

Cs. 3061
CONCORDE SAVINGS & CREDIT
CO-OPERATIVE SOCIETY LIMITED

REPORT
AND
ACCOUNTS

AS AT

31ST DECEMBER 2019

KIBIEGO KIPTUM & CO.
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA
TRANSNATIONAL PLAZA, 5TH FLOOR-WING B,
MAMA NGINA STREET,
P.O. BOX 42790 – 00100
NAIROBI- GPO

Tel:020-2212515/2212491, Fax:2219962

Email: info@kibiegokiptum.co.ke

CS/3061 CONCORDE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

| TABLE OF CONTENTS | PAGE |
|--|--------------|
| SOCIETY INFORMATION..... | 1 |
| REPORT OF THE BOARD OF DIRECTORS..... | 2 |
| STATISTICAL INFORMATION..... | 3 |
| STATEMENT OF THE BOARD OF DIRECTORS RESPONSIBILITIES..... | 4 |
| REPORT OF THE INDEPENDENT AUDITOR | 5-7 |
| FINANCIAL STATEMENTS: | |
| STATEMENT OF COMPREHENSIVE INCOME | 8 |
| STATEMENT OF FINANCIAL POSITION | 9 |
| STATEMENT OF CHANGES IN EQUITY..... | 10 |
| STATEMENT OF CASH FLOWS..... | 11 |
| NOTES..... | 12-16 |

*CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Society Information*

BOARD OF DIRECTORS

Chairperson Rosemary Aseka
Vice Chairperson Stephen Kisaka
Hon. Secretary Constantine Mwanga
Treasurer Rachael Omollo
Board Member Janette Rubadiri
Board Member Patricia Onsando
Board Member Mumbi Mathenge
Board Member Remick Muga
Board Member Florence Ombewa

SUPERVISORY COMMITTEE

Chairperson Geoffrey Wesonga
Secretary Petrigona Ratemo
Member Jayne Ngugi

REGISTERED OFFICE

3rd Floor, Centenary House
Westlands, Nairobi

PRINCIPAL BANKERS

Co-operative Bank of Kenya Ltd.

AUDITORS

Kibiego Kiptum & Company
P.O. Box 42790 - 00100
NAIROBI

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Report of The Board of Directors

The Board of Directors submit their annual report together with the audited financial statements for the year ended 31st December 2019.

INCORPORATION

The Society is incorporated in Kenya under the Co-operative Societies Act Cap 490 of 1997 amended in 2004 and is domiciled in Kenya.

PRINCIPAL ACTIVITY

The principal activity of the Society is to receiving savings from and provision of loan to its members.

| RESULTS | 2019 | 2018 |
|-------------------------------|--------------|--------------|
| | Kshs. | Kshs. |
| Surplus before Tax | 5,665,974 | 7,285,547 |
| Net Surplus after Tax | 5,583,374 | 7,276,697 |
| Retained surplus for the Year | 1,394,284 | 1,500,487 |
| Interest on Members' Deposits | 50,460,351 | 45,500,000 |

The Board of Directors recommends interest on members' deposits to be paid at the rate of 8.5% (2018 - 8.5%).

BOARD OF DIRECTORS

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

By Order of the Board of Directors

Signature..... 

Secretary

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Statistical Information

| | 2019 | 2018 |
|--|-------------|-------------|
| | Kshs. | Kshs. |
| Number of members | | |
| Active | 1,882 | 1,671 |
| Dormant | 188 | 246 |
| FINANCIAL | | |
| Share Capital | 26,940,149 | 23,338,243 |
| Retained Earnings | 10,900,335 | 9,506,050 |
| Total Assets | 755,171,949 | 685,453,688 |
| Total Liabilities | 705,290,885 | 644,878,641 |
| Current Liabilities | 69,035,636 | 60,966,164 |
| Current Assets | 168,537,775 | 141,006,271 |
| Loans to Members | 583,930,033 | 541,884,087 |
| Members' Deposits | 636,255,249 | 583,912,477 |
| Interest On Members' Deposits | 50,460,351 | 45,500,000 |
| Total Revenue | 86,627,759 | 76,333,762 |
| Total Expenses | 30,501,434 | 23,548,215 |
| KEY RATIOS | | |
| Liquidity Ratio/Current Ratio | 1.25:1 | 1.04:1 |
| Dividend Rate | 0% | 10% |
| Interest on Deposits Rate | 8.5% | 8.5% |
| EFFICIENCY RATIOS | | |
| Expenses to Revenue | 35% | 31% |
| Interest on Members' Deposits to Revenue | 58% | 60% |

