

AVENTUS TECHNOLOGY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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Board of directors**Name:**

Serhii Trambovkin

Company Secretary

Nanga Registrars LLP
AK-119, House Number 4
Adjacent to Malawi Chancery and Toyota Kenya
Slip Road, Off Waiyaki Way
Westlands
Nairobi

Registered office

Rhapta Heights
Rhapta Road
P.O. Box 30834-00100
Nairobi, Kenya

Independent auditor

MGK Associates LLP
Certified Public Accountants of Kenya
2nd floor, Mayfair Business Centre, Off Parklands Road
P. O. Box 6358 - 00100
Nairobi

Principal banker

Eco bank Limited
Shelter Afrique House
Upper Hill Branch
P.O. Box 49584-0100
Nairobi

I & M Bank Limited
I Park avenue, First Parklands Avenue
P. O Box 30238-00100
Nairobi

The directors submit their report together with the audited financial statements of the company for the period ended 31 March 2025.

Directorate

The directors who held office during the year and to the date of this report are listed on page 2.

Principal activities

The principal activity of the Company is advancing short term loans to customers on a digital platform.

Recommended dividend

The director do not recommend the declaration of a dividend for the year.

Business review

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenya Companies Act of 2015. The accounting policies have been applied consistently compared to the prior year.

The Company revenue increased by 74% from Ksh 1,267,498,316 in the prior year to Ksh 2,200,172,447 for the year ended 31 March 2025.

The company recorded a profit after tax for the year ended 31 March 2025 of Ksh 239,491,084 compared to a loss after tax in the prior year of Ksh 114,927,872.

Statement as to disclosure to the company's auditor

With respect to each director at the time this report was approved:-

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

Terms of appointment of auditors

MGK Associates LLP continues in office in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of Ksh 539,400 has been charged to profit or loss in the year.

By order of the board



Director

The Kenyan Companies Act, 2015 requires the directors to prepare 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 keeps proper accounting records that: (a) show and explain the transactions of the company; (b) disclose, with reasonable accuracy, the financial position of the company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 from 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 on23rd June..... 2025 and signed on its behalf by:



Director: Serhii Trambovkin



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF AVENTUS TECHNOLOGY LIMITED FOR THE YEAR ENDED 31ST MARCH 2025.

Opinion

We have audited the accompanying financial statements of Aventus Technology Limited (the company), set out on pages 9 to 20, which comprise the statement of financial position as at 31 March 2025, the statement of profit or loss and other comprehensive income and statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and medium sized entities and the requirements of the Kenyan Companies Act, 2015.

Basis for 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 company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF AVENTUS TECHNOLOGY LIMITED FOR THE YEAR ENDED 31ST MARCH 2025 (CONTINUED).

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Expected credit losses on loans and advances at amortised cost</p> <p>Loans and advances to customers comprise a significant portion of the Company's total assets. The estimation of expected credit losses (ECL) on loans and advances requires management judgment in the assumptions that are applied in the models used to calculate ECL.</p> <p>The policies for estimating ECL are explained under note 2 of the financial statements.</p> <p>The key areas where significant judgement has been exercised and therefore, an increased level of audit focus applied, include:</p> <ul style="list-style-type: none"> ▪ the relevance of forward-looking information used in the models; ▪ the judgments made to determine the staging of facilities in line with IFRS for SMEs. Specific assumptions have been applied by management in determining the staging, probability of default (PD) and loss given default (LGD) for certain segments of the loan book; ▪ for certain individually assessed loans, judgement is exercised in the consideration of quantitative and qualitative factors, and the mapping of these loans to external ratings; 	<p>We reviewed the company's methodology for calculating Expected Credit Losses (ECL), including improvements made during the year, and assessed its compliance with IFRS for SMEs.</p> <p>We analyzed the approach used to determine default probabilities, tested the accuracy and completeness of the historical data used to calculate Probability of Default (PD) and Loss Given Default (LGD), and performed sample-based recalculations.</p> <p>We evaluated the adequacy of the disclosures in the financial statements regarding key judgments and assumptions.</p>
<p>Reliance on Information & Communication Technology (ICT) systems for financial control and transactions</p> <p>The Company's financial control and accounting processes are heavily reliant on ICT system. Specifically, the calculation and recording of income is significantly dependent on automated process.</p> <p>Weakness in the design and operating effectiveness of the automated process and related IT dependence on manual controls could result in material errors in the financial information making this an area of focus.</p> <p>Our audit on ICT systems and controls over financial control and transactions included the following areas:</p> <ul style="list-style-type: none"> ▪ controls over changes of programs and system development; ▪ automated application controls relating to processing and calculation of income; ▪ Controls over changes of programs and system development. 	<p>We evaluated and tested the design and operational effectiveness of controls related to the integrity of ICT systems and applications relevant to financial transactions.</p> <p>We examined specific aspects of IT system security, including logical access controls and segregation of duties.</p> <p>We tested controls over system changes, program and data access, and IT operations.</p> <p>We reviewed and validated any manual adjustments made to information generated by ICT systems, assessing the appropriateness of these adjustments. We re-performed automated controls and calculations to verify that the applications, including those related to service fees, penalties, and excise duty fees, are functioning accurately and as intended.</p>

