



CENTUM INVESTMENT COMPANY LIMITED

**INTERIM REPORT AND
FINANCIAL STATEMENTS**

30 SEPTEMBER 2010

CENTUM INVESTMENT COMPANY LIMITED

INTERIM REPORT AND FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2010

CONTENTS	PAGES
Report of the directors	2
Consolidated statement of comprehensive income	3
Company statement of comprehensive income	4
Consolidated statement of financial position	5
Company statement of financial position	6
Consolidated statement of changes in equity	7
Company statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the financial statements	9-23

CENTUM INVESTMENT COMPANY LIMITED

INTERIM REPORT OF THE DIRECTORS

The directors present their report together with the unaudited financial statements for the half year ended 30 September 2010.

ACTIVITIES

The group's principal activity remains that of engagement in investment activities.

RESULTS

	Shs'000
Profit before taxation	926,370
Taxation	(80,785)
	<hr/>
Profit for the year transferred to revenue reserve	845,585
	=====

DIVIDEND

The directors do not recommend the payment of a dividend (September 2009 - nil).

BY ORDER OF THE BOARD

Secretary

2010

Nairobi

CENTUM INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2010

	Notes	6 months to Sep 30 2010 2010 Shs'000	6 months to Sep 30 2009 2009 Shs'000
INCOME	3	705,346	63,527
EXPENSES			
Administrative expenses		(103,900)	(37,958)
Other operating expenses		(31,230)	(39,437)
Provision for impairment		-	-
Finance costs	4	(4,603)	(26,012)
		<u>(139,733)</u>	<u>(103,407)</u>
SHARE OF PROFITS IN ASSOCIATED COMPANIES	14	360,757	153,520
PROFIT BEFORE TAXATION		926,370	113,640
TAXATION CHARGE		(80,785)	(40,465)
PROFIT FOR THE YEAR		<u>845,585</u>	<u>73,175</u>
OTHER COMPREHENSIVE INCOME:			
Fair value gain/(loss) in quoted investments	16	406,239	165,684
Fair value gain/(loss) in unquoted investments	15	133,424	-
Share of other comprehensive income of associates	14	73,100	64,333
Reserves released on disposal of investments	16	(489,550)	(684)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		<u>123,213</u>	<u>229,333</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>968,798</u> =====	<u>302,508</u> =====
EARNINGS PER SHARE			
Basic	9	Shs 1.53	Shs 0.13
Diluted	9	Shs 1.40 =====	Shs 0.12 =====

CENTUM INVESTMENT COMPANY LIMITED

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2010

	Notes	6 months to Sep 30 2010 Shs'000	6 months to Sep 30 2009 Shs'000
INCOME	3	955,770	183,372
EXPENSES			
Administrative expenses		(102,828)	(37,924)
Other operating expenses		(30,084)	(41,025)
Provision for impairment		-	
Finance costs	4	(63,208)	(24,424)
		<u>(196,120)</u>	<u>(103,373)</u>
PROFIT BEFORE TAXATION		759,650	79,999
TAXATION CREDIT/(CHARGE)	7(a)	8,366	(556)
PROFIT FOR THE YEAR		<u>768,016</u>	<u>79,443</u>
OTHER COMPREHENSIVE INCOME			
Fair value gain/(loss) in quoted investments	16	50,670	165,684
Fair value gain/(loss) in unquoted investments	15	133,423	-
Fair value gain/(loss) on investments in subsidiaries	13	352,015	-
Fair value gain/(loss) on investments in associates	14	570,938	75,639
Reserves released on disposal of investments	16	(489,550)	(684)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		<u>617,496</u>	<u>240,639</u>
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>1,385,512</u>	<u>320,082</u>