CS/3061 CONCORDE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

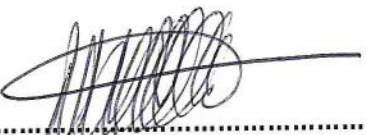
STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Co-operatives Societies Act No. 14 of 2008 requires the board of directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the society as at the end of the financial year and of its operating results for that year in accordance with IFRS. It also requires the board of directors 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 safe-guarding the assets of the society and ensuring that the business of the society has been conducted in accordance with its objective, by-laws and any other resolutions made at the society's delegates meeting.

The Board of Directors 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 the manner required by the Sacco Societies Act No.14 of 2008. The board of directors 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 IFRS. The board of directors further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate system of internal financial control.

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

Approved by the Board of Directors on^{5th} JUNE 2020.....and signed on its behalf
by:

Chairman.....

Treasurer.....

Secretary.....

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF CONCORDE SACCO SOCIETY LTD

Opinion

We have audited the accompanying financial statements of Concorde Sacco Society Limited, set out on pages 8 to 17 which comprise the statement of financial position as at 31st December 2019, and the 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 notes.

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 2019 and of the results of its performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of 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 Society in accordance with the **International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)**, and we have fulfilled our other ethical responsibilities in accordance with the **IESBA Code**. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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. We want to state the fact that the audit was carried out during the period of covid-19 pandemic and that our audit was conducted off site, our audit was based on the documents sent to us in soft copies only

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 in accordance with IFRSs, and for such internal control as 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 society'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 intends to liquidate the society or to cease operations, or have no realistic alternative but to do so.

CS/3061 CONCORDE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

Those charged with governance are responsible for overseeing the society'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 scepticism throughout the audit. We also:

- i) 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.
- ii) 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 Society's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) 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 Society'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 report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- v) 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.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

As required by the Sacco Societies Act No. 14 of 2008, we report to you that the financial statements are in agreement with the books of accounts 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:

- (i) In accordance with the provisions of the Sacco Societies Act.
- (ii) In accordance with Concorde Sacco Society's objectives, by-laws and any other resolutions made by the society members at a general meeting.

The engagement partner responsible for the audit resulting in this independent auditors report is CPA Kibiego Benjamin Kiptum – P/No 554

KIBIEGO KIPTUM & CO.
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA
P.O. BOX 42789 NAIROBI
Benjamin Kiptum & Co

CERTIFIED PUBLIC ACCOUNTANTS OF KENYA

NAIROBI

8th JUNE 2020.

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Statement of Comprehensive Income for The Year Ended 31st December 2019

| | | 2019 | 2018 |
|--|------|---------------------|---------------------|
| | Note | Kshs. | Kshs. |
| REVENUE | | | |
| Interest on Loans | | 77,476,841 | 67,133,653 |
| Other Interest Income | 2(a) | 4,970,432 | 5,903,542 |
| | | 82,447,273 | 73,037,195 |
| Interest Expense | 11 | (50,460,351) | (45,500,000) |
| Net Interest Income | | 31,986,922 | 27,537,195 |
| Other Operating Income | 2(b) | 4,180,485 | 3,296,567 |
| Net Revenue | | 36,167,408 | 30,833,762 |
| EXPENDITURE | | | |
| Provision for Bad Debts | 3(a) | (3,467,180) | (541,884) |
| Administrative Expenses | 3(b) | (8,006,453) | (7,504,518) |
| Personnel Costs | 3(c) | (12,864,744) | (10,912,541) |
| Depreciation & Amortization | 3(d) | (754,455) | (636,328) |
| Governance Expenses | 3(e) | (4,738,239) | (3,414,180) |
| Financial Expenses (Bank Charges) | 3(f) | (670,363) | (538,765) |
| | | (30,501,434) | (23,548,215) |
| Net Surplus before Income Tax | | 5,665,974 | 7,285,547 |
| Tax expense | | (82,600) | (8,850) |
| Net Surplus after Tax | | 5,583,374 | 7,276,697 |
| 20% Transfer to Statutory Reserve | | (1,116,675) | (1,455,339) |
| Surplus for the year available for distribution | | 4,466,699 | 5,821,358 |
| Provision for Dividends | 10 | - | (1,700,000) |
| Provision for Honorarium | 10 | (2,212,722) | (1,892,870) |
| Provision for Staff Bonus | 10 | (859,693) | (728,000) |
| Surplus to Retained Earnings | | 1,394,284 | 1,500,487 |