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF AVENTUS TECHNOLOGY LIMITED FOR THE YEAR ENDED 31ST MARCH 2025 (CONTINUED).

Other information

The directors are responsible for the other information. 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 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' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards for Small and medium sized entities 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 from 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 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 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 judgment 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 management.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF AVENTUS TECHNOLOGY LIMITED FOR THE YEAR ENDED 31ST MARCH 2025 (CONTINUED).

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's 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 those charged with governance 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 matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on page 3 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA James Gichuru of Practising Certificate No. 2640.

Signed with Odoo Sign


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

23rd June 2025

Profit and loss account

	Notes	2025 Ksh.	2024 Ksh.
Revenue	5	2,200,172,447	1,267,498,316
Direct costs	6	<u>(242,498,853)</u>	<u>(82,724,662)</u>
Gross profit		1,957,673,594	1,184,773,654
Other income	7	203,560,943	42,882,558
Administrative expenses	8	<u>(1,736,567,030)</u>	<u>(1,277,043,614)</u>
Operating profit/ (loss)		424,667,507	(49,387,402)
Finance costs	10	<u>(127,519,862)</u>	<u>(81,130,605)</u>
Profit/ (loss) before tax		297,147,645	(130,518,007)
Tax (charge)/credit	11	<u>(57,656,561)</u>	<u>15,590,135</u>
Profit/ (loss) after tax		<u>239,491,084</u>	<u>(114,927,872)</u>

The notes on pages 13 to 20 form an integral part of these financial statements

Balance sheet at 31st March

	Notes	2025 Ksh.	2024 Ksh.
EQUITY			
Share capital	12	4,990,000	4,990,000
Accumulated loss		(47,336,794)	(286,827,878)
		<u>(42,346,794)</u>	<u>(281,837,878)</u>
Non-current liabilities			
Shareholders loan	13	405,695,955	541,354,507
Borrowings	14	327,304,963	-
		<u>733,000,918</u>	<u>541,354,507</u>
		<u>690,654,124</u>	<u>259,516,629</u>
REPRESENTED BY			
Non current assets			
Property and equipment	15	17,074,066	15,682,399
Deferred tax	16	20,141,779	77,557,541
		<u>37,215,845</u>	<u>93,239,940</u>
Current assets			
Loans and other receivables	17	578,512,939	256,336,429
Cash and cash equivalents	18	153,952,157	32,244,434
		<u>732,465,096</u>	<u>288,580,863</u>
Current liabilities			
Trade and other payables	19	78,906,420	122,304,174
Tax payable	20	120,397	-
		<u>79,026,817</u>	<u>122,304,174</u>
Net current assets		<u>653,438,279</u>	<u>166,276,689</u>
Total equity and liabilities		<u>690,654,124</u>	<u>259,516,629</u>