CENTUM INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2010

	Notes	Sep 30 2010 Shs'000	Mar 31 2010 Shs'000
ASSETS			
Non current assets			
Motor vehicle and equipment	10	15,069	11,347
Prepaid operating lease rentals	11	35,631	35,940
Intangible assets	12	2,647	601
Investment in associates	14	3,112,436	2,948,585
Unquoted investments	15	1,219,106	1,251,209
Quoted investments	16	3,468,687	2,967,876
Corporate bonds	17	554,019	505,371
Deferred tax asset	19	37,843	29,477
		<u>8,445,438</u>	<u>7,750,406</u>
Current assets			
Receivables and prepayments	20	1,666,411	108,849
Taxation recoverable	7(c)	3,783	3,075
Short term deposits	26	-	345,000
Bank balances		36,180	48,641
		<u>1,706,374</u>	<u>505,565</u>
Total current assets		<u>1,706,374</u>	<u>505,565</u>
Non asset held for sale	21	<u>164,114</u>	<u>-</u>
Total assets		<u>10,315,926</u>	<u>8,255,971</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	22	302,474	274,976
Share premium		589,753	589,753
Investment revaluation reserve		3,156,124	3,032,911
Retained earnings		4,776,614	3,958,527
		<u>8,824,965</u>	<u>7,856,167</u>
Shareholders' equity			
		<u>8,824,965</u>	<u>7,856,167</u>
Non Current liabilities			
Term loan		954,000	-
		<u>954,000</u>	<u>-</u>
Current liabilities			
Payables and accruals	23	106,255	357,154
Unclaimed dividends	25	41,919	42,650
Borrowings	26	388,787	-
		<u>536,961</u>	<u>399,804</u>
Total equity and liabilities		<u>10,315,926</u>	<u>8,255,971</u>

CENTUM INVESTMENT COMPANY LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2010

	Notes	Sep 30 2010 Shs' 000	Mar 31 2010 Shs' 000
ASSETS			
Non current assets			
Motor vehicle and equipment	10	15,069	11,347
Prepaid operating lease rentals	11	35,631	35,940
Intangible assets	12	2,647	601
Investments in subsidiaries	13	1,202,740	850,163
Investment in associates	14	4,811,040	4,240,102
Unquoted investments	15	1,219,106	1,251,209
Quoted investments	16	2,225,843	2,080,599
Corporate bonds	17	554,019	505,371
Deferred tax asset	19	37,843	29,477
		<u>10,103,938</u>	<u>9,004,809</u>
Current assets			
Due from subsidiary	18	1,843,181	412,623
Receivables and prepayments	20	138,907	26,658
Taxation recoverable	7(c)	3,752	3,044
Call deposits	26	-	345,000
Bank balances		35,427	48,168
		<u>2,021,267</u>	<u>835,493</u>
Non current asset held for sale	21	164,114	-
		<u>12,289,319</u>	<u>9,840,302</u>
		=====	=====
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	22	302,474	274,976
Share premium		589,753	589,753
Investment revaluation reserve		6,565,413	5,947,916
Retained earnings		3,084,937	2,344,421
		<u>10,542,577</u>	<u>9,157,066</u>
Shareholders' equity			
Non Current liabilities			
Term loan	26	954,000	-
		<u>954,000</u>	<u>-</u>
Current liabilities			
Payables and accruals	23	76,300	356,906
Due to related parties	24	285,736	283,680
Unclaimed dividends	25	41,919	42,650
Borrowings	26	388,787	-
		<u>792,742</u>	<u>683,236</u>
Total equity and liabilities		<u>12,289,319</u>	<u>9,840,302</u>
		=====	=====

CENTUM INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2010

	Share Capital Sh'000	Share premium Sh'000	Investment revaluation reserve Sh'000	Retained earnings Sh'000	Total Sh'000
At 1 April 2009	274,976	589,753	2,586,534	2,864,771	6,316,033
Profit for the period				73,175	73,175
Total comprehensive income			229,333		229,333
At 30 September 2009	<u>274,976</u> =====	<u>589,753</u> =====	<u>2,815,867</u> =====	<u>2,937,946</u> =====	<u>6,618,541</u> =====
At 1 April 2010	274,976	589,753	3,032,911	3,958,527	7,856,167
Bonus issue of shares	27,498			(27,498)	-
Profit for the year	-	-	-	845,585	845,585
Other comprehensive income for the year	-	-	123,213	-	123,213
Total comprehensive income for the year	<u>27,498</u>	<u>-</u>	<u>123,213</u>	<u>818,087</u>	<u>968,798</u>
At 30 September 2010	<u>302,474</u> =====	<u>589,753</u> =====	<u>3,156,124</u> =====	<u>4,776,614</u> =====	<u>8,824,965</u> =====