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Statement Of Financial Position as at 31st December 2019

| | | 2019 | 2018 |
|--|--------|--------------------|--------------------|
| | | Kshs. | Kshs. |
| ASSETS | | | |
| Cash and Cash Equivalents | Note 4 | 85,342,804 | 63,712,282 |
| Trade and Other Receivables | 5 | 56,193,518 | 49,760,574 |
| Prepayments & Sundry Receivables | 6 | 1,422,795 | 1,759,350 |
| Stock of T-Shirts | 7 | 175,400 | 235,300 |
| Other Financial Assets | 8 | 25,403,259 | 25,538,765 |
| Loans to Members | 9(b) | 583,930,033 | 541,884,087 |
| Property, Plant & Equipment | 1(b) | 2,704,141 | 2,563,329 |
| TOTAL ASSETS | | 755,171,949 | 685,453,688 |
| LIABILITIES | | | |
| Members' Deposits | 10(a) | 636,255,249 | 583,912,477 |
| Trade and Other Payables | 10 | 11,845,727 | 11,712,275 |
| Interest on Members Deposits | 11 | 50,460,351 | 45,500,000 |
| Provision for Bad Debts | 12 | 5,839,300 | 2,372,120 |
| Sundry Creditors | 13 | 890,258 | 1,381,769 |
| TOTAL LIABILITIES | | 705,290,885 | 644,878,641 |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 1(a) | 26,940,149 | 23,338,243 |
| Reserves | 1(a) | 22,940,915 | 17,236,804 |
| TOTAL SHAREHOLDERS' FUNDS | | 49,881,064 | 40,575,047 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | 755,171,949 | 685,453,688 |



The financial statements on pages 6 to 13 were authorised for issue by the board of directors on 05th JUNE 2020

Chairman.....
 Secretary.....
 Treasurer.....



*CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Statement Of Changes In Equity For The Year Ended 31st December 2019*

NOTE 1(a)

| | SHARE CAPITAL | CAPITAL RESERVE | RETAINED EARNINGS | STATUTORY RESERVES | TOTAL EQUITY |
|------------------------------------|-------------------|------------------|-------------------|--------------------|-------------------|
| | Kshs. | | Kshs. | Kshs. | Kshs. |
| As at 01.01.2018 | 19,497,764 | | 8,005,562 | 6,275,415 | 33,778,742 |
| Prior Year Adjustments | - | | - | - | - |
| Total Recognized Surplus | - | | 7,285,547 | - | 7,285,547 |
| Provision for tax | - | | (8,850) | - | (8,850) |
| Transfer to Statutory Reserve | - | | (1,455,339) | 1,455,339 | - |
| Provision for Honorary | - | | (1,892,870) | - | (1,892,870) |
| Provision for staff bonus | - | | (728,000) | - | (728,000) |
| Issue of Share Capital | 3,840,479 | | - | - | 3,840,479 |
| Provision for Dividends | - | | (1,700,000) | - | (1,700,000) |
| At the end of the Year 2018 | 23,338,243 | | 9,506,050 | 7,730,754 | 40,575,047 |
| As at 01.01.2019 | 23,338,243 | | 9,506,050 | 7,730,754 | 40,575,047 |
| Prior Year Adjustments | - | | - | - | - |
| Restated Balance | 23,338,243 | | 9,506,050 | 7,730,754 | 40,575,048 |
| Changes in Equity | - | | - | - | - |
| Total Recognized Surplus | - | | 5,665,974 | - | 5,665,974 |
| Provision for tax | - | | (82,600) | - | (82,600) |
| Capital Gain | | 3,193,151 | | | 3,193,151 |
| Transfer to Statutory Reserve | - | | (1,116,675) | 1,116,675 | - |
| Provision for Honorary | - | | (2,212,722) | - | (2,212,722) |
| Provision for staff bonus | - | | (859,693) | - | (859,693) |
| Issue of Share Capital | 3,601,906 | | - | - | 3,601,906 |
| Provision for Dividends | - | | - | - | - |
| At the end of the Year 2018 | 26,940,149 | 3,193,151 | 10,900,335 | 8,847,429 | 49,881,064 |

