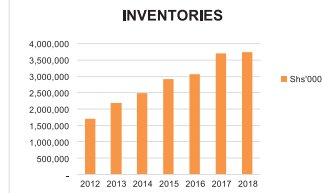
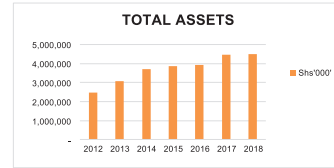
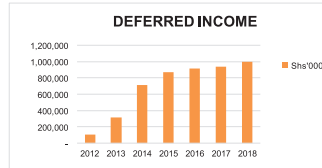


## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER

	Group		Company	
	2018	2017	2018	2017
	Shs '000'	Shs '000'	Shs '000'	Shs '000'
Revenue from contracts with customers	109,038	262,787	15,181	-
Cost of sales	(82,281)	(229,006)	(9,059)	-
<b>Gross profit</b>	<b>26,757</b>	<b>33,781</b>	<b>6,122</b>	<b>-</b>
Fair value gain on investment property	-	60,829	-	-
Other operating income	7,858	9,922	810	5,629
Selling and distribution expenses	(13,081)	(38,682)	(4,452)	(9,685)
Administrative expenses	(222,994)	(169,054)	(108,257)	(83,051)
Other operating expenses	(29,767)	(29,538)	(9,455)	(9,281)
<b>Operating (loss)</b>	<b>(231,227)</b>	<b>(132,742)</b>	<b>(115,232)</b>	<b>(96,388)</b>
Finance costs	(160,678)	(88,272)	(14,259)	(38,243)
<b>(Loss) before tax</b>	<b>(391,905)</b>	<b>(221,015)</b>	<b>(129,491)</b>	<b>(134,631)</b>
Tax credit	45,700	39,579	(625)	(1,065)
<b>(Loss) for the year</b>	<b>(346,205)</b>	<b>(181,435)</b>	<b>(130,116)</b>	<b>(135,696)</b>
<b>Total comprehensive (loss) for the year</b>	<b>(346,205)</b>	<b>(181,435)</b>	<b>(130,116)</b>	<b>(135,696)</b>
<b>(Loss) attributable to:</b>				
-Owners of the parent	(276,020)	(179,787)	-	-
-Non Controlling Interest	(70,185)	(1,648)	-	-
	(346,205)	(181,435)	-	-
(Loss) per share (Shs)				
-Basic diluted	(0.68)	(0.44)	(0.32)	(0.33)



ABSOLUTE SALES BOOKED DURING THE YEAR	
2018	2017
Shs 582 Million	Shs 921 Million

### 1. PERFORMANCE HIGHLIGHTS

The group reported a 58.5% decrease in revenue from Shs 263M in 2017 to Shs 109M in 2018 (Shs 921M in 2017 to Shs 582M) in 2018 in absolute sales that is not dependent on the percentage of completion), this is attributed to the impact of the slowed growth in the real estate sector amid constrained credit access and general slowdown in spending power among plot and house buyers. There was also a 64% decrease of cost of sales in 2018 compared to 2017 from Shs 229m million to Shs 82 million a direct correlation with the sales recognized. The group operating expenses went up, majorly occasioned by the fundraising roadshows, application of IFRS 9 and other professional fee, thus loss of Shs 346 million in 2018 compared to a loss of Shs 181 million in 2017.

Smart plot sales are largely booked as deposits for plots in the balance sheet and will gradually find their way to the profit and loss statement upon full purchase price payment and processing of titles documents.

### 2. FINANCIAL HIGHLIGHTS

2.1 The deferred income & deposits from sales of plots lingered at KSh 2.6 billion in 2018 compare to Shs 2.3 billion in 2017. In line with our accounting policy, these amounts are carried as current liabilities in the balance sheet but will convert to revenues in our profitability statement as we increase the investment in the projects and thereby increase the rate of percentage of completion with the road & golf course works at our Migaa Golf Estate now continuing. Upon the completion of the project, this will effectively see a majority of the deferred revenue and deposits from sales of plots translate to revenue in the profitability statement.

2.2 The book value of the group's sellable land and other inventory increased from Shs 3.698 billion in 2017 to over Shs 3.743 billion in 2018. This signifies continued investment into the various projects. These investments help to improve the market value of the land as the land becomes more desirable period to period.

### 3. STATUS OF FUNDRAISING

3.1 The process of fundraising has so far progressed very well. We are hopeful that this process will be successfully concluded shortly and the funding committed to by a strategic investor. The funding acquired will be used primarily to facilitate completion of projects and thereby help increase profitability and improve shareholder value.

3.2 The group's board and management will continue streamlining costs and increasing efficiency to improve profitability in order to grow shareholder value. Management continues to spend significant amounts of time focusing on fund raising and on turning around the company in order to return to profitability within the shortest time possible. The directors remain confident of the substantial underlying medium to long term value of the group's land bank and therefore profit generation capacity in the periods ahead.

### 4. DIVIDEND

The directors do not recommend a dividend for the period ending 31ST December 2018.

