

OLYMPIA CAPITAL HOLDINGS LIMITED
ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

PSK ASSOCIATES
Certified Public Accountants of Kenya

OLYMPIA CAPITAL HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

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OLYMPIA CAPITAL HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2022

BOARD OF DIRECTORS

Karen Enterprises Limited	-	Chairman (Alt Dr. Christopher Obura)
Mr. Patrick Wamae	-	Non Executive Director
Mr. Alex Kimani	-	Executive Director
Mr Kibuga Kinyua Kariithi	-	Non Executive Director

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Olympia Capital Holdings Limited
Avon House, 2nd Floor
Enterprise Road
P.O. Box 30102 - 00100
Nairobi

COMPANY SECRETARY

Dennis Aroka
ESR Kenya LLP
Kalamu House, Grevillea Grove
P.O. Box 14077 - 00800
Nairobi, Kenya

COMPANY REGISTRAR

C&R Group
IKM Place, Tower B
1st floor, 5th Ngong Avenue, Off Bishops Road
P.O. Box 8484 - 00100
Nairobi, Kenya

BANKERS

NCBA Bank Kenya Limited
NCBA House Branch
P.O. Box 44599-00100
Nairobi

Guaranty Trust Bank Kenya Limited
Industrial Area Branch
P.O. Box 18647 - 00500
Nairobi, Kenya

OLYMPIA CAPITAL HOLDINGS LIMITED
COMPANY INFORMATION (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

SUBSIDIARIES

Avon Rubber Company (Kenya) Limited
Avon House, Enterprise Road
P.O. Box 18270 – 00100
Nairobi, Kenya

Mather and Platt (Kenya) Limited
Industrial Area
P.O. Box 30145 – 00100
Nairobi, Kenya

Olympia Capital Corporation Limited
Plot 51, 52 & 53 Mogoditshane
P.O. Box 2166
Gaborone, Botswana

INDEPENDENT AUDITORS

PSK Associates
Certified Public Accountants of Kenya
P.O. Box 8566-00100
Nairobi

OLYMPIA CAPITAL HOLDINGS LIMITED
STATEMENT OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED 28 FEBRUARY 2022

Corporate governance deals with the way companies are led and managed, the role of the Board of Directors and a framework of internal controls. The Board of Olympia Capital Holdings Limited is committed to upholding high standards of Corporate Governance. The Board is accountable to the company's shareholders for good governance and the statement set out below illustrates how the principles identified in the Capital Markets Act – Corporate Governance Guidelines, are applied by the group.

BOARD OF DIRECTORS

Composition of the Board is set out on page 1.

All non-executive directors are independent of the management. All directors are subject to periodic retirement and re-appointment in accordance with the company's Articles of Association.

All the directors have access to the Company Secretary who is responsible for ensuring that Board Procedures are followed and that applicable laws and regulations are complied with. The directors' responsibilities are set out in the Statement of Directors' Responsibilities on page 7.

The board is of the opinion that there is a balance between independent executive and non-executive directors as required by clause 2.1.4 of the Guidelines on Corporate Governance Practices for Public Listed Companies in Kenya.

The Board meets regularly, at least four times a year, and has a formal schedule of matters reserved for it. The directors receive appropriate and timely information so that they can maintain full and effective control over strategic, financial operational, compliance and governance issues.

The Board has continued to adopt the best governance practices outlined in the Capital Markets Act – Corporate Governance Guidelines as part of its obligation. The Board members have wide range of skills and experience and each member brings an independent judgment and considerable knowledge to the Board discussions that ensures effective decision making. The Board is responsible for the long-term growth and profitability of the Olympia Group. The responsibilities of the Board members are outlined in the Board Charter. The Board is also assisted in the discharge of its responsibilities by the various Sub Committees.

DELEGATION OF AUTHORITY

BOARD SUB COMMITTEES

The Board has three Sub Committees with specific delegated authorities. These are Board Audit Committee, Board Investment Committee, and Board Staff Nominations and Remuneration Committee. The Board Sub Committees assist the Board in discharging its responsibilities. These Sub Committees have clear defined roles and terms of reference and charters that have been approved by the Board. The Committees are chaired by non-executive directors.

BOARD AUDIT COMMITTEE

The committee acts as the liaison between the External Auditor, the Board and the Management. The committee strengthens the objectivity and independence of the auditor and acts on behalf of the Board in carrying out its responsibilities to the members and shareholders.

OLYMPIA CAPITAL HOLDINGS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

BOARD INVESTMENT COMMITTEE

The main responsibilities of this committee are to set limits for Management in capital expenditure, review the budgets, review the companies' procurement and disposal policies and make recommendations on all new investments proposals.

BOARD STAFF NOMINATIONS AND REMUNERATION COMMITTEE

The main responsibilities of this committee are to recommend to the Board on the recruitment, termination, promotion and other significant issues related to executive directors and general managers, review the adequacy of human resources policies and to monitor disputes and appeal procedures in the company.

GOING CONCERN

The Board confirms that it is satisfied that the company has adequate resources to continue in business for the foreseeable future. For this reason, the company continues to adopt the going concern basis when preparing the financial statements.

COMMUNICATION WITH SHAREHOLDERS

The company is committed to equitable treatment of its shareholders including the non-controlling and foreign shareholders and ensures that all its shareholders receive full and timely information about its performance through distribution of the annual report and financial statements and half year interim financial report and through compliance with the relevant continuing obligations under the Capital Markets Authority Act. The company's results are advertised in the press and released to the Nairobi Securities Exchange within the prescribed period at each half-year and year end.

