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

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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)
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)
		(139,733)	(103,407)
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		845,585	73,175
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)		123,213	229,333
TOTAL COMPREHENSIVE INCOME/(LOSS)		968,798	302,508
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)
		(196,120)	(103,373)
PROFIT BEFORE TAXATION		759,650	79,999
TAXATION CREDIT/(CHARGE)	7(a)	8,366	(556)
PROFIT FOR THE YEAR		768,016	79,443
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)		617,496	240,639
TOTAL COMPREHENSIVE INCOME (LOSS)		1,385,512	320,082

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
		8,445,438	7,750,406
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
Total current assets		1,706,374	505,565
Non asset held for sale	21	164,114	-
Total assets		10,315,926	8,255,971
		=========	=========
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
Shareholders' equity		8,824,965	7,856,167
Non Current liabilities			
Term loan		954,000	-
		954,000	-
Current liabilities			
Payables and accruals	23	106,255	357,154
Unclaimed dividends	25	41,919	42,650
Borrowings	26	388,787	-
		536,961	399,804
Total equity and liabilities		10,315,926	8,255,971
		=========	=========

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
		10,103,938	9,004,809
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
		2,021,267	835,493
Non current asset held for sale	21	164,114	-
Total assets		12,289,319	9,840,302
		==========	==========
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
Shareholders' equity		10,542,577	9,157,066
Non Current liabilities			
Term loan	26	954,000	-
		954,000	-
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	-
		792,742	683,236
Total equity and liabilities		12,289,319	9,840,302
		==========	==========

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	**274,976**	**589,753**	**2,815,867**	**2,937,946**	**6,618,541**
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	**27,498**	**-**	**123,213**	**818,087**	**968,798**
At 30 September 2010	**302,474**	**589,753**	**3,156,124**	**4,776,614**	**8,824,965**

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	**274,976**	**589,753**	**3,609,995**	**1,535,421**	**6,010,145**
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	**27,498**	**-**	**617,497**	**740,518**	**1,385,513**
At 30 September 2010	**302,474**	**589,753**	**6,565,413**	**3,084,936**	**10,542,576**

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		(44,854)	231,504
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		(1,654,663)	(549,839)
CASH FLOWS FROM FINANCING ACTIVITIES			
Term loan	25	954,000	-
Dividends paid		(731)	(5,008)
		953,269	(5,008)
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	(352,607)	(483,192)

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
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)
Net return	480,502	494,599	(14,667)	960,434	303,064
Tax	4,101	2,906	1,359	8,366	(556)
Total return	484,603	497,505	(13,308)	968,800	302,508
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

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	Sep 09	Sep 10	Sep 09
		Shs'000	Shs'000	Shs'000	Shs'000
3(a)	INCOME				
	Dividends receivable	142,506	58,671	322,989	178,516
	Interest receivable	24,259	-	87,467	-
	Rent Income	-	300	2,298	300
	Gain on disposal of investments (note 8)	480,992	684	480,992	684
	Other income	57,589	3,872	52,024	3,872
		705,346	63,527	955,770	183,372
3(b)	DIVIDEND INCOME				
	Associates	-	-	150,077	119,845
	Unquoted investments	65,772	30,236	65,772	58,671
	Quoted investments	76,734	28,434	76,734	-
		142,506	58,671	332,989	178,516
4	FINANCE COSTS				
	Interest on credit facilities	4,603	24,425	63,208	24,425
	Exchange Losses-Unrealised	-	1,587	-	1,587
		4,603	26,102	63,208	26,102
5	PROFIT BEFORE TAXATION				
	The profit before taxation is arrived at after charging:				
	Staff costs	92,220	31,917	92,220	31,917
	Directors' emoluments:				
	Non-executive - fees	1,035	707	1,035	796
	- other	2,592	1,419	2,592	2,593
	Executive remuneration	9,288	9,288	9,288	9,288
	Auditors' remuneration (including VAT)	1,243	900	1,180	900
	Depreciation (note 10)	1,133	689	1,134	689
	Amortisation of prepaid operating lease rentals	309	310	310	310
	Amortisation of intangible assets (note 12)	249	254	247	254
	Loss on disposal of equipment	41	-	41	-
	and after crediting:				
	Dividend income (gross) - quoted investments	(65,772)	(30,326)	(256,255)	(178,516)
	- unquoted investments	(76,734)	(28,434)	(76,734)	-
	Rental Income	-	300	-	-
	Gain on disposal of equipment	2	(672)	2	-

		GROUP		COMPANY	
		Sep 10	Sep 09	Sep 10	Sep 09
		Shs'000	Shs'000	Shs'000	Shs'000
6	STAFF COSTS				
	Salaries	33,956	27,070	33,438	27,070
	Performance bonus provision	46,942	-	46,942	-
	Retirement benefit scheme contributions	2,172	1,384	2,172	1,384
	National Social Security Fund contributions (NSSF)	22	18	22	18
	Leave pay provision	1,426	1,484	1,426	1,484
		84,518	29,956	84,518	29,956
	Staff welfare and training expenses	7,702	1,962	7,702	1,962
		92,220	31,917	92,220	31,917
7	TAXATION				
	(a) Current taxation based on adjusted profit for the year at 30%	-	556	-	556
	Deferred tax charge/(credit) (note 19)	-	-	7,072	-
		-	556	7,072	556
	Deferred tax charges/(credit)				
	Prior year deferred tax	8,366	-	8,366	-
	Prior year deferred tax	-	-	-	-
		8,366	-	8,366	-
		8,366	556	8,366	556
	Share of associated companies' taxation:				
	Current taxation based on adjusted profit for the year	89,151	39,909	-	-
	Taxation charge/(credit)	80,785	40,465	8,366	556

