

**MAYFAIR ASSET MANAGERS LIMITED**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Moore JVB LLP  
Certified Public Accountants (K)  
Issued 12 March 2024**

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**GENERAL INFORMATION**

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<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	Kenya
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	The principal activity of the company is to carry on the business of investment management services.
<b>DIRECTORS</b>	Vishal Rajinderkumar Patel Anjay Vithalbhai Patel Darshan Maheshkumar Chandaria Benard Mwangi Mbai Andrea Waithiki Kenneth Joshua Chiira Kahu Felistus Njoki Karanja
<b>REGISTERED OFFICE</b>	Mayfair Center Ralph Bunche, Nairobi. P.O Box 45161 - 00100 Nairobi, Kenya.
<b>BANKERS</b>	Stanbic Bank Kenya Limited CFC Centre, Chiromo Road, P.O. Box 72833 - 00200, Westands Rd, Nairobi.
<b>AUDITORS</b>	Moore JVB LLP Certified Public Accountants (K) P.O. Box 69952 - 00400 Nairobi
<b>SECRETARY</b>	Sailesh V. Patel Certified Public Secretary

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**DIRECTORS' REPORT**

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The directors submit their report together with the audited annual financial statements for the year ended 31 December 2023.

**1. INCORPORATION**

The company is domiciled in Kenya where it is incorporated as a private company limited by shares under the Kenyan Companies Act, 2015. The address of the registered office is set out on page 1.

**2. PRINCIPAL ACTIVITIES**

The principal activity of the company is to carry on the business of investment management services.

**3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

**4. DIVIDENDS**

The Directors have not recommended any dividend for the year.

**5. DIRECTORS**

The directors in office at the date of this report are as follows:

<b>Directors</b>	<b>Nationality</b>	<b>Changes</b>
Vishal Rajinderkumar Patel	Kenyan	
Anjay Vithalbhai Patel	British	
Darshan Maheshkumar Chandaria	Kenyan	Appointed Tuesday, 8 August 2023
Benard Mwangi Mbai	Kenyan	
Andrea Waithiki Kenneth	Kenyan	
Joshua Chiira Kahu	Kenyan	
Felistus Njoki Karanja	Kenyan	

**6. SECRETARY**

The company secretary is Mr Sailesh V. Patel  
Certified Public Secretary.

**7. STATEMENT OF DISCLOSURE TO THE COMPANY'S AUDITORS**

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**8. TERMS OF APPOINTMENT OF THE AUDITORS**

Moore JVB LLP, the company's auditors, have indicated willingness to continue in office in accordance with the company's Articles of Association and Section 719 (2) of the Kenyan Companies Act, 2015.

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**DIRECTORS' REPORT**

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The annual financial statements set out on pages 8 to 36, which have been prepared on the going concern basis, were approved by the Board on 12 March 2024, and were signed on its behalf by:

By Order of the Board



Director



Director

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The Kenyan Companies Act, 2015 requires the directors to prepare annual 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 annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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 annual financial statements does not relieve them of their responsibilities.

The annual financial statements set out on pages 8 to 36, which have been prepared on the going concern basis, were approved by the Board on 12 March 2024 and were signed on their behalf by:



Director



Director

## INDEPENDENT AUDITOR'S REPORT

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### To the Shareholders of Mayfair Asset Managers Limited

### Report on the Audit of the Annual Financial Statements

#### Opinion

We have audited the annual financial statements of Mayfair Asset Managers Limited (the company) set out on pages 8 to 36, which comprise the statement of financial position as at 31 December 2023, 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 to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Mayfair Asset Managers Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. 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 judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mayfair Asset Managers Limited annual financial statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Kenyan Companies Act, 2015. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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.

#### Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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.





