

Financial reports for the year ended 31 December 2021

Statement of financial position as at 31 December 2021

Figures in Kenyan Shilling thousand	Dec 2021	Dec 2020
Assets		
Equipment	4,386	3,286
Right-of-use assets	21,202	26,773
Intangible assets	-	1,787
Loans receivable	294,900	378,267
Trade and other receivables	15,653	11,133
Current tax receivable	215,780	266,594
Cash and cash equivalents	28,030	43,298
Total Assets	579,951	731,138
Equity and Liabilities		
Equity		
Share capital	750,000	750,000
Accumulated (loss)/surplus	(590,531)	(1,400,596)
Total Equity	159,469	(650,596)
Liabilities		
Lease liabilities - right-of-use assets	22,592	26,949
Trade and other payables	6,960	13,021
Medium term notes	390,930	1,341,764
Total Liabilities	420,482	1,381,734
Total Equity and Liabilities	579,951	731,138

Statement of comprehensive income

Figures in Kenyan Shilling thousand	Dec 2021	Dec 2020
Revenue	90,792	80,038
Other operating income	642	30
Impairments of loans and advances	23,696	9,254
Other operating expenses	(199,738)	(166,916)
	(84,608)	(77,594)
Finance costs	33,340	(93,846)
Loss before taxation	(51,268)	(171,440)
Tax (charge)/credit	0	0
Loss for the period	(51,268)	(171,440)
Comprehensive loss for the period	(51,268)	(171,440)

Statement of changes in equity

Figures in Kenyan Shilling thousand	Share capital	(Deficit) / surplus	Total equity
Balance at 01 April 2020	750,000	(1,229,156)	(238,006)
Comprehensive loss for the 9 month period	-	(171,440)	(171,440)
Balance at 01 January 2021	750,000	(1,400,596)	(650,596)
Loss for the year	-	(51,268)	(51,268)
Other comprehensive income	-	861,333	861,333
Balance at 31 December 2021	750,000	(590,531)	159,469

Statement of cash flows

Figures in Kenyan Shilling thousand	Dec 2021	Dec 2020
Cash flows from operating activities		
Net cash flows from/(used in) operations	(6,692)	(50,871)
Cash flows from investing activities		
Net cash flows used in investing	(4,219)	62
Net cash flows (used in)/from financing	(4,357)	(3,005)
Total cash movement for the year	(15,268)	(53,814)
Cash and cash equivalents at the beginning	43,298	97,112
Total cash at the end of the year	28,030	43,298

Review of financial results

The company recorded a loss for the year ended 31 December 2021 of KES 51,268,000. This represents an improvement from the loss of the prior 9 months ended 31 December 2020 of KES 171,440,000. Growth in the loan book has been minimal as a result of liquidity constraints and negative impact of the COVID 19 pandemic in the operating environment. Our operating expenses declined further as a result of cost cutting and process changes in comparison to the previous 12-month period.

Our capital has recovered due to the cancellation of 70% of the Medium-Term Notes and a waiver on interest accrued post August 2020 as voted for by the noteholders. This waiver and the continued concern of going concern of the company a matter which the board and management are at advanced stages of resolving were the basis of the qualified opinion from our auditors.

Change of financial year end

The company changed its financial year to run from January to December to align with mainstream financial institutions in Kenya in December 2020. The audited results presented for the current year are thus for a 12-month period compared to a 9-month period in December 2020.

Loan impairment provisions

The company has continued adjusting carrying values for various loan asset classes during the 2021 financial year, applying its normal strict criteria and in accordance with IRFS9 requirements.

Audit opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and cashflows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Share capital

There have been no changes to the share capital during the year under review.

Dividends

The directors do not recommend the declaration of a dividend.

Directors and company secretary

Current directors are: EN Ndemo (Chairperson), YM Godo, TM Karanja, RL Shibutse, FO Menya. The company secretary is CK Kigera.

The summary financial statements are available on the company's website: www.realpeople.co.ke

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By order of the Board of Directors
Thursday, 28 April 2022