



REPUBLIC OF KENYA
NAIROBI CITY COUNTY

MINISTRY OF INDUSTRIALIZATION
ENTERPRISE DEVELOPMENT
MAIN REGISTRY
16 FEB 2017

PO Box 30547-00100
GPO, NAIROBI, KENYA.

CS/NO 9158

KINGA

CO OPERATIVE SOCIETY LIMITED
BALANCE SHEET & FINAL ACCOUNTS

AS AT 31ST DECEMBER, 2016

Ministry of Industry, Trade & Cooperatives,

Department of Co operative Development

P.O. Box 40811 – 00100,

Tel. 2731531-9

Fax 2731511/2731507/0730080

Website: www.cooperative.go.ke

NAIROBI

**9158 KINGA SACCO LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2016**

SOCIETY INFORMATION

CMC Members

1 Oscar Ochieng	Chairman
2 Bibianah Wanjiru	Vice- Chair
3 Nancy Kwama	Treasurer
4 Caroline Mukuhi	Secretary
5 Sakina Kerre	Member
6 James Mwangi	Member
7 Benedict Chesire	Member
8 Robert Githungo	Member
9 Caroline Mbugua	Member

Supervisory Committee

1 Richard Masai	Chairman
2 Rahab Mbogo	Secretary
3 George Okoth	Member

Registered office

Jumuia Place Lenana Road
P.O.BOX 22591-00400
Nairobi

Principal Bankers

Cooperative Bank - University Way branch

Auditors

Ministry of Industry, Trade & Co operatives
P.O.BOX 30547-00100,
NAIROBI.

9158 KINGA SACCO LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

Report of the Management Committee

The members of the management committee submit their annual report together with the audited financial statement for the year ended 31/12/2016

Incorporation.

The society is incorporated in Kenya under the Co-operative Society Act, Cap 490 and is domiciled in Kenya.

Principal Activity

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

Results


	2016	2015
	KES	KES
Surplus before Tax	2,066,722.64	1,416,540.36
Surplus after Tax	2,066,722.64	1,416,540.36
Retained Surplus for the year	233,128.11	188,382.36

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

Auditors

The auditors of the year, Ministry of Industrialization and Enterprise Development express their willingness to continue in office.

By order of Management Committee

Signature.......... Date.....14/02/2017.....
Secretary.

9158 KINGA SACCO LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2016
STATISTICAL INFORMATION

		31.12.2016	31.12.2015
Number of members	Active	218	229
	Dormant	-	-
Members deposits		88,951,185.24	89,652,821.18
Share capital		2,909,000.00	2,699,000.00
Loans to members		92,244,268.48	91,176,076.42
Statutory reserves		6,994,494.55	6,581,150.02
Retained earnings		1,124,404.53	921,276.42
Current assets		7,368,607.05	14,966,368.45
Current liabilities		11,038,132.66	9,819,972.65
Turnover		13,302,054.14	11,909,766.92
KEY RATIOS			
Liquidity ratio		0.65:1	1.52:1
Percentage of expense to revenue		13.01%	14.17%
Interest on member deposits(on pro-rata basis)		11.91%	10.64%


**CS/NO 9158 KINGA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD.
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2016.**

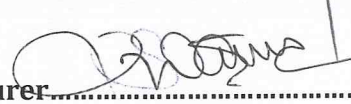
STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES

The Co-operative Societies Act requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its operating results for that year in accordance with IFRS. It also requires the Management Committee to ensure that the Society keeps proper accounting records, which disclose, with reasonable accuracy, at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and ensuring that the business has been conducted in accordance to its objectives, bylaws and any other resolutions made at the society's general meeting.

The Management Committee accepts responsibility for the Annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in a manner required by the Co-operative Societies Act cap 490. The Management Committee 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 its operating results in accordance with IFRS. The Management Committee further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of Internal Financial Control.

Nothing has come to the attention of the Management Committee 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 14-02-17 and signed on its behalf by

Chairman OSCAR OCHIENG  14/02/2017

Treasurer 

Secretary 

Date 14TH FEBRUARY 2017

CS/NO 9158 KINGA SAVINGS CO-OPERATIVE SOCIETY LTD.
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2016
REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KINGA CO-OPERATIVE
SOCIETY LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of KINGA SACCO set out on page 6-13 which comprise the balance sheet, as at 31st December 2016, income statement, statement of changes in equity and cash flow for the year then ended and summary of significant accounting policies and other explanatory notes.

THE MANAGEMENT COMMITTEE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of Kenya Cooperative Societies Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements and that they are free from material misstatement whether due to fraud or error selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Kenya Cooperative Societies Act also requires the management to ensure that the society maintains proper books of accounts which are in agreement with the balance sheet and the profit and loss account.