## INDEPENDENT AUDITOR'S REPORT

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### Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 and Regulatory Requirements

As required by the Kenyan Companies Act, 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 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 was CPA Joy V. Bhatt, Practising Certificate No. P/992.***



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Moore JVB LLP  
Joy V. Bhatt

12 March 2024  
Nairobi.



**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note(s)	2023 Kshs	2022 Kshs
Revenue	13	4,145,861	-
Other operating expenses		(27,723,983)	(10,841,835)
<b>Operating loss</b>	14	<b>(23,578,122)</b>	<b>(10,841,835)</b>
Finance costs	17	(1,576,978)	-
<b>Loss before taxation</b>		<b>(25,155,100)</b>	<b>(10,841,835)</b>
Taxation	18	4,674,539	2,070,186
<b>Loss for the year</b>		<b>(20,480,561)</b>	<b>(8,771,649)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(20,480,561)</b>	<b>(8,771,649)</b>

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Accumulated loss	Total equity
	Kshs	Kshs	Kshs
<b>Balance at 1 January 2022</b>	-	-	-
Loss for the year	-	(8,771,649)	(8,771,649)
Other comprehensive income	-	-	-
<b>Total comprehensive Loss for the year</b>	-	<b>(8,771,649)</b>	<b>(8,771,649)</b>
Issue of shares	70,000,000	-	70,000,000
Called up share capital, not paid	(48,710,519)	-	(48,710,519)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>21,289,481</b>	-	<b>21,289,481</b>
<b>Balance at 1 January 2023</b>	<b>21,289,481</b>	<b>(8,771,652)</b>	<b>12,517,829</b>
Loss for the year	-	(20,480,561)	(20,480,561)
Other comprehensive income	-	-	-
<b>Total comprehensive Loss for the year</b>	-	<b>(20,480,561)</b>	<b>(20,480,561)</b>
Issue of shares	40,710,519	-	40,710,519
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>40,710,519</b>	-	<b>40,710,519</b>
<b>Balance at 31 December 2023</b>	<b>62,000,000</b>	<b>(29,252,213)</b>	<b>32,747,787</b>
Note(s)	10		

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	Note(s)	2023 Kshs	2022 Kshs
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	5,843,010	4,283,662
Right-of-use assets	5	8,606,142	-
Intangible assets	6	6,625,664	-
Deferred tax	7	7,641,536	2,070,186
		<b>28,716,352</b>	<b>6,353,848</b>
<b>Current Assets</b>			
Trade and other receivables	8	3,936,167	14,000
Cash and cash equivalents	9	39,780,599	10,998,549
		<b>43,716,766</b>	<b>11,012,549</b>
<b>Total Assets</b>		<b>72,433,118</b>	<b>17,366,397</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	10	62,000,000	21,289,481
Accumulated loss		(29,252,213)	(8,771,649)
		<b>32,747,787</b>	<b>12,517,832</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Due to related parties	11	24,141,698	-
Finance lease liabilities	5	8,516,985	-
		<b>32,658,683</b>	<b>-</b>
<b>Current Liabilities</b>			
Trade and other payables	12	4,283,200	4,848,565
Finance lease liabilities	5	2,107,671	-
Current tax payable	18	635,777	-
		<b>7,026,648</b>	<b>4,848,565</b>
<b>Total Liabilities</b>		<b>39,685,331</b>	<b>4,848,565</b>
<b>Total Equity and Liabilities</b>		<b>72,433,118</b>	<b>17,366,397</b>

The annual financial statements and the notes on pages 8 to 36, were approved by the Board on the 12 March 2024 and were signed on its behalf by:

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**STATEMENT OF CASH FLOWS**

	Note(s)	2023 Kshs	2022 Kshs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	19	(24,984,845)	(5,531,308)
Finance costs		(1,576,978)	-
Tax paid		(261,034)	-
<b>Net cash from operating activities</b>		<b>(26,822,857)</b>	<b>(5,531,308)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	4	(2,451,987)	(4,759,624)
Increase in right-of-use assets		(10,757,678)	-
Purchase of other intangible assets	6	(6,662,298)	-
Rounding off		(3)	-
<b>Net cash from investing activities</b>		<b>(19,871,966)</b>	<b>(4,759,624)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds on share issue	10	40,710,519	21,289,481
Increase in related parties balances		24,141,698	-
Payment on lease liabilities		10,624,656	-
<b>Net cash from financing activities</b>		<b>75,476,873</b>	<b>21,289,481</b>
<b>Total cash movement for the year</b>		<b>28,782,050</b>	<b>10,998,549</b>
Cash at the beginning of the year		10,998,549	-
<b>Total cash at end of the year</b>	9	<b>39,780,599</b>	<b>10,998,549</b>

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**ACCOUNTING POLICIES**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION**

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Kenyan Companies Act, 2015.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Kenya Shillings, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note International Financial Reporting Standards.