MAJOR SHAREHOLDERS

<u>NAME</u>	<u>SHARES HELD</u>	<u>%</u>
Dunlop Properties Limited	10,481,802	26%
Paul Wanderi Ndungu	4,796,600	12%
Karen Enterprises Limited	3,636,152	9%
First Ten Limited	2,359,936	6%
Asteria Company Limited	1,048,500	3%
Joel Kamau Kibe	949,500	2%
Scottlink Limited	885,269	2%
Michael Maina Matu	786,277	2%
Eliud Matu Wamae	619,088	2%
Mobicom Kenya Limited	449,600	1%
Croxley Properties Ltd A/c 693448	400,000	1%
Others	13,587,276	34%
Total	40,000,000	100%

OLYMPIA CAPITAL HOLDINGS LIMITED
 STATEMENT OF CORPORATE GOVERNANCE (Continued)
 FOR THE YEAR ENDED 28 FEBRUARY 2022

DIRECTORS' SHAREHOLDING

<u>NAME</u>	<u>SHARES HELD</u>	<u>%</u>
Karen Enterprises Limited	<u>3,636,152</u>	<u>9%</u>

DISTRIBUTION OF SHAREHOLDING

<u>VOLUME:</u>	<u>SHARES HELD</u>	<u>%</u>	<u>SHAREHOLDERS</u>
1 – 500	328,702	1%	1,471
501 – 5,000	2,484,975	6%	1,323
5,001 – 10,000	1,452,747	4%	186
10,001 – 100,000	5,633,281	14%	210
100,001 – 1,000,000	7,777,305	19%	25
1,000,001 +	<u>22,322,990</u>	<u>56%</u>	<u>5</u>
Total	<u>40,000,000</u>	<u>100%</u>	<u>3,220</u>

OLYMPIA CAPITAL HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2022

The directors submit their report together with the audited consolidated financial statements for the year ended 28 February 2022 which disclose the state of affairs of the company and the group

PRINCIPAL ACTIVITY

The company is an investment holding company listed in the Nairobi Securities Exchange. Its main investments are in companies dealing in the manufacture and sale of products used in construction industry such as floor tiles, adhesives, u-PVC, windows and door frames, cleaning chemicals as well as fire prevention equipment, water pumps and real estate.

RESULTS

The results for the year are set out on page 12.

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year ended 28 February 2022 (2021:nil).

RESERVES

The reserves of the company are set out on page 16.

FINANCIAL STATEMENTS

As at the date of this report, the directors were not aware of any circumstances which would have rendered the values attributed to the assets and liabilities in the financial statements of the company misleading.

DIRECTORS

The directors who held office during the year and to the date of this report are listed on page 1.

AUDITORS

PSK Associates were appointed as auditors in 2022 and continue in office in accordance with Section 717 (2) of the Kenyan Companies Act (No. 17 of 2015).

By order of the board



Company secretary/ Director

16 June, 2022

OLYMPIA CAPITAL HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs 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 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 directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

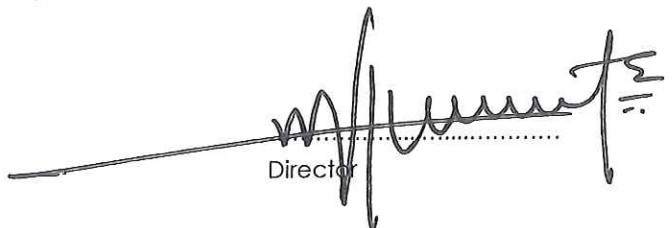
- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free of material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) 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 16 June, 2022 and signed on its behalf by:


.....
Director


.....
Director

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
OLYMPIA CAPITAL HOLDINGS LIMITED

Opinion

We have audited the accompanying financial statements of Olympia Capital Holdings Limited (the company) and the consolidated financial statements of the company and its subsidiaries (together referred to as the group), set out on pages 11 to 44, which each comprise a statement of financial position as at 28 February 2022, the statement of comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the group and of the company as at 28 February 2022 and of their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Kenyan Companies Act, 2015.

Basis of 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 group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the 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 matters

The financial statements of the group for the year ended 28 February 2022 were audited by another auditor, whose report dated 24 June 2021 expressed an unqualified opinion on those financial statements.

Other information

The directors are responsible for the other information. The 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 an audit opinion or 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' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free of 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 of 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.

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 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 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 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 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 requirements

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit, that:

In our opinion the information given in the report of the directors on page 6 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Paulino Ruthiri: P/No - 1816.

A handwritten signature in black ink that reads 'PSK Associates' in a stylized, cursive script.

For and on behalf of PSK Associates
Certified Public Accountants of Kenya
Nairobi, Kenya

17th June, 2022

OLYMPIA CAPITAL HOLDINGS LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Note	Group		Company	
		2022 KShs 000's	2021 KShs 000's	2022 KShs 000's	2021 KShs 000's
REVENUE	3	430,618	474,870	-	-
COST OF SALES	4	<u>(302,707)</u>	<u>(321,738)</u>	<u>-</u>	<u>-</u>
GROSS PROFIT		127,911	153,132	-	-
OTHER INCOME	5	<u>98,676</u>	<u>81,546</u>	<u>27,171</u>	<u>14,483</u>
TOTAL OPERATING INCOME		226,587	234,678	27,171	14,483
EXPENSES:					
OPERATING COSTS	6	<u>(196,251)</u>	<u>(220,812)</u>	<u>(15,856)</u>	<u>(26,600)</u>
OPERATING PROFIT/ (LOSS)		30,336	13,866	11,315	(12,117)
FINANCE COSTS	7	<u>(2,801)</u>	<u>(7,416)</u>	<u>(30)</u>	<u>(20)</u>
PROFIT/ (LOSS) BEFORE TAXATION	8	27,535	6,450	11,285	(12,137)
TAXATION	26	<u>(10,039)</u>	<u>(7,563)</u>	<u>-</u>	<u>-</u>
PROFIT/ (LOSS) FOR THE YEAR		<u>17,496</u>	<u>(1,113)</u>	<u>11,285</u>	<u>(12,137)</u>
EARNINGS ATTRIBUTABLE TO:					
Owners of the parent company		11,064	(5,640)	11,285	(12,137)
Non-controlling interest		<u>6,432</u>	<u>4,527</u>	<u>-</u>	<u>-</u>
		<u>17,496</u>	<u>(1,113)</u>	<u>11,285</u>	<u>(12,137)</u>
EARNINGS PER SHARE ATTRIBUTABLE TO:					
Owners of the parent company	13	<u>0.28</u>	<u>(0.14)</u>	<u>0.28</u>	<u>(0.30)</u>
Number of shares issued		<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