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Share Capital Sh'000	Share premium Sh'000	Investment revaluation reserve Sh'000	Retained earnings Sh'000	Total Sh'000
At 1 April 2009	274,976	589,753	3,369,356	1,455,979	5,690,064
Profit for the period				79,443	79,443
Total comprehensive income			240,639		240,639
At 30 September 2009	<u>274,976</u> =====	<u>589,753</u> =====	<u>3,609,995</u> =====	<u>1,535,421</u> =====	<u>6,010,145</u> =====
At 1 April 2010	274,976	589,753	5,947,916	2,344,418	9,157,063
Bonus issue of shares	27,498			(27,498)	-
Profit for the year	-	-	-	768,016	768,016
Other comprehensive income for the year	-	-	617,496	-	617,496
Total comprehensive income for the year	<u>27,498</u>	<u>-</u>	<u>617,497</u>	<u>740,518</u>	<u>1,385,513</u>
At 30 September 2010	<u>302,474</u> =====	<u>589,753</u> =====	<u>6,565,413</u> =====	<u>3,084,936</u> =====	<u>10,542,576</u> =====

CENTUM INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2010

	Notes	Sep 30 2010 Shs'000	Sep 30 2009 Shs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	(225,001)	83,978
Taxation paid	7(c)	(708)	-
Dividends received from associated companies	14	180,855	147,526
Net cash generated from operating activities		<u>(44,854)</u>	<u>231,504</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	12	(5,094)	(1,170)
Purchase of intangible assets	12	(2,295)	(597)
Purchase of property investments	15	(1,545,796)	-
Purchase of quoted equity investments	16	(1,053,188)	(611,121)
Proceeds on disposal of quoted investments	16	950,060	63,049
Proceeds on disposal of unquoted investments		1,413	-
Proceeds on disposal of motor vehicle and equipment		237	-
Net cash generated from/(used in) investing activities		<u>(1,654,663)</u>	<u>(549,839)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Term loan	25	954,000	-
Dividends paid		(731)	(5,008)
		<u>953,269</u>	<u>(5,008)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(746,248)	(323,343)
CASH AND CASH EQUIVALENTS AT 1 APRIL		393,641	(159,849)
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	27	<u>(352,607)</u> =====	<u>(483,192)</u> =====

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2010

1 SIGNIFICANT ACCOUNTING POLICIES

Preparation of the consolidated interim financial statements has been guided by IAS 34. The accounting policies used in the interim statements are consistent with those used in the financial statements for the year ended 31 March 2010.

2 SECTORAL INFORMATION

(a) GROUP

At 30 September 2010

	Private Equity Shs'000	Quoted equity Shs'000	Real estate & infrastructure Shs'000	Sep 10 Total Shs'000	Sep 09 Total Shs'000
Dividend income	256,255	76,734	-	332,989	178,516
Interest income	-	24,259	-	24,259	
Other income	2,775	-	3,092	5,867	300
Realised gains	3,073	(8,559)	-	5,486	3,872
Unrealized value movements	287,650	445,669	-	742,319	223,783
	<u>549,753</u>	<u>547,104</u>	<u>3,092</u>	<u>1,099,949</u>	<u>406,438</u>
Gross return	549,753	547,104	3,092	1,099,949	406,438
Finance costs	-	(4,603)	-	(4,603)	(26,012)
Portfolio costs	(69,251)	(47,902)	(17,759)	(134,912)	(77,362)
	<u>480,502</u>	<u>494,599</u>	<u>(14,667)</u>	<u>960,434</u>	<u>303,064</u>
Net return	480,502	494,599	(14,667)	960,434	303,064
Tax	4,101	2,906	1,359	8,366	(556)
	<u>484,603</u>	<u>497,505</u>	<u>(13,308)</u>	<u>968,800</u>	<u>302,508</u>
	=====	=====	=====	=====	=====
Gross return (%)	12.9%	15.4%	8.5%	14%	6%
Total return (%)	11.3%	14%	(36.4%)	12.3%	5%
	=====	=====	=====	=====	=====
				Sep 10	Mar 10
Opening net asset value	4,272,685	3,546,919	36,564	7,856,167	6,316,033
Closing net asset value	4,518,751	3,992,937	313,276	8,824,964	7,856,167
	<u>4,518,751</u>	<u>3,992,937</u>	<u>313,276</u>	<u>8,824,964</u>	<u>7,856,167</u>
	=====	=====	=====	=====	=====

