

**TWIN HUTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**COMPANY INFORMATION**

<b>BOARD OF DIRECTORS</b>	: Dr Moses Kinuthia : George Wakaria : David Mngolia : Nehemia Ndeta : Caroline Nkatha : Timothy Kuria : Simon Githuku
<b>REGISTERED OFFICE</b>	: 15th Floor, Postbank house : P.O. Box 1567 - 00100 : NAIROBI
<b>INDEPENDENT AUDITOR</b>	: Umuro Wario & Associates : Certified Public Accountants : P.O. Box 37126-00100 : NAIROBI
<b>COMPANY SECRETARIES</b>	: M.L Mugambi : Certified Public Secretaries : P.O Box 1567- 00100 : NAIROBI
<b>PRINCIPAL BANKER</b>	: Kenya Commercial Bank : Sarit Centre Branch : P.O.BOX 45422-00100 : NAIROBI

## **REPORT OF THE DIRECTORS**

The directors submit their report together with the audited financial statements for the year ended 31 December 2019

### **PRINCIPAL ACTIVITY**

The company's principal activities continue to be resource mobilisation for investment in income generating activities and investment for the benefit of the members.

<b>RESULTS</b>	<b>2019 Shs</b>	<b>2018 Shs</b>
Loss before tax	(515,977)	(650,284)
Tax	<u>154,793</u>	<u>182,944</u>
Loss for the year	<u><u>(361,184)</u></u>	<u><u>(467,340)</u></u>

### **DIVIDEND**

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

### **DIRECTORS**

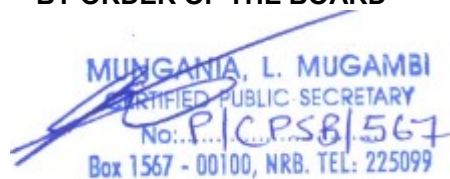
The directors who held office during the year and to the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

### **INDEPENDENT AUDITOR**

The company's auditor, Umuro Wario & Associates, has expressed willingness to continue in office in accordance with of the Kenyan Companies Act, 2015.

### **BY ORDER OF THE BOARD**

  
MUNGANIA, L. MUGAMBI  
CERTIFIED PUBLIC SECRETARY  
No. P/CPSB/567  
Box 1567 - 00100, NRB. TEL: 225099

27<sup>th</sup> JUNE 2020

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Kenyan Companies Act, 2015 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 company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the company; and that disclose, with reasonable accuracy, the financial position of the company and that enables them to prepare financial statements of the company that comply with the International Financial Reporting Standard for Small and Medium sized Entities (IFRS for SMEs) and the requirements of the Kenyan Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances;

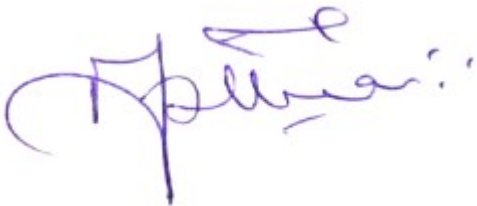
The directors are of the opinion that the financial statements give a true and fair view of the financial position of the company as at 31 December 2018 and of its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs and the requirements of the Kenyan Companies Act, 2015.

In preparing these financial statements the directors have assessed the company's ability to continue as a going concern. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

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

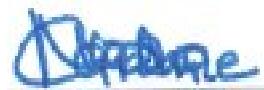
So far as each of the directors is aware, there is no relevant audit information which the auditor is unaware of, and each of the directors has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the board of directors on 27<sup>th</sup> June 2020 and signed on its behalf by:



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**Director**



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**Director**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TWIN HUTS LIMITED**

### **Opinion**

We have audited the accompanying financial statements of TWIN HUTS LIMITED which comprise of the statement of financial position as at 31st December 2019, the statement of profit and loss and statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31st December 2019 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015. (Cap 486)

