

CS/NO 2234

MINISTRY OF INDUSTRY
TRADE AND COOPERATIVES
State Department for Cooperative
MAIN REGISTRY
18 FEB 2020
No.
P.O. Box 30547 - 00100
NAIROBI, KENYA

**UKAGUZI CO-OPERATIVE SAVINGS AND
CREDIT SOCIETY LIMITED**

AUDIT REPORT & FINANCIAL STATEMENT

FOR THE YEAR ENDED

31 DECEMBER 2019

Physical Address

Anniversary Towers 3rd Floor

P.O. Box 61055-00200 NAIROBI

TEL: 0714124335

Website :www.ukaguzi.or.ke

E-MAIL:ukaguzisacco@yahoo.com

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UKAGUZI CO-OPERATIVE SAVINGS & CREDIT SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER ,2019

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2019

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SOCIETY INFORMATION

BOARD OF MANAGEMENT :

Chairman	Alfred D. Sumaili
Vice-Chairman	Jane .M. Mutugi
Secretary	Mark. K. Gachanja
Treasurer	Peter .K. Mureithi
Member	Anne N. Wachira
Member	Millicent A.Awiti
Member	Rose N. Muteshi
Member	George G. Ogutu
Member	Pauline W. Nyaga.

SUPERVISORY COMMITTEE MEMBERS:

Chairman	Peter K. Mbangula
Secretary	Grace N. Mburu
Member	Nancy W. Muhari

SECRETARIAT

Accountant	Benjamin K. Chumba
Assistant Accountant	Margaret A. Opiyo
Assistant Accountant	Josiah O. Bosire
Loans Officer	Rachel N. Wainaina
Loans clerk	Annastasia W. Wakaba
Office assistant	Euster M. Misigo.

REGISTERED OFFICE

Anniversary Towers 3rd Floor, University way
P.o Box 61055-00200
NAIROBI

AUDITORS: Nairobi City County Co-operative Audit

BANKERS: The Co-operative Bank (K) Ltd, University Way Branch.

INSURERS: APA Insurance Company Limited

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FOR THE YEAR ENDED 31 DECEMBER 2019
REPORT OF THE BOARD OF MANAGEMENT

The members of the Board of management submit the annual report together with audited financial statements for the year ended 31 December 2019

Incorporation

The Society is incorporated in Kenya under the Cooperative Societies Act Cap 490 and is domiciled in Kenya.

Principal Activity

The principal activity of the Society continues to be receiving savings from and provision of loans to its members.

Results

	<u>2019</u>	<u>2018</u>
	<u>Kshs.</u>	<u>Kshs.</u>
Surplus/(Deficit) before tax	48,181,236	27,504,825
Income tax expense	(735,996)	(7,554)
Net surplus/Deficit after tax	47,445,240	27,497,271
Retained surplus for the year	36,356,192	20,647,817
Interest on members deposit	198,825,660	163,761,920

The Board of Management proposes to pay interest on members deposit at the rate of 13.5 % compared to 13% in 2018, and 20% Dividend on share capital subject to members approval at General Meeting.

The members of the management board who served during the year and to the date of this report is as listed on page 1

By order of the Management Board

Signature  Date 3 February, 2020

Secretary

UKAGUZI CO-OPERATIVE SAVINGS & CREDIT SOCIETY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

STATISTICAL DATA AS AT 31 DECEMBER 2019

	<u>2019</u>	<u>2018</u>
Number of Active Members at beginning of year	1,908	1,707
Number of Dormant Members	(5)	(12)
New Entrants	119	231
Exit(Through Resignation/Retirement)	(31)	(11)
Exit(As a Result of Death)	(2)	(7)
Number of Active Members at end of year	1,989	1,908
	Kshs.	Kshs.
Share Capital	19,677,200	4,215,000
Members' Deposits	1,472,660,106	1,315,652,403
Loans to members	1,718,199,223	1,542,085,358
Reserves	107,996,997	62,151,757
Other Financial Assets	43,456,906	21,222,115
Current Assets	195,434,425	130,916,494
Current Liabilities	357,639,036	313,366,846
Total Assets	1,957,973,338	1,695,386,006
Turnover	289,669,999	230,031,745
KEY RATIOS		
Liquidity Ratio	0.55:1	0.42:1
Interest on members deposits	13.50%	13.00%
CAPITAL ADEQUACY RATIO		
Core capital /total asset (10%)	4.30%	2.70%
Core capital/Total Deposit (10%)	5.70%	3.40%
Institutional Capital/Total Asset (8%)	3.30%	2.40%
EFFICIENCY RATIOS		
Percentage of expenses to Revenue	83.00%	88.00%
Percentage of interest on members deposits to revenue	69.00%	73.70%