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SECTORAL INFORMATION (Continued)

(a) COMPANY

At 30 September 2010	Private equity Shs'000	Quoted equity Shs'000	Real estate & infrastructure Shs'000	Sep 10 Total Shs'000	Sep 09 Total Shs'000
Dividend income	256,255	76,734	-	332,989	178,516
Interest income	-	28,862	58,605	87,467	-
Rental income	-	-	2,298	2,298	-
Other income	3,376	-	-	3,376	300
Realised gains	-	(8,559)	-	(8,559)	3,872
Unrealized value movements	705,542	450,153	-	1,155,695	241,323
Gross return	964,611	547,752	60,903	1,573,266	424,011
Finance costs	-	(4,603)	(58,605)	(63,208)	(26,012)
Portfolio costs	(68,251)	(47,902)	(16,759)	(132,912)	(77,361)
Net return	896,360	495,247	(14,461)	1,377,146	320,638
Tax	4,101	2,906	1,359	8,366	(556)
Total return	900,461	498,153	(13,102)	1,385,512	320,082
	=====	=====	=====	=====	=====
Gross return (%)	18%	14.6%	173.2%	17.2%	7%
Total return (%)	16.8%	13.3%	(37.3%)	15.1%	6%
	=====	=====	=====	=====	=====
				Sep 10	Mar 10
Opening net asset value	5,372,471	3,749,430	35,164	9,157,065	5,859,392
Closing net asset value	6,318,278	3,946,018	278,281	10,542,576	9,157,066
	=====	=====	=====	=====	=====

CENTUM INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

	GROUP		COMPANY	
	Sep 10 Shs'000	Sep 09 Shs'000	Sep 10 Shs'000	Sep 09 Shs'000
6	STAFF COSTS			
	33,956	27,070	33,438	27,070
Salaries	46,942	-	46,942	-
Performance bonus provision	2,172	1,384	2,172	1,384
Retirement benefit scheme contributions	22	18	22	18
National Social Security Fund contributions (NSSF)	1,426	1,484	1,426	1,484
Leave pay provision				
	<u>84,518</u>	<u>29,956</u>	<u>84,518</u>	<u>29,956</u>
	=====	=====	=====	=====
Staff welfare and training expenses	7,702	1,962	7,702	1,962
	<u>92,220</u>	<u>31,917</u>	<u>92,220</u>	<u>31,917</u>
	=====	=====	=====	=====
7	TAXATION			
(a)	Current taxation based on adjusted profit for the year at 30%			
	-	556	-	556
Deferred tax charge/(credit) (note 19)	-	-	7,072	-
	<u>-</u>	<u>556</u>	<u>7,072</u>	<u>556</u>
Deferred tax charges/(credit)	8,366	-	8,366	-
Prior year deferred tax	-	-	-	-
Prior year deferred tax	<u>8,366</u>	<u>-</u>	<u>8,366</u>	<u>-</u>
	<u>8,366</u>	<u>556</u>	<u>8,366</u>	<u>556</u>
	=====	=====	=====	=====
	Share of associated companies' taxation:			
	Current taxation based on adjusted profit for the year			
	89,151	39,909	-	-
Taxation charge/(credit)	<u>80,785</u>	<u>40,465</u>	<u>8,366</u>	<u>556</u>
	=====	=====	=====	=====
	GROUP		COMPANY	
	Sep 10 Shs'000	Mar 10 Shs'000	Sept 10 Shs'000	Mar 10 Shs'000
(c)	Taxation recoverable			
	(3,075)	(5,632)	(3,044)	(5,601)
At beginning of the year/period	-	3,160	-	3,160
Charge for the year	(708)	(603)	(708)	(603)
Payments during the year	<u>(3,783)</u>	<u>(3,075)</u>	<u>(3,752)</u>	<u>(3,044)</u>
At end of year/period	=====	=====	=====	=====

