NZWORLD KENYA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31ST MARCH 2021

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COMPANY INFORMATION

Board of directors	Sam Mutuura Thing'uri
Registered offices	L.R. No. 209/65/14 West Park Suites Ojijo Road P.O. Box 175-00606 Nairobi. Kenya.
Independent auditor	Baker Tilly Merali's, Certified Public Accountants, 1st Floor, New Rehema House, Rhapta Road, Westlands P.O. Box 67486-00200 Nairobi, Kenya
Company secretary	Rikan Registrar P.O Box 69656-00404 Nairobi Kenya.
Principal banker	NIC Bank Ltd, ABC Branch, P.O Box 44599-00100, Nairobi, Kenya Bank of India, Westlands Branch, Nairobi, Kenya

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the period ended 31st March 2021.

Incorporation

The company is incorporated in Kenya under the Kenyan Companies Act as a private company limited by shares, and is domiciled in Kenya. The address of the registered office is set out on page 1.

Principal activities

The principal activity of the company is that of gamming and sports betting.

Results

The results for the year are shown on page 6

Dividends

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

Statement as to disclosure to the company's auditor

With respect to each director at the time this report was approved:
(a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and

(b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Terms of appointment of the auditor

Baker Tilly Merali's was appointed during the year in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

By order of the board

....

Director/Company Secretary
Nairobi

Date.. 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company: disclose, with reasonable accuracy, the financial position of the company: and enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:
i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the

ii) selecting and applying appropriate accounting policies; and

iii) making accounting estimates and judgments that are reasonable in the circumstances.

In preparing these financial statements the directors have assessed the company's ability to continue as a going concern as set out in Note 23(i) to the financial statements. The directors are of the opinion that the company will remain a going concern for atleast the next twelve months from the date of this statement based on the factors described inNote 23(i).

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on .... 2021 and signed on its behalf by:

Director's name: JOM MWIURA ....   **Signature:** ....

Director's name: ....   **Signature:** ....

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF NZWORLD KENYA LIMITED

Opinion

We have audited the financial statements of NZWorld Kenya Limited, set out on pages 7 to 17 which comprise the statement of financial position as at 31st March 2021, and the statement of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31st March 2021 and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty on going concern

Without qualifying our opinion, we draw attention to Note 23 to the financial statements, which indicates that the Company incurred a gross loss of Kshs 32,522,629 and had a net loss after tax of Kshs 49,217,922 during the period ended 31st March 2021 and, as of that date, the company had a defecit on shareholders' funds of Kshs 190,690,351. As stated in Note 23, these events or conditions, along with other matters as set forth in note 24 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continueas a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

a) Information Technology (IT) systems and controls.

The Company's betting and gaming activities are centered on IT systems. Due to susceptibility of breach of security controls inherent in IT systems activities, we identified IT systems and controls over financial reporting as a key audit matter. There is a risk that automated accounting procedures and related IT dependent manual controls are not designed and operating effectively.

How our audit addressed the Key Audit Matter

Our audit procedures in this area included:

• Reviewing the Company's general IT systems controls to ensure that the system contains error prevention, detection and correction procedures and whether there are adequate security procedures and policies which are subject to regular reviews. This included monitoring and review of all database and login audit logs, and all configurable parameters to protect the integrity of the system, to ensure there is an alert of all unauthorized changes or system transactions. We also reviewed controls over player deposits and withdrawals/payouts.

• With the support of our own IT specialist, testing IT controls through examination whether changes made to the systems were appropriately approved, and assessing whether appropriate restrictions were placed on access to core systems through reviewing the permissions and responsibilities of those given that access: and

• Where we need to perform additional procedures, place reliance on manual compensating controls, such as reconciliations between systems and returns made to Betting and Licensing Control Board on betting and gamming operations or performing additional testing, such as extending the size of our sample sizes to obtain sufficient appropriate audit evidence over the financial statements balances that were impacted.