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UKAGUZI CO-OPERATIVE SAVINGS & CREDIT SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
STATEMENT OF THE BOARD OF MANAGEMENT RESPONSIBILITIES

The Co-operative Societies Act, Cap 490 requires the board of management to prepare financial statements for each year which give a true and fair view of the affairs of the society at the end of the financial year and of its operating results for that year in accordance with the International Financial Reporting Standards. It also requires the board of management to ensure that the society keeps proper accounting records which disclose with reasonable accuracy, the financial position of the society. They are also responsible for safeguarding the assets of the society and ensuring that the business of the society has been conducted in accordance with its objectives, by-laws and any other resolutions made at the society's general meeting.

The board of management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates in conformity with the International Financial Reporting Standards and in the manner required by the Co-operative Societies Act, Cap 490. The board of management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results in accordance with the International Financial Reporting Standards. The Board of Management further accepts responsibility for the maintenance of the accounting records, which may be relied upon on the preparation of the financial statements as well as adequate systems of internal financial control.

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

Approved by the management committee on 3 FEBRUARY, 2020 and signed on its behalf by:

Chairman 

Committee Member 

Committee Member 

CS/2234 UKAGUZI SAVINGS AND CREDIT CO-OPERATIVE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR 2019

Report of the Independent Auditor to the members of UKAGUZI Sacco Society Limited

Opinion.

We have audited the accompanying financial statements of UKAGUZI SACCO Society Limited, which comprise the statement of financial position as at 31 December 2019, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Co-operative Societies Act.

Key Audit Matters

Key audit matters are those matters that in our professional judgement 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 and we do not provide a separate opinion on those matters.

Management committee's responsibility for the financial statements

The management committee of the Society are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Co-operative Act, and for such internal control as the management committee may determine is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent 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 as to whether the financial statements are free of 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 the 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.

Report on other legal requirements

As required by the Kenyan cooperative societies Act we report to you that the financial statements are in agreement with the books kept by the society and that, based on our audit, nothing has come to our attention that causes us to believe that the society's business has not been conducted:

(A) In accordance with the provisions of the Cooperative Societies Act.

(B) In accordance with the Co-operatives objectives, by-laws and any other resolutions made by the Society at a general meeting.

For and on behalf of

MINISTRY OF INDUSTRY, TRADE AND CO-OPERATIVES


CPA BETTY C RONO

DEPUTY COUNTY DIRECTOR CO-OP AUDIT

NAIROBI CITY COUNTY

Date.....17/2/2020.....

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UKAGUZI CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2019.

	NOTES	2019 KSHS	2018 KSHS
<u>REVENUE</u>			
Interest on loans to members	2	272,993,103	221,054,991
Other interest income	3	5,836,332	1,375,243
Interest Expense	4	(209,672,229)	(169,598,775)
NET INTEREST INCOME		69,157,206	52,831,459
Other Income	5	10,840,564	7,601,511
NET REVENUE		79,997,770	60,432,970
Administrative Expenses.	6	(20,248,086)	(18,585,851)
Other Operating Expenses	7	(7,633,008)	(14,342,294)
NET SURPLUS/(DEFICIT) BEFORE INCOME TAX		52,116,676	27,504,825
Provision for Tax	8	(735,996)	(7,554)
NET SURPLUS/DEFICIT AFTER TAX		51,380,680	27,497,271
Less 20% Statutory Reserve Fund		(10,276,136)	(5,499,454)
Surplus available for distribution		41,104,544	21,997,817
Less Provision for Honoraria		(1,200,000)	(1,000,000)
Less Provision for Staff Bonus		(400,000)	(350,000)
Surplus to Retained Earnings		39,504,544	20,647,817