CENTUM INVESTMENT COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 GAIN ON DISPOSAL OF INVESTMENTS

	At 30 September 2010 GROUP & COMPANY			At 30 September 2009 GROUP & COMPANY		
	Cost Shs'000	Proceeds Shs'000	Gain on disposal Shs'000	Cost Shs'000	Proceeds Shs'000	Gain on disposal Shs'000
Quoted investments	469,066	950,060	480,994	62,365	63,049	684
Unquoted investment	1,413	1,413	-	-	-	-
	<u>470,479</u>	<u>951,473</u>	<u>480,992</u>	<u>62,365</u>	<u>63,049</u>	<u>684</u>
	=====	=====	=====	=====	=====	=====
Comprising:						
Transfer from investment revaluation reserve			489,550			684
Gain during the year			(8,556)			-
			<u>480,992</u>			<u>684</u>
			=====			=====

9 EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit attributable to shareholders by the number of ordinary shares in issue during the year. There were no potentially dilutive shares at 31 March 2010 (2009 - nil).

	GROUP	
	2010	2009
Earnings (Shs)	845,584,547	73,174,956
	=====	=====
Number of shares in issue	604,947,013	549,951,830
	=====	=====
Earnings per share (Shs)		
- Basic	1.54	0.13
- Diluted	1.40	0.12
	=====	=====

CENTUM INVESTMENT COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 MOTOR VEHICLE AND EQUIPMENT

GROUP AND COMPANY

	Motor Cycles	Furniture and fittings	Computers	Office equipment	Total
COST					
At 1 April 2009	147	5,976	2,750	2,362	11,235
Additions	-	6,033	1,574	1,796	9,403
Disposals	-	(840)	(168)	-	(1,008)
At 31 March 2010	<u>147</u>	<u>11,169</u>	<u>4,156</u>	<u>4,158</u>	<u>19,630</u>
At 1 April 2010	147	11,169	4,156	4,158	19,630
Additions	-	4,074	884	136	5,094
Disposals	-	(812)	(213)	(199)	(1,224)
At 30 September 2010	<u>147</u>	<u>14,431</u>	<u>4,827</u>	<u>4,095</u>	<u>23,500</u>
DEPRECIATION					
At 1 April 2009	24	4,474	2,060	1,249	7,807
Charge for the year	29	646	507	244	1,426
Eliminated on disposal	-	(782)	(168)	-	(950)
At 31 March 2010	<u>53</u>	<u>4,338</u>	<u>2,399</u>	<u>1,493</u>	<u>8,283</u>
At 1 April 2010	53	4,338	2,399	1,493	8,283
Charge for the year	15	485	458	175	1,133
Eliminated on disposal	-	(574)	(212)	(199)	(985)
At 30 September 2010	<u>68</u>	<u>4,249</u>	<u>2,645</u>	<u>1,469</u>	<u>8,431</u>
NET BOOK VALUE					
At 30 September 2010	<u>79</u> =====	<u>10,182</u> =====	<u>2,182</u> =====	<u>2,626</u> =====	<u>15,069</u> =====
At 31 March 2010	<u>94</u> =====	<u>6,831</u> =====	<u>1,757</u> =====	<u>2,665</u> =====	<u>11,347</u> =====

CENTUM INVESTMENT COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

		GROUP AND COMPANY	
		Sep 2010	Sep 2009
		Shs'000	Shs'000
11	PREPAID OPERATING LEASE RENTALS		
	COST		
	Opening	59,487	59,487
		<u> </u>	<u> </u>
	AMORTISATION		
	At 1 April	22,927	22,927
	Charge for the year	310	620
		<u> </u>	<u> </u>
	At 31 March	23,856	23,547
		<u> </u>	<u> </u>
	NET BOOK VALUE		
	Closing	35,631	35,940
		=====	=====
12	INTANGIBLE ASSETS		
	Computer software		
	COST		
	At 1 April	1,908	1,311
	Additions	2,294	597
		<u> </u>	<u> </u>
	At 30 Sep 10	4,203	1,908
		<u> </u>	<u> </u>
	AMORTISATION		
	At 1 April	1,307	865
	Charge for the year	249	442
	Eliminated on disposals	-	-
		<u> </u>	<u> </u>
	At 30 September	1,556	1,307
		<u> </u>	<u> </u>
	NET BOOK VALUE		
	At 30 September	2,647	601
		=====	=====

CENTUM INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 INVESTMENTS IN SUBSIDIARIES (AT FAIR VALUE)