The notes on pages 13 to 20 form an integral part of these financial statements

The financial statements on pages 9 to 20 were approved for issue by the board of directors on

..... 23rd June 2025 and were signed on their behalf by:


Director: Serhii Trambovkin

Statement of changes in equity

	Share capital Ksh.	Accumulated loss Ksh.	Total Ksh.
Year ended 31 March 2025			
At 1 April 2024	4,990,000	(286,827,878)	(281,837,878)
Profit for the year	-	239,491,084	239,491,084
At 31 March 2025	<u>4,990,000</u>	<u>(47,336,794)</u>	<u>(42,346,795)</u>
Year ended 31 March 2024			
At 1 April 2023	4,990,000	(171,900,006)	(166,910,006)
Loss for the year	-	(114,927,872)	(114,927,872)
At 31 March 2024	<u>4,990,000</u>	<u>(286,827,878)</u>	<u>(281,837,878)</u>

The notes on pages 13 to 20 form an integral part of these financial statements

Statement of cash flows

	Notes	2025 Ksh.	2024 Ksh.
Cash flows from operating activities			
Profit/ (loss) for the year		297,147,645	(130,518,007)
Adjustments for:			
Depreciation of property, plant and equipment	15	3,494,596	2,633,027
Changes in operating assets and liabilities:			
Loans and other receivables		(322,176,510)	(220,474,290)
Other payables and deferred income		<u>(43,397,754)</u>	<u>89,563,055</u>
Cash used in operations		(64,932,023)	(258,796,215)
Income taxes paid	20	(120,402)	-
Net cash flows used in operating activities		<u>(65,052,425)</u>	<u>(258,796,215)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	15	<u>(4,886,263)</u>	<u>(10,252,119)</u>
Net cash used in investing activities		<u>(4,886,263)</u>	<u>(10,252,119)</u>
Cash flows from financing activities			
Loan from related party	13	(135,658,552)	288,590,637
Borrowings	14	327,304,963	-
Net cash generated from financing activities		<u>191,646,411</u>	<u>288,590,637</u>
Net increase in cash and cash equivalents		121,707,723	19,542,303
Cash and cash equivalents at start of the year		32,244,434	12,702,131
Cash and cash equivalents at the end of the year	18	<u>153,952,157</u>	<u>32,244,434</u>

The notes on pages 13 to 20 form an integral part of these financial statements

1 General information

Aventus Technology Limited (the Company) is domiciled in Kenya where it is incorporated under the Kenyan Companies Act as a private company limited by shares. The address of its registered office and principal place of business is Rhapta Heights in Rhapta Road. The principal activities of the Company are advancing short term loans to customers on a digital platform

2 Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The financial statements are presented in Kenyan Shillings(Ksh), rounded to the nearest thousand. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

Revenue recognition

Turnover represents the fair value of consideration receivable for the interest earned and is recognized in the period in which the loans were disbursed to the client, the client has accepted the products and collectability of the related receivable is reasonably assured.

Interest income is recognized on accrual basis.

Borrowing costs

All borrowing costs are recognized in statement of comprehensive income in the period in which they are incurred.

Income tax

Tax expense represents the aggregate amount included in statement of comprehensive income for the period in respect of current tax and deferred tax.

Current tax is the amount of income tax payable or refundable in respect of the taxable profit or loss for the current and prior periods, determined in accordance with the Kenyan Income Tax Act.

Deferred tax is determined on differences arising between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences), using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from how the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognized deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2 Basis of preparation and summary of significant accounting policies (continued)

Income tax (continued)

At each reporting date, deferred tax assets are reviewed and adjusted, if necessary, by a valuation allowance, so that the net carrying amount equals the highest amount that is more likely than not to be recovered, based on current or estimated future taxable profit. Any changes to the valuation allowance are recognized in 'tax expense'.

Share capital, share premium, and dividend

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 the par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared. Proposed dividends are accounted for as a separate component of equity until they have been declared at the annual general meeting.

Financial assets

Except for trade receivables that do not have a significant financing component, at initial recognition, the company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Trade receivables that do not have a significant financing component are measured at their transaction price.