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2019

ASSETS	NOTES	2019 KSHS	2018 KSHS
Cash and Cash Equivalent	9	183,519,683	118,745,955
Prepayments & sundry debtors	10	5,107,598	4,156,463
Trade and other receivables	11	6,807,144	8,014,076
Loans to Member's	12	1,718,199,223	1,542,085,358
Other Financial Assets	13	43,456,906	21,222,115
Property, Plant and Equipment	14(a)	628,284	718,039
Software	14(b)	254,500	444,000
TOTAL ASSETS		1,957,973,338	1,695,386,006
LIABILITIES			
Members deposits	15	1,472,660,106	1,315,652,403
Interest on Members Deposits	16	214,899,653	179,835,913
Dividend on Share Capital	17	3,935,440	-
Trade and other Payables	18a	13,588,574	10,569,881
Sundry Creditors	18b	11,743,354	16,709,858
Benevolent Fund	19	40,022,735	35,342,931
Special Deposits	20	70,017,313	67,595,846
Other Savings	21	3,431,967	3,312,417
TOTAL LIABILITIES		1,830,299,142	1,629,019,249
SHAREHOLDERS FUND			
Share Capital	22	19,677,200	4,215,000
Reserves	23	107,996,997	62,151,757
TOTAL SHAREHOLDERS FUND		127,674,197	66,366,757
TOTAL LIABILITIES & SHAREHOLDERS FUNDS		1,957,973,338	1,695,386,006

Auditor's Report Attached

The financial statements on page 6 to 16 were approved and signed by management

CHAIRMAN [Signature] B/MEMBER [Signature]

TREASURER [Signature] DATE 3 FEBRUARY, 2020



UKAGUZI CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2019
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DEC 2019

	NOTES	SHARE CAPITAL	RETAINED EARNINGS	STATUTORY RESERVE	CAPITAL RESERVE	TOTAL EQUITY
		kshs	kshs	kshs	kshs	kshs
As at 1st Jan 2018		3,591,000	17,419,419	10,342,660	8,242,407	39,595,486
Prior year adjustments						-
Adjusted Balance		3,591,000.00	17,419,419.10	10,342,659.55	8,242,407.00	39,595,485.65
Total recognized Loss/Income 2018			27,497,271			27,497,271
Statutory Fund			(5,499,454)	5,499,454		-
Provision of Honoraria/ Staff Bonus			(1,350,000)			(1,350,000.00)
Transfer to share Capital Reserve			(8,983,182)		8,983,182	-
Issue of Share Capital		624,000.00				624,000.00
At the end of the year 2018		4,215,000.00	29,084,054	15,842,114	17,225,589	66,366,757
As at 1st Jan 2019		4,215,000.00	29,084,054	15,842,114	17,225,589	66,366,757
Total recognized surplus 2019			51,380,680			51,380,680
Net gain/losses recognized directly in equity						-
Statutory Reserve Fund			(10,276,136)	10,276,136		(1,600,000)
Provision of Honoraria/ Staff Bonus			(1,600,000)			-
Transfer to Capital Reserve			(12,369,388)		12,369,388.00	(3,935,440)
Dividend on Share Capital			(3,935,440)			15,462,200
Issue of Share Capital		15,462,200.00				127,674,197
At the end of the year 2019		19,677,200.00	52,283,770	26,118,250	29,594,977.00	127,674,197

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CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2019

	Notes	2019 KSHS	2018 KSHS
<u>CASHFLOW FROM OPERATING ACTIVITY</u>			
Interest Receipts		272,993,103	221,054,991
Other income		416,552	618,329
Interest Expenses	16/4	(174,608,489)	(135,462,397)
Payments to Employees & Suppliers		(25,286,788)	(23,100,241)
		73,514,378	63,110,682
<u>Increase /Decrease in Operating Assets</u>			
Loans to Member's		(176,113,865)	(124,038,429)
Prepayment and Sundry Debtors		(951,135)	(707,224)
Trade and other receivables		1,206,932	(2,256,902)
		(175,858,067)	(127,002,555)
<u>Increase /Decrease in Operating Liabilities</u>			
Deposits from Member's		157,007,703	53,443,485
Increase in BBF		4,679,804	4,245,702
Increase in Special deposits		2,421,467	16,790,582
Other Savings		119,550	(145,182)
Trade and Other Payables		(1,427,354)	(1,427,698)
Sundry Creditors		(4,966,504)	16,219,858
		157,834,665	89,126,747
NET CASHFLOW FROM OPERATIONS		55,490,976	25,234,874
<u>CASHFLOW FROM INVESTING ACTIVITIES</u>			
Purchase of Assets		(205,000)	-
Proceeds from Disposal of Assets		-	-
Dividends from investments		10,424,012	6,983,182
Interest Income		5,836,332	1,375,243
Purchase of Shares		(22,234,791)	(12,170,672)
NET CASHFLOW FROM INVESTING ACTIVITY		(6,179,447)	(3,812,247)
<u>CASHFLOW FROM FINANCING ACTIVITY</u>			
Share Capital Contributions		15,462,200	624,000
NET CASHFLOW FROM FINANCING ACTIVITY		15,462,200	624,000
NET CHANGES IN CASH AND CASH EQUIVALENT		64,773,729	22,046,627
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		118,745,955	96,699,329
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		183,519,683	118,745,956

