OLYMPIA CAPITAL HOLDINGS LIMITED

ANNUAL REPORT AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2016

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Directors	Karen Enterprises Limited		
	Alt Dr. Christopher Obura	–	Chairman
	Mr. Michael M. Matu	–	Chief Executive Officer and Deputy Chairman
	Mrs. Gladys Kamau	–	Finance Director
	Dr. John Simba	–	Resigned on 31 August 2015
	Mr. Suresh Lakhani		
	Mr. Alex Kimani		

Registered office	Olympia Capital Holdings Limited Addis Ababa Road off Enterprise Road Industrial Area P.O. Box 30102 – 00100 Nairobi, Kenya.
Principal place of business	Olympia Capital Holdings Limited Addis Ababa Road off Enterprise Road Industrial Area P.O. Box 30102 – 00100 Nairobi, Kenya.
Principal Bankers	NIC Bank Limited NIC House Branch P.O. Box 44599 – 00100 Nairobi, Kenya. Guaranty Trust Bank (Kenya) Limited Industrial Area Branch P.O. Box 18647 – 00100 Nairobi, Kenya.
Company Secretary	James Mwando Equatorial Secretaries and Registrars Kalamu House, Grevillea Grove P.O. Box 14077 – 00800 Nairobi, Kenya.
Company Registrar	C&R Group 6th Floor, North Wing, Bruce House Standard Street P.O. Box 8484 – 00100 Nairobi, Kenya.

Independent Auditors	Parker Randall Eastern Africa Certified Public Accountants Cara House, Karen Road, Karen P.O. Box 25426 – 00100 Nairobi, Kenya.
Subsidiaries	Avon Rubber Company (Kenya) Limited 3th Floor, Avon House Enterprise Road, Industrial Area P.O. Box 18270 – 00100 Nairobi, Kenya.
	Mather and Platt (Kenya) Limited Addis Ababa Road Industrial Area P.O. Box 30145 – 00100 Nairobi, Kenya.
	Olympia Capital Corporation Limited Plot 51, 52 & 53 Mogoditshane P.O. Box 2166 Gaborone, Botswana.

EQUATORIAL SECRETARIES AND REGISTRARS

Certified Public Secretaries

Kalamu House, Grevillea Grove
P O Box 47323 00100, Nairobi
Tel 254 (2) 4270000
E-mail esr@ke.esr-ea.com

Dropping Zone

Revlon Plaza, 2nd Floor
Box No. 192

OLYMPIA CAPITAL HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Forty-Sixth Annual General Meeting of the Company will be held at the Six Eighty Hotel, Nairobi on Monday, 29th August 2016 at 10.30 a.m. to transact the following business:

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1. To table the proxies and to note the presence of a quorum.
2. To read the notice convening the meeting.
3. To confirm the minutes of the Forty-Fifth Annual General Meeting of the Company held on 31st August 2015.
4. To receive, consider and adopt the Audited Financial Statements for the year ended 29 February 2016 together with the Chairman's Statement and the reports of the Directors and Auditors thereon.
5. To note that the Directors do not recommend payment of a dividend for the financial year ended 29 February 2016.
6. To approve the Directors' fees as indicated in the Audited Financial Statements for the year ended 29 February 2016.
7. To re-elect Directors:-

   i) In accordance with Article 99 of the Company's Articles of Association, **Mr. Michael Matu** retires by rotation and, being eligible, offers himself for re-election.

   ii) In accordance with Article 99 of the Company's Articles of Association, **Karen Enterprises Limited** retires by rotation and, being eligible, offers itself for re-election.

8. To note that Messrs Parker Randall Eastern Africa, Certified Public Accountants continue in office as Auditors to the Company by virtue of section 717 of the Companies Act, 2015 and to authorize the Directors to fix their remuneration for the ensuing financial year.
9. Any Other Business of which due notice has been received.

BY ORDER OF THE BOARD

JAMES MWANDO
COMPANY SECRETARY
OLYMPIA CAPITAL HOLDINGS LIMITED

25 July 2016

Note: A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member. To be valid, a form of proxy which is attached to this notice must be duly completed and signed by the member and must be lodged with the Company Secretary, James Mwando C/o of Equatorial Secretaries and Registrars, Kalamu House, Grevillea Grove, Westlands P O Box 47323, 00100-Nairobi, so as to reach not later than 10.30 a.m. on 26th August 2016.

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

BOARD OF DIRECTORS

Composition of the Board is set out on page 1.

The Board consists of the Chairman, Dr. Christopher Obura, Deputy Chairman and Chief Executive Officer, Mr. Michael M. Matu, Finance Director, Ms. Gladys Kamau, executive director, Mr. Alex Kimani and two non-executive directors Dr. John Simba and Mr. Suresh Lakhani. All non-executive directors are independent of the management. All directors are subject to periodic retirement and re-appointment in accordance with the company's Articles of Association.

