh'000	2017 KSh'000
14. Investment property carried at cost less accumulated depreciation		
Cost		
At start of year		
Additions		
Disposals		
At end of year		
Accumulated depreciation and impairment		
At start of year		
Annual depreciation (included in establishment expenses*)		
At end of year		
Carrying amount		
At end of year		
The annual depreciation rate used is x%.		
15. Intangible assets - software		
Cost		
At start of year		
Additions		
Disposals		
At end of year		
Accumulated amortisation and impairment		
At start of year		
Annual amortisation (included in establishment expenses*)		
At end of year		
Carrying amount		
At end of year		
The intangible asset comprises two items of application software: general ledger, with a carrying amount of KSh and remaining amortisation period of 2 years; and payroll with a carrying amount of KSh and remaining amortisation period of 4 years.		
The annual amortisation rate used is 20%.		
<i>* [If the entity classifies its expenses by nature in its income statement, this would say 'included in depreciation and amortisation expense'.]</i>		

16. Investment in associate

The Company owns 35% of an associate, whose shares are not publicly traded.

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

NOTES (CONTINUED)

<i>DV</i>		2018 KSh'000	2017 KSh'000
	17. Investment in quoted shares		
	At start of year		
	Purchase of shares		
	Fair value gain/(loss)		
	At end of year		

18. Deferred tax

29.27 Deferred tax is calculated using the enacted rate of 30% (2017: 30%).

29.40(c) The following are the deferred tax assets (liabilities) recognised by the Company:

Year ended 31st December 2018	At start of year KSh'000	Credited /(charged) to profit or loss KSh'000	At end of year KSh'000
Deferred tax asset			
Post-employment benefit obligation			
Unrealised exchange loss			
Tax losses carried forward			
Deferred tax liability			
Property, plant and equipment			
Net deferred tax asset			
29.40(f) Deferred tax asset not recognised			
Net deferred tax asset recognised			
Year ended 31st December 2017			
Deferred tax asset			
Post-employment benefit obligation			
Unrealised exchange loss			
Tax losses carried forward			
Deferred tax liability			
Property, plant and equipment			
Net deferred tax asset			
Deferred tax asset not recognised			
Net deferred tax asset recognised			

29.37 The deferred tax assets and liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the balance sheet.

NOTES (CONTINUED)

18. Deferred tax (continued)

Under the Kenyan Income Tax Act, tax losses are allowable as a deduction only in the nine years succeeding the year in which they occurred. The tax losses of KSh _____ carried forward will expire as follows:

Arising in:	Tax losses KSh'000	Expiring:
2017		31st December 2026
2018		31st December 2027
Tax losses carried forward		

29.40(g) If the whole of the retained earnings as at the reporting date were to be distributed, a further KSh
 29.33 (2017: KSh) of tax would be payable. This liability has not been recognised.

4.11(c) 13.22(b)	19. Inventories	2018 KSh'000	2017 KSh'000
4.11(c)(iii)	Raw materials		
4.11(c)(ii)	Work in progress		
4.11(c)(i)	Finished goods		
4.11(b)	20. Trade and other receivables		
	Trade receivables, net of provision for impairment		
	Amounts due from related parties (Note 25(iii))		
	Value Added Tax recoverable		
	Prepayments		
4.11(d)	21. Trade and other payables		
	Trade payables		
	Amounts due to related parties (Note 25(iii))		
	Accrued expenses		

11.42 Trade payables at 31st December 2018 include KSh denominated in foreign currencies (2017: nil).

NOTES (CONTINUED)

	2018	2017*
	KSh'000	KSh'000
21.14 22. Provision for warranty obligations		
Changes in the provision for warranty obligations during 2018 were:		
21.14(a)(i) At start of year		
21.14(a)(ii) Additional accrual during the year		
21.14(a)(iii) Cost of warranty repairs and replacement during the year	_____	_____
21.14(a)(i) At end of year	=====	=====

The obligation is classified as a current liability because the warranty is limited to twelve months.

** [Voluntary disclosure of comparative figures.]*

	2018	2017
	KSh'000	KSh'000
7.2 23. Cash and cash equivalents		
7.20		
Cash at bank and in hand		
Less: bank overdraft	_____	_____
	=====	=====

24. Commitments under operating leases

20.16 (c) The Company rents several sales offices under operating leases. The leases are for an average period of three years, with fixed rentals over the same period.