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UKAGUZI CO-OPERATIVE SAVINGS & CREDIT SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Statement of compliance & basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards. Financial statements are presented in the local functional currency, Kenya shillings (Kshs) and prepared under historical cost convention method, as modified by revaluation of certain assets as prescribed by IFRSs.

(b) Adoption of new and revised international Financial reporting Standards (IFRSs)

i. New and revised standards effective -IFRS 9 Financial Instruments

At the date of authorization of these financial statements, various new and revised standards and interpretation were issued and effective. Except for the revised version of IFRS 9, Financial instruments which were issued in 2014 and becoming effective on 1st January 2018, none of them has had an effect on the Saccos Financial statements.

ii. Impairment -Financial assets

IFRS 9 replaces the 'Incurred Loss' model in IAS 39 with forward-looking 'Expected Credit Loss' (ECL) model. This model requires consideration judgement about how economic factors affect ECLs, which should be determined on a probability-weighted average basis.

Under IFRS 9, Impairment allowance will be measured on either of the following bases:

a) 12 months ECLs: these are ECLs that result from possible default events within the 12 months after the reporting.

b) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risks of a financial asset at the reporting date has increased significantly since initial recognition and 12 month ECL measurement applies if it has not. An entity may determine that a financial asset's risk has not increased significantly if the asset has low credit risk at the reporting date. The Society has adopted 12 months ECL measurement.

CREDIT IMPAIRMENT

CLASSIFICATION		PORTFOLIO	PROVISION AMOUNTS
1 Performing-0-30	0.50%	1,684,101,091	8,420,505
2 Watch-31-90 days	5%	16,148,475	807,424
3 Substandard-91-180 Days	25%	2,847,444	711,861
4 Doubtful- over 181-360 Days	50%	286,448	143,224
5 Loss- Considered uncollectible	100%	1,099,764	1,099,764
TOTALS		1,718,199,223	11,182,778

(b) Revenue recognition

Interest on loans to members is charged on a monthly basis on reducing balance at the rate of 1% per month for loans up 48 months, 1.08% per month for 60 months and 1.17% per month for 72 months.

(c) cash and cash equivalents

Cash and cash equivalents comprise cash in 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 insignificant risk of changes in value.

UKAGUZI CO-OPERATIVE SAVINGS & CREDIT SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2019

(d) Property, plant and equipment

Depreciation is calculated at an annual rate estimated to write off each asset over a period of time. Office Equipment and Furniture have been depreciated at 12.5% p.a on reducing balance over its economic useful life. Computers, Printers & Software have been depreciated at 30% p.a on straight-line basis

(e) Statutory Reserve Fund:

Transfers are made to the Statutory Reserve Fund at a rate of 20% of the Net Operating Surplus in accordance with Section 47(1) of the Co-operative Societies (Amendment) Act 2004. A bank account is maintained for the same.