	Share capital Shs'000	1.04.10 Shs'000	COST		FAIR VALUE	
			Additions Shs'000	30.09.10 Shs'000	30.09.10 Shs'000	31.03.10 Shs'000
Subsidiaries - 100% owned						
Kenya National Properties Limited	31,300	114,735	-	114,735	284,063	284,063
Rasimu Limited	100	100	-	100	917,025	566,092
Centum Investment (BVI) Holdings Limited	7	8	-	8	1,748	8
Uhuru Heights Limited	-	-	100	100	27	
Closeburn Estates Limited	-	-	100	100	100	
Pearl Marina Estate limited	-	-	362	362	(223)	
	<u>31,407</u>	<u>114,843</u>	<u>562</u>	<u>115,405</u>	<u>1,202,740</u>	<u>850,163</u>
	=====	=====	=====	=====	=====	=====

FAIR VALUE MOVEMENT- COMPANY

	Sept 2010 Shs'000	Mar 10 Shs'000
Opening valuation of subsidiaries	850,162	284,063
Additions in the year	562	108
	<u>850,724</u>	<u>284,171</u>
Fair value gain/(loss) in subsidiaries	352,015	565,991
	<u>1,202,740</u>	<u>850,163</u>
	=====	=====

<i>Subsidiary</i>	<i>Country of Incorporation</i>	<i>Principal activity</i>
Kenya National Properties Limited	Kenya	Management, ownership and development of property for rental purposes. At the Company has no developed property but is actively prospecting for opportunities. An amount of Shs.284 Million was due from Centum as at 30 th September 2010.
Rasimu Limited	Kenya	Incorporated in July 2008 and principal activity is engagement in investment activities. The subsidiary has invested in Carbacid Investment Company Limited. An amount of Shs.327 Million was due to Centum as at 30 th September 2010
Centum Investment (BVI) Limited	British Virgin Islands	Incorporated in October 2009 and principal activity is engagement in infrastructure investments.
Closeburn Estate Limited	Kenya	Incorporated in September 2009 and the principal activity is engagement in real estate. The subsidiary has invested in 100 acres in Runda area. An amount of Ksh.1.2 Billion was due to Centum as at 30 th September 2010
Pearl Marina	Uganda	Incorporated in May 2010 and the principal activity is engagement in real estate. The subsidiary has invested in 90 acres in Entebbe area. An amount of Ksh.306 Million was due to Centum as at 30 th September 2010

CENTUM INVESTMENT COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

14	INVESTMENT IN ASSOCIATES	GROUP		COMPANY	
		Sept 2010 Shs'000	Mar 10 Shs'000	Sept 2010 Shs'000	Mar 10 Shs'000
	At 1 April	2,948,585	2,885,947	4,240,102	2,372,787
	Share of profits before taxation	360,757	392,882	-	-
	Share of taxation (note 7(b))	(89,151)	(103,095)	-	-
		<u>271,606</u>	<u>289,787</u>	<u>-</u>	<u>-</u>
	Share of other comprehensive income	73,100	(29,980)	570,938	1,867,270
	Dividends received	(180,855)	(197,214)	-	-
	Acquisitions during the year	-	45	-	45
	At 30 September	<u>3,112,436</u> =====	<u>2,948,585</u> =====	<u>4,811,040</u> =====	<u>4,240,102</u> =====

Associates are accounted for under the equity method in the group's financial statements. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus share of subsequent profits less any impairment in the value of individual investments.

Associates are held at fair value in the company's separate financial statements.

15	UNQUOTED INVESTMENTS	GROUP & COMPANY	
		Sept 2010 Shs'000	Mar 10 Shs'000
	Opening valuation of quoted investments	1,251,209	1,212,828
	Movements in the period:		
	Additions during the year	-	79,743
	Disposals/write offs during the year	(1,413)	(60,323)
	Transfer to non-current assets available for sale	(164,114)	-
	Fair value gain/(loss)	133,424	18,961
		<u>32,103</u>	<u>38,381</u>
	Closing valuation of unquoted investments	<u>1,219,106</u> =====	<u>1,251,209</u> =====