**1.2 Property, plant and equipment**

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

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

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life/Rate
Furniture and fixtures	Straight line	10%
Office equipment	Straight line	10%
Computer equipment	Straight line	30%

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**ACCOUNTING POLICIES**

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**1.2 Property, plant and equipment (continued)**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

**1.3 Intangible assets**

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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Item	Depreciation method	Average useful life
Computer software	Straight line	33%

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**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**ACCOUNTING POLICIES**

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**1.4 Financial instruments**

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 21 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**ACCOUNTING POLICIES**

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**1.4 Financial instruments (continued)**

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Borrowings and loans from related parties

Classification

Loans from group companies (note 10), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**ACCOUNTING POLICIES**

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**1.4 Financial instruments (continued)**

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**Cash and cash equivalents**

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

**1.5 Tax**

**Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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**1.5 Tax (continued)**

**Tax expenses**

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

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**1.6 Leases**

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

**Company as lessee**

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 14) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the company has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the company is a lessee are presented in note 5 Leases (company as lessee).

**Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

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**1.6 Leases (continued)**

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 17).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Right-of-use assets**

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date,
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

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**1.6 Leases (continued)**

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

**1.7 Impairment of assets**

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

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**1.8 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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**1.8 Share capital and equity (continued)**

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

**1.9 Employee benefits**

**Short-term employee benefits**

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.



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**1.10 Provisions and contingencies**

Provisions are recognised when:

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 20.

**1.11 Revenue from contracts with customers**

The company recognises revenue from the following major sources:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

**1.12 Turnover**

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

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**1.13 Translation of foreign currencies**

Foreign currency transactions

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

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

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

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Shillings by applying to the foreign currency amount the exchange rate between the Shillings and the foreign currency at the date of the cash flow.

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	2023	2022
	Kshs	Kshs

**2. CHANGES IN ACCOUNTING POLICY**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

**3. NEW STANDARDS AND INTERPRETATIONS**

**3.1 Standards and interpretations effective and adopted in the current year**

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> <li>• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12</li> </ul>	1 January 2023	The impact of the amendment is not material.
<ul style="list-style-type: none"> <li>• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.</li> </ul>	1 January 2023	The impact of the amendment is not material.
<ul style="list-style-type: none"> <li>• Definition of accounting estimates: Amendments to IAS 8</li> </ul>	1 January 2023	The impact of the amendment is not material.
<ul style="list-style-type: none"> <li>• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1</li> </ul>	1 January 2023	The impact of the amendment is not material.

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	2023 Kshs	2022 Kshs
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**4. PROPERTY, PLANT AND EQUIPMENT**

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fittings	3,978,923	(771,310)	3,207,613	4,759,624	(475,962)	4,283,662
Office equipment	1,439,907	(193,671)	1,246,236	-	-	-
Computer equipment	1,792,780	(403,619)	1,389,161	-	-	-
<b>Total</b>	<b>7,211,610</b>	<b>(1,368,600)</b>	<b>5,843,010</b>	<b>4,759,624</b>	<b>(475,962)</b>	<b>4,283,662</b>

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Reclassified costs	Reclassified depreciation	Depreciation	Total
Furniture and fittings	4,283,662	-	(780,700)	78,070	(373,419)	3,207,613
Office equipment	-	923,107	516,800	(51,680)	(141,991)	1,246,236
Computer equipment	-	1,528,880	263,900	(26,390)	(377,229)	1,389,161
	<b>4,283,662</b>	<b>2,451,987</b>	<b>-</b>	<b>-</b>	<b>(892,639)</b>	<b>5,843,010</b>

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Furniture and fittings	-	4,759,624	(475,962)	4,283,662

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	2023 Kshs	2022 Kshs
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**5. LEASES**

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

Buildings	8,606,142	-
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Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 14&16), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	2,151,536	-
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Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

Non-current liabilities	8,516,985	-
Current liabilities	2,107,671	-
	<b>10,624,656</b>	<b>-</b>

**6. INTANGIBLE ASSETS**

	2023			2022		
	Cost/ Valuation	Accumulated amortisation	Carrying value	Cost/ Valuation	Accumulated amortisation	Carrying value
Computer software	244,598	(36,634)	207,964	-	-	-
Capital work-in-progress	6,417,700	-	6,417,700	-	-	-
<b>Total</b>	<b>6,662,298</b>	<b>(36,634)</b>	<b>6,625,664</b>	<b>-</b>	<b>-</b>	<b>-</b>