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Cash Flow Statement For The Year Ended 31st December 2019

| | 2019 Kshs. | 2018 Kshs. |
|--|---------------------|---------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Interest receipts | 77,476,841 | 67,133,653 |
| Other operating income | 4,180,485 | 3,296,567 |
| Payment to Employees & Suppliers | (25,987,909) | (22,103,963) |
| Interest paid on Members Deposits | (45,500,000) | (42,318,005) |
| | 10,169,418 | 6,008,252 |
| Increase /Decrease in Operating Assets | | |
| Loans to members | (42,045,946) | (79,835,263) |
| Trade and Other Receivables | (6,432,944) | (7,480,131) |
| Prepayments & Sundry Receivables | 336,556 | (352,681) |
| Stock | 59,900 | 21,500 |
| | (48,082,434) | (87,646,575) |
| Increase /Decrease in Operating Liabilities | | |
| Deposits from members | 52,342,772 | 78,999,512 |
| Trade and Other Payables | 1,090,018 | 442,636 |
| Sundry creditors | (491,511) | 926,616 |
| Honorarium & Staff Bonus Paid | (2,620,870) | (2,290,769) |
| Tax Paid | (96,594) | (140,703) |
| | 50,223,814 | 77,937,292 |
| NET CASH FLOW FROM OPERATIONS | 12,310,798 | (3,701,031) |
| CASHFLOW FROM INVESTING ACTIVITIES | | |
| Interest income | 4,970,432 | 5,903,542 |
| Purchase of equipments | (895,266) | (34,396) |
| Increase/Decrease in Investments | 135,506 | 3,002,603 |
| NET CASH FLOW FROM INVESTING ACTIVITIES | 4,210,672 | 8,871,749 |
| CASHFLOW FROM FINANCING ACTIVITIES | | |
| Share capital contributions | 1,915,901 | 2,669,517 |
| Capital Gain | 3,193,151 | - |
| NET CASHFLOW FROM FINANCING ACTIVITIES | 5,109,052 | 2,669,517 |
| NET INCREASE/DECREASE IN CASH &CASH EQUIVALENTS | 21,630,521 | 7,840,236 |
| CASH & CASH EQUIVALENT BEGINNING OF THE YEAR | 63,712,282 | 55,872,046 |
| REPRESENTED BY | | |
| CASH & CASH EQUIVALENT AT THE END OF THE YEAR | 85,342,803 | 63,712,282 |

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Notes To The Audited Financial Statements

1. Summary of significant accounting policies

The principle accounting policies 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. Financial statements are presented in the functional, Kenya Shillings (Kshs) and prepared under historical cost convention as modified by revaluation of certain assets as prescribed by IFRSs.

b) Revenue recognition

Income was derived from interest from members loans and other operating income.

c) Statutory reserve

Transfers are made to the statutory reserve fund at the rate of 20% of the net operating surplus after tax provision of Section 47 (1&2) of the co-operative societies Act Cap 490.

d) Trade & other payables

Trade & other payables are recognised initially at fairvalues and subsequently measured at amortised cost using the effective interest rate method.

e) Cash & cash equivalents

Cash & 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 subject to insignificant risk of changes in value.

f) Depreciation

Depreciation is calculated using reducing balance method to write down the cost of asset to its residual value over its estimated useful life. The annual depreciation rates in use are:

| | |
|------------------------------|--------|
| Office equipment | 12.50% |
| Computer Hardware & software | 30.00% |
| Micro wave | 30.00% |

NOTE 1(b)

PROPERTY, PLANT & EQUIPMENT

| ASSET | OFFICE FURNITURE & EQUIPMENT | COMPUTERS & ACCESSORIES | TOTAL |
|---------------------------------|------------------------------|-------------------------|-----------|
| | Kshs. | Kshs. | Kshs. |
| COST as at 01.01.2018 | 3,028,005 | 4,443,023 | 7,471,028 |
| Additions/(Disposals) | - | 34,396 | 34,396 |
| Balance as at 31.12.2018 | 3,028,005 | 4,477,419 | 7,505,424 |
| As at 01/01/2019 | 3,028,005 | 4,477,419 | 7,505,424 |
| Additions/(Disposals) | - | 895,266 | 895,266 |
| Balance as at 31.12.2019 | 3,028,005 | 5,372,686 | 8,400,691 |
| ACCUMULATED DEPRECIATION | | | |
| As at 1.1.2018 | 1,179,037 | 3,126,730 | 4,305,767 |
| Charge for the year | 231,121 | 405,207 | 636,328 |
| As at 31.12.2018 | 1,410,158 | 3,531,937 | 4,942,095 |
| As at 1.1.2019 | 1,410,158 | 3,531,937 | 4,942,095 |
| Charge for the year | 202,231 | 552,224 | 754,455 |
| As at 31.12.2019 | 1,612,389 | 4,084,161 | 5,696,550 |
| NBV 31.12.2018 | 1,617,847 | 945,482 | 2,563,329 |
| NBV 31.12.2019 | 1,415,616 | 1,288,525 | 2,704,141 |