*These summary financial statements are extracts from the annual report and financial statements of the company. PKF Kenya as the external auditors have issued a disclaimer of opinion audit report on the financial statements on the basis of their inability to obtain sufficient appropriate audit evidence in respect of going concern and impairment of inventory.*

*The financial statements of the company were approved by the Board of Directors and signed on its behalf by:*

*Dan Awendo  
Managing Director*

*Mbugua Gecaga  
Director*

### NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of Home Afrika Limited will be held at the **Kenya Institute of Curriculum Development**, Desai Road - off Muranga Road, Nairobi on **Thursday, 5<sup>th</sup> September, 2019 at 10.00am.**

For more information, refer to our website [www.homeafrika.com](http://www.homeafrika.com)

### BY ORDER OF THE BOARD

**Madren Oluoch-Olunya**  
Company Secretary  
29<sup>th</sup> July, 2019

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Group		Company	
	2018	Restated 2017	2018	2017
	Shs '000'	Shs '000'	Shs '000'	Shs '000'
<b>Non-current assets</b>				
Property and equipment	53,055	57,830	56,309	58,823
Investment property	624,504	623,180	2,570,59	-
Intangible assets	2,571	-	76,986	76,986
Financial assets	2	2	2	2
Trade and other receivables	-	-	-	577,566
Deferred tax	-	-	-	624,64
	680,132	681,013	135,868	714,002
<b>Current assets</b>				
Inventories	3,742,985	3,697,729	186,536	315,794
Trade and other receivables	70,007	79,446	31,637	249,061.95
Cash and cash equivalents	9,338	19,640	2,771	10,118
	3,822,330	3,796,815	220,944	574,975
<b>Total assets</b>	<b>4,502,462</b>	<b>4,477,828</b>	<b>356,812</b>	<b>1,288,977</b>
<b>Current liabilities</b>				
Deferred income	998,428	936,785	-	-
Trade and other payables	1,440,783	1,363,793	533,441	600,925
Deposit from sale of plots and units	1,632,533	1,418,998	214,288	161,948
Borrowings	803,050	707,025	-	-
Private placement bond	500,000	494,183	500,000	494,183
Deposit for shares	174,809	182,589	-	-
Current tax	5,230	5,549	273	511
	5,554,832	5,108,821	1,248,002	1,257,566
<b>Net current (liabilities)</b>	<b>(1,732,502)</b>	<b>(1,312,006)</b>	<b>(1,027,058)</b>	<b>(682,591)</b>
<b>Non-current liabilities</b>				
Deposit for shares	-	-	-	-
Borrowings	-	-	-	-
Deferred tax	-	46,878	-	-
	-	46,878	-	-
<b>Total liabilities</b>	<b>5,554,832</b>	<b>5,155,699</b>	<b>1,248,002</b>	<b>1,257,566</b>
<b>Net (liabilities)</b>	<b>(1,052,370)</b>	<b>(677,871)</b>	<b>(891,190)</b>	<b>31,411</b>
<b>EQUITY</b>				
Share capital	405,255	405,255	405,255	405,255
Share premium	68,842	68,842	68,842	68,842
Accumulated deficit	(1,364,758)	(1,060,443)	(1,365,287)	(442,686)
<b>Equity attributed to owners of the company</b>	<b>(890,660)</b>	<b>(586,346)</b>	<b>-</b>	<b>-</b>
Non-controlling interest	(161,710)	(91,525)	-	-
<b>Total equity</b>	<b>(1,052,370)</b>	<b>(677,871)</b>	<b>(891,190)</b>	<b>31,411</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	Group	
	31-Dec-18	31-Dec-17
	Shs '000'	Shs '000'
Cash generated from operations	71,198	81,047
Interest Paid	(11,645)	(40,757)
Tax Paid	(1,497)	(6,756)
<b>Net Cash from Operating Activities</b>	<b>58,056</b>	<b>33,533</b>
Net Cash (used in)/ from Investing Activities	(7,571)	26,353
Net Cash (used in) Financing activities	(60,788)	(48,232)
Net Cash (decrease)/ increase in Cash and Cash equivalent	(10,302)	11,654
Cash as cash equivalents at the beginning of the year	19,640	7,986
Cash and Cash equivalents at the end of the year	9,338	19,640

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

	Ordinary Share capital	Share premium	Retained earnings	Minority interest	Total equity
	Shs '000'	Shs '000'	Shs '000'	Shs '000'	Shs '000'
<b>Year ended 31 December 2017</b>					
At start of year - as previously stated	405,255	68,842	(708,895)	(234,798)	24,631
Prior year adjustment	-	-	(171,761)	(171,761)	(114,507)
Provision for other liabilities	-	-	(171,761)	(171,761)	(286,268)
At start of year - as restated	405,255	68,842	(880,656)	(406,559)	(89,818)
Total comprehensive (loss) for the year	-	-	(179,787)	(179,787)	(1,648)
At end of year	405,255	68,842	(1,060,443)	(586,346)	(91,525)
<b>Year ended 31 December 2018</b>					
At start of year - as previously stated	405,255	68,842	(888,682)	(414,585)	22,983
Prior year adjustment	-	-	(171,761)	(171,761)	(114,507)
Provision for other liabilities	-	-	(171,761)	(171,761)	(286,268)
Effect of transition to IFRS 9 (bad debts provision)	-	-	(28,294)	(28,294)	-
At start of year - as restated	405,255	68,842	(1,088,738)	(614,641)	(91,525)
Total comprehensive (loss) for the year	-	-	(276,020)	(276,020)	(70,185)
At end of year	405,255	68,842	(1,364,758)	(890,661)	(161,710)