2. INTEREST ON LOANS TO MEMBERS: Ksh272,993,102.8

LOAN DURATION	INTEREST EARNED	
	2019	2018
	Kshs.	Kshs.
Upto 48 months	101,606,984	88,859,892
60 month's	40,325,722	39,011,893
72 month's	131,060,397	93,183,206
TOTALS	272,993,103	221,054,991

UKAGUZI CO-OPERATIVE SAVINGS & CREDIT SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2019

3.OTHER INTEREST INCOME	2019	2018
	Kshs.	Kshs.
Interest from call deposit	-	1,375,243
Interest from CIC Unit trust	5,300,221	
Interest From KUSCCO LTD	536,111	
	5,836,332	1,375,243

4. INTEREST & DIVIDEND EXPENSE

Interest on Members Deposit.	198,825,660	163,761,920
Interest on Christmas Savings	1,044,450	880,893
Interest on B.B.F Loan	1,838,031	1,707,529
Interest on Education Savings	700,041	489,319
Interest on Special Deposits	7,264,047	2,759,114
TOTAL	209,672,229	169,598,775

5.OTHER INCOME

Entrance Fees	278,000	462,000
Coop Bank Dividend	10,369,388	6,983,182
Rebates from KUSCCO LTD	32,299	32,299
Dividend from CODIC	54,624	-
Commission from CIC	106,253	124,030
Totals	10,840,564	7,601,511

6.ADMINISTRATIVE EXPENSES**I.Staff expenses**

Salaries & Wages	4,133,560	3,865,309
Casual Labour Expenses	4,200	193,200
Pension Expenses	362,059	325,762
House Allowances	1,620,000	1,540,000
Special Duty Allowances	11,893	112,040
N.S.S.F Expenses	14,400	12,800
Staff Training	514,535	308,840
Travelling Expenses	106,000	197,500
Commuter Allowances	780,000	601,000
Extraneous allowance	756,000	724,000
Staff Medical Allowance	426,825	410,425
Uniform & Clothing	-	22,500
Leave Allowances	244,591	239,000
Staff Insurance Expenses	278,346	271,970
Other Staff expenses (Contingency)	125,950	-
Sub-Totals	9,378,359	8,824,346

UKAGUZI CO-OPERATIVE SAVINGS & CREDIT SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
<u>II. Operating Expenses</u>	KSHS	KSHS
Depreciation	89,755	282,577
Amortization	394,500	333,000
Repairs & Maintenance	7,050	33,600
Transport	128,471	74,295
Renovation	28,000	48,990
Sub-Totals	647,776	772,462
<u>III. Professional Expenses</u>		
Internet/ Website Expenses	512,340	221,040
Software Support Expenses	224,500	162,000
Payroll Processing Expenses	107,952	105,937
Audit Fees	63,000	63,000
Supervision Fees	6,300	6,300
Recoverable Expenses	500	500
Legal fees	-	-
Sub-Totals	914,592	558,777
<u>IV. Committee Expenses</u>		
Committee Sitting Allowance	2,375,188	2,294,829
Education to Committee	385,000	417,800
Management Contingency	-	-
Sub-Totals	2,760,188	2,712,629
<u>V. Members Expenses</u>		
General Meeting Expenses	3,351,169	3,285,772
Ushirika Day Celebrations	689,560	259,000
Affiliation fees	-	50,000
Education to Members	974,535	969,040
Subsistence/Travelling Exp	133,200	-
Sub-Totals	5,148,464	4,563,812
<u>VI. Office Expenses</u>		
Printing & Stationery	612,314	493,206
Postage & Telephone	97,682	133,045
Office Expenses	688,711	527,574
Sub-Totals	1,398,707	1,153,825
GRAND TOTAL	20,248,086	18,585,851
<u>7. OTHER OPERATING EXPENSES</u>		
Bank Charges	414,774	629,378
Provision for credit Impairment	2,040,251	9,142,527
Insurance Premiums	5,177,983	4,570,389
TOTAL	7,633,008	14,342,294