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Notes To The Audited Financial Statements

| | 2019 | 2018 |
|---|-------------------|-------------------|
| | Kshs. | Kshs. |
| Note 2 (a) | | |
| Other Interest Income | | |
| Interest from Special Deposits (Kuscco) | 1,557,482 | 1,321,453 |
| C.I.C. Investment | 1,822,862 | 2,349,879 |
| Britam CMS | 2,447,279 | 3,120,525 |
| Co-operative Bank Call Deposit | 50,411 | - |
| Withholding tax | (907,602) | (888,314) |
| | <u>4,970,432</u> | <u>5,903,542</u> |
| Note 2 (b) | | |
| Other Operating Income | | |
| Entrance Fees | 375,500 | 318,650 |
| MPESA Transactions Income | 403,415 | 229,778 |
| Sale of Sacco branded T-Shirts | 60,800 | 59,000 |
| Administration Fees from Loans Offset | 1,613,979 | 1,762,092 |
| Loans Processing Fees | 746,509 | 434,104 |
| Membership card fees | 1,900 | 6,850 |
| Withdrawal Income | 397,007 | 197,414 |
| Dividend Income (Kuscco) | 30,710 | 30,710 |
| Dividend Income (Co-op Bank) | 426,046 | - |
| Miscellaneous Income | 124,619 | 257,968 |
| | <u>4,180,485</u> | <u>3,296,567</u> |
| Note 3: Expenses | | |
| (a) Provision for Bad Debts | 3,467,180 | 541,884 |
| | <u>3,467,180</u> | <u>541,884</u> |
| (b) Administrative Expenses | | |
| Printing & Stationery | 160,119 | 449,740 |
| Telephone & Postage | 272,485 | 341,155 |
| Internet Services & Bulk SMS | 264,514 | 203,793 |
| Domain Renewal & Web Hosting | 23,600 | 110,500 |
| Office Expenses | 908,173 | 1,007,265 |
| Commutation Allowances | 553,346 | 555,396 |
| Office Rent & Services | 3,061,905 | 2,537,792 |
| Office Equipment Insurance | 27,755 | 27,824 |
| Annual Subscription | 93,700 | 89,100 |
| Legal Fees | 351,472 | 35,000 |
| Audit Fees | 225,500 | 205,000 |
| VAT on Audit Fees | 36,080 | 32,800 |
| Disbursements | 7,540 | 7,540 |
| Supervision Fees | 22,770 | 20,700 |
| Policies & Procedures Development | - | 395,000 |
| Members' Last Expense | 100,000 | 100,000 |
| Other Consultancy (System Audit) | - | 181,855 |
| Repairs & Maintenance | 196,970 | 220,060 |
| Software Licence/MFS Concorde flash charges | 1,700,524 | 983,999 |
| | <u>8,006,453</u> | <u>7,504,518</u> |
| (c) Personnel Costs | | |
| Staff Salaries, House, Transport & Leave Allowances | 9,867,774 | 8,666,175 |
| Medical Insurance Cover for staff | 1,737,924 | 1,338,348 |
| NSSF | 22,800 | 21,200 |
| Pension | 694,804 | 615,490 |
| Staff Training & Other Personnel Costs | 541,442 | 271,328 |
| | <u>12,864,744</u> | <u>10,912,541</u> |
| | 25,987,909 | |