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

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

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

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

DELEGATION OF AUTHORITY

BOARD SUB COMMITTEES

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

BOARD AUDIT COMMITTEE

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

BOARD INVESTMENT COMMITTEE

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

BOARD STAFF NOMINATIONS AND REMUNERATION COMMITTEE

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

GOING CONCERN

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

COMMUNICATION WITH SHAREHOLDERS

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

MAJOR SHAREHOLDERS

Name	Shares	Percentage (%) S/holding
Dunlop Properties Limited	10,189,602	25.47%
Paul Wanderi Ndungu	4,796,600	11.99%
Karen Enterprises Limited	3,932,832	9.83%
First Ten Limited	2,359,936	5.90%
Joel Kamau Kibe	949,500	2.37%
Scottlink Limited	885,269	2.21%
Michael Maina Matu	758,197	1.90%
Eliud Matu Wamae	619,088	1.55%
Mobicom Kenya Limited	449,600	1.12%
Croxley Properties Limited	400,000	1.00%
James Mwangi Wamae	353,521	0.88%
Investments & Mortgages Nominees Limited Acc: 028950	315,732	0.79%
Mt. Kenya Investments Ltd	285,931	0.71%
Cyprian Mambo Wambugu	273,100	0.68%
George Fanuel Jumba	265,500	0.66%
Others	13,166,592	32.94%
	40,000,000	100%

DIRECTORS' SHAREHOLDINGS

Name	Shares	Percentage (%) Shareholding
Karen Enterprises Limited	3,932,832	9.83%
Michael Maina Matu	758,197	1.90%
Mr. John N. Simba	14,000	0.04%
Total directors' shareholding	4,705,029	11.77%

DISTRIBUTION OF SHAREHOLDERS

Volume	No. of shares held	Percentage (%)	Shareholders
1 – 500	313,556	0.78%	1,278
501 - 5,000	2,677,294	6.69%	1,432
5,001 - 10,000	1,662,420	4.16%	214
10,001 - 100,000	6,210,203	15.53%	230
100,001 - 1,000,000	7,857,557	19.64%	25
1,000,001 +	21,278,970	53.20%	4
Total	40,000,000	100.00%	3,183

The directors submit their report and the audited consolidated financial statements for the year ended 29 February 2016 which show the state of the company and group affairs.

1. PRINCIPAL ACTIVITY

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

2. RESULTS

The results for the year are as set out on page 10.

3. DIVIDEND

The directors do not recommend payment of a dividend in respect of the year ended 29 February 2016 (2015: None).

4. DIRECTORS

The directors who served during the year and to the date of this report are as shown on page 1.

5. INDEPENDENT AUDITORS

Parker Randall Eastern Africa were appointed the holding company's auditors during the year and have expressed their willingness to continue as auditors in accordance with Section 159(2) of the Kenyan Companies Act.

BY ORDER OF THE BOARD

Company Secretary
Nairobi.

...27/6... / 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

The Kenya Companies Act requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure that the group keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the group. They are also responsible for safeguarding the assets of the group.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the group and of its operating results. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the group will not remain a going concern for at least the next twelve months from the date of this statement.

The financial statements were approved by the board of directors on 27/6 / 2016 and were signed on its behalf by:

……………………………………

Director

……………………………………

Director

Cara House, Karen Road, Karen
P.O. Box 25426-00100 Nairobi, Kenya
Tel: +254 771 007125
info@parkerrandall-ea.com
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REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
OLYMPIA CAPITAL HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Olympia Capital Holdings Limited ("the company") and consolidated its subsidiaries together referred to as ("the group") as set out on pages 10 to 42, which comprise the statement of financial position as at 29 February 2016 and statements of comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of Olympia Capital Holdings Limited as of 29 February 2016 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

OTHER MATTERS

Without qualifying our opinion, we draw attention to the following matters:

i) Note 18 to the financial statements which points out the status of Olympia Capital Corporation (Pty) Limited, a subsidiary of Olympia Capital Holdings Limited, a listed company in Botswana Stock Exchange. Botswana Stock Exchange requires listed companies to file audited financial statements. The Olympia Capital Corporation (Pty) Limited financial statements used in consolidation of group financial statements have not been audited and filed with Botswana Stock Exchange within the stipulated timeline of six months after the year-end.

ii) Note 20 to the financial statements which describe the recoverability doubt of an amount of KShs 11.6 Million (2015: KShs 25.5 million) due from a related party.

REPORT ON OTHER LEGAL REQUIREMENTS

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

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and

iii) The company's statement of financial position and statement of income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Victor Majani - P/No 1546.

Parker Randall Eastern Africa

Certified Public Accountants
Nairobi.

……………27/6…………. / 2016

CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2016

		Group		Company	
		2016	**2015**	**2016**	**2015**
	Notes	KShs '000	KShs '000	KShs '000	KShs '000
Continuing operations					
Revenue	4	528,263	518,528	-	-
Cost of sales	5	(328,481)	(329,896)	-	-
Gross profit		199,782	188,632	-	-
Other operating income	6	29,753	16,599	22,960	22,472
Operating expenses	7	(186,430)	(180,208)	(11,084)	(54,667)
Operating profit/(loss)		43,105	25,023	11,876	(32,195)
Finance costs	9	(15,824)	(23,565)	(2,722)	(5,925)
Profit/(loss) before tax		27,281	1,458	9,154	(38,120)
Tax (charge)/credit	10 (a)	(12,447)	(15,449)	(2,331)	(300)
(Loss)/profit for the year from continuing operations		14,834	(13,991)	6,823	(38,420)
Discontinued operations					
Loss after tax for the year from discontinued operations		-	(15,560)	-	-
(Loss)/profit for the year		14,834	(29,551)	6,823	(38,420)
(Loss)/profit attributable to:					
Equity holders of the parent		10,341	(41,590)	6,823	(38,420)
Non-controlling interest		4,493	12,039	-	-
		14,834	(29,551)	6,823	(38,420)
Earnings per share attributable to:					
Equity holders of the parent					
Basic (KShs per share)		0.26	(1.04)	0.17	(0.96)
(Loss)/profit for the year		14,834	(29,551)	6,823	(38,420)
Other comprehensive income:-					
Exchange differences on translating foreign operations		(24,164)	32,085	-	-
Gains on property revaluation		-	34,175	-	-
Total comprehensive income/(loss)		(9,330)	36,709	6,823	(38,420)
Attributable to:					
Owners of the parent		(1,862)	(6,010)	6,823	(38,420)
Non-controlling interest		(7,468)	42,719	-	-
		(9,330)	36,709	6,823	(38,420)