(i) Classification and subsequent measurement.

The company classifies its financial assets using the measured at amortised cost principal classification based on the cash flow characteristics of the asset.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The carrying amount of these assets is measured at amortised cost using the effective interest rate method and is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

To determine whether a financial asset should be classified as measured at amortised cost or fair value through other comprehensive income (FVOCI), an entity assesses whether the cash flows from the financial asset represent, on specified dates, solely payments of principal and interest on the principal amount outstanding - i.e. the SPPI criterion. A financial asset that does not meet the SPPI criterion is always measured at FVTPL, unless it is an equity instrument for which an entity may apply the OCI election.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. The definition of principal reflects the economics of the financial asset from the perspective of the current holder. This means that an entity assesses the asset's contractual cash flow characteristics by comparing the contractual cash flows to the amount that it actually invested.

'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

2 Basis of preparation and summary of significant accounting policies (continued)

Financial assets (continued)

(i) Classification and subsequent measurement (continued)

Amortised cost (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considered the contractual terms of its financial assets. The Company, through the Credit, Finance and Treasury departments will from time to time review the contractual terms of existing instruments and also review contractual terms of new products the Company develops or invests in going forward. This includes assessing whether the financial asset contained a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Company shall consider:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the company's claim to cash flows from specified assets – e.g. non-recourse asset arrangements; and
- features that modify consideration for the time value of money – e.g. periodic reset of interest rates.

BUSINESS MODEL	KEY FEATURES	CATEGORY
Held to collect	The objective of the business model is to hold assets to collect contractual cash flows. Sales are incidental to the objective of the model. This model typically involves the lowest level of sales in comparison with other business models (in frequency and volume).	Amortised cost (1)

Property and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

For all other assets, depreciation is charged so as to allocate the cost of the assets less their residual values over their estimated useful lives, using the reducing method.

If there is an indication that there has been a significant change in the useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in profit or loss.

Leases

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the term of the relevant lease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, term and call deposits with banking institutions and other short-term highly liquid investments in money market instruments with maturities of three months or less from the date of acquisition net of bank overdrafts.

2 Basis of preparation and summary of significant accounting policies (continued)

Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Kenyan Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Impairment of non-financial assets

At each reporting date, property, plant and equipments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial liabilities

Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

Comparatives

Where necessary, comparative amounts have been amended as per the new financial reporting framework.

Employee benefits

The Company and the employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the Company's contributions are charged to profit or loss in the year to which they relate.

3 Financial risk management objectives and policies

The business's activities expose it to a variety of financial risks including credit liquidity and interest rates risks and changes in market prices of the business's products. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The business does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit history.

4 Judgements and key sources of estimation uncertainty

No significant judgements have had to be made by the directors in preparing these financial statements.

Notes to the financial statements

	2025	2024
	Ksh	Ksh
5 Income		
Interest	2,198,527,042	1,232,737,292
Penalties	1,645,405	34,761,024
	<u>2,200,172,447</u>	<u>1,267,498,316</u>
6 Direct costs		
SMS charges	27,122,298	29,042,283
Credit and ID verification	40,052,546	18,602,959
Collection costs	20,519,726	-
System IT services	32,417,634	35,079,420
Promotion and discounts	122,386,649	-
	<u>242,498,853</u>	<u>82,724,662</u>
7 Other income		
Sale of loan	73,469,122	15,254,174
Call deposit Interest income	1,070,032	-
Foreign exchange gain	18,055,469	27,628,384
Provision for bad debts	110,966,320	-
	<u>203,560,943</u>	<u>42,882,558</u>
8 Administrative expenses		
Audit fees	539,400	512,430
Advertisement	210,983,086	121,018,893
Bad debts	1,249,521,915	598,064,441
Consultancy fees	4,361,214	17,050,952
Depreciation expenses	3,494,596	2,633,027
Dues and subscriptions	985,066	438,156
Internet	27,511,220	25,209,726
Insurance	2,864,905	917,506
Legal and professional fees	3,902,322	1,489,649
Licenses	1,299,850	911,006
Networking expenses	-	915,100
Office expense	3,357,729	2,027,587
Provision for bad debts	-	349,787,395
Printing and stationery	211,535	146,858
Rent and service charge	14,100,692	11,939,519
Repairs and maintenance	1,690,549	2,764,280
Salaries and wages	185,677,440	128,790,055
Staff welfare	13,978,590	9,045,249
Telephone expense	3,857,038	424,334
Travel and accommodation	6,629,943	1,722,330
Utilities	1,599,940	1,235,121
	<u>1,736,567,030</u>	<u>1,277,043,614</u>