OLYMPIA CAPITAL HOLDINGS LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
Profit/ (loss) for the year	17,496	(1,113)	11,285	(12,137)
Other comprehensive income:				
Exchange differences on foreign operations	17,123	(96,775)	-	-
Gains on property valuation	-	130,298	-	-
Income tax relating to items that will not be classified	-	(4,590)	-	-
TOTAL COMPREHENSIVE INCOME	<u>34,619</u>	<u>27,820</u>	<u>11,285</u>	<u>(12,137)</u>
ATTRIBUTABLE TO:				
Owners of the parent company	21,166	(49,138)	11,285	(12,137)
Non-controlling interest	<u>13,453</u>	<u>76,958</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>34,619</u>	<u>27,820</u>	<u>11,285</u>	<u>(12,137)</u>
EARNINGS PER SHARE ATTRIBUTABLE TO:				
Owners of the parent company	<u>0.53</u>	<u>(1.23)</u>	<u>0.28</u>	<u>(0.30)</u>
Number of shares issued	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

OLYMPIA CAPITAL HOLDINGS LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022

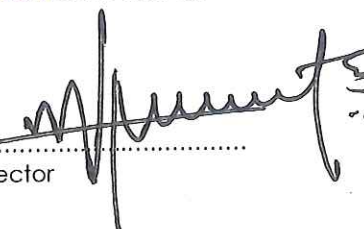
		Group		Company	
	Note	2022 KShs 000's	2021 KShs 000's	2022 KShs 000's	2021 KShs 000's
ASSETS					
NON CURRENT ASSETS					
Property, plant and equipment	9	757,509	725,392	46,355	10
Investment property	10	130,706	130,706	-	-
Prepaid operating lease rentals	11	20,478	21,209	-	-
Intangible assets	12	93,594	93,594	-	-
Investments in subsidiaries	14	-	-	445,869	422,052
Non-current assets held for sale	15	4,735	4,735	-	-
Available-for-sale-financial assets	16	49,700	49,700	49,700	49,700
Deferred Tax	26	18,927	18,895	2,983	2,983
Due from related parties	17 (a)	81,587	125,316	71,093	139,067
		<u>1,157,236</u>	<u>1,169,547</u>	<u>616,000</u>	<u>613,812</u>
CURRENT ASSETS					
Due from related companies - current	17 (a)	12,720	16,550	3,000	3,000
Bank and cash balances	18	70,351	74,670	666	18
Trade and other receivables	19	93,580	85,864	4,487	4,120
Other financial assets	20	1,546	-	-	-
Inventories	21	151,383	122,107	-	-
		<u>329,580</u>	<u>299,191</u>	<u>8,153</u>	<u>7,138</u>
TOTAL ASSETS		<u><u>1,486,816</u></u>	<u><u>1,468,738</u></u>	<u><u>624,153</u></u>	<u><u>620,950</u></u>
EQUITY AND LIABILITIES					
Attributable to parent owners:					
Share capital	22 (a)	200,000	200,000	200,000	200,000
Share premium	22 (b)	255,985	255,985	255,985	255,985
Translation reserve		(53,850)	(63,268)	-	-
Revaluation reserves		330,760	330,760	67,405	67,405
Retained earnings		99,823	83,923	18,114	3,440
		<u>832,718</u>	<u>807,400</u>	<u>541,504</u>	<u>526,830</u>
Non-controlling interest		<u>432,479</u>	<u>407,819</u>	<u>-</u>	<u>-</u>
		<u>1,265,197</u>	<u>1,215,219</u>	<u>541,504</u>	<u>526,830</u>

OLYMPIA CAPITAL HOLDINGS LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 28 FEBRUARY 2022

		Group		Company	
		2022	2021	2022	2021
	Note	KShs	KShs	KShs	KShs
		000's	000's	000's	000's
NON-CURRENT LIABILITIES					
Due to related parties	17 (b)	330	330	51,098	60,576
Deferred tax liability	26	32,666	32,666	-	-
Borrowings	23	18,300	26,619	-	-
		<u>51,296</u>	<u>59,615</u>	<u>51,098</u>	<u>60,576</u>
CURRENT LIABILITIES					
Due to related parties - current	17 (b)	9,191	22,039	6,007	9,184
Trade and other payables	24	129,297	141,720	6,181	3,334
Borrowings - current	23	26,107	8,664	-	1,662
Dividends payable	25	5,224	15,724	5,224	5,224
Tax payable	26	504	5,757	14,139	14,139
		<u>170,323</u>	<u>193,904</u>	<u>31,551</u>	<u>33,544</u>
TOTAL EQUITY AND LIABILITIES		<u>1,486,816</u>	<u>1,468,738</u>	<u>624,153</u>	<u>620,950</u>

The financial statements were approved by the Board of Directors on 16 June 2022 and signed on its behalf by:


.....
Director


.....
Director

OLYMPIA CAPITAL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Share capital KShs 000's	Revaluation reserves KShs 000's	Translation reserve KShs 000's	Share Premium KShs 000's	Retained earnings KShs 000's	Non- controlling interest KShs 000's	Total KShs 000's
YEAR ENDED 28 FEBRUARY 2021:							
As at 1 March 2020	200,000	196,135	(14,397)	255,985	287,234	390,112	1,315,069
Prior year adjustments	-	-	-	-	(127,671)	-	(127,671)
As re-stated	200,000	196,135	(14,397)	255,985	159,563	390,112	1,187,398
Reclassification	-	70,000	-	-	(70,000)	-	-
Total comprehensive income for the year	-	64,625	(48,871)	-	(5,640)	17,707	27,821
As at 28 February 2021	200,000	330,760	(63,268)	255,985	83,923	407,819	1,215,219
YEAR ENDED 28 FEBRUARY 2022:							
As at 1 March 2021	200,000	330,760	(63,268)	255,985	83,923	407,819	1,215,219
Prior year adjustment	-	-	-	-	15,359	-	15,359
As re-stated	200,000	330,760	(63,268)	255,985	99,282	407,819	1,230,578
Dividends - non-controlling interest	-	-	-	-	(10,522)	10,522	-
Total comprehensive income for the year	-	-	9,418	-	11,064	14,137	34,619
As at 28 February 2022	200,000	330,760	(53,850)	255,985	99,823	432,479	1,265,197

OLYMPIA CAPITAL HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2022

YEAR ENDED 28 FEBRUARY 2021:

As at 1 March 2020	200,000	67,405	255,985	15,577	538,967
Loss for the year	-	-	-	(12,137)	(12,137)
As at 28 February 2021	<u>200,000</u>	<u>67,405</u>	<u>255,985</u>	<u>3,440</u>	<u>526,830</u>

YEAR ENDED 28 FEBRUARY 2022:

As at 1 March 2021	200,000	67,405	255,985	3,440	526,830
Prior year adjustment	-	-	-	3,389	3,389
	<u>-200,000</u>	<u>67,405</u>	<u>255,985</u>	<u>6,829</u>	<u>530,219</u>
Profit for the year	-	-	-	11,285	11,285
As at 28 February 2022	<u>200,000</u>	<u>67,405</u>	<u>255,985</u>	<u>18,114</u>	<u>541,504</u>

Note 28

OLYMPIA CAPITAL HOLDINGS LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2022

		Group		Company	
		2022	2021	2022	2021
		KShs	KShs	KShs	KShs
	Note	000's	000's	000's	000's
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit/ (loss) before tax	8	27,535	6,450	11,285	(12,137)
Adjustments for:					
Prior year adjustment to retained earnings	28	15,359	(127,671)	3,389	-
Depreciation	9	22,065	20,307	7	5
Finance costs	7	2,501	7,126	-	-
Fair value gain	10	-	(3,604)	-	-
Operating profit/ (loss) before working capital changes		67,460	(97,392)	14,681	(12,132)
Increase/ decrease in trade and other receivables	19	(7,716)	38,570	(367)	(373)
Increase in inventories	21	(29,276)	(11,365)		
Increase in trade and other payables	15	(12,423)	2,488	2,846	927
Cash flows generated from/ (used in) operating activities		18,045	(67,699)	17,160	(11,578)
Finance costs	7	(2,501)	(7,126)	-	-
Tax paid	18	(15,324)	(23,790)	-	-
Net cash flows generated from/ (used in) operating activities		219	(98,615)	17,160	(11,578)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of equipment	9	(53,451)	(3,821)	(46,351)	-
Investment in subsidiary	14	-	-	(23,817)	(175,846)
Adjustment on revaluation of property	9	-	130,297	-	-
Dividends paid	25	(10,500)	-	-	-
Purchase of financial assets	20	(1,546)	-	-	-
Net cash flows used in investing activities		(65,497)	126,476	(70,168)	(175,846)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net movement in borrowings	23	(6,939)	(79,908)	-	(48,383)
Related parties	10	34,711	129,384	55,319	234,091
Net cash flows generated from financing activities		27,771	49,476	55,319	185,708
Net changes in cash and cash equivalents		(37,507)	77,337	2,311	(1,716)
Effect of foreign exchange changes		17,124	(90,015)	-	-
Cash and cash equivalents at the beginning of the year		72,638	85,316	(1,645)	71
Cash and cash equivalents at the end of the year	18	52,255	72,638	666	(1,645)

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. GENERAL INFORMATION

Olympia Capital Holdings Limited is incorporated under the Kenyan Companies Act, and domiciled in Kenya. The address of its registered office and principal place of business is stated on page 1. The company's principal activity is investment and its shares are listed on the Nairobi Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below;

a) Basis of preparation

The financial statements of the Company, its subsidiaries and interests in associates (together, the Group) are prepared in compliance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable for companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements are presented in Kenyan Shillings, rounded to the nearest thousand (KShs. 000's).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of comprehensive income, in these financial statements.

b) Changes in accounting policy and disclosures

(i) New and amended standards adopted by the company

The following amendments and interpretations apply for the first time in 2021, but do not have an impact on the financial statements of the Company.

Effective Date:
Period beginning
on or after

Amendments to IFRS 4 Insurance contracts - deferral of IFRS 9

1 January 2021

Amendments to IFRS 16 Leasing - Covid-19 Related Rent Concessions

1 April 2021

The management is of the opinion that the new standards and amendments effective during the period will not have any material effect on the financial statements of the company.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Changes in accounting policy and disclosures (Continued)

(ii) New standards and interpretations that are not yet effective

Up to the date of issuance of the company's financial statements, there are several standards and interpretations that are issued, but not yet effective. The company intends to adopt these standards, if applicable, when they become effective or by early adoption where necessary. The Company did not early adopt any new standards or amendment during the year.

	Effective Date: Period beginning on or after
Amendments to IFRS 3: Definition of a Business	1 January 2022
Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 Provisions, Contingent Liabilities, Contingent Assets Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS 17 Insurance contracts	1 January 2023
Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 8 Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 Disclosure of Accounting policies	1 January 2023
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or indefinitely Joint Venture	Effective date deferred indefinitely

The management is of the opinion that the new standards and amendments that have not yet become effective will not have any material impact on the financial statements of the company.