AUDITORS RESPONSIBILITY

Our responsibility is to express an independent opinion on the financial statements based on our Audit. We conducted our Audit in accordance with the International Auditing standards. These standards require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance 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 assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the society'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 society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee as well as an evaluation of the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements give a true and fair view of the state of the society's financial affairs as at 31st December 2016 and results of its operations and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Kenya Cooperative Societies Act.


REPORT ON OTHER LEGAL REQUIREMENTS.

As required by the Kenya 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; and
- (b) In accordance with the Cooperatives objectives, by-laws and any other resolutions made by the Society at a general meeting.

For and on behalf of

MINISTRY OF INDUSTRY, TRADE & CO OPERATIVES


CPA JULIUS N KARINA
AG. COUNTY DEPUTY DIRECTOR CO-OP AUDIT.
NAIROBI CITY COUNTY

DATE... 10/02/2017

9158 KINGA SACCO LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

INCOME STATEMENT FOR THE YEAR ENDED 31ST DEC 2016

	Notes	2016 Kshs.	2015 Kshs.
REVENUE			
Interest on loans		10,919,815.85	11,490,773.16
Other Interest Income	8c	294,935.04 ✓	70.92
Interest expense	8a	(9,504,320.00) ✓	(8,805,650.00)
Net Interest Income		1,710,430.89	2,685,194.08
Other Operating Income	8b	2,087,303.25 ✓	418,922.84
Net Revenue		3,797,734.14	3,104,116.92
Administration expenses	3	(1,674,775.00) ✓	(1,632,911.06)
Other operating expenses	4	(56,236.50) ✓	(54,665.50)
Net operating surplus/loss before tax		2,066,722.64	1,416,540.36
Net operating surplus/loss after tax		2,066,722.64 ✓	1,416,540.36
20% Transfer to Statutory Reserve		(413,344.53) ✓	(283,308.00)
Surplus available for distribution		1,653,378.11	1,133,232.36
Provision for honoraria/Staff bonus		(693,000.00) ✓	(540,000.00)
Proposed dividends		(727,250.00) ✓	(404,850.00)
Surplus/Loss to retained earnings		233,128.11 ✓	188,382.36

9158 KINGA SACCO LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016
BALANCE SHEET AS AT 31 DEC 2016

	Notes	31.12.2016 Kshs.	31.12.2015 Kshs.
Assets			
Cash and cash equivalent	5	7,349,457.05	14,966,368.45
Trade and other receivables	16	19,150.00	-
Loans to members	6	92,244,268.48 ✓	91,176,076.42
Other financial assets	7	12,016,466.45 ✓	4,210,595.40
Property, plant & equipment	2	87,875.00	21,180.00
Total Assets		<u>111,717,216.98</u>	<u>110,374,220.27</u>
Liabilities			
Member deposits	9	88,951,185.24 ✓	89,652,821.18
Trade & Accrued expenses	10	810,882.66 ✓	615,122.65
Interest on deposits	11	9,500,000.00 ✓	8,800,000.00
Proposed dividends	12	727,250.00 ✓	404,850.00
Total liabilities		<u>99,989,317.90</u>	<u>99,472,793.83</u>
Shareholders' Fund			
Share Capital	13	2,909,000.00 ✓	2,699,000.00
Reserves	14	8,818,899.08 ✓	8,202,426.44
Total Shareholders' Fund		<u>11,727,899.08</u>	<u>10,901,426.44</u>
Total Equity and Liabilities		<u>111,717,216.98</u>	<u>110,374,220.27</u>



The financial statement on pages 6 - 13 were authorised for issue by the management committee

on 14.02.17 and signed on behalf by

Chairman.....

Committee Member.....

Committee Member.....



9158 KINGA SACCO LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2016

	Share Capital KES	Retained Earning KES	Statutory Reserve KES	General KES	Total KES
Changes in equity in 2015					
At start of the year	2,459,000.00	732,894.06	6,297,842.02	700,000.00	10,189,736.08
Surplus for the year		1,416,540.36			1,416,540.36
20% Statutory reserve		(283,308.00)	283,308.00		-
Share capital issue	240,000.00				240,000.00
Proposed Dividends		(404,850.00)			(404,850.00)
Provision for Honoraria		(540,000.00)			(540,000.00)
As at 31st December 2015	2,699,000.00	921,276.42	6,581,150.02	700,000.00	10,901,426.44