Other Information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or other wise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for over seeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Madhav Bhandari, P/No. 1213

Baker Tilly Merali's
Certified Public Accountants
P.O. Box 67486 - 00200, Nairobi

Date: 24/05 **2021**

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31st MARCH 2021

	Notes	31.03.2021 Kshs	31.03.2020 Kshs
Revenue	4	15,923,666	61,516,065
Direct costs	6	(48,446,295)	(112,697,799)
Gross loss		(32,522,629)	(51,181,734)
Other operating income	5	4,467,578	608,041
Employment expenses	7	(6,193,488)	(7,580,789)
Administrative expenses	8	(4,543,176)	(8,187,882)
Selling and distribution cost	9	(3,541,056)	(30,002,171)
Establishment expenses	10	(5,986,405)	(8,823,356)
Operating loss		(48,319,176)	(105,167,890)
Finance income	11	(680,745)	(765,895)
Loss before tax		(48,999,922)	(105,933,786)
Income tax credit	6	-	(10,691,593)
Net loss for the period		(48,999,922)	(116,625,379)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	31.03.2021 Kshs	31.03.2020 Kshs
ASSETS			
Non-current assets			
Property and equipment	15	440,792	562,898
Intangible assets	14	9,905,881	14,014,979
Deferred tax assets	21	-	-
		10,346,673	14,577,877
Current assets			
Trade and other receivables	16	21,584,752	13,204,782
Cash and cash equivalents	17	3,037,463	3,872,624
Current tax recoverable	12	16,900	-
		24,639,115	17,077,406
Total assets		34,985,788	31,655,283
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	18	30,000	30,000
Share deposit	19	70,000	70,000
Accumulated losses		(190,572,351)	(141,572,429)
Total equity and reserves		(190,472,351)	(141,472,429)
Non-current liabilities			
Trade and other payables	20	209,668,929	136,590,026
		209,668,929	136,590,026
Current liabilities			
Trade and other payables	20	15,789,211	36,537,685
Current tax	12	-	-
		15,789,211	36,537,685
Total Equity and liabilities		34,985,788	31,655,283

The financial statements on pages 7 to 17 were approved and authorised for issue by the board of Directors on______________ and were signed on its behalf by:

DIRECTOR

Sam Mizuura.

STATEMENT OF CHANGES IN EQUITY

		Share capital	**Accumulated losses**	**Total**
Year ended 31 March 2021				
At start of the year		30,000	(141,572,429)	(141,542,429)
				-
Net loss for the period		-	(48,999,922)	(48,999,922)
At end of the year		**30,000**	**(190,572,351)**	**(190,542,351)**

Restated

		Share capital	**Accumulated losses**	**Total**
Year ended 31 March 2020				
At start of the year		30,000	(24,947,050)	(24,917,050)
				-
Net loss for the year	11	-	(116,625,379)	(116,625,379)
At end of the year		**30,000**	**(141,572,429)**	**(141,542,429)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2021

	31.03.2021 Kshs	31.03.2020 Kshs
Cash flows from operating activities		
Loss before income tax	(48,999,922)	(105,933,786)
Adjustments for:		
Amortisation of software	4,231,203	4,156,719
Operating loss before working capital changes	(44,768,719)	(101,777,067)
Increase in trade and other receivables	(8,379,969)	(6,375,101)
Increase in trade and other payables	(20,748,475)	31,229,006
Tax paid	(16,900)	-
Net cash used in operating activities	(73,914,063)	(76,923,162)
Cash flows from investing activities		
Purchase ofequipments	-	(610,520)
Proceed on disposal of property, plant and equipment	-	-
Net cash used in investing activities	-	(610,520)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	-
Shared deposit received	-	-
Proceeds from related party funding's	73,078,903	80,728,485
Net cash generated from financing activities	73,078,903	80,728,485
Net increase in cash and cash equivalents	(835,160)	3,194,803
Cash and cash equivalents at 1st April	3,872,624	677,820
Cash and cash equivalents at 31st March	**3,037,463**	**3,872,624**

NOTES TO THE FINANCIAL STATEMENTS

1. **General Information**

NZWorld Kenya Limited is domiciled in Kenya where it is incorporated under the Kenyan Companies Act as a private company limited by guarantee. The address of its registered office and principal place of business is is shown on page 1. The principal activity of the company is that of provision of gamming and sports betting.