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities.

Revenue is measured at fair value of the consideration received or receivable net of trade discounts, income related taxes collected on behalf of the government.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities as described below.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Revenue recognition (Continued)

Revenue is recognised as follows:

- (i) Revenue from sale of goods and services is recognised upon transfer of goods or performance of service and customer acceptance thereof in accordance with the sale contract.
- (ii) Revenue from letting is recognised as and when the rent for the period of tenancy becomes due.
- (iii) Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.
- (iv) Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

d) Cost of sales

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

The related cost of providing services recognized as revenue in the current period is included in cost of sales.

e) Property, plant and equipment

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

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Property, plant and equipment (Continued)

If a replacement cost is recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is de recognized.

Property, plant and equipment, with the exception of land and buildings is carried at cost less accumulated depreciation and any impairment losses. Land and buildings are stated at fair value less accumulated depreciation and any impairment loss. They are revalued with sufficient regularity so that their carrying amounts do not materially differ from their realizable values.

Revaluation surplus is regarded as non-distributable until the property is disposed off. On disposal, the net revaluation surplus is transferred to retained earnings while profit or loss on disposal based on current values are credited or charged to profit or loss.

Item average useful life

Land	Not anticipated
Buildings	45 years
Plant and machinery	7 years
fittings and	7 years
hardware	3 years
Motor vehicles	4 years
Computer software	3 years

The residual value and the useful life of each asset are reviewed at each financial period end. 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 period is recognized in profit and loss unless it is included in the carrying amount of another asset.

The gains or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognized.

The gain or loss arising from de-recognition of an item of property, plant and equipment is determined as the difference between net disposal proceeds, if any and the carrying amount of the item.

f) Intangible assets and goodwill

An intangible asset is recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets are initially recognized at cost. Intangible assets are carried at cost less any accumulated amortization and any impairment losses.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Intangible assets and goodwill (Continued)

The amortization period and the amortization method for the intangible assets are reviewed every year end.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognized as intangible assets.

The amortization is provided to write down the intangible assets, on a straight-line basis, to their residual values.

Goodwill

Goodwill represents the excess of the aggregate of the fair value of compensation transferred, the acquisition date fair value of any previously held interest and any non-controlling interest over fair value of assets and liabilities acquired.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investment in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold. Any negative goodwill arising from an acquisition is credited to the statement of comprehensive income.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

g) Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment. The cost of an investment in a subsidiary is the aggregate of:

- The fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group; plus
- Any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

h) Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Subsidiaries

Subsidiaries are all entities (including structured and special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Where necessary, adjustments are made to the financial statements of subsidiaries to align any difference in accounting policies with those of the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interest are also recorded in equity.

Disposal of subsidiaries

When a Group ceases to have control, any retained interest in the equity is re-measured to its fair value at the date when control is lost, with the changed in carrying amount of recognized in profit or loss.

The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amounts previously recognized in other comprehensive income in respect of other entity are accounted for as if the Group had directly disposed of the related assets and liabilities.

This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

j) Receivables

Receivables are amounts due from investments in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Financial assets

Classification

The company classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. The directors determine the classification of financial assets at initial recognition.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognized initially when the group becomes a party to the contractual provisions of the instruments. The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss Dividend income is recognized in profit or loss as part of other income when the group's right to receive payment is established. Loans and receivables are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses. Financial liabilities at amortized cost are subsequently measured at amortized cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets and are carried at amortised cost.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Financial assets (Continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets and are included in non-current assets unless the investment matures or the directors intend to dispose of the investments within 12 months of the end of the reporting period.

(iii) Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.

(iv) Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the company as at fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

The company designates certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed and can only be applied when the following conditions are met:

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise or
- the financial assets are part of a portfolio of financial instruments which is risk managed and reported to senior management on a fair value basis or
- the financial assets consists of debt host and an embedded derivatives that must be separated.

(iv) Financial assets at fair value through profit or loss (Continued)

Financial assets at fair value through profit or loss are carried at fair value. Purchases and sales of financial assets at fair value through profit or loss are recognized on trade-date, the date on which the company commits to purchase or sell the asset.

Fair value changes relating to financial assets designated at fair value through profit or loss are recognized in the statement of profit or loss in the year in which they arise.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Impairment of financial assets

Assets carried at amortised cost

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

m) Share capital and share premium

Ordinary shares are classified as 'share capital' in equity. Any amounts received over and above the par value of the shares is classified as 'share premium' in equity.

n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts.

o) Dividend distribution

Dividends payable to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. Proposed dividends are not accrued until they have been declared at a duly convened annual general meeting. Dividends approved after the statement of financial position are treated as an event after the statement of financial position date.

p) Provisions

Provisions are recognised when; the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) 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 recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognized 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 recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

r) Borrowings

Borrowings are initially recognized at the transaction price. Borrowings are subsequently stated at amortised cost. Interest expense is recognized on the basis of effective interest method and is included finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement for at least 12 months after the reporting date.

s) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the statement of comprehensive income. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the statement of comprehensive income within finance income or costs.

t) Income taxes

Current tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Income taxes (Continued)

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, if the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

u) Leases

Leases under which the Company is the lessee on the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

For leases that contain non-lease components, the Company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components. The right-of-use asset is initially measured at cost comprising the initial measurement of the lease incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease. Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

All right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term. (Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus). Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the profit and loss account.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Leases (Continued)

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the period of lease.

Leases under which the Company is the Lessor

Leases of assets where a significant proportion of the risks and rewards of ownership are transferred to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are credited to the statement of comprehensive income on a straight line basis over the lease period.

v) Inventories

Inventories are measured at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The costs of inventories is assigned using the formula. The same formula is used for all inventories having a similar nature and use.