20.16 (a) At year-end, the Company has outstanding commitments for minimum lease payments under non-cancellable operating leases that fall due as follows:

	2018	2017
	KSh'000	KSh'000
Within one year		
Later than one year but within five years		
Later than five years	_____	_____
	=====	=====

NOTES (CONTINUED)

25. Related party transactions

33.5 The Company's parent, which is also its ultimate controlling party, is Limited. Limited does not
 33.9 produce financial statements available for public use. The Company sells goods and services to, and buys goods and services from, its associate and other companies that are related to it through common shareholding or common directorships, as follows:

i) Purchase of goods and services		2018	2017
		KSh'000	KSh'000
33.10(a)	- Parent		
33.10(b)	- Associate		
33.10(d)	- Other related parties		

ii) Sale of goods and services			
33.10(a)	- Parent		
33.10(b)	- Associate		
33.10(d)	- Other related parties		

iii) Outstanding balances arising from sale and purchase of goods/services			
Amounts due from related parties (Note 20)			
33.10(a)	- Parent		
33.10(b)	- Associate		
33.10(d)	- Other related parties		
Amounts due to related parties (Note 21)			
33.10(a)	- Parent		
33.10(b)	- Associate		
33.10(d)	- Other related parties		

33.9(c) There are no impairment provisions held against any related party balances.

33.9(b)(ii) The payments under the finance lease (see Note 11) are personally guaranteed by a principal shareholder of the Company. No charge has been requested for this guarantee.

iv) Key management personnel (including directors) compensation		2018	2017
		KSh'000	KSh'000
33.7			

v) Directors' benefits and other remuneration			
CA - 650	- salaries		
	- fees		
CA - 650(2)	- gains made by directors on the exercise of share options		
CA - 650(2)	- benefits received or receivable under long-term incentive schemes		
CA - 650(2)	- payments for loss of office		
CA - 650(2)	- benefits receivable, and contributions for the purpose of providing benefits, in respect of past services of a person as a director or in any other capacity while a director		
CA - 650(2)	- consideration paid to, or receivable by, third parties for making available the services of a person as director or in any other capacity while a director		

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

NOTES (CONTINUED)

		2018	2017
		KSh'000	KSh'000
25. Related party transactions (continued)			
<i>CA - 651(1)</i>	vi) Directors' advances and credits		
	At 1st January		
	Advances and credits granted during the year		
	Interest charged/(paid)		
	Amounts re-paid	_____	_____
	At 31st December	=====	=====

The advances to directors are unsecured and bear interest at 10% per annum. They are all repayable within 2 years of the reporting date.

CA - 651(1) **vii) Guarantees entered into by the Company on behalf of the directors**

CA - 651(4) ***[Describe the nature and terms of any such guarantees, including the maximum liability that may be incurred and any amount paid or liability incurred by the Company for the purpose of fulfilling the guarantee.]***

21.15 **26. Contingent liabilities**

During 2018, a customer initiated proceedings against Kenya SME Limited for a fire allegedly caused by a faulty product supplied by the Company. The customer asserts that its total losses are KSh and has initiated litigation claiming this amount.

The Company's legal counsel do not consider that the claim has merit, and the Company intends to contest it. No provision has been recognised in these financial statements as the directors do not consider it probable that a loss will arise.

32.10 **27. Events after the end of the reporting period**

On 2019, there was a flood in one of the Company's warehouses. The cost of refurbishment is expected to be KSh The reimbursements from insurance are estimated to be KSh

MANUFACTURING ACCOUNT

1. COST OF SALES	2018	2017
	KSh'000	KSh'000
Opening stock of finished goods and work-in-progress		
Cost of raw and packing materials consumed (1.1)		
Direct production costs (1.2)		
Closing stock of finished goods and work-in-progress		
	_____	_____
	=====	=====
 1.1 COST OF RAW AND PACKING MATERIALS CONSUMED		
Opening stock		
Purchases		
Closing stock		
	_____	_____
	=====	=====
 1.2 DIRECT PRODUCTION COSTS		
Salaries and wages		
Staff amenities		
Staff uniforms		
Staff medical		
Factory rent and rates		
Electricity and water		
Fuel and gas		
Security		
Consumables		
Machinery repairs and maintenance		
Vehicle running and maintenance		
Insurance		
Depreciation of property, plant and equipment		
Amortisation of prepaid operating lease rentals		
Research and development		
Factory general expenses		
	_____	_____
	=====	=====