		Group		Company	
		2016	2015	2016	2015
	Notes	KShs '000	KShs '000	KShs '000	KShs '000
ASSETS					
Non-current assets					
Property, plant and equipment	12	573,187	162,741	39	43
Investment property	13	76,594	480,493	-	-
Prepaid operating lease rentals	14	25,908	38,338	-	-
Intangible assets	15	-	25	-	-
Goodwill	16	-	79,137	-	-
Investment in subsidiaries	17	-	-	301,164	246,206
Non-current assets held for sale	18	-	54,600	-	-
Amounts due from related parties	19 (a)	266,160	69,552	276,352	247,146
Amounts due from directors	19 (b)	32,987	22,892	23,280	22,892
Available-for-sale financial assets		-	48,365	-	48,365
Deferred tax assets	20(a)	133,187	137,825	2,983	3,403
		1,108,023	1,093,968	603,818	568,055
Current assets					
Inventories	21	135,862	139,358	-	-
Trade and other receivables	22	182,569	161,257	4,777	6,554
Amounts due from related parties	19 (a)	16,982	21,451	22,097	19,976
Tax recoverable	10 (c)	5,603	9,797	-	-
Cash and cash equivalents	27	78,482	105,578	7,281	34,848
		419,498	437,441	34,155	61,378
Total assets		1,527,522	1,531,409	637,972	629,433
EQUITY AND LIABILITIES					
Equity					
Attributable to parent owners:					
Share capital	23	200,000	200,000	200,000	200,000
Share premium	23	255,985	255,985	255,985	255,985
Translation reserve/(deficit)		(11,776)	12,388	-	-
Revaluation reserve		136,437	136,437	67,405	67,405
Retained earnings		209,309	198,968	21,864	1,994
		789,955	803,778	545,254	525,384
Non-controlling interest		357,311	364,779	-	-
		1,147,266	1,168,557	545,254	525,384
Non-current liabilities					
Amounts due to related parties	19 (a)	109,399	2,032	73,394	70,675
Loans from directors	19 (b)	-	12,969	-	-
Deferred tax liabilities	20 (b)	16,744	16,828	-	-
Borrowings	24	49,279	57,009	-	-
		175,422	88,838	73,394	70,675

		Group		Company	
		2016	2015	2016	2015
	Notes	KShs '000	KShs '000	KShs '000	KShs '000
Current liabilities					
Amounts due to related parties	19 (a)	29,023	8,254	30	4,693
Amounts due to directors	19(b)	6,256	38,859	4,466	19,645
Borrowings	24	16,270	31,067		-
Trade and other payables	27	148,046	180,759	5,882	2,420
Dividend payable	25	5,224	5,224	5,224	5,224
Tax payable	10 (d)	15	9,851	3,723	1,392
		204,834	274,014	19,325	33,374
Total equity and liabilities		1,527,522	1,531,409	637,972	629,433

The financial statements and the notes on pages 10 to 45 were approved by the Board of Directors on ………27/6……. / 2016 and signed on its behalf by:

……………………………..……..
Director

……..…………………………………...
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2016

	Share capital KShs '000	Share premium KShs '000	Translation reserve/ (deficit) KShs '000	Revaluation reserve KShs '000	Retained Earnings KShs '000	Non-controlling interest KShs '000	Total KShs '000
Year ended 28 February 2015							
As at 1 March 2014	200,000	255,985	(3,815)	117,060	240,558	322,060	1,131,848
Total comprehensive income for the year	-	-	16,203	19,377	(41,590)	42,719	36,709
As at 28 February 2015	200,000	255,985	12,388	136,437	198,968	364,779	1,168,557
Year ended 29 February 2016							
As at 1 March 2015	200,000	255,985	12,3889	136,437	198,968	364,779	1,168,557
Total comprehensive income for the year	-	-	(24,164)	-	10,341	(7,468)	21,291
As at 29 February 2016	200,000	255,985	(11,776)	136,437	209,309	357,311	1,147,266

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2016

	Share capital KShs '000	Share Premium KShs '000	Revaluation reserve KShs '000	Retained earnings KShs '000	Total KShs '000
Year ended 28 February 2015					
As at 1 March 2014	200,000	255,985	67,405	40,414	563,804
Total comprehensive income/(loss) for the year	-	-	-	(38,420)	(38,420)
As at 28 February 2015	200,000	255,985	67,405	2,094	525,484
Year ended 29 February 2016					
As at 1 March 2015	200,000	255,985	67,405	2,094	525,484
Total comprehensive loss for the year	-	-	-	19,770	19,770
As at 29 February 2016	200,000	255,985	67,405	21,864	545,254