CENTUM INVESTMENT COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 FAIR VALUE GAIN/(LOSS) IN QUOTED INVESTMENTS

	GROUP		COMPANY	
	Sept 2010 Shs'000	Mar 10 Shs'000	Sept 2010 Shs'000	Mar 10 Shs'000
Opening valuation of quoted investments	2,967,876	2,305,043	2,080,599	2,305,043
Movements in the period:				
Additions during the year	1,053,188	636,416	1,053,188	217,620
Disposals at cost during the year	(469,064)	(430,979)	(469,064)	(399,075)
Reserves released on disposal of investments	(489,550)	(538,965)	(489,551)	(538,965)
Fair value gain/ (loss) on quoted investments	406,239	996,361	50,670	495,976
	<u>500,811</u>	<u>662,833</u>	<u>145,243</u>	<u>(224,444)</u>
Closing valuation of quoted investments	<u>3,468,687</u>	<u>2,967,876</u>	<u>2,225,842</u>	<u>2,080,599</u>

17 CORPORATE BONDS - Available for sale

Kenya Electricity Generating Company Limited	554,019	505,371	554,019	505,371
Maturity analysis:				
- maturing after 5 years	554,019	505,371	554,019	505,371

The weighted average effective interest rate on corporate bonds at 31 March 2009 was 12.50%.

18 DUE FROM RELATED PARTIES

	COMPANY	
	Sept 2010 Shs'000	Mar 10 Shs'000
Shareholder Loan to Rasimu	326,519	335,299
Shareholder Loan to Centum Investment (BVI)	-	774,324
Shareholder Loan to Pearl Marina	305,915	-
Shareholder Loan to Closeburn	1,210,747	-
	<u>1,843,181</u>	<u>412,623</u>

19 DEFERRED TAXATION ASSET

Deferred income taxes are calculated on all temporary differences under the liability method using the currently enacted tax rate of 30%.

	GROUP & COMPANY	
	Sept 2010 Shs'000	Mar 10 Shs'000
Charge/(credit) for the period	80,785	(5,717)
Asset	<u>37,843</u>	<u>29,477</u>

CENTUM INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

	GROUP		COMPANY	
	Sept 2010 Shs' 000	Mar 10 Shs' 000	Sept 2010 Shs' 000	Mar 10 Shs' 000
20	RECEIVABLES AND PREPAYMENTS			
	Payments towards investment in land	1,545,796	-	-
	Dividends receivable	70,296	9,295	18,676
	SCBK Rights issue prepayment	25,000	-	-
	Sundry receivables and prepayments	25,319	99,554	7,982
		<u>1,666,411</u>	<u>108,849</u>	<u>138,906</u>
		=====	=====	=====
21	NON CURRENT ASSETS HELD FOR SALE			
	At 1 April	-	-	-
	Transfer from investment in Associates (note 15)	164,114	-	-
	Disposals	-	-	-
	At 30 September 2010	<u>164,114</u>	<u>-</u>	<u>-</u>
		=====	=====	=====

The sale of the Centum's holding in NAS Airport Services and purchase of shares in Server commenced before year end but was concluded in October 2010.

	GROUP & COMPANY	
	2010 Shs' 000	2009 Shs' 000
22	SHARE CAPITAL	
	Authorised:	
	800,000,000 Ordinary shares of Shs 0.50 each	400,000
		=====
	Issued and fully paid:	
	604,947,013 ordinary shares of Shs 0.50 each (2009-549,951,830 ordinary shares of Ksh.0.5 each)	302,474
		=====
		=====

At the Annual General Meeting of the Company held on 24 September 2010, shareholders approved the bonus issue of one ordinary share for every ten shares held, by utilisation of the revenue reserves and accordingly that the paid up share capital be stated at Ksh.302,473,506. The issue of the new shares was effected during the year.