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ANNUAL REPORT AND FINANCIAL STATEMENTS
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	Kshs.	Kshs.
8. PROVISION FOR TAX:		
Commission from CIC	106,253	124,030
Interest from CIC	5,300,221	-
	-	-
Gross Income	5,406,474	124,030
Taxable Income [50% of Gross]	2,703,237	62,015
Charge for the Year [30% of Taxable Income]-Less W/T	735,996	7,554
9. CASH AND CASH EQUIVALENT:		
Co-op Bank - B.B Fund - Savings Account	17,168	3,719,628
Cash In Hand (Verified)	20,943	28,025
Office/Branch Imprest	6,365	6,365
Co-op Bank -SRF Savings A/C	5,268,860	4,848,859
M.PESA Pay Bill 691244	417,492	-
Co-op Bank - Current A/C	12,584,265	65,208,863
Co-op bank -Call Deposit and interest	-	42,895,050
M.Pesa Pay bill-577322	448,233	2,039,165
CIC Unit Trust savings-Society	114,214,679	-
-BBF Fund	40,005,567	-
KUSCCO Savings	10,536,111	-
TOTAL	183,519,683	118,745,955
10. PREPAYMENTS & SUNDRY DEBTORS		
Insurance Prepayments	5,107,598	4,156,463
	5,107,598	4,156,463
11. TRADE & OTHER RECEIVABLES		
Debtors [Employer-Appendixes II]	6,807,144	8,014,076
Debtors [defaulted Loans]	-	-
TOTAL	6,807,144	8,014,076
12. LOANS TO MEMBERS:		
Balances as per Ledger	1,718,199,223	1,542,085,358
Balances as per Members' Statements	1,718,199,223	1,542,085,358
Variance		
Balance b/f	1,542,085,358	1,418,046,928
Loans disbursed	1,127,533,048	992,962,536
Repaid in the year	(951,419,183)	(868,924,106)
Outstanding Loan	1,718,199,223	1,542,085,358
13. OTHER FINANCIAL ASSETS:		
Co-op. Holdings Class A 7,611,464 Shares of @1/=	40,207,163	19,526,924
KUSCCO Ltd 6550.92 shares of 100/= each	679,986	679,986
Shares in Ukaguzi housing	500,000	500,000
Codic 2000 Shares@ 1000/= each	2,069,757	515,205
TOTAL	43,456,906	21,222,115

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14(a). PROPERTY PLANT & EQUIPMENT

Depreciation is calculated at an annual rate estimated to write off each Office Equipment and Furniture have been depreciated at 12.5% p.a on reducing balance over its useful life.

Computers, & Printers have been depreciated at 30% p.a on straight-line basis as below:-

	Furniture & Equipment Kshs.	Computers, Printers & Accessories Kshs.	TOTAL Kshs.
Cost as at 01.01.19	1,891,905	3,091,897	4,983,802
Additions:	-	-	-
Disposal	-	-	-
As at 31.12.19	1,891,905	3,091,897	4,983,802

ACCUMULATED DEPRECIATION

Accumulated as at 01.01.19	1,173,866	3,091,897	4,265,763
Charge for the year	89,755	-	89,755
Total Accumulated as at 31.12.19	1,263,621	3,091,897	4,355,518
N.B.V as at 31.12.19	628,284	-	628,284
N.B.V as at 31.12.18	718,039	-	718,039

14. (b) SOFTWARE

Software has been amortized at 30% p.a on straight-line basis as below

	KSHS
Cost as at 01.01.2019	1,110,000
Additions	205,000
As at 31.12.2019	1,315,000

ACCUMULATED AMORTIZATION

Accumulated as at 01.01.2019	666,000
Charge for the year	394,500
Accumulated as at 31.12.2019	1,060,500
N.B.V as at 31.12.2019	254,500
N.B.V as at 31.12.2018	444,000

15. MEMBERS' DEPOSITS:

	2019 Kshs	2018 Kshs
Balances as per Ledger	1,472,660,106	1,315,652,403
Balances as per Members' Statements	1,472,660,106	1,315,652,403
Variance	-	-
Balance b/f	1,315,652,403	1,262,208,918
Deposits in the year	120,208,500	36,824,830
Capitalised Interest for the year	36,799,202	16,618,655
Closing balance	1,472,660,106	1,315,652,403

16. INTEREST ON MEMBERS DEPOSITS

Bal b/d	179,835,913	145,699,535
Provision for the year	198,825,660	163,761,920
Paid	(163,761,920)	(129,625,542)
Bal c/f	214,899,653	179,835,913

17. DIVIDEND ON SHARE CAPITAL

Provision for the Year	3,935,440	-
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18(a) TRADE & OTHER PAYABLES

Proposed Honoraria	1,200,000	1,000,000
Proposed Staff Bonus	400,000	350,000
Provision for credit Impairment	11,182,778	9,142,527
Audit and Supervision Fees	69,800	69,800
Provision for Tax	735,996	7,554
Total	13,588,574	10,569,881