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2016

	Notes	Group 2016 KShs '000	Group 2015 KShs '000	Company 2016 KShs '000	Company 2015 KShs '000
OPERATING ACTIVITIES:					
Profit/(loss) before tax from continuing operations		27,281	1,458	9,154	(38,120)
Loss before tax from discontinued operations		-	(18,992)	-	-
Adjustment for:-					
Depreciation and amortization		176,378	6,174	4	18
Finance costs	9	14,743	23,565	2,722	5,925
Gain on disposal		-	(15,000)	-	(15,000)
Fair value loss/(gain)		-	11,043	-	-
		218,403	8,248	11,880	(47,177)
Changes in working capital:-					
Inventories		3,496	(25,500)	-	-
Trade and other receivables		(16,674)	7,350	4,528	941
Trade and other payables		(32,713)	(8,090)	3,462	(13,431)
Cash flows used in operations		172,428	(17,992)	19,870	(59,667)
Finance costs		(14,743)	(23,565)	(2,722)	(5,925)
Tax paid		(5,642)	(4,487)	-	-
Net cash flows (used in)/from operating activities		152,043	(46,044)	17,148	(65,592)
INVESTING ACTIVITIES:					
Sale of prepaid operating lease rentals		12,430	105,000	-	105,000
Purchase of property, plant and equipment		(508,744)	(6,579)	-	(30)
Sale of fixed assets		54,600	-	-	-
Investment property development		403,899	(2,195)	-	-
Sale of financial assets		48,365	-	59,081	-
Investment subsidiary		-	-	(54,958)	-
Net cash flows from investing activities		10,550	96,226	4,123	104,970
FINANCING ACTIVITIES:					
Net movement in borrowings		(22,527)	(14,238)	-	(10,000)
Related parties		(95,015)	32,669	(33,271)	17,291
Movement in director's loan		(55,667)	6,066	(15,567)	189
Dividends paid		-	(12,035)	-	(12,035)
Net cash flows from/(used in financing activities		(173,209)	12,462	(48,838)	(4,555)
Cash and cash equivalents:					
Movement during the year		(10,617)	62,644	(27,567)	34,823
Effect of foreign exchange changes		-	32,085	-	-
As at 1 March		89,099	(5,630)	34,848	25
As at 29 February	29	78,482	89,099	7,281	34,848

1. Significant Accounting Policies

1.1 Reporting Entity

Olympia Capital Holdings Limited is a public liability company incorporated in Kenya under the Kenyan companies Act and is domiciled in Kenya. The company has a number of subsidiaries (together referred to as “the group”). The registered office is set out on page 1.

1.2 Presentation of Financial Statements

The consolidated financial statements have been prepared in accordance with, and comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), and the manner required by the Kenyan Companies Act.

The financial statements have been prepared on the historical cost basis, except for properties and other financial instruments at fair value and incorporate the principal accounting policies set out below. They are presented in Kenya Shillings rounded to the nearest thousands (KShs ‘000).

These accounting policies are consistent with the previous period.

1.3 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the group and all entities, including special purpose entities, which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognized separately from the group's interest therein, and are recognized within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognized for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognized directly in the statement of changes in equity.

1. Significant Accounting Policies (continued)

1.3 Consolidation (continued)

Basis of consolidation (continued)
The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognized in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognized in profit or loss as part of the gain or loss on disposal of the controlling interest.

We have consolidated audited financial statements of respective subsidiaries as at their reporting date with exception of Olympia Capital Corporation (Pty) Limited, of Botswana which was not audited as at time of consolidation. Three of the four subsidiaries have their reporting date as 31 December.

1.4 Significant judgments and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

Trade receivables, held to maturity investments and loans and other receivables

The group assesses its trade receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the income statement, the group makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows of a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Available - for - sale assets

The group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment.
In making this judgment, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financial cash flow.

1. Significant Accounting Policies (continued)

1.4 Significant judgments and sources of estimation uncertainty (continued)

Taxation

Judgment is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognizes liabilities for anticipated tax issues based on the estimates of whether additional taxes will be due. Where the final tax and outcome of matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in which such determination are made.

The group recognizes the net future tax benefit related to deferred income tax asset to the extent that it is probable that the deductable temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets require the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and applications of existing tax laws.

To the extent that the future cash flow and taxable income differ significantly from estimates, the ability of the group to realize the net deferred tax assets recorded at the statement of financial position date could be impacted.

1.5 Property, plant and equipment

The cost of an item of property, plant and equipment is recognized as an asset when:

- It is probable that future economic benefits associated with the item will flow to the group; and
- The cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is de recognized.

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

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

1. Significant Accounting Policies (continued)

1.5 Property, plant and equipment (continued)

Item average useful life	
Land	Not anticipated
Buildings	40 years
Plant and machinery	7 years
Furniture and fittings	7 years
Motor vehicles	4 years
Office equipment	7 years
IT equipment	3 years
Computer software	3 years

The residual value and the useful life of each asset are reviewed at each financial period –end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognized in profit and loss unless it is included in the carrying amount of another asset.

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

1.6 Investments in subsidiaries

Group financial statements
Investments in subsidiaries are carried at cost less any accumulated impairment.
The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group; plus
- any costs directly attributable to the purchase of the subsidiary.

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

1.7 Intangible assets and goodwill

An intangible asset is recognized when;
i) It is probable that the expected future economic benefits that are attributable to the asset will flow to the group; and
ii) The cost of the asset can be measured reliably.
Intangible assets are initially recognized at cost. Intangible assets are carried at cost less any accumulated amortization and any impairment losses.

1. Significant Accounting Policies (continued)

1.7 Intangible assets and goodwill (continued)

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

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

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

Brand names	Indefinite

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, joint-controlled entities and on the separate purchase of businesses.

Goodwill is measured at cost less accumulated impairment losses.

1.8 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortized cost

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

Initial recognition and measurement

Financial instruments are recognized initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement

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

1. Significant Accounting Policies (continued)

1.8 Financial instruments (continued)

Subsequent measurement (continued)

Net gains or losses on the financial instruments at fair value through profit or loss dividends and interest.

Dividend income is recognized in profit or loss as part of other income when the group's right to receive payment is established.

Loans and receivables are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortized cost are subsequently measured at amortized cost, using the effective interest method.

Fair value determination

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

Amounts due to/from group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognized initially at fair value plus direct transaction costs.
Loans to group companies are classified as loans and receivables.
Loans from group companies are classified as financial liabilities measured at amortized cost.