When inventories are sold, the carrying amounts of those inventories are recognized as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ESTIMATES

In the process of applying the company's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas of judgement in applying the entities accounting policies are dealt with below:

(i) Impairment losses

At the end of each reporting period, the company reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

(ii) Equipment and intangible assets

Critical estimates are made by the directors in determining rates for depreciation for equipment and amortization of intangible assets.

(iii) Income taxes

Significant estimates are required in determining the provision of income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

(iv) Deferred tax

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ESTIMATES (Continued)

(v) Going concern

The company's management has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

(vi) Fair value of financial instruments

Where the fair value of the financial assets and financial liabilities recorded in the statement of financial position cannot be determined from active markets, they are determined using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
3. REVENUE				
Sale of goods and services	<u>430,618</u>	<u>474,870</u>	<u>-</u>	<u>-</u>
4. COST OF SALES				
Cost of goods sold	<u>302,707</u>	<u>321,738</u>	<u>-</u>	<u>-</u>
5. OTHER INCOME				
Rental income	60,718	54,484	-	-
Fair value gain	-	3,604	-	-
Management fees	16,158	16,158	16,158	12,948
Sundry income	18,045	5,765	-	-
Dividend income	-	-	9,478	-
Interest income	<u>3,755</u>	<u>1,535</u>	<u>1,535</u>	<u>1,535</u>
	<u>98,676</u>	<u>81,546</u>	<u>27,171</u>	<u>14,483</u>
6. OPERATING COSTS				
Staff costs Note 6 (i)	68,628	75,436	12,153	15,482
Bad Debtors write off	83	31,738	-	7,942
Telephone, postage & internet	358	275	114	69
Repairs and maintenance	5,201	2,599	23	79
Legal and professional fees	8,055	9,908	529	-
Annual listing fees	200	200	200	200
Rent and rates	917	1,194	-	90
Cleaning and garbage collection	1,363	1,558	-	-
Audit fees	3,387	4,026	1,064	1,104
Depreciation & amortization	22,065	20,307	6	5
Directors emoluments	1,321	1,185	273	286
Registry and secretarial fees	1,242	1,184	1,242	1,143
Security	3,422	3,717	-	-
Licenses and subscriptions	128	82	-	-
Workshop expenses	662	545	-	-
General insurance	950	1,218	-	-
Electricity and water	3,584	2,666	-	-
Management fees	16,737	7,837	-	-

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
6. OPERATING COSTS (Continued)				
Advertising and marketing	507	67	91	56
Motor vehicle running	691	696	-	-
Travelling and entertainment	450	587	23	25
General office	55,890	53,189	34	42
Printing and stationery	309	377	4	27
Market development/ tender costs	100	221	100	50
	<u>196,251</u>	<u>220,812</u>	<u>15,856</u>	<u>26,600</u>
(i) STAFF COSTS				
Salaries and wages	67,507	75,181	12,118	15,421
Training and recruitment	162	194	11	-
Medical expenses	959	31	24	31
Staff welfare	-	30	-	30
	<u>68,628</u>	<u>75,436</u>	<u>12,153</u>	<u>15,482</u>
7. FINANCE COSTS				
Bank charges	300	290	30	20
Finance charges	2,501	3,474	-	-
Foreign exchange loss	-	3,652	-	-
	<u>2,801</u>	<u>7,416</u>	<u>30</u>	<u>20</u>
8. PROFIT/ (LOSS) BEFORE TAXATION				
Profit/ (loss) before taxation is stated after charging:				
Auditors' remuneration	3,387	4,026	1,064	1,104
Directors remuneration	1,321	1,185	273	286
Depreciation and amortization	<u>22,065</u>	<u>20,307</u>	<u>6</u>	<u>5</u>
And after crediting:				
Interest income	<u>3,755</u>	<u>1,535</u>	<u>1,535</u>	<u>1,535</u>

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

9. PROPERTY, PLANT AND EQUIPMENT - GROUP

	Buildings KShs 000's	Plant & machinery KShs 000's	Furniture & fittings KShs 000's	Motor Vehicles KShs 000's	Computers & equipment KShs 000's	Loose tools KShs 000's	Total KShs 000's
COST/ VALUATION:							
Balance as at 1 March 2021	736,886	92,928	15,147	29,659	14,567	5,631	894,818
Additions	-	51,739	1,352	-	361	-	53,451
As at 28 February 2022	<u>736,886</u>	<u>144,667</u>	<u>16,499</u>	<u>29,659</u>	<u>14,928</u>	<u>5,631</u>	<u>948,269</u>
DEPRECIATION:							
Balance at the ge	42,532	81,291	8,740	23,976	10,356	2,531	169,426
Charge for the year	16,062	2,360	836	1,202	677	197	21,334
As at 28 February 2022	<u>58,594</u>	<u>83,651</u>	<u>9,576</u>	<u>25,178</u>	<u>11,033</u>	<u>2,728</u>	<u>190,760</u>
NET BOOK VALUE:							
As at 28 February 2022	<u>678,292</u>	<u>61,016</u>	<u>6,923</u>	<u>4,481</u>	<u>3,895</u>	<u>2,903</u>	<u>757,509</u>
As at 28 February 2021	<u>694,354</u>	<u>11,637</u>	<u>6,407</u>	<u>5,683</u>	<u>4,211</u>	<u>3,100</u>	<u>725,392</u>

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

9. PROPERTY, PLANT AND EQUIPMENT - COMPANY

	Office equipment KShs 000's	Furniture & fittings KShs 000's	Plant & machinery KShs 000's	Total KShs 000's
COST:				
As at 1 March 2021	718	285	-	1,003
Additions	<u>9</u>	<u>-</u>	<u>46,342</u>	<u>46,351</u>
As at 28 February 2022	<u>727</u>	<u>285</u>	<u>46,342</u>	<u>47,354</u>
DEPRECIATION:				
As at 1 March 2021	708	285	-	993
Charge for the year	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
As at 28 February 2022	<u>714</u>	<u>285</u>	<u>-</u>	<u>999</u>
NET BOOK VALUE:				
As at 28 February 2022	<u>13</u>	<u>-</u>	<u>46,342</u>	<u>46,355</u>
As at 28 February 2021	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>

No depreciation was charged on the plant and machinery as it is yet to be commissioned for use.