2. **Basis of preparation and summary of significant accounting policies**

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The 2015 Amendments to the Standard were applied (early) in 2016. The financial statements are presented in Kenya Shillings (KSh). The measurement basis used is the historical cost basis except

The financial statements of the prior year were prepared using the International Financial Reporting Standards (IFRS). No prior year adjustments have been passed to comparative figures arising on transition to International Financial reporting Standards for Small and Medium Sized Entities (IFRS for SMEs).

Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods/services in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.
The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.
The services provided by the company comprise of sports betting (sports book and virtual sports, fixed odds games betting) services.
Revenue from sports book betting activities represents the net gain and is recognized upon bet settlement(winning/losing).
Cost of sales principally comprises betting and gaming taxes, software supplier costs, customer payment transaction fees, sporting levies, other data rights charges, customer promotions (including free bets) and bonuses.

Borrowing costs
All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Financial assets
Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting year, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

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

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

Income tax

Tax expense represents the aggregate amount included in profit or loss for the period in respect of current tax and deferred tax.

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

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

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. However, for investment property that is measured using the fair value model, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.

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

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

Translation of foreign currencies

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

Share capital

Ordinary shares are recognised at par value and classified as share capital in equity.

Property plant and equipment

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

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful life, using the reducing balance method. The following annual rates are used for the depreciation of property, plant and equipment:

Motor vehicles	25 percent
Fixtures and equipment	12.5 percent
Computers, copiers and faxes	30 percent%

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Intangible assets

Intangible assets comprise purchased computer software and are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their estimated life of five years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Impairment of non-financial assets

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

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

Employee benefits - post-employment benefits

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

3. Judgements and key sources of estimation uncertainty

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

		31.03.2021 Kshs	31.03.2020 Kshs
4	**Revenues**		
	Bet Profit	**15,923,666**	**61,516,065**
5	**Other operating income**		
	Miscellaneous income	10,032	858
	Interest received	901,704	607,183
	Discount received	3,555,842	-
		4,467,578	**608,041**
6	**Direct cost**		
	Platform usage charges	5,470,301	18,930,829
	Player bonus expenses	8,026,765	35,246,756
	Rates and taxes	2,653,464	10,146,949
	Mpesa withdrawal charges	851,151	1,234,130
	Betting platform fees	4,554,541	7,539,928
	Licences	25,275,000	37,600,000
	Bulk SMS	1,163,500	-
	USSD costs	451,572	1,999,206
		48,446,295	**112,697,799**
7	**Employment cost:**		
	Salaries and wages	6,193,488	7,568,821
	Staff welfare	-	11,968
	Total employment costs	**6,193,488**	**7,580,789**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		31.03.2021 Kshs	31.03.2020 Kshs
8	**Administrative expenses:**		
	Audit fees	436,745	325,358
	Bank charges	228,612	509,472
	Professional and consultancy fees	3,369,322	5,310,478
	Human Resource	-	614,000
	Office expenses	19,754	354,217
	Postages and telephones	419,011	415,690
	Transport, travelling and accommodation	69,632	525,490
	Other epenses	100	133,177
	Total administrative expenses	**4,543,176**	**8,187,882**
9	**Selling and distribution costs**		
	Marketing, advertising and promotions	3,541,056	30,002,171
	Total selling costs	**3,541,056**	**30,002,171**
10	**Establishment expenses**		
	Rent and rates	984,885	1,897,870
	Electricity	50,691	93,852
	Repairs and maintenance	719,626	2,674,915
	Leasehold improvement costs	-	-
	Depreciation on property, plant and equipment	122,106	47,622
	Amortisation expense - software	4,109,097	4,109,097
	Total other operating expenses	**5,986,405**	**8,823,356**
11	**Finance costs /(income)**		
	Realised exchange difference	680,745	765,895
		680,745	**765,895**
12	**Tax**		
	(a) Tax expense		
	Current tax	-	-
	Deferred income tax (credit) / charge (Note 21)	-	10,691,593
	Income tax (credit) / charge	-	10,691,593
	The tax on the company's loss before tax differs from the theoretical amount that would arise using the basic rate as follows :		
	Loss before tax	(48,999,922)	(105,933,786)
	Tax calculated at the rate of 30%	(14,699,976)	(31,780,136)
	Tax effect of:		
	- expenses not deductible for tax purposes	14,699,976	42,471,729
	Tax charge	-	10,691,593
	(b)Tax payable		
	Tax charge for the year	-	-
	Tax paid during the year	(16,900)	-
	Balance carried forward	(16,900)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		31.03.2021	31.03.2020
		Kshs	**Kshs**
13	**Loss from operations**		
	Loss from operations is arrived at after charging:		
	Staff costs	6,193,488	7,580,789
	Amortisation expense - software	4,109,097	4,109,097
	Net foreign exchange gain	680,745	765,895
	Auditors` Remuneration	436,745	325,358