Amounts due from/to shareholders, directors, managers and employees

These financial assets are initially recognized at fair value plus direct transaction costs. These financial assets are classified as loans and receivables.
These financial assets are subsequently measured at amortized cost using effective rate method, less any impairment loss recognized to reflect irrecoverable amounts.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

1. Significant Accounting Policies (continued)

1.8 Financial instruments (continued)

Trade and other receivables (continued)

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1. Significant Accounting Policies (continued)

1.10 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. A deferred tax asset is not recognized when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for the carry forward of unused tax losses and unused WHT credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused WHT credits can be utilized.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognized, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1. Significant Accounting Policies (continued)

1.11 Inventories

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

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

1.12 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period;
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.
If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

1. Significant Accounting Policies (continued)

1.12 Impairment of assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognized immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization other than goodwill is recognized immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognized as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

1.15 Revenue

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;

1. Significant Accounting Policies (continued)

1.15 Revenue (continued)

- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

Service revenue is recognized by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:

  - to the extent that it is probable that they will result in revenue; and
  - they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.
Interest is recognized, in profit or loss, using the effective interest rate method.
Royalties are recognized on the accrual basis in accordance with the substance of the relevant agreements.
Dividends are recognized, in profit or loss, when the group’s right to receive payment has been established.

1. Significant Accounting Policies (continued)

1.15 Revenue (continued)

Service fees included in the price of the product are recognized as revenue over the period during which the service is performed.

1.16 Cost of sales

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

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

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

Contract costs comprise:

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

1.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalization is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalized do not exceed the total borrowing costs incurred.

The capitalization of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalization is suspended during extended periods in which active development is interrupted.

1. Significant Accounting Policies (continued)

1.17 Borrowing costs (continued)

Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.
All other borrowing costs are recognized as an expense in the period in which they are incurred.

2. New Standards and Interpretations

2.1 New and amended standards and interpretations

The group applied, for the first time, the following standards and amendments in 2015 financial statements.

- Amendment to IAS 1. 'Presentation of financial statements'
- Amendment to IAS 16, 'Property, Plant and Equipment'

These standard and amendments do not impact the annual consolidated financial statements of the group or the interim condensed consolidated financial statements of the group.

2.2 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group has chosen not to early adopt the these standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after January 01, 2015 or later periods. The group intends to adopt these standards, if applicable, when they become effective.

2. New Standards and Interpretations (continued)

IFRS 9, 'Financial Instruments'

IFRS 15, 'Revenue from contracts with customers'

IFRS 16, 'Leases'

3. Non-current assets held for sale and discontinued operations

The group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for sale or as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute.

Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution with be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification. Similar considerations apply to assets or a disposal group held for sale.

3. Non-current assets held for sale and discontinued operations (continued)

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale or as held for distribution.

Assets and liabilities classified as held for sale or for distribution are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is:

- a component of the Group that is a CGU or a group of CGUs
- classified as held for sale or distribution or already disposed in such a way; or
- a major line of business or major geographical area.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 12. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

	Group		Company	
	2016	2015	2016	2015
4. Revenue	KShs '000	KShs '000	KShs '000	KShs '000
Sale of goods	492,611	483,238	-	-
Rent income	35,652	35,290	-	-
	528,263	518,528	-	-
5. Cost of sales				
Cost of goods sold	328,481	329,896	-	-
6. Other operating income				
Other income	13,390	8,332	7,770	5,890
Interest income	15,190	1,071	15,190	1,071
Rental income	-	2,304	-	-
Gain on disposal of assets	-	15,000	-	15,000
Dividend income	1,000	535	-	511
Discount received	173	400	-	-
Fair value (loss)/gain	-	(11,043)	-	-
	29,753	16,599	22,960	22,472
7. Operating expenses				
Administrative and operating expenses	186,430	180,208	11,084	54,667

8. Operating profit

The following cost have been included in arriving at operating profit/(loss):

	Group		Company	
	2016	2015	2016	2015
	KShs '000	KShs '000	KShs '000	KShs '000
Depreciation and amortization	176,379	6,174	17	18
Audit fees	5,088	5,027	990	990
Employee costs	77,927	85,848	6,622	6,691
Directors' remuneration	1,585	2,708	340	471
9. Finance costs				
Finance expenses	11,209	26,879	2,722	5,925
Loss on foreign currency borrowings	6,069	24	-	-
Finance income	(1,454)	(3,338)	-	-
	15,824	23,565	2,722	5,925

10. Taxation

	Group 2016 KShs '000	Group 2015 KShs '000	Company 2016 KShs '000	Company 2015 KShs '000
a) Tax charge/(credit)				
Current year corporate tax charge	14,795	10,186	2,331	-
Deferred tax charge/(credit)	(2,348)	5,263	-	300
	12,447	15,449	2,331	300

b) Reconciliation of tax charge(credit) to accounting profit/(loss):

	Group 2016 KShs '000	Group 2015 KShs '000	Company 2016 KShs '000	Company 2015 KShs '000
Accounting profit/(loss)	37,960	28,360	9,154	(38,120)
Tax calculated at applicable rate	7,067	13,720	2,746	(11,436)
Non allowable expenses	4,575	5,662	5	11,736
Tax losses carried forward	(2,093)	(15,065)	(420)	-
Non taxable income	2,898	(21,000)		-
	12,447	(16,683)	2,331	300

The applicable tax rate for the Kenyan Companies was 30% (2015: 30%) while that applicable to the subsidiaries in Botswana were Kalahari Floor Tiles (Pty) Limited at 15% (2015: 15%) and Gaborone Enterprises (Pty) Limited at 22% (2015: 22%).