### **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.

### **Other information**

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

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

### **Directors' Responsibility for the Financial Statements**

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

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TWIN HUTS LIMITED CONT.**

### **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 judgement 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 management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TWIN HUTS LIMITED  
CONT.**

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

As required by the Kenya Companies Act, 2015 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 purpose 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 profit or loss and other comprehensive 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 Abdi Dubat  
Fidhow – P/No. 2464**

*Umuro Wario & Associates*

Certified Public Accountant

Nairobi

Date: **27th June**2020



**STATEMENT OF COMPREHENSIVE INCOME**

	<b>Notes</b>	<b>2019 Shs</b>	<b>2018 Shs</b>
Revenue	2	27	126,027
Administrative expenses		(516,004)	(776,311)
		<u>(515,977)</u>	<u>(650,284)</u>
Tax	4	<u>154,793</u>	<u>182,944</u>
<b>Loss for the year</b>		<u><u>(361,184)</u></u>	<u><u>(467,340)</u></u>

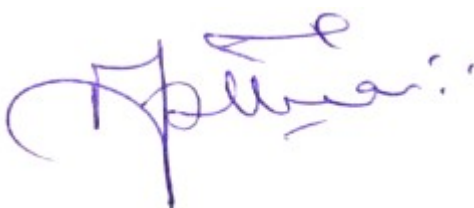
*Twin Huts Limited*  
*Annual report and financial statements*  
*For the year ended 31 December 2019*

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**STATEMENT OF FINANCIAL POSITION**

		<b>As at 31 December</b>	
	<b>Notes</b>	<b>2019 Shs</b>	<b>2018 Shs</b>
<b>CAPITAL EMPLOYED</b>			
Share capital	5	30,740,000	30,740,000
Share premium		4,540,000	4,540,000
Unallocated shares		72,000	72,000
Membership fees		1,205,340	1,205,340
Revaluation reserve		41,280,155	41,280,155
Retained earnings		<u>9,725,506</u>	<u>4,543,690</u>
<b>Shareholders' funds</b>		<u><b>87,563,001</b></u>	<u><b>82,381,185</b></u>
<b>Non-current liabilities</b>			
Deferred tax	7	16,310,837	16,465,630
		<u>16,310,837</u>	<u>16,465,630</u>
		<u><b>103,873,838</b></u>	<u><b>98,846,815</b></u>
<b>REPRESENTED BY</b>			
<b>Non-current assets</b>			
Investments	6	<u>114,731,969</u>	<u>112,160,856</u>
		<u><b>114,731,969</b></u>	<u><b>112,160,856</b></u>
<b>Current assets</b>			
Tax recoverable		14,000	14,000
Receivables	8	3,206,885	4,151,885
Cash and cash equivalents	9	<u>1,593,450</u>	<u>3,012,329</u>
		<u><b>4,814,335</b></u>	<u><b>7,178,214</b></u>
<b>Current liabilities</b>			
Trade and other payables	10	15,672,466	20,492,255
		<u>15,672,466</u>	<u>20,492,255</u>
<b>Net current assets</b>		<u><b>(10,858,131)</b></u>	<u><b>(13,314,041)</b></u>
		<u><b>103,873,838</b></u>	<u><b>98,846,815</b></u>

The financial statements on pages 7 to 17 were approved and authorised for issue by the Board of Directors on 27<sup>th</sup> June 2020 and were signed on its behalf by:



\_\_\_\_\_  
**Director**



\_\_\_\_\_  
**Director**

**STATEMENT OF CHANGES IN EQUITY**

	Share capital Shs	Membership fees Shs	Revaluation reserve Shs	Retained earnings Shs	Total Shs
<b>Period ended 31 December 2018</b>					
At start of year	35,352,000	1,205,340	41,280,155	5,011,030	82,848,525
Registration	-		-	-	-
Loss for the year	-	-	-	(467,340)	(467,340)
At end of year	<u>35,352,000</u>	<u>1,205,340</u>	<u>41,280,155</u>	<u>4,543,690</u>	<u>82,381,185</u>
<b>Year ended 31 December 2019</b>					
At start of year	35,352,000	1,205,340	41,280,155	4,543,690	82,381,185
Additions	-		-	-	-
Loss for the year	-	-	-	(361,184)	(361,184)
Prior year adjustment				5,543,000	5,543,000
At end of year	<u>35,352,000</u>	<u>1,205,340</u>	<u>41,280,155</u>	<u>9,725,506</u>	<u>87,563,001</u>