18(b) SUNDRY CREDITORS

Ex-Members' Deposits	11,743,354	16,709,858
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19. BENEVOLENT FUND

BENEVOLENT FUND ACCOUNT AS AT 31 DECEMBER 2019

	NOTES	2019 <u>KSHS.</u>	2018 <u>KSHS.</u>
Fund balance b/f		35,342,931	31,097,229
<u>ADD:</u>			
Contributions for the Year		3,934,550	3,952,559
Interest on loan to Society		1,838,031	1,707,529
TOTAL FUND		<u>41,115,512</u>	<u>36,757,316</u>
<u>LESS:</u>			
Funeral Claims	A	(755,000)	(1,145,000)
Refunds	B	(337,777)	(269,385)
Net Accumulated Fund		<u>40,022,735</u>	<u>35,342,931</u>
<u>REPRESENTED BY:</u>			
Cash in Bank		17,168	3,719,628
CIC Unit Trust Account	C	40,005,567	-
Society's Current a/c		-	31,623,303
TOTAL		<u>40,022,735</u>	<u>35,342,931</u>

NOTE A: FUNERAL CLAIMS

The Fund pays Kshs. 65,000.00 upon death of a contributor and Kshs. 40,000.00 upon death of a named Next-of-kin. The figure represents payments made during the year.

NOTE B: REFUNDS

The figure represents refunds made to members who were retired or resigned from the Society.

NOTE C: DEBTORS (Society)

This represents contributions pending transfer from the CIC Unit trust account to the BBF savings account.

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20.MEMBERS SPECIAL DEPOSITS

	<u>2019</u> <u>KSHS.</u>	<u>2018</u> <u>KSHS.</u>
Balance C/f	67,595,847	50,805,265
Add receipts	25,266,900	20,384,695
	92,862,747	71,189,960
Less refunds	(22,845,434)	(3,594,113)
Balance C/F	<u>70,017,313</u>	<u>67,595,847</u>

This relates to amounts deposited by members for a minimum period of 6 Months maintained in our current account. This attracts an interest payable to depositor when due.

21.OTHER SAVINGS

Christmas Savings Scheme	2,080,192	1,932,341
Education Savings Scheme	1,351,775	1,380,076
	<u>3,431,967</u>	<u>3,312,417</u>

22. SHARE CAPITAL:

Balances as per Ledger	19,677,200.00	4,215,000.00
Balances as per Members' Statements	19,677,200.00	4,215,000.00
Variance	-	-

Balance b/f	4,215,000	3,591,000
Shares Issued During the Year	15,462,200	624,000
Closing balance	<u>19,677,200</u>	<u>4,215,000</u>

23.RESERVES

Statutory reserve	25,331,162	15,842,114
Capital reserve	29,594,977	17,225,589
Retained Earnings	53,070,858	29,084,054
Total	<u>107,996,997</u>	<u>62,151,757</u>

UKAGUZI CO-OPERATIVE SAVINGS & CREDIT SOCIETY LIMITEDAPPENDIXES IIDEBTORS (EMPLOYER ACCOUNT)

At the closure of the year the following employers had not remitted members' contributions. The same have been posted to the members' personal accounts:

EMPLOYERAMOUNTKSHS

STATE DEPARTMENT FOR INFRASTRUCTURE	20,385
STATE DEPARTMENT FOR PUBLIC SERVICE	48,378
STATE DEPARTMENT FOR DEVOLUTION	104,020
NATIONAL ENVIRONMENT MGT. AUTHORITY	47,392
COMPETITION AUTHORITY OF KENYA	202,436
UAP INSURANCE	96,000
NATIONAL HOSPITAL INSURANCE FUND	247,400
MAKUENI COUNTY	23,401
STATE DEPARTMENT FOR SPORTS	33,990
MINISTRY OF ENVIRONMENT AND FORESTRY	61,004
NATIONAL YOUTH SERVICE	20,990
KENYATTA NATIONAL HOSPITAL	5,641,741
WATER SERVICE REGULATORY AUTHORITY	113,911
NATIONAL WATER	55,700
ICT AUTHORITY	20,200
NATIONAL SOCIAL SECURITY AUTHORITY	69,000
KISII COUNTY	1,195
TOTAL	6,807,144