Changes in equity in 2016

At Start of the year	2,699,000.00	921,276.42	6,581,150.02	700,000.00	10,901,426.44
Prior year adjustment (Note 15)		(30,000.00)			(30,000.00)
Surplus for the year		2,066,722.64			2,066,722.64
20% Statutory reserve		(413,344.53)	413,344.53		-
Share capital issue	210,000.00				210,000.00
Proposed Dividends		(727,250.00)			(727,250.00)
Provision for Honoraria		(693,000.00)			(693,000.00)
As at 31st December 2016	2,909,000.00	1,124,404.53	6,994,494.55	700,000.00	11,727,899.08

KINGA SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

STATEMENT OF CASH FLOWS

	31.12.2016	31.12.2015
<u>Cash flow from operating activities</u>		
Interest received on loans	10,919,815.85 ✓	11,490,773.16
Other operating income	1,270,360.45 ✓	138,425.84
Interest payments	(8,780,950.00) ✓	(7,481,852.51)
Payment to employees and suppliers	(1,661,806.50) ✓	(1,585,336.56)
Prior year adjustment (note 15)	(30,000.00) ✓	-
	1,717,419.80	2,562,009.93
<u>Increase/Decrease in operating assets</u>		
Loans to members	(1,068,192.06) ✓	(1,885,796.29)
Trade and other receivables	(19,150.00) ✓	-
	(1,087,342.06)	(1,885,796.29)
<u>Increase/Decrease in operating liabilities</u>		
Deposits from members	(701,635.94) ✓	13,184,859.98
Trade and other payables	(561,510.00) ✓	(509,570.00)
	(1,263,145.94)	12,675,289.98
Net cash from operating activities before tax	(1,263,145.94)	12,675,289.98
Net cash from operating activities after tax	(1,263,145.94)	12,675,289.98
<u>Cash Flow from investing activities</u>		
Purchase of property and equipment	(95,000.00) ✓	(275,565.40)
Other financial assets	(7,805,871.05) ✓	-
Interest received	294,935.04 ✓	70.92
Dividends received	816,942.80 ✓	280,497.00
Net cash from investing activities	(6,788,993.21)	5,002.52
<u>Cash flow from financing activities</u>		
Share capital contributions	210,000.00 ✓	240,000.00
Dividends paid	(404,850.00) ✓	(368,850.00)
Net cash from financing activities	(194,850.00)	(128,850.00)
Net(Decrease)/Increase in cash and equivalent	(7,616,911.40)	13,227,656.14
Cash and cash equivalent at the beginning of the year	14,966,368.45	1,738,712.31
Cash and cash equivalent at the end of the year	7,349,457.05 ✓	14,966,368.45

KINGA SACCO LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016
NOTES ON THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2016

Note 1 Summary of significant accounting policies

The principle accounting policies adopted in the preparation of these financial statements are set below:

(a) Statement of compliance & basis of preparation

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

(b) Statutory Reserve

Transfers are made to the statutory reserve fund at a rate of 20% of net operating surplus after tax provision of Section 47(1 & 20) of the Co-operative Society's Act Cap 490

(c) Trade and other payables

Trade and other payables are recognized initially at fair values and subsequently measured at amortised cost using the effective interest method

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value

Note 2 Property, Plant & Equipment

	Computer	Software	Total
Depreciation rate 30%			
Cost as at 01.01.2016	61,800.00	150,000.00	211,800.00
Additions	95,000.00	-	95,000.00 ✓
Accumulated depreciation			
As at 01.01.2016	55,620.00	135,000.00	190,620.00
Charge for the year	13,305.00	15,000.00	28,305.00
As at 31.12.2016	68,925.00	150,000.00	218,925.00
NBV as at 31.12.2015	6,180.00	15,000.00	21,180.00
NBV as at 31.12.2016	87,875.00	-	87,875.00 ✓

9158 KINGA SACCO LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

NOTES ON THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2016

Note 3 Administration expenses

AGM expenses	119,300.00	150,600.00
Salary & wages	396,000.00	282,000.00
Telephone & postage	17,100.00	30,255.00
Depreciation charge	28,305.00	63,540.00
Insurance	286,650.00	273,000.00
Managing Committee Allowances	600,500.00	566,500.00
Managing committee expenses	32,430.00	28,910.00
Miscellaneous expenses	-	21,737.06
Motor Vehicle Search Fee	-	500.00
Printing and stationery	24,692.00	2,070.00
KUSCCO Service fee	-	4,600.00
Software expense	29,498.00	37,299.00
Audit & Supervision fees	40,900.00	38,700.00
Supervisory committee allowance	66,000.00	55,000.00
Supervisory committee expense	3,600.00	2,700.00
Training costs	9,000.00	14,000.00
Travelling expenses	7,800.00	15,950.00
Legal costs	-	200.00
General expenses	13,000.00	5,200.00
Advertisement	-	10,150.00
Sitting allowance	-	30,000.00
	<u>1,674,775.00</u>	<u>1,632,911.06</u>