**STATEMENT OF CASH FLOWS**

	<b>2019 Shs</b>	<b>2018 Shs</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(515,977)	(650,284)
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	-	-
Changes in working capital		
- trade and other receivables	945,000	-
- trade and other payables	(4,819,789)	14,663,829
Cash from operations	(4,390,766)	14,013,545
Interest paid	-	-
Tax paid	-	-
Net cash from operating activities	(4,390,766)	14,013,545
<b>Investing activities</b>		
Investments	(2,571,113)	(15,617,856)
Net cash (used in) investing activities	(2,571,113)	(15,617,856)
<b>Cash flows from financing activities</b>		
Share capital	-	-
Retained earnings	5,543,000	-
Net cash from financing activities	5,543,000	-
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(1,418,879)</b>	<b>(1,604,311)</b>
<b>Movement in cash and cash equivalents</b>		
At start of year	3,012,329	4,616,640
Increase/(decrease)	(1,418,879)	(1,604,311)
At end of year	<b>1,593,450</b>	<b>3,012,329</b>

## NOTES

### 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SME's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Notes 1 (b) and (c).

These financial statements comply with the requirements of the Companies Act, 2015. The statement of profit or loss represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

#### Going concern

The financial performance of the company is set out in the director's report and in the statement of profit or loss. The financial position of the company is set out in the statement of financial position.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

#### b) Key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make the judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Useful lives of equipment and intangible assets** - Management reviews the useful lives and residual values of the items of equipment and intangible assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

#### c) Significant judgements made by management in applying the company's accounting policies

The directors have made the following judgements that are considered to have the most significant effect on the amounts recognised in the financial statements:

- **Impairment of receivables** - the company reviews their portfolio of receivables on a periodic basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, in the ordinary course of business.

The company recognises 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 has been met for company's activities. 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.

**e) Property, plant and equipment**

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the reducing balance basis to write down the cost of each asset to its residual value over its estimated useful life using the following rates:

	<b><u>Rate %</u></b>
Equipment	12.5

The assets residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**f) Receivables**

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**g) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, net of bank overdrafts.

**h) Payables**

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**i) Taxation**

The tax expense for the year comprises current and deferred tax and is recognised in profit or loss.

**Current tax**

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

**Deferred tax**

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. 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.

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**j) Retirement benefit obligations**

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

**k) Share capital**

Ordinary shares are classified as equity.

**l) Comparatives**

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



**NOTES (CONTINUED)**

	<b>2019 Shs</b>	<b>2018 Shs</b>
<b>2. Revenue</b>		
Interest income	0	126,000
Rent income	0	0
Dividend income	<u>27</u>	<u>27</u>
	<u>27</u>	<u>126,027</u>
<b>3. Operating loss</b>		
The following items have been charged/(credited) in arriving at the operating loss:		
Auditors' remuneration		
- current year	87,000	80,000
Directors' sitting allowance	<u>198,000</u>	<u>508,080</u>
<b>4. Tax</b>		
Deferred tax	<u>154,793</u>	<u>182,944</u>
The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic rate as follows:		
Loss before tax	<u>(515,977)</u>	<u>(650,284)</u>
Tax calculated at a tax rate of 30% (2019: 30%)	(154,793)	(195,085)
Tax effect of:		
- overprovision of deferred tax in prior year	-	-
- expenses not deductible for tax purposes	-	-
- income not subject to tax	<u>-</u>	<u>-</u>
<b>Tax credit</b>	<u>(154,793)</u>	<u>-</u>
<b>5. Share capital</b>		
<b>Authorised, Issued and fully paid:</b>		
3,074 (2017: 3,074) ordinary shares of Shs. 10,000 each	<u>30,740,000</u>	<u>30,740,000</u>
<b>6. Investments</b>		
Kenya government securities	-	-
Windsor estate	70,000,000	70,000,000
Gatkeyland Limited (25% stake)	25,543,000	25,543,000
Syokimau Project	16,617,856	16,617,856
Low Cost Housing Project	<u>2,571,113</u>	<u>-</u>
	<u>114,731,969</u>	<u>112,160,856</u>