CENTUM INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

	GROUP		COMPANY	
	2010 Shs' 000	2009 Shs' 000	2010 Shs' 000	2009 Shs' 000
23	PAYABLES AND ACCRUALS			
	40,322	7,654	7,479	7,406
Sundry payables and accruals	17,565	-	17,565	-
Interest on term loan	-	300,943	-	300,943
Settlement in respect of corporate bond purchase	1,426	1,615	-	1,615
Leave pay provision	46,942	46,942	51,256	46,942
Performance bonus provision	<u>106,255</u>	<u>357,154</u>	<u>76,299</u>	<u>356,906</u>
	=====	=====	=====	=====
24	DUE TO RELATED PARTIES			
	-	-	283,961	283,680
Kenya National Properties Ltd	-	-	1,748	-
Centum Investment (BVI) Limited	-	-	27	-
Uhuru Heights Limited	<u>-</u>	<u>-</u>	<u>285,736</u>	<u>283,680</u>
	=====	=====	=====	=====
25	UNCLAIMED DIVIDENDS			
	42,650	73,863	42,650	73,863
At the beginning of the year/period	-	-	-	-
Declared during the year/period	(731)	(5,728)	(731)	(5,728)
Paid during the year/period	-	(25,485)	-	(25,485)
Write back of long outstanding dividends (note 3)	<u>41,919</u>	<u>42,650</u>	<u>41,919</u>	<u>42,650</u>
At end of the year/period	=====	=====	=====	=====
26	BORROWINGS			
	954,000	-	954,000	-
Term Loan	388,787	-	388,787	-
Current Bank overdraft	<u>1,342,787</u>	<u>-</u>	<u>388,787</u>	<u>-</u>
	=====	=====	=====	=====

At 30 September the group has undrawn committed facilities amounting to Kshs. 196,883,290 (Mar 10-Ksh. 1,700,000,000). The long term loan facility is secured by a floating charge over all the listed securities.

CENTUM INVESTMENT COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

		GROUP	
		Sep 10	Sep 09
		Shs'000	Shs'000
27	NOTES TO THE STATEMENT OF CASH FLOWS		
(a)	Reconciliation of profit before taxation to cash generated from operations		
	Profit before taxation	973,312	113,640
	Adjustments for:		
	Depreciation (note 10)	1,133	689
	Amortisation of intangible assets (note 12)	249	254
	Amortisation of leasehold land (note 11)	309	310
	Unrealised gains on revaluation of bonds	(48,648)	-
	(Gain)/loss on disposal of equipment	2	-
	Gain on disposal of quoted investments (note 8)	(480,994)	(684)
	Gain on disposal of unquoted investments (note 8)	-	-
	Share of profits from associated companies (note 14)	(360,757)	(153,520)
		<hr/>	<hr/>
	Adjusted profit before working capital changes:	84,606	(39,311)
	Decrease in receivables and prepayments	(11,766)	49,963
	Decrease in payables and accruals	(297,841)	73,327
		<hr/>	<hr/>
	Cash generated from operations	(225,001)	83,979
		=====	=====
(b)	Analysis of balances of cash and cash equivalents		
	Bank balances	36,180	4,870
	Call deposits	-	-
	Bank overdraft	(388,787)	(488,062)
		<hr/>	<hr/>
		(352,607)	(483,192)
		=====	=====

For the purposes of the statement of cash flows, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity at the end of each reporting period and borrowings.

CENTUM INVESTMENT COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Sept 2010 Shs' 000	Mar 10 Shs' 000
28	CAPITAL COMMITMENTS	
	GROUP AND COMPANY	
	1,500	24,500
	=====	=====
	23,000	15,000
	=====	=====

29 RELATED PARTIES

The group transacts with companies related to it by virtue of common shareholding and also by virtue of common directors.

During the period the following transactions were entered into with the related parties:

	2010 Shs' 000	2009 Shs' 000
Purchase of goods/services		
Rent and service charge paid	1,965	3,153
Insurance paid	1,291	1,291
	=====	=====

The remuneration of executive directors and other key management during the year is as follows:

	2010 Shs' 000	2009 Shs' 000
Salaries and other benefits	24,013	16,902
	=====	=====

30 OPERATING LEASE ARRANGEMENTS

The group as a lessee

At the end of the reporting period, the company had outstanding commitments under operating leases, which fall due as follows:

	Sep 10 Shs' 000	Mar 10 Shs' 000
Within one year	3,648	3,648
In the second to fourth year inclusive	8,967	9,423
	-----	-----
	12,615	13,071
	=====	=====

Operating lease payments represent rentals payable by the group for its office premises. Leases are negotiated for an average term of 5 years. The group's leases were negotiated during the year.

31 COUNTRY OF INCORPORATION

The company is incorporated and domiciled in Kenya under the Companies Act.

32 CURRENCY

The financial statements are presented in Kenya Shillings thousands (Shs'000)

