

UNAUDITED FINANCIAL REPORTS FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2023

Figures in Kenyan Shilling thousand	June 2022	June 2023
Assets		
Equipment	3,535	2,283
Right-of-use assets	26,774	14,413
Intangible assets	-	-
Loans receivable	287,150	235,114
Trade and other receivables	21,274	24,226
Current tax receivable	215,528	215,528
Cash and cash equivalents	11,429	6,770
Total Assets	565,690	498,334
Equity and Liabilities		
Equity		
Share capital	750,000	750,000
Accumulated (loss)/surplus	(620,332)	(712,240)
Total Equity	129,668	37,760
Liabilities		
Lease liabilities - right-of-use assets	26,949	18,561
Trade and other payables	7,388	5,785
Medium term notes	401,686	436,228
Total Liabilities	436,022	460,574
Total Equity and Liabilities	565,690	498,334

STATEMENT OF COMPREHENSIVE INCOME

Figures in Kenyan Shilling thousand	June 2022	June 2023
Revenue	53,070	44,901
Other operating income	585	619
Impairments of loans and advances	13,314	12,929
Other operating expenses	(87,898)	(76,418)
	(20,930)	(17,969)
Finance costs	(10,756)	(18,409)
Other non-operating gains (losses)	-	-
Loss before taxation	(31,686)	(36,378)
Tax (charge)/credit	-	-
Loss for the period	(31,686)	(36,378)
Comprehensive loss for the period	(31,686)	(36,378)

STATEMENT OF CHANGES IN EQUITY

Figures in Kenyan Shilling thousand	Share capital (Deficit) / surplus	Total equity
Balance at 01 January 2022	750,000	(590,531)
Comprehensive income for the year	-	(31,686)
Balance at 31 December 2022	750,000	(622,217)
Comprehensive loss for the 6 month period	-	(36,378)
Balance at 30 June 2023	750,000	(658,594)

STATEMENT OF CASH FLOWS

Figures in Kenyan Shilling thousand	June 2022	June 2023
Net cash flows from/(used in) operations	(5,775)	18,557
Net cash flows used in investing	(71)	(148)
Net cash flows (used in)/from financing	(10,756)	(18,409)
Total cash movement for the period	(16,602)	-
Cash and cash equivalents at the beginning of the period	28,031	6,770
Total cash at the end of the period	11,429	6,770

Review of unaudited financial results

Due to capital constraints, lending during the period was minimal, and the debtors book decreased by Ksh52 million. However, due to diligent collection efforts as well as strict cost control, the loss for the period only increased by Ksh 4.7 million. The operating expenses dropped by a further 15% as a result of cost management.

The transaction agreement between the current shareholder, Real People Holdings International, and the new investor has been fully executed and the company is awaiting the transfer of funds. The capital is expected in two tranches of USD 3 million each.

Loan impairment provisions

The company has continued adjusting carrying values for various loan asset classes where necessary during the 2023 financial year, applying its normal strict criteria.

Medium Term Note Program

At a meeting of the note holders held on 14 July 2023, of the KES 267,100,000 3 year and KES 1,036,000,000 5-year Senior Unsecured Notes due 2019 and 2020 respectively, the noteholders, by means of extraordinary resolutions resolved that:

- The interest accrued and payable on the Restructured Notes for the period commencing 1 March 2022 and ending on 28th February 2023 be deferred for payment to the 30th of September 2023.
- The capital payable on the Restructured Notes for the period commencing 1 March 2022 and ending on 28th February 2023 be deferred for payment to the 30th of September 2023.

Directors and company secretary

Current directors are: TM Karanja (Chairman), YM Godo, 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
Wednesday, August 30, 23**