**NOTES (CONTINUED)**

**7. Deferred tax**

Deferred tax is calculated in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2019: 30%). The movement on the deferred tax account is as follows:

<b>Year ended 31st December 2019</b>	<b>At start of year</b>	<b>Credited to profit or loss</b>	<b>At end of year</b>
<b>Deferred tax asset</b>			
Accelerated capital allowances	0	0	0
Tax loss carried forward	1,113,175	154,793	1,267,968
	<u>1,113,175</u>	<u>154,793</u>	<u>1,267,968</u>
<b>Deferred tax liability</b>			
Revaluation surplus	17,578,805	-	17,578,805
Net deferred tax liability recognised	<u>(16,465,630)</u>	<u>154,793</u>	<u>(16,310,837)</u>
<b>Year ended 31st December 2018</b>			
<b>Deferred tax asset</b>			
Accelerated capital allowances	8,759	(8,759)	0
Tax loss carried forward	921,472	1,113,175	1,113,175
	<u>930,231</u>	<u>1,104,416</u>	<u>1,113,175</u>
<b>Deferred tax liability</b>			
Revaluation surplus	17,578,805	-	17,578,805
Net deferred tax liability recognised	<u>(16,648,574)</u>	<u>1,104,416</u>	<u>(16,465,630)</u>
		<b>2019</b>	<b>2018</b>
		<b>Shs</b>	<b>Shs</b>

**8. Receivables**

Gatkeyland	3,175,885	4,120,885
Other receivables	31,000	31,000
	<u>3,206,885</u>	<u>4,151,885</u>

**9. Cash and cash equivalents**

Cash at bank	<u>1,593,450</u>	<u>3,012,329</u>
For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise the following:		
Cash at bank	<u>1,593,450</u>	<u>3,012,329</u>
	<u>1,593,450</u>	<u>3,012,329</u>

**10. Payables and accruals**

Owed to Low Cost Housing	14,596,095	14,496,095
Audit fees	80,000	80,000
Wilfred Kigo Njiri	30,072	30,072
Mugambi Mungania advocates - land transfer cost	-	5,543,000
LCH payable	623,211	-
Other payables	343,088	343,088
	<u>15,672,466</u>	<u>20,492,255</u>

**NOTES (CONTINUED)**

**11. Incorporation**

Twin Huts Limited is incorporated in Kenya under the Kenyan Companies Act, 2015 as a private limited liability company and is domiciled in Kenya.

**12. Presentation currency**

These financial statements are presented in Kenya Shillings (Shs.).

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**SCHEDULE OF EXPENDITURE**

	<b>2019 Shs</b>	<b>2018 Shs</b>
<b>1. ADMINISTRATIVE EXPENSES</b>		
Salaries and wages	72,000	18,000
Bank charges	2,604	2,691
Post box rental	9,450	10,960
Directors sitting allowance	198,000	508,080
Meeting expenses	94,550	148,580
Company strategy document	-	-
Audit fees	87,000	80,000
Miscellaneous consumables	-	-
Legal fees	0	-
Professional fees	<u>52,400</u>	<u>8,000</u>
<b>Total administrative expenses</b>	<u><u>516,004</u></u>	<u><u>776,311</u></u>