14	**Intangible assets**		
	Computer software	**31.03.2021**	**31.03.2020**
	Cost	**Kshs**	**Kshs**
	At start of year	20,545,487	20,545,487
	Additions	-	-
	At end of year	20,545,487	20,545,487
	Amortisation		
	At start of year	(6,530,508)	(2,421,411)
	Charge for the year	(4,109,097)	(4,109,097)
	At end of year	(10,639,606)	(6,530,508)
	Net book value	**9,905,881**	**14,014,979**

Betting licence, Betting platform and softwares, amortised on straight line basis at the rate of 20% to write down cost to residual value over a period of five years

15	**Property and equipment**		
	Computers	**31.03.2021**	**31.03.2020**
	Cost	**Kshs**	**Kshs**
	At start of year	610,520	-
	Additions	-	610,520
	At end of year	610,520	610,520
	Amortisation		
	At start of year	(47,622)	-
	Charge for the year	(122,106)	(47,622)
	At end of year	(169,728)	(47,622)
	Net book value	**440,792**	**562,898**

Betting licence, Betting platform and softwares, amortised on straight line basis at the rate of 20% to write down cost to residual value over a period of five years

		31.03.2021	31.03.2020
16	**Trade and other receivables**	**Kshs**	**Kshs**
	Other receivables	8,260,394	1,454,782
	Loans & Advances	13,324,358	11,750,000
		21,584,752	13,204,782

In the opinion of the directors, the carrying amounts of trade and other receivables approximate to their fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.03.2021	31.03.2020
17 Cash and cash equivalents	**Kshs**	**Kshs**
Cash at bank and in hand	3,037,463	3,872,624

For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise the above

18 Share capital	**No. of ordinary shares**	**Issued and fully paid up capital**
At 31 March 2021	100	30,000
At 30 September 2020	100	30,000
At 31st March 2020	100	30,000

The total number of authorised ordinary shares is 100 with a par value of Kshs 1,000 each.

19 Share deposits	70,000	70,000

Share deposits relates to amount received in advance for shares. As at 31st March 2021, the shares had not been issued.

	31.03.2021	31.03.2020
20 Trade and other payables	**Kshs**	**Kshs**
Non - current		
Payable to related parties (Note 22)	209,668,929	136,590,026
Current		
Trade payables	11,049,749	10,801,469
Other payables	1,563,536	18,522,498
Accruals	3,175,925	7,213,719
	15,789,211	36,537,685
Total trade and other payables	**225,458,139**	**173,127,711**

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair value

21 Deferred tax	**31.03.2021**	**31.03.2020**
The deferred tax asset is attributable to the following items :	**Kshs**	**Kshs**
Balance b/fwd	-	10,691,593
Credit to the retained earnings	-	(10,691,593)
Net assets	**-**	**-**

Deferred tax assets and liabilities, deferred tax charge in the income statement account are attributable to the following items:

Deferred tax Asset /(liability)

Year ended 31 March 2021	**At 01st April 2020 Kshs**	**Credited to the income statement Kshs**	**At 31st March 2020 Kshs**
Excess of depreciation over capital allowances	-	-	-
Loss for the year	-	-	-
	-	-	-

Year ended 31st March 2020	**At 01st April 2019 Kshs**	**Credited to the income statement Kshs**	**At 31st March 2020 Kshs**
Deferred tax Asset /(liability)			
Excess of depreciation over capital allowances	(506,306)	506,306	-
Loss for the year	11,197,899	(11,197,899)	-
	10,691,593	(10,691,593)	-

22 Related party balances and transactions

The company is related to other companies which are related through common shareholding and common directorships.