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	-	244,598	(36,634)	207,964
Capital work-in-progress	-	6,417,700	-	6,417,700
	<b>-</b>	<b>6,662,298</b>	<b>(36,634)</b>	<b>6,625,664</b>

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<b>7. DEFERRED TAX</b>		
Deferred tax asset		
Tax losses available for set off against future taxable income	7,641,536	2,070,186
Deferred tax asset	7,641,536	2,070,186
Reconciliation of deferred tax asset		
At beginning of year	2,070,186	-
Increases in tax loss available for set off against future taxable income - gross of valuation allowance	5,596,061	2,070,186
Accelerated tax depreciation	(24,711)	-
	7,641,536	2,070,186
<b>8. TRADE AND OTHER RECEIVABLES</b>		
Financial instruments:		
Accrued interest	2,540,963	-
Deposits	14,000	14,000
Other receivables	322,134	-
Management fee receivable	902,747	-
Non-financial instruments:		
Prepayments	156,323	-
<b>Total trade and other receivables</b>	<b>3,936,167</b>	<b>14,000</b>
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Bank balances	170,599	10,998,549
Short-term deposits (Investments)	39,610,000	-
	39,780,599	10,998,549
<b>10. SHARE CAPITAL</b>		
Authorised		
70,000 Ordinary shares of KES 1,000 each	70,000,000	70,000,000
Issued		
70,000 Ordinary shares of KES 1,000 each	70,000,000	70,000,000
Called up Capital, unpaid	(8,000,000)	(48,710,519)
	62,000,000	21,289,481

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<b>11. DUE TO RELATED PARTIES</b>		
Mayfair Insurance Company Limited	24,141,698	-
Split between non-current and current portions		
Non-current liabilities	24,141,698	-
<b>12. TRADE AND OTHER PAYABLES</b>		
Financial instruments:		
Trade payables	57,741	660,375
Other payables	675,723	-
Accrued expenses	3,549,736	4,188,190
	<b>4,283,200</b>	<b>4,848,565</b>
<b>13. REVENUE</b>		
Revenue from contracts with customers		
Management fees	1,156,492	-
Interest income	2,989,369	-
	<b>4,145,861</b>	<b>-</b>
<b>14. OPERATING PROFIT (LOSS)</b>		
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	372,000	150,000
Remuneration, other than to employees		
Consulting and professional services	9,300	-
Secretarial services	132,076	435,520
	<b>141,376</b>	<b>435,520</b>
Employee costs		
Salaries, wages, bonuses and other benefits	18,762,462	-
Depreciation and amortisation		
Depreciation of property, plant and equipment	892,639	475,962
Depreciation of right-of-use assets	2,151,536	-
Amortisation of intangible assets	36,634	-
<b>Total depreciation and amortisation</b>	<b>3,080,809</b>	<b>475,962</b>
Expenses by nature		

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**14. OPERATING PROFIT (LOSS) (CONTINUED)**

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Employee costs	18,762,462	-
Lease expenses	495,000	-
Depreciation, amortisation and impairment	3,080,809	475,962
Other expenses	5,385,712	10,365,873
	<b>27,723,983</b>	<b>10,841,835</b>

**15. EMPLOYEE COSTS**

Employee costs		
Salaries	18,455,079	-
Medical cost	307,383	-
	<b>18,762,462</b>	<b>-</b>

**16. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES**

Depreciation		
Property, plant and equipment	892,639	475,962
Right-of-use assets	2,151,536	-
	<b>3,044,175</b>	<b>475,962</b>

Amortisation		
Intangible assets	36,634	-

Total depreciation, amortisation and impairment		
Depreciation	3,044,175	475,962
Amortisation	36,634	-
	<b>3,080,809</b>	<b>475,962</b>