Notes to the financial statements(continued)

	2025 Ksh	2024 Ksh
9 Operating profit/ (loss)		
The following items have been charged in arriving at operating profit/ (loss):		
Depreciation	3,494,596	2,633,027
Operating lease rentals	14,100,692	11,939,519
Auditor's remuneration	539,400	512,430
	<u>18,134,688</u>	<u>15,084,976</u>
10 Finance costs		
Bank and Mpesa charges	6,683,797	5,752,667
Interest on loans	120,836,065	75,377,938
	<u>127,519,862</u>	<u>81,130,605</u>
11 Taxation		
a) Tax credit		
Current year	240,799	-
Deferred tax asset	57,415,762	(15,590,135)
	<u>57,656,561</u>	<u>(15,590,135)</u>
b) Tax reconciliation		
Tax on the company's profit/ (loss) before tax differ from the theoretical amount that would arise using the basic rate as follows;		
	2025 Ksh	2024 Ksh
Accounting profit/ (loss)	<u>297,147,645</u>	<u>(130,518,007)</u>
Tax at applicable rate of 30%	89,144,293	(39,155,402)
Tax effect of expenses not deductible for tax	(31,487,732)	23,565,267
Tax charge	<u>57,656,561</u>	<u>(15,590,135)</u>
	<u>354,808,499</u>	<u>(146,142,872)</u>
12 Share capital	No. of ordinary shares issued	Issued and fully paid up capital
Authorised, issued and fully paid:		
At 1st April 2024 and 31st March 2025	<u>499</u>	<u>4,990,000</u>
The total number of authorised ordinary shares is 449 (2024: 449) with a par value of KSh10,000 each.		
	2025 Ksh	2024 Ksh
13 Related party loan		
Shareholders loan	<u>405,695,955</u>	<u>541,354,507</u>
The loan was provided by the parent company to support working capital requirements. Interest accrues at an annual rate of 18.5%. Accrued interest as of year-end is disclosed in Note 19.		
	2025 Ksh	2024 Ksh
14 Borrowings		
Avego FZCO	<u>327,304,963</u>	<u>-</u>

Notes to the financial statements(continued)

15 Property and equipment

	Computers and accessories Ksh	Mobile phones Ksh	Furniture and fittings Ksh	Office equipment Ksh	Total Ksh
Year ended March 2025					
Cost					
At 1st April 2024	10,117,000	412,254	7,313,164	2,268,421	20,110,839
Additions	3,164,536	24,549	587,600	1,109,578	4,886,263
At 31st March 2025	<u>13,281,536</u>	<u>436,803</u>	<u>7,900,764</u>	<u>3,377,999</u>	<u>24,997,102</u>
Depreciation					
At 1st April 2024	3,696,677	74,469	477,192	180,102	4,428,440
Charge for the year	2,396,215	36,233	742,357	319,791	3,494,596
At 31st March 2025	<u>6,092,892</u>	<u>110,702</u>	<u>1,219,549</u>	<u>499,893</u>	<u>7,923,036</u>
Netbook value					
At 31st March 2025	<u>7,188,644</u>	<u>326,101</u>	<u>6,681,215</u>	<u>2,878,106</u>	<u>17,074,066</u>
Year ended March 2024					
Cost					
At 1st April 2023	6,092,650	329,904	2,481,616	954,550	9,858,720
Additions	4,024,350	82,350	4,831,548	1,313,871	10,252,119
At 31st March 2024	<u>10,117,000</u>	<u>412,254</u>	<u>7,313,164</u>	<u>2,268,421</u>	<u>20,110,839</u>
Depreciation					
At 1st April 2023	1,440,257	41,479	229,030	84,647	1,795,413
Charge for the year	2,256,420	32,990	248,162	95,455	2,633,027
At 31st December 2024	<u>3,696,677</u>	<u>74,469</u>	<u>477,192</u>	<u>180,102</u>	<u>4,428,440</u>
Netbook value					
At 31st March 2024	<u>6,420,323</u>	<u>337,785</u>	<u>6,835,972</u>	<u>2,088,319</u>	<u>15,682,399</u>