		GROUP		COMPANY	
		Sep 10	Mar 10	Sept 10	Mar 10
		Shs'000	Shs'000	Shs'000	Shs'000
	(c) Taxation recoverable				
	At beginning of the year/period	(3,075)	(5,632)	(3,044)	(5,601)
	Charge for the year	-	3,160	-	3,160
	Payments during the year	(708)	(603)	(708)	(603)
	At end of year/period	(3,783)	(3,075)	(3,752)	(3,044)

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	-	-	-	-
	470,479	951,473	480,992	62,365	63,049	684
Comprising:						
Transfer from investment revaluation reserve			489,550			684
Gain during the year			(8,556)			-
			480,994			684

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

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	147	11,169	4,156	4,158	19,630
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	147	14,431	4,827	4,095	23,500
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	53	4,338	2,399	1,493	8,283
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	68	4,249	2,645	1,469	8,431
NET BOOK VALUE					
At 30 September 2010	79	10,182	2,182	2,626	15,069
At 31 March 2010	94	6,831	1,757	2,665	11,347

		GROUP AND COMPANY	
		Sep 2010	Sep 2009
		Shs'000	Shs'000
11	PREPAID OPERATING LEASE RENTALS		
	COST		
	Opening	59,487	59,487
	AMORTISATION		-
	At 1 April	22,927	22,927
	Charge for the year	310	620
	At 31 March	23,856	23,547
	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
	At 30 Sep 10	4,203	1,908
	AMORTISATION		
	At 1 April	1,307	865
	Charge for the year	249	442
	Eliminated on disposals	-	-
	At 30 September	1,556	1,307
	NET BOOK VALUE		
	At 30 September	2,647	601

13 INVESTMENTS IN SUBSIDIARIES (AT FAIR VALUE)

		COST			FAIR VALUE	
	Share capital	1.04.10	Additions	30.09.10	30.09.10	31.03.10
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	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)	
	31,407	114,843	562	115,405	1,202,740	850,163

FAIR VALUE MOVEMENT- COMPANY	Sept 2010	Mar 10
	Shs'000	Shs'000
Opening valuation of subsidiaries	850,162	284,063
Additions in the year	562	108
	850,724	284,171
Fair value gain/(loss) in subsidiaries	352,015	565,991
Closing valuation of subsidiaries	1,202,740	850,163

Subsidiary	*Country of Incorporation*	*Principal activity*
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 30th 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 30th 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 30th 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 30th September 2010

14 INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	Sept 2010	Mar 10	Sept 2010	Mar 10
	Shs'000	Shs'000	Shs'000	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)	-	-
	271,606	289,787	-	-
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	3,112,436	2,948,585	4,811,040	4,240,102

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	Mar 10
	Shs'000	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
	32,103	38,381
Closing valuation of unquoted investments	1,219,106	1,251,209

16 FAIR VALUE GAIN/(LOSS) IN QUOTED INVESTMENTS

	GROUP		COMPANY	
	Sept 2010	Mar 10	Sept 2010	Mar 10
	Shs'000	Shs'000	Shs'000	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
	500,811	662,833	145,243	(224,444)
Closing valuation of quoted investments	3,468,687	2,967,876	2,225,842	2,080,599

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	Mar 10
	Shs'000	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	-
	1,843,181	412,623

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	Mar 10
	Shs'000	Shs'000
Charge/(credit) for the period	80,785	(5,717)
Asset	37,843	29,477

		GROUP		COMPANY	
		Sept 2010	Mar 10	Sept 2010	Mar 10
		Shs'000	Shs'000	Shs'000	Shs'000
20	RECEIVABLES AND PREPAYMENTS				
	Payments towards investment in land	1,545,796	-	-	-
	Dividends receivable	70,296	9,295	89,304	18,676
	SCBK Rights issue prepayment	25,000	-	-	-
	Sundry receivables and prepayments	25,319	99,554	24,603	7,982
		1,666,411	108,849	138,906	26,658
21	NON CURRENT ASSETS HELD FOR SALE				
	At 1 April	-	-	-	-
	Transfer from investment in Associates (note 15)	164,114		164,114	-
	Disposals	-	-	-	-
	At 30 September 2010	164,114	-	164,114	-

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	2009
		Shs'000	Shs'000
22	SHARE CAPITAL		
	Authorised:		
	800,000,000 Ordinary shares of Shs 0.50 each	400,000	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	274,976

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.

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

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.

			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)
		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
		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)
			(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.

		Sept 2010 Shs'000	Mar 10 Shs'000
28	CAPITAL COMMITMENTS		
	GROUP AND COMPANY		
	Authorised but not contracted for	1,500	24,500
		======	=====
	Authorised and contracted for	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)