**17. FINANCE COSTS**

Interest on lease liability	1,576,978	-
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<b>18. TAXATION</b>		
Major components of the tax income		
Current		
Local income tax - current period	896,811	-
Deferred		
Deferred tax credit	(5,571,350)	(2,070,186)
	<b>(4,674,539)</b>	<b>(2,070,186)</b>
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(25,155,100)	(10,841,835)
Tax at the applicable tax rate of 30% (2022: 30%)	(7,546,530)	(3,252,551)
Tax effect of adjustments on taxable income		
Effects of items not deductible for tax	2,871,991	1,182,365
	<b>(4,674,539)</b>	<b>(2,070,186)</b>
<b>19. CASH USED IN OPERATIONS</b>		
Loss before taxation	(25,155,100)	(10,841,835)
Adjustments for:		
Depreciation and amortisation	3,080,809	475,962
Finance costs	1,576,978	-
Changes in working capital:		
Trade and other receivables	(3,922,167)	(14,000)
Trade and other payables	(565,365)	4,848,565
	<b>(24,984,845)</b>	<b>(5,531,308)</b>
<b>20. CONTINGENCIES</b>		
There were no contingencies at the year end.		

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	2023 Kshs	2022 Kshs
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**21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	8	3,779,844	3,779,844	3,779,844
Cash and cash equivalents	9	39,780,599	39,780,599	39,780,599
		<b>43,560,443</b>	<b>43,560,443</b>	<b>43,560,443</b>

2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	8	14,000	14,000	14,000
Cash and cash equivalents	9	10,998,549	10,998,549	10,998,549
		<b>11,012,549</b>	<b>11,012,549</b>	<b>11,012,549</b>

Categories of financial liabilities

2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	12	4,283,200	-	4,283,200	2,078,200
Due to related parties	11	24,141,698	-	24,141,698	24,141,698
Finance lease obligations	5	-	10,624,656	10,624,656	10,624,656
		<b>28,424,898</b>	<b>10,624,656</b>	<b>39,049,554</b>	<b>36,844,554</b>

2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	4,848,565	4,848,565	4,848,565

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

		2023 Kshs	2022 Kshs
<b>21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)</b>			
Capital risk management			
The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.			
Due to related parties	11	24,141,698	-
Finance lease liabilities		10,624,656	-
Trade and other payables	12	4,283,200	4,848,565
<b>Total borrowings</b>		<b>39,049,554</b>	<b>4,848,565</b>
Cash and cash equivalents	9	(39,780,599)	(10,998,549)
<b>Net borrowings</b>		<b>(731,045)</b>	<b>(6,149,984)</b>
Equity		32,747,787	12,517,833
Gearing ratio		(2)%	(49)%

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

The maximum exposure to credit risk is presented in the table below:

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2023 Kshs	2022 Kshs
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**21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	8	3,936,167	-	3,936,167	14,000	-	14,000
Cash and cash equivalents	9	39,780,599	-	39,780,599	10,998,549	-	10,998,549
		<b>43,716,766</b>	<b>-</b>	<b>43,716,766</b>	<b>11,012,549</b>	<b>-</b>	<b>11,012,549</b>

**Liquidity risk**

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

2023

	Carrying amount
Non-current liabilities	
Finance lease liabilities	8,516,985
Current liabilities	
Trade and other payables	4,283,200
Finance lease liabilities	2,107,671
	<b>(14,907,856)</b>

**22. WORKING CAPITAL RATIOS**

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance.

In addition, the Kenyan Capital Markets Authority which regulates the company prescribes a minimum paid up share capital of KShs 10,000,000. The working capital shall not fall below 20% of the minimum required share capital or three times minimum monthly operating costs, whichever is higher. Working capital is the difference between current assets and current liabilities.

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2023 Kshs	2022 Kshs
<b>22. WORKING CAPITAL RATIOS (CONTINUED)</b>		
<b>Figures in Shillings</b>	<b>2023</b>	<b>2022</b>
Minimum Capital requirement	10,000,000	10,000,000
Capital held as at 31 December:		
Share Capital	62,000,000	21,289,481
Retained Earnings	(29,252,213)	(8,771,649)
	32,747,787	12,517,832
Working Capital		
Net Working Capital	41,899,600	6,163,984
20% of the minimum share capital	2,000,000	2,000,000
3 times average monthly operating expenses	6,270,000	2,710,000

The capital structure of the company consists of issued and paid up share capital and retained earnings. The net working capital is above (i) 20% of the minimum share capital as well as (ii) three times minimum monthly operating costs. The company's overall strategy remains unchanged from 2022.