16 Deferred tax asset

Deferred tax asset in the income statement are attributed to the following.

	At start of year Ksh	Charge to profit and loss Ksh	At end of year Ksh
Year ended 31st March 2025			
Deferred tax asset			
Temporary differences	(302,955)	(418,532)	(721,487)
Tax losses carried forward	77,045,698	(50,765,791)	26,279,907
Unrealised exchange	814,798	(6,231,439)	(5,416,641)
Deferred tax asset	<u>77,557,541</u>	<u>(57,415,762)</u>	<u>20,141,779</u>
Year ended 31st March 2024			
Deferred tax asset			
Temporary differences	756,317	(1,059,272)	(302,955)
General provisions	24,934,808	(24,934,808)	-
Tax losses carried forward	27,172,968	49,872,730	77,045,698
Unrealised exchange	9,103,313	(8,288,515)	814,798
Deferred tax asset	<u>61,967,406</u>	<u>15,590,135</u>	<u>77,557,541</u>

Notes to the financial statements(continued)

	2025	2024
	Ksh	Ksh
17 Loan and other receivables		
Loan receivables	894,921,222	680,386,652
Provision for bad debts	(321,937,103)	(432,903,423)
Net loans receivable	572,984,119	247,483,229
Deposits and other receivables	4,788,820	3,863,200
Related party receivable	740,000	4,990,000
	<u>578,512,939</u>	<u>256,336,429</u>
18 Cash and cash equivalents		
Bank balances	153,952,157	32,219,415
Cash in hand	-	25,019
	<u>153,952,157</u>	<u>32,244,434</u>
19 Trade and other payables		
Trade payables	59,398,134	108,900,672
Other payables	19,508,286	13,403,502
	<u>78,906,420</u>	<u>122,304,174</u>

Included in trade payables is interest due to related party charged on related party loans under note 13.

	2025	2024
	Ksh	Ksh
Interest due on shareholders loans	<u>31,036,141</u>	<u>98,784,479</u>
20 Tax payable		
At start of year	-	-
Charge for the year	240,799	-
Tax paid during the year	(120,402)	-
	<u>120,397</u>	<u>-</u>

21 Subsequent events review

On June 5th, 2025, subsequent to the reporting period ended March 31st, 2025, the company was granted an operating license by the Central Bank of Kenya. This license authorizes the company to advance short-term loans to customers on a digital platform. The application for this license was submitted prior to the reporting date.

Management has assessed this event and determined that it is a non-adjusting subsequent event in accordance with Section 32 – Events After the Reporting Period of the IFRS for SMEs Standard. While the issuance of this license does not affect the financial position or performance as of March 31st, 2025, it provides material information about the company's future operational capabilities and strategic direction.

22 Contingent liabilities.

Legal contingencies

The Company is currently engaged in several legal disputes and, in consultation with its legal advisors, has evaluated the potential outcomes of these cases. Based on this assessment, it has been determined that sufficient provision has been made for all such cases as of 31 March 2025.

Given the inherent uncertainty and complexity of the litigation outcomes, management uses its judgment to assess both the amount and adequacy of the provision. A settlement occurs only when a case is resolved, either through a court decision or an out-of-court agreement between the parties involved. The effect of discounting on the provision is deemed immaterial.

23 Capital commitments.

The Company has no capital commitments, whether authorised and contracted or authorised and not contracted.