	Group		Company	
	2022 KShs 000's	2021 KShs 000's	2022 KShs 000's	2021 KShs 000's
10. INVESTMENT PROPERTY				
Balance as at the beginning of the year	130,706	127,102	-	-
Fair value gain	<u>-</u>	<u>3,604</u>	<u>-</u>	<u>-</u>
Balance as at 28 February	<u>130,706</u>	<u>130,706</u>	<u>-</u>	<u>-</u>

AVON RUBBER COMPANY (KENYA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
11. PREPAID OPERATING LEASE RENTALS				
COST:				
Balance as at the beginning of the year	<u>40,750</u>	<u>40,750</u>	<u>-</u>	<u>-</u>
ARMORTIZATION:				
Balance as at the beginning of the year	19,541	18,810	-	-
Charge for the year	<u>731</u>	<u>731</u>	<u>-</u>	<u>-</u>
Balance as at 28 February	<u>20,272</u>	<u>19,541</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE:				
Balance as at 28 February	<u>20,478</u>	<u>21,209</u>	<u>-</u>	<u>-</u>

Prepaid operating lease rentals comprise leasehold land held by Avon Rubber Company (Kenya) Limited and Mather and Platt (Kenya) Limited.

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
12. INTANGIBLE ASSET				
COST:				
Balance as at the beginning of the year	<u>93,594</u>	<u>93,594</u>	<u>-</u>	<u>-</u>
ARMORTIZATION:				
Balance as at the beginning of the year	-	-	-	-
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 28 February	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CARRYING AMOUNT:				
Balance as at 28 February	<u>93,594</u>	<u>93,594</u>	<u>-</u>	<u>-</u>

This is in respect to goodwill. Goodwill arises on the acquisition of subsidiaries, associates, joint-controlled entities and on the separate purchase of businesses. The Group's and companies accounting policy is that goodwill is annually measured at cost less accumulated impairment losses.

AVON RUBBER COMPANY (KENYA) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS(Continued)
 FOR THE YEAR ENDED 28 FEBRUARY 2022

13. EARNINGS PER SHARE

The calculation of basic earnings per share for the group as at 28 February 2022 was based on profit attributable to ordinary shareholders of KShs. 17.5 million (2021: loss of KShs. 1.1 million) and weighted average number of shares outstanding during the year then ended of 40 million (2021: 40 million). There are no dilutive shares.

Group		Company	
2022	2021	2022	2021
KShs	KShs	KShs	KShs
000's	000's	000's	000's

14. INVESTMENTS IN SUBSIDIARIES

	Holding %				
Dunlop Industries Limited	100	-	-	11,500	11,500
Avon Rubber Company Kenya Limited	48	-	-	118,286	118,286
Mather and Platt Kenya Limited	69	-	-	48,311	24,494
Olympia Capital Corporation Limited	61	-	-	267,772	267,772
		-	-	445,869	422,052

The Group's interest in the subsidiaries is as shown above. All subsidiaries are incorporated in Kenya except Olympia Capital Corporation (Pty) which is incorporated in Botswana.

During the year, the holding company increased its equity in subsidiary Mather and Platt Kenya Limited from 57% to 69% through debt to equity conversion of KShs. 23.8 million due from Mather and Platt.

Although the company holds less than 50% of the voting rights in Avon Rubber Company Kenya Limited, the investment is considered a subsidiary by virtue of effective board control.

The end of reporting period of Avon Rubber Company (Kenya) Limited, Mather and Platt (Kenya) Limited and Olympia Capital Corporation (Pty) Limited was 31 December 2021. There were no significant changes that affect these subsidiaries' financial statements as at 28 February 2022 for consolidation purposes.

Group		Company	
2022	2021	2022	2021
KShs	KShs	KShs	KShs
000's	000's	000's	000's

15. NON-CURRENT ASSETS HELD FOR SALE

At the beginning of the year	4,735	4,735	-	-
Changes in the year	-	-	-	-
At the end of the year	4,735	4,735	-	-

AVON RUBBER COMPANY (KENYA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
16. AVAILABLE-FOR-SALE FINANCIAL ASSETS				
At the beginning of the year	49,700	49,700	49,700	49,700
Changes in the year	-	-	-	-
At the end of the year	<u>49,700</u>	<u>49,700</u>	<u>49,700</u>	<u>49,700</u>

This relates to investments in shares of Heri Limited.

17. RELATED PARTY TRANSACTIONS

(a) Due from related parties:

Olympia Capital Corporation Limited	-	-	309	309
Scotlink Limited	3,838	3,873	3,000	3,000
Dunlop Properties Limited	24,327	22,792	22,788	21,253
Mather and Platt	-	-	9,951	33,118
Croxley Properties Limited	276	276	-	-
Karen Enterprises Limited	5,965	6,894	-	-
Mt. Kenya Investments	1,617	5,507	-	-
Meatons Kenya Limited	6,593	6,593	6,593	6,593
Dunlop Industries Limited	1,022	46,342	-	46,342
Directors	<u>50,668</u>	<u>49,589</u>	<u>31,452</u>	<u>31,452</u>
	94,306	141,866	74,093	142,067
Amount due in one year	<u>(12,720)</u>	<u>(16,550)</u>	<u>(3,000)</u>	<u>(3,000)</u>
Amount due after one year	<u>81,587</u>	<u>125,316</u>	<u>71,093</u>	<u>139,067</u>

This is in relation to advances made to the related parties, the advances are unsecured.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
17. RELATED PARTY TRANSACTIONS (Continued)				
(b) Due to related parties:				
Croxley Properties Limited	30	30	30	30
Avon Rubber Company Kenya Limited	-	-	50,768	60,246
Mount Kenya Investment	300	300	300	300
Central Kenya Wholesalers Ltd.	-	1,444	-	1,444
Countryside Investments	-	1,945	-	1,945
Directors	9,191	18,650	6,007	5,795
	9,521	22,369	57,105	69,760
Amount due in one year	(9,191)	(22,039)	(6,007)	(9,184)
Amount due after one year	330	330	51,098	60,576

This is in relation to advances received from the related parties.