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**DETAILED INCOME STATEMENT**

	Note(s)	2023 Kshs	2022 Kshs
<b>Revenue</b>			
Management fees		1,156,492	-
Interest income		2,989,369	-
	13	<b>4,145,861</b>	-
<b>Expenses (Refer to page 36)</b>			
		<b>(27,723,983)</b>	<b>(10,841,835)</b>
<b>Operating loss</b>			
	14	<b>(23,578,122)</b>	<b>(10,841,835)</b>
Finance costs	17	(1,576,978)	-
<b>Loss before taxation</b>			
		<b>(25,155,100)</b>	<b>(10,841,835)</b>
Taxation	18	4,674,539	2,070,186
<b>Loss for the year</b>			
		<b>(20,480,561)</b>	<b>(8,771,649)</b>

**MAYFAIR ASSET MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**DETAILED INCOME STATEMENT**

	Note(s)	2023 Kshs	2022 Kshs
<b>Other operating expenses</b>			
Advertising & marketing		441,904	-
Amortisation of intangible assets		36,634	-
Auditors' remuneration	14	372,000	150,000
Bank charges		7,478	6,451
Office cleaning		72,000	128,800
Computer expenses		73,423	-
Legal and professional fees		9,300	-
Depreciation	16	3,044,175	475,962
Employee costs	15	18,762,462	-
Logo & website design		1,211,690	316,705
Consultancy expenses		-	4,620,000
Cooler rental		-	29,000
Miscellaneous expenses		383,776	24,568
Licenses & permits		362,210	100,000
Custody fees		303,366	-
Trustee fees		69,600	-
Incorporation costs		-	3,941,214
Insurance		106,715	-
Service charged & parking charges		495,000	-
Electricity		259,012	59,259
Printing and stationery		534,310	129,255
Repairs and maintenance		380,704	-
Secretarial fees		132,076	435,520
Telephone & internet		666,148	425,101
		<b>27,723,983</b>	<b>10,841,835</b>





**MAYFAIR ASSET MANAGERS LIMITED**  
**TAX COMPUTATION-2023**

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**PIN NO: P 052 085 231 U**

	<u>Kshs.</u>	<u>Kshs.</u>
Loss before tax		(25,155,100)
<i>Add:</i>		
Depreciation charge	3,044,175	
Interest on lease liabilities	1,576,978	
Amortisation	36,634	
Custody fees	303,366	
Trustee fees	69,600	
Miscellaneous expenses	281,200	
		<u>5,311,953</u>
		(19,843,147)
<i>Less:</i>		
Wear and tear deductions	(1,011,643)	
Rent expense	(1,710,000)	
Interest income	(2,989,369)	
		<u>(5,711,012)</u>
<b>Adjusted taxable Loss for the year</b>		<b>(25,554,159)</b>
Tax losses brought forward:		
2022	(6,900,621)	
Taxable losses carried forward:		(32,454,780)
Interest Income		2,989,369
<b>Tax on interest income:</b>		<u><b>896,811</b></u>
Less withholding tax as per iTax		261,034
<b><u>Balance of tax due on or before 30th April 2024</u></b>		<u><b>635,777</b></u>

Instalment taxes due as per below:

	Due dates	Amount:
1	20/04/2024	174,839
2	20/06/2024	174,839
3	20/09/2024	174,839
4	20/12/2024	174,839

DAYFAIR ASSET MANAGERS LIMITED  
CAPITAL ALLOWANCE WORKINGS

ANN NO: P 052 085 231 U

Rate S.L	Asset Cost		Investment Allowance		WDV					
	B/fwd	Additions	Disposal	C/fwd	B/fwd	Charge	Disposal	C/fwd	01.01.2023	31.12.2023
25%	-	1,773,478	-	1,773,478	-	(443,370)	-	(443,370)	-	1,330,109
	-	1,773,478	-	1,773,478	-	(443,370)	-	(443,370)	-	1,330,109

Rate S.L	Asset Cost		Capital Allowance		WDV					
	B/fwd	Additions	Disposal	C/fwd	B/fwd	Charge	Disposal	C/fwd	01.01.2023	31.12.2023
10%	4,759,624	-	-	4,759,624	(475,962)	(475,962)	-	(951,925)	4,283,662	3,807,699
10%	-	923,107	-	923,107	-	(92,311)	-	(92,311)	-	830,796
	4,759,624	923,107	-	5,682,731	(475,962)	(568,273)	-	(1,044,236)	4,283,662	4,638,496

Total investment allowance for the year

(1,011,643)