Note 4

Other operating expenses

	31.12.2016	31.12.2015
	Kshs.	Kshs.
Bank Charges	56,236.50	54,665.50

Note 5 Cash and cash equivalent

Co-op bank current account(reconciled)	7,219,490.75	14,836,402.15
Co-op bank MDL collateral account	119,966.30	119,966.30
Cash in hand (Verified)	10,000.00	10,000.00
	<u>7,349,457.05</u>	<u>14,966,368.45</u>

Note 6 Loans to members

Balance b/f	91,176,076.42	89,290,280.13
Issued during the year	55,004,272.82	51,827,549.00
Repayments	(53,936,080.76)	(49,941,752.71)
Balance c/f	<u>92,244,268.48</u>	<u>91,176,076.42</u>

KINGA SACCO LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

NOTES ON THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2016

Note 7	Other Financial assets	31.12.2016	31.12.2015
		Kshs.	Kshs.
	Co-op bank shares		
	Class "A" shares(4,000 shares @ 100.00)	400,000.00	400,000.00
	Class "B" shares(52,600 shares @ 9.50)	-	499,700.00
	CYTONN CASH MANAGEMENT SOLUTION	4,000,890.00	-
	FAULU KENYA LTD	4,000,000.00	-
	KUSSCO CFF	1,026,951.45	722,270.40
	KUSCCO Shares	2,588,625.00	2,588,625.00
		12,016,466.45	4,210,595.40

Note 8	a) Interest expense	31.12.2016	31.12.2015
		Kshs.	Kshs.
	Interest on deposits	9,500,000.00	8,800,000.00
	Interest on Holiday savings	4,320.00	5,650.00
		9,504,320.00	8,805,650.00

b) Other operating Income		31.12.2016	31.12.2015
	Co-op shares dividend Income	393,740.80	280,497.00
	CYTONN Cash Management Systems	316,969.55	-
	Profit on the sale of Co-operative Shares	563,491.00	-
	KUSCCO Dividend Income	423,202.00	-
	Insurance Rebates	305,800.00	-
	Entrance fees	31,000.00	24,000.00
	Miscellaneous Income	99.90	131.34
	Non-Interest Income(AGM & loan penalties plus others)	53,000.00	114,294.50
		2,087,303.25	418,922.84

N/B

Sale of 52,600 class B Co-op shares	1,063,191.00
Cost of the shares	499,700.00
Profit on sale	563,491.00

c) Other Interest income		31.12.2016	31.12.2015
	KUSCCO CFF interest	4,681.04	70.92
	Faulu fixed deposits Interest	290,254.00	-
		294,935.04	70.92

KINGA SACCO LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

NOTES ON THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2016

	31.12.2016	31.12.2015
Note 9 Member deposits	Kshs.	Kshs.
Opening balance	89,652,821.18	76,467,961.00
Contribution in the year	15,000,000.00	13,184,860.18
Refunds	(15,701,635.94)	-
Bal c/f	88,951,185.24	89,652,821.18
MPA	88,951,185.24	89,652,821.18
Difference	Nil	Nil
Note 10 Trade and other payables		
Audit & Supervision fees	40,900.00	38,700.00 ✓
Provision for Honoraria/Staff bonus	693,000.00	540,000.00 ✓
Unpaid Holiday Savings	12,240.00	-
Unclaimed interest on deposits	59,792.66	36,422.65
Withholding tax	4,950.00	-
	<u>810,882.66</u> ✓	<u>615,122.65</u>
Note 11 Interest on members deposits	9,500,000.00	8,800,000.00
Rate of Interest on members deposits (on pro-rata basis) net 5% WHT	11.91%	10.64%
The amount is payable on approval by the AGM.		
Note 12 Proposed dividends	727,250.00	404,850.00
Dividends rate at 25% net 5% Withholding tax .	25%	15%
The amount is payable on approval by the AGM.		
Note 13 Share Capital		
Bal b/f	2,699,000.00	2,459,000.00
Contribution during the year	210,000.00	240,000.00
Bal c/f	<u>2,909,000.00</u>	<u>2,699,000.00</u>
Note 14 Reserves(subj to change)		
Statutory reserve	6,994,494.55 ✓	6,581,150.02
Retained earnings	1,124,404.53 ✓	921,276.42
General reserve	700,000.00 ✓	700,000.00
	<u>8,818,899.08</u>	<u>8,202,426.44</u>
Note 15 PRIOR YEAR ADJUSTMENT		
Staff bonus paid though not provided in 2015	(30,000.00)	
	(30,000.00)	
Note 16 TRADE AND OTHER RECEIVABLES		
Debtors :KUSCCO	19,150.00	-