	Group 2016 KShs '000	Group 2015 KShs '000	Company 2016 KShs '000	Company 2015 KShs '000
c) Tax recoverable				
As at 1 March	(9,797)	(6,997)	-	-
Current year charge	4,194	(2,800)	-	-
As at 29 February	(5,603	(9,797)	-	-
d) Tax payable				
As at 1 March	9,851	7,157	1,392	1,392
Current year charge	5,642	4,299	2,331	-
Paid during the year	(15,478)	(1,605)	-	-
As at 29 February	15	9,851	3,723	1,392

11. Earnings per share

The calculation of basic earnings per share for the group as at 29 February 2016 was based on profit attributable to ordinary shareholders of KShs 10.3 million (2015: loss of KShs 41.6 million) and weighted average number of shares outstanding during the year then ended of 40 million (2015: 40 million). There are no dilutive shares.

12. Property, plant and equipment

Group

	Buildings KShs '000	Work in Progress KShs '000	Plant and machinery KShs '000	Furniture and fittings KShs '000	Motor vehicles KShs '000	Office equipment KShs '000	Loose tools KShs '000	Total KShs '000
Cost								
As at 1 March 2015	143,606	-	95,400	15,455	20,283	11,500	328	286,572
Reclassification from investment property	500,000	-	-	-	-	-	-	500,000
Additions	138	1,478	3,045	421	2,623	1,039	-	8,744
As at 29 February 2016	643,744	1,478	98,445	15,876	22,906	12,539	328	795,316
Depreciation								
As at 1 March 2015	-	-	87,851	11,703	15,729	8,391	157	123,831
Charge for the year	94,734	-	1,454	403	930	759	18	98,298
As at 29 February 2016	94,734	-	89,305	12,106	16,659	9,150	175	222,129
Net carrying amount								
As at 29 February 2016	549,010	1,478	9,140	3,770	6,247	3,389	153	573,187

12. Property, plant and equipment (Continued)

Group

	Buildings KShs '000	**Plant and machinery** KShs '000	**Furniture and fittings** KShs '000	**Motor vehicles** KShs '000	**Office equipment** KShs '000	**Loose tools** KShs '000	**Total** KShs '000
Cost							
As at 1 March 2015	108,040	94,753	14,444	20,283	11,145	328	248,993
Additions	4,566	647	1,011	-	355	-	6,579
Revaluation	31,000	-	-	-	-	-	31,000
As at 29 February 2016	143,606	95,400	15,455	20,283	11,500	328	286,572
Depreciation							
As at 1 March 2015	3,175	85,736	11,195	14,413	7,680	139	122,338
Charge for the year	-	2,115	508	1,316	711	18	4,668
Reversal on revaluation	(3,175)	-	-	-	-	-	(3,175)
As at 29 February 2016	-	87,851	11,703	15,729	8,391	157	123,831
Net carrying amount	143,606	7,549	3,752	4,554	3,109	171	162,741

12. Property, plant and equipment (Continued)	**Office equipment** KShs '000	**Furniture and fittings** KShs '000	**Total** KShs '000
Company			
Cost			
As at 1 March 2015	633	-	633
Additions	13	-	13
As at 29 February 2016	646	-	646
Depreciation			
As at 1 March 2015	590	-	590
Charge for the year	17	-	17
As at 29 February 2016	607	-	607
Net carrying amount			
As at 29 February 2016	39	-	39
As at 28 February 2015	43	-	43

13. Investment property	**Group** 2016 KShs '000	2015 KShs '000	**Company** 2016 KShs '000	2015 KShs '000
As at 1 March	480,493	489,341	-	-
Investment property development	18,949	2,195		
Fair value (loss)/gain	-	(11,043)	-	-
Re classification to property, plant and equipment	(422,848)	-	-	-
As at 29 February	76,594	480,493	-	-

Re-classification of investment property for Avon Rubber Company (Kenya) Limited properties to property, plant and equipment.

14. Prepaid operating lease rentals	**Group** **2016** KShs '000	**Group** **2015** KShs '000	**Company** **2016** KShs '000	**Company** **2015** KShs '000
Cost				
As at 1 March	52,188	142,188	-	90,000
Additions	-	-		-
Disposals	(11,438)	(90,000)	-	(90,000)
As at 29 February	40,750	52,188	-	-
Amortization				
As at 1 March	13,850	12,858	-	-
Charge for the year	992	992	-	-
As at 29 February	14,842	13,850	-	-
Net carrying amount				
As at 29 February	25,908	38,338	-	-

Prepaid operating lease rentals comprise leasehold land. Leasehold land held by Avon Rubber Company (Kenya) Limited has remaining life of 36 years. This land is used to secure a loan facility obtained from Barclays Bank of Kenya stamped to cover the sum of KShs 35 million. The Kalahari Floor Tiles (Pty) Limited land has secured loan from Stanbic Bank Botswana.

15. Intangible assets	**Group** **2016** KShs '000	**Group** **2015** KShs '000	**Company** **2016** KShs '000	**Company** **2015** KShs '000
Cost				
As at 1 March	2,460	2,460	-	-
Disposals		-	-	-
As at 29 February	2,460	2,460	-	-
Amortization				
As at 1 March	2,435	1,921	-	-
Charge for the year	25	514	-	-
Reversal on disposal		-	-	-
As at 29 February	2,460	2,435	-	-
Net carrying amount				
As at 29 February	-	25	-	-

	Group		Company	
	2016	**2015**	**2016**	**2015**
16. Goodwill	KShs '000	KShs '000	KShs '000	KShs '000
Cost				
As at 1 March and 29 February	79,137	79,137	-	-
Amortization				
As at 1 March and 29 February	(79,137)	-	-	-
Net carrying amount				
As at 29 February	79,137	79,137	-	-

	Company		
	Holding	**2016**	**2015**
17. Investments in subsidiaries	%	KShs '000	KShs '000
Avon Rubber Company (Kenya) Limited	47.50	118,286	118,286
Olympia Capital Corporation (Pty) Limited	50.50	91,926	91,926
Mather and Platt (Kenya) Limited	56.70	24,494	24,494
Dunlop Industries Limited	100.00	11,500	11,500
Investment in other related entities		54,958	-
		301,164	246,206

The group's interest in subsidiaries are as shown above

All subsidiaries are incorporated in Kenya except Olympia Capital Corporation (Pty) Limited which is incorporated in Botswana. The subsidiary is listed in Botswana Stock Exchange. The financial statements of this subsidiary were not audited for the year ended 31 December 2015. Botswana Stock Exchange requires all listed companies to file annual audited financial statements.