18. BANK AND CASH BALANCES

Cash and bank balances	70,351	74,670	666	18
Bank overdraft (note 23)	(18,096)	(2,032)	-	(1,662)
	52,255	72,638	666	(1,644)

19. TRADE AND OTHER RECEIVABLES

Trade receivables	51,293	64,913	-	-
Other receivables	42,288	20,951	4,486	4,120
	93,580	85,864	4,486	4,120

20. OTHER FINANCIAL ASSETS

Held to maturity	1,546	-	-	-
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This is in respect to short term investments held to maturity.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
21. INVENTORIES				
Finished goods	137,712	109,932	-	-
Provision for obsolete stocks	(10,351)	(10,351)	-	-
Net finished goods	127,361	99,581	-	-
Work-in-progress	3,900	8,889	-	-
Spares and consumables	20,122	13,637	-	-
	<u>151,383</u>	<u>122,107</u>	<u>-</u>	<u>-</u>

22. SHARE CAPITAL AND SHARE PREMIUM

a) Share capital:

Authorised, issued and fully paid:

40,000,000 ordinary shares of KShs. 5 each.	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
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b) Share premium:

This relates to any amounts received in excess of the par value of the shares during any offer for subscription to shareholders.

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
23. BORROWINGS				
Absa Bank Kenya PLC	2,962	6,182	-	-
Stanbic Bank Botswana Limited	23,349	27,069	-	-
Bank overdrafts	18,096	2,032	-	1,662
	<u>44,407</u>	<u>35,283</u>	<u>-</u>	<u>1,662</u>
Amount due in one year	(26,107)	(8,664)	-	(1,662)
Amount due after one year	<u>18,300</u>	<u>26,619</u>	<u>-</u>	<u>-</u>

The loan from Absa Bank Kenya PLC to Avon Rubber Company (Kenya) Limited is secured by a debenture supported by a first charge over property stamped to cover the sum of KShs. 35 Million.

Stanbic Bank Botswana loan is advanced to Olympia Capital Corporation Limited for purchase an investment property. The loan is for 10 years and is secured by a mortgage over property.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

23. BORROWINGS (Continued)

Bank overdraft facilities for Olympia Capital Corporation limited is with Bank ABC. The facility is pledged against property.

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
24. TRADE AND OTHER PAYABLES				
Trade creditors	71,725	79,260	2,541	2,046
Other payables	57,572	62,460	3,640	1,288
	<u>129,297</u>	<u>141,720</u>	<u>6,181</u>	<u>3,334</u>

Trade payables are non-interest bearing and are normally settled on 30 to 90 days. Other payables are non-interest bearing.

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
25. DIVIDENDS				
Balance as at the beginning of the year	15,724	5,224	5,224	5,224
Final dividend declared	-	10,500	-	-
Dividends paid	(10,500)	-	-	-
Balance as at 28 February	<u>5,224</u>	<u>15,724</u>	<u>5,224</u>	<u>5,224</u>

The Board of directors monitors the ability of the Group to pay dividends out of available cash and distributable profits. At the current performance, the group is not able to pay dividends.

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
26. TAXATION				
Statement of financial position:				
Balance brought forward	5,757	18,183	14,139	14,139
Tax charge for the year	10,071	11,364	-	-
Tax paid	(15,324)	(23,790)	-	-
	<u>504</u>	<u>5,757</u>	<u>14,139</u>	<u>14,139</u>

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Group		Company	
	2022	2021	2022	2021
	KShs	KShs	KShs	KShs
	000's	000's	000's	000's
26. TAXATION (Continued)				
Statement of comprehensive income:				
Current tax for the year	10,071	11,364	-	-
Deferred tax credit	(32)	(3,801)	-	-
	<u>10,039</u>	<u>7,563</u>	<u>-</u>	<u>-</u>
Deferred tax assets:				
Opening balance	(18,895)	(13,846)	(2,983)	(2,983)
Statement of comprehensive income	(32)	(5,049)	-	-
	<u>(18,927)</u>	<u>(18,895)</u>	<u>(2,983)</u>	<u>(2,983)</u>
Deferred tax liabilities:				
Opening balance	32,666	26,827	-	-
Statement of comprehensive income	-	5,839	-	-
	<u>32,666</u>	<u>32,666</u>	<u>-</u>	<u>-</u>

27. RISK MANAGEMENT

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is as result of the funds available to cover the future commitments; the company manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilized borrowing facilities are monitored.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

27. RISK MANAGEMENT (Continued)

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

The company's interest rate risk arises from short- term and long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

Credit risk

Credit risk is managed on a company basis. Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based in accordance with limits set by the Board. The utilization of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Foreign exchange risk

The company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the company's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the company consists of debt, which includes the borrowings, cash and cash equivalents, and equity as disclosed in the statement of financial position. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

OLYMPIA CAPITAL HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 28 FEBRUARY 2022

28. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

The prior year adjustments relates to a write off of long outstanding related party balances by the Company and write offs of previous periods provisions by Mather and Platt through Statement of Changes in Equity.

29. CONTINGENCIES

There are no known material contingent assets and/or liabilities for the group as at year end.

30. EVENTS AFTER THE END OF REPORTING PERIOD

No events have occurred after the end of the reporting period that would have a negative impact on the financial statements and/ or operations of the company.