SCHEDULE OF OPERATING EXPENDITURE

1. SELLING AND DISTRIBUTION EXPENSES	2018	2017
	KSh'000	KSh'000
Salaries and wages		
Insurance		
Vehicle running and maintenance		
Staff travel and entertainment		
Advertising and sales promotion		
Marketing fees		
Carriage outwards		
Depreciation of property, plant and equipment	_____	_____
Total selling and distribution expenses	=====	=====
2. ADMINISTRATIVE EXPENSES		
Employment:		
Salaries and wages		
Staff medical		
Change in accrual for leave pay		
Provision for post-employment benefits		
Staff training expenses	_____	_____
Total employment costs	_____	_____
Other administration expenses:		
Directors' remuneration		
- As executives		
- Fees		
Directors' medical		
Management fees		
Postage and telephone		
Vehicle running		
Entertainment and travel		
Printing and stationery		
Advertising and sales promotion		
Computer expenses		
Audit fees		
- Current year		
- Under/(over) provision in prior year		
Legal and professional fees		
Secretarial fees		
Bank charges and commissions		
Miscellaneous	_____	_____
Total other administration expenses	_____	_____
Total administrative expenses	=====	=====

SCHEDULE OF OPERATING EXPENDITURE (CONTINUED)

3. ESTABLISHMENT EXPENSES	2018	2017
	KSh'000	KSh'000
Rent and rates		
Electricity and water		
Repairs and maintenance		
Insurance		
Security		
Licences and subscriptions		
Depreciation of property, plant and equipment		
Depreciation of investment property		
Amortisation of pre-paid operating lease rentals		
Amortisation of intangible assets	_____	_____
Total establishment expenses	=====	=====

3.23(a) **Kenya SME Limited**
 3.23(b) **Financial statements**
 3.23(c) **For the year ended 31st December 2018**

3.18 **STATEMENT OF INCOME AND RETAINED EARNINGS***

5.2(a)			2018	2017
3.23(d)		Note	KSh'000	KSh'000
5.5(a)	Revenue	4		
5.9	Cost of sales		_____	_____
5.9	Gross profit			
5.9	Other income	5		
5.9	Selling and distribution expenses			
5.9	Administrative expenses			
5.9	Establishment expenses			
5.5(b)	Finance costs	6	_____	_____
5.9	Profit/(loss) before tax	7		
5.5(d)	Tax (expense)/income	8	_____	_____
3.19	Profit/(loss) for the year			
6.5(a)	Retained earnings at start of year			
6.5(b)	Dividends paid	10	_____	_____
6.5(e)	Retained earnings at end of year		=====	=====

[Note: in this illustration there are no changes in share capital.]

** [Paragraph 3.18 allows presentation of a single 'statement of income and retained earnings' in place of the profit and loss account and 'statement of changes in equity' if the only changes in equity during the periods for which the financial statements are presented arise from profit or loss, payment of dividends, corrections of prior period errors, and changes in accounting policy.]*

NAIROBI

1st Floor, Pacis Centre,
Slip Road, off Waiyaki Way, Westlands
P.O. Box 349, 00606
Nairobi, Kenya

Tel: +254 20 3614000/4451747/8/9
Mobile: +254 706 347950/772 786111
Fax: +254 20 4451773
Email: info@ke.rsm-ea.com
Website: www.rsm.global/kenya

Contact: Ashif Kassam (Executive Chairman)

MOMBASA

3rd Floor, Bayview Place,
Moi Avenue
P.O. Box 87227, 80100
Mombasa, Kenya

Tel: +254 41 2311778/2312640/2224116
Mobile: +254 707 613329
Fax: +254 41 2222397
Email: infomsa@ke.rsm-ea.com
Website: www.rsm.global/kenya

Contact: Nihla Mazrui (Partner)

DAR ES SALAAM

16th Floor, Golden Jubilee Towers,
Ohio Street
P.O. Box 79586
Dar es Salaam, Tanzania

Tel: +255 22 2137314/15
Fax: +255 22 2137316
Email: info@tz.rsm-ea.com
Website: www.rsm.global/tanzania

Contact: Lina Ratansi (Group Chief Executive)

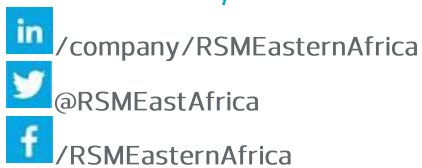
KAMPALA

6th Floor, DTB Centre,
Plot 17/19
Kampala Road
P.O. Box 31704,
Kampala, Uganda

Tel: +256 414 342780
Email: info@ug.rsm-ea.com
Website: www.rsm.global/uganda

Contact: John Walabyeki (Managing Partner)

Follow us for news and more updates on:



RSM Eastern Africa LLP & RSM (Eastern Africa) Consulting Ltd are a member of the RSM network and trade as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London, EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association, 2019