Indirect interests in other entities

The company through Olympia Capital Corporation (Pty) Limited holds 100% interest in Kalahari Floor Tiles (Pty) Limited which in turn holds 100% of Gaborone Enterprises Limited. All of which are registered and domiciled in Botswana.

Subsidiaries with less than 50% voting powers held

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

Reporting period

The end of reporting period of Avon Rubber Company (Kenya) Limited, Mather and Platt (Kenya) Limited and Olympia Capital Corporation (Pty) Limited was 31 December 2015. There were no significant changes that affect these subsidiaries' financial statements as at 29 February 2016 for consolidation purposes.

	Group		Company	
	2016	2015	2016	2015
18. Non-current assets held for sale	KShs '000	KShs '000	KShs '000	KShs '000
Assets held for sale	-	54,600	-	-

19. Related parties transactions and balances

	Group		Company	
a) Amounts due from/(to) related Parties	2016 KShs '000	2015 KShs '000	2016 KShs '000	2015 KShs '000
Tiespro (Pty) Limited	11,573	25,509	-	-
Mt Kenya Investment Limited	848	7,632	-	6,784
Scotlink Limited	873	3,919	-	3,046
Olympia Capital Corporation Limited	97,643	(4,677)	187,452	151,348
Heri Limited	1,335	1,335	-	-
Olympia Capital Holdings Limited	-	24,651	-	-
Dunlop Industries Limited	148,689	(134)	88,900	49,363
Mather & Platt (Kenya) Limited	16,040	16,309	16,897	10,332
Avon Rubber Company (Kenya) Ltd	(29,023)	(1,898)	(34,568)	(35,846)
Countryside Investments	-	(1,945)	-	(1,945)
Central Kenya Wholesalers Ltd	-	(1,444)	-	(1,444)
Dunlop Properties Limited	942	10,890	-	10,146
Croxley Properties Limited	(30)	(30)	(30)	(30)
Tarakuet Limited	5,200	-	5,200	
Kalahari Floor Tiles (Pty) Limited	(109,369)	600	(38,826)	-
	144,720	80,717	225,025	191,754
Maturity is as follows:				
Non-current assets	266,161	69,552	276,352	247,146
Current assets	16,982	21,451	22,097	19,976
Non-current liabilities	(109,399)	(2,032)	(73,394)	(70,675)
Current liabilities	(29,023)	(8,254)	(30)	(4,693)
	144,720	80,717	225,025	191,754
b) Amounts due from directors				
Amount due from directors	32,987	22,892	23,280	22,892
Amount due to directors	(6,256)	(51,828)	(4,466)	(19,645)
	26,731	(28,936)	18,814	3,247
Maturity is as follows:				
Non-current assets	32,987	22,892	23,280	22,892
Non-current liabilities	-	(12,969)	-	-
Current liabilities	(6,256)	(38,859)	(4,466)	(19,645)
	26,731	(28,936)	18,814	3,247

The amount of KShs 11.6million (2015: KShs 25.5 million) has been advanced to Tiespro (Pty) Limited, a company registered and domiciled in South Africa, for the purpose of taking over the activities of Natwood (Pty) Limited. The Board is confident given the financial projections provided by Management that these funds will be recovered in the medium to long-term in cash or conversion to equity.

The maximum exposure to credit risk at the reporting date is the fair value of each of amounts mentioned above. The group does not hold any collateral as security.

		Group		Company	
		2016	2015	2016	2015
		KShs '000	KShs '000	KShs '000	KShs '000
20.	**Deferred tax**				
a)	**Deferred tax assets**				
	As at 1 March	137,825	(139,486)	-	(3,703)
	Charge/(credit) to statement of comprehensive income	(4,638)	1,661	2,983	300
	As at 29 February	133,187	(137,825)	2,983	(3,403)
b)	**Deferred tax liabilities**				
	As at 1 March	16,828	1,787	-	-
	Prior year understatement		14,717		-
	Charge/(credit) to statement of comprehensive income	(84)	324	-	-
	As at 29 February	16,744	16,828	-	-
21.	**Inventories**				
	Finished goods	75,126	91,943	-	-
	Provision of obsolete stocks		(971)	-	-
	Net finished goods		90,972	-	-
	Spares and consumables	19,923	16,319	-	-
	Work in progress	40,813	4,829	-	-
	Loose tools	-	1,738	-	-
		135,862	113,858	-	-
22.	**Trade and other receivables**				
	Trade receivables	176,945	146,570	4,777	6,167
	Less: impairment allowance	-	(4,669)	-	-
	Net trade receivables	176,945	141,901	4,777	6,167
	Other receivables	5,624	26,706	-	1,328
		182,569	168,607	4,777	7,495

The maximum exposure to credit risk at the reporting date is the fair value of each of amounts mentioned above. The group does not hold any collateral as security.

	Group		Company	
	2016	2015	2016	2015
23. Share capital	KShs '000	KShs '000	KShs '000	KShs '000
Ordinary share capital	200,000	200,000	200,000	200,000
Share premium	255,985	255,985	255,985	255,985
	455,985	455,985	455,985	455,985

The authorized, issued and fully paid capital of the company as at 29 February 2016 was KShs 200 million made up of 40 million ordinary shares of KShs 5 each.