The following transactions were carried out with related parties.	**31.03.2021 Kshs**	**31.03.2020 Kshs**
Outstanding balances arising from transactions with related parties		
a) Payable to related parties (Note 19)		
Non current payable		
Nazara Technologies – Mauritius	5,384,197	-
Mastermind-Sports Limited	-	7,539,928
Nazara Technologies – India	1,401,223	1,356,643
Absolute Sports P limited - India	665,719	327,272
NZMobile Kenya Limited	202,217,790	127,366,183
	209,668,929	**136,590,026**
(b) Purchases from Related parties		
License Cost - Mastermind Sports Limited	1,512,140	7,539,928
Content Cost - Absolute Sports P Limited	663,079	327,272
Digital Marketing Cost - Nazara Technoloies Limited - India	1,395,666	1,356,643
	3,570,885	**9,223,843**

23 Going concern

i) Company performance

The Company incurred a gross loss of Kshs 32,522,629 and had a net loss after tax of Kshs 49,217,922 during the period ended 31st March 2021 and, as of that date, the company had a deficit on shareholders' funds of Kshs 190,690,351 The financial statements have been prepared on a going concern basis on the assurance of continued financial support by the directors and related parties. In the absence of such, this basis would be inappropriate. Provisions would then have to be made for any adjustments that might be necessary if the company's assets were realised at amounts different from those in the financial statements.

ii) Betting regulations

The Kenyan Government through the Betting Control and Licensing Board, has in the recent past increased focus on responsible gambling leading to thorough reviews of a number of gambling procedures, processes and enhanced taxes that will have a material adverse effect on business and operations. This includes

- Enhanced taxes - Apart from Betting tax (15% of gross gaming revenue) and corporation tax (30% of taxable profit), the regulator has introduced as 20% withholding tax on winnings. These taxes results to reduced profitability of the company
- Compliance - The Board calls for evidence of continuous compliance with the provisions of the Betting Lotteries and Gaming Act Cap. 131 Laws of Kenya. Companies are now subjected to quarterly reviews. Any non compliance by the bookmakers results to cancelation of the betting Licence hence affecting the operations of the company. This enhanced stringent regulatory environment coupled with the government's plans to control the gambling industry within the economy will inevitably affect the company's ability to continue as a going concern.

24 Impact of Covid - 19 on operations

Since 31 March 2019, the consequences of the COVID-19 outspread have materially and adversely affected the demand for the Company's services. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise capital in order to continue its operations. To address its financing requirements, the Company will seek financing through debt and equity financings. The outcome of these matters cannot be predicted at this time.

25 Currency

The financial statements are presented in Kenya Shillings and rounded off to the nearest one Kenya shilling(Kshs).

26 Comparatives

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

NZWorld Kenya Limited
Financial statements
For the year ending 31st March 2021

TAX COMPUTATION
PIN:P051695807Z

		Kshs.	**Kshs.**
Loss as per financial statements			(48,999,922)
Add:			
	Depreciation on property, plant and equipment	122,106	
	Amortization of intangible assets	4,109,097	
			4,231,203
			(44,768,719)
Less:			
	Wear and tear allowance	(86,808)	
	Software allowance	(3,081,823)	(3,168,631)
ADJUSTED TRADE LOSS FOR THE YEAR			(47,937,350)
History of tax losses:			
Losses bfwd from prior year			(143,395,649)
Tax losses carried forward			**(191,332,999)**

<u>SOFTWARE ALLOWANCE</u>	Grade A	**25%**
		Kshs.
	W.D.V 01 April 2020	12,327,292
	Software allowance @ 25%	(3,081,823)
	W.D.V 31 March 2021	9,245,469

WEAR AND TEAR ALLOWANCE

	Grade A
	25%
	Kshs
W.D.V 01 April 2020	347,233
Additions during the year	-
	347,233
Wear and tear allowance	(86,808)
W.D.V 31 March 2021	**260,425**