	Group		Company	
	2016	2015	2016	2015
24. Borrowings	KShs '000	KShs '000	KShs '000	KShs '000
Barclays Bank (Kenya) Limited loan	24,376	22,802	-	-
Housing Finance Co. Limited loan	12,901	17,071	-	-
Stanbic Bank Botswana loan	6,731	16,503	-	-
Co-operative Bank of Kenya Limited	21,540	14,530	-	-
NIC Bank Ltd – insurance financing		691	-	-
Bank overdrafts		16,479	-	-
Guaranty Trust Bank Limited loan		-	-	10,000
	65,548	88,076	-	10,000
Maturity of borrowings is as follows:-				
Non-current				
Bank loans	49,279	57,009	-	10,000
Current				
Bank loans	16,270	14,588	-	-
Bank overdrafts	-	16,479	-	-
	104,374	31,067	-	-

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

Avon Rubber Company (Kenya) Limited has also acquired a mortgage loan from Housing Finance Company Limited to finance its investment property.

Stanbic Botswana Limited bank loan is secured by first continuing covering mortgage loan of KShs 14,761,823 (Pula 1,563,100) over property in Gaborone and a first continuing and covering mortgage bond of KShs 14,662,661 (Pula 1,552,600) over property in Gaborone and unlimited suretyship by Olympia Capital Corporation (Pty) Limited and Michael Matu.

Mather and Platt (Kenya) Limited has a hire purchase facility acquired from NIC Bank Limited secured by Mather and Platt (Kenya) Limited assets.

24. Borrowings (continued)

The Cooperative Bank Limited loan issued to Mather and Platt (Kenya) Limited is secured by way of a fixed and floating debenture of KShs 8 million each over Mather and Platt (Kenya) Limited assets and by first charge over a property. Mather and Platt (Kenya) Limited has an overdraft facility of KShs 15 million with Co-operative Bank Limited to finance working capital requirements secured by first legal charge over a property and a fixed and floating debenture over the Mather and Platt (Kenya) Limited assets.

	Group		Company	
	2016	**2015**	**2016**	**2015**
25. Trade and other payables	KShs '000	KShs '000	KShs '000	KShs '000
Trade payables	45,700	76,204	1,053	1,154
Other payables	102,347	104,555	4,829	1,266
	148,046	180,759	5,882	2,420

Trade payables are non-interest bearing and are normally settled on 30 to 90 days. Other payables are no-interest bearing.

	Group		Company	
	2016	**2015**	**2016**	**2015**
26. Dividend payable	KShs '000	KShs '000	KShs '000	KShs '000
The movement is as follows:				
As at 1 March	5,224	25,462	5,224	17,259
Adjustment during the year		-		-
Declared during the year	-	-	-	-
Paid during the year	-	(20,238)	-	(12,035)
As at 29 February	5,224	5,224	5,224	5,224

27. Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	KShs '000	KShs '000	KShs '000	KShs '000
Cash and bank balance	78,482	105,578	7,281	34,848
Bank overdraft (Note 24)	-	(16,479)	-	-
	78,482	89,099	7,281	34,848

28. Risk management

Financial risk management

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

Liquidity risk

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

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

Interest rate risk

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

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

Credit risk

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

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

Foreign exchange risk

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

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings, cash and cash equivalents, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

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

28. Risk management (continued)

Capital risk management (continued)

Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

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

The gearing ratio at 2016 and 2015 respectively were as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	KShs '000	KShs '000	KShs '000	KShs '000
Total borrowings				
Amounts due to related parties	138,422	10,286	73,424	75,368
Amounts due to directors	6,256	51,828	4,466	19,645
Borrowings	65,548	88,076	-	-
	210,226	150,190	77,890	95,013
Less: cash and cash equivalents	(78,482)	(105,578)	(7,281)	(34,848)
Net debt	131,744	44,612	70,609	60,165
Total equity	1,147,266	1,168,557	545,254	525,384
Total capital	1,279,010	1,213,169	615,863	585,549
Gearing ratio	10%	4%	11%	10%

29. Comparative figures

Where necessary, prior year comparative figures have been adjusted to conform to changes in presentation in the current year. These changes did not have impact on profit/(loss) for the year, or on the net asset position of the group.

OLYMPIA CAPITAL HOLDINGS LIMITED

PROXY FORM FOR THE ANNUAL GENERAL MEETING

29 AUGUST 2016

I/We………………………………………………………………………………

Of P.O. Box…………………………………………………………………………

being a shareholder of **OLYMPIA CAPITAL HOLDINGS LIMITED** hereby appoint

Please tick one only

1. Mr/ Mrs/ Ms ……………………………………………… ( )

   of P O Box …………………………………………………

OR

2. The Chairman of the Meeting ( )

as my/our proxy to attend and on a poll vote for me/us on my /our behalf at the **Annual General Meeting** of the Company at Six Eighty Hotel, Nairobi on Monday, 29th August 2016 at 10.30 a.m. and at any adjournment thereof.

Signature ....

Signature ....

Signed/ Sealed ....……….........day of............................ 2016

NOTES:

1. In the case of a member being a corporation, the proxy must be under its Common Seal or under the hand of an officer or attorney duly authorised in writing.

2. To be valid this proxy form must be completed and delivered to the Company Secretary, James Mwando C/o Equatorial Secretaries and Registrars, Kalamu House, Grevillea Grove, Westlands, P O Box 47323 00100 Nairobi not later than 10.30 am on 26th August 2016.

3. A proxy need not be a member of the Company.