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Notes To The Audited Financial Statements

| | 2019 Kshs. | 2018 Kshs. |
|---|-------------------|-------------------|
| Note 3: Continued | | |
| (d) Depreciation & Amortization Expenses | | |
| Depreciation & Amortization | 754,455 | 636,328 |
| | <u>754,455</u> | <u>636,328</u> |
| (e) Governance Expenses | | |
| AGM Expenses | 1,009,702 | 621,952 |
| SGM Expenses | 51,200 | - |
| Education to Members | 535,656 | 434,656 |
| Committee Sitting Allowance | 1,430,573 | 1,166,305 |
| Travelling & Subsistence Allowance | 944,873 | 820,091 |
| Education to Committee | 126,000 | 52,500 |
| Strategic Plan Development | 336,556 | 142,824 |
| Marketing Expenses | 242,930 | 175,852 |
| CSR Activities | 60,749 | - |
| | <u>4,738,239</u> | <u>3,414,180</u> |
| (f) Financial Expenses | | |
| Bank Charges | 670,363 | 538,765 |
| | <u>670,363</u> | <u>538,765</u> |
| Note 4 | | |
| Cash and cash Equivalents | | |
| Co-operative Bank Current Account | 24,549,172 | 9,093,490 |
| MPESA Paybill Account | 6,998,575 | 3,048,874 |
| Petty Cash | 31,455 | 4,448 |
| Kuscco Special Deposits | 18,285,241 | 16,727,759 |
| Britam Special Deposits | 27,817,221 | 30,694,185 |
| SBM (Kenya) Ltd. | 2,610,729 | 4,143,527 |
| Call Deposit - Co-operative Bank | 5,050,411 | - |
| | <u>85,342,804</u> | <u>63,712,282</u> |
| Note 5 | | |
| Trade and Other Receivables | | |
| Debtors (Employers) | 1,609,859 | 3,219,718 |
| EFT Payments | 355,218 | 710,435 |
| Employees Debtors | 331,381 | - |
| Chase Bank Ltd. (IR)FDR | 2,701,313 | 2,701,313 |
| Interest Receivable | 45,743,575 | 38,127,751 |
| Insurance Receivable | 5,452,172 | 5,001,357 |
| | <u>56,193,518</u> | <u>49,760,574</u> |
| Note 6 | | |
| Prepayments and Sundry receivables | | |
| Office Mobile (Post paid) | 47,032 | 47,032 |
| Strategic Plan Development (2017 - 2021) | 673,111 | 1,009,667 |
| Concorde Multipurpose Account | 2,000 | 2,000 |
| Rent Deposit | 686,868 | 686,868 |
| Office Telephone Deposit (Fixed Line) | 10,784 | 10,784 |
| Safe Deposit at the Bank | 3,000 | 3,000 |
| | <u>1,422,795</u> | <u>1,759,350</u> |
| Note 7 | | |
| Stock of Corporate Shirts | | |
| Trading Account | | |
| Sale of T-Shirts | 301,900 | 352,000 |
| Opening Stock | 235,300 | 256,800 |
| Add: Purchases | 181,200 | 271,500 |
| Less: Closing Stock | (175,400) | (235,300) |
| | <u>241,100</u> | <u>293,000</u> |
| Profit | <u>60,800</u> | <u>59,000</u> |
| Note 8 | | |
| Other Financial Assets | | |
| 225,288 Shares with Co-operative Bank @ ksh 9.50 | 2,140,236 | 609,100 |
| 84,000 Shares with CIC @ ksh 27.64 | 2,321,760 | 659,745 |
| 5674 Shares with KUSCCO @100 | 567,441 | 567,441 |
| 20 Shares with CODIC Ltd @1000 | 20,000 | 20,000 |
| CIC Unit Trust | 20,353,822 | 23,682,479 |
| | <u>25,403,259</u> | <u>25,538,765</u> |

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019

Notes To The Audited Financial Statements

| Note 9: Loans & Deposits | 2019 | 2018 |
|--|--------------------|--------------------|
| | Kshs. | Kshs. |
| (a) Members' Deposits | | |
| Balance as per Ledger | 636,255,249 | 583,912,477 |
| Balance as per Schedule | 636,255,249 | 583,912,477 |
| | - | - |
| Movement | | |
| At the Start of the Year | 583,912,477 | 504,912,965 |
| Contribution During the Year | 114,103,127 | 133,062,174 |
| Refunds During the Year | (61,760,355) | (54,062,662) |
| At the End of the Year | 636,255,249 | 583,912,477 |
| (b) Loans to Members | | |
| Balance as per Ledger | 583,930,033 | 541,884,087 |
| Balance as per Schedule | 583,930,033 | 541,884,087 |
| | - | - |
| Movement | | |
| At the Start of the Year | 541,884,087 | 462,048,824 |
| Granted During the Year | 401,117,934 | 372,791,547 |
| Repayment During the Year | (359,071,988) | (292,956,284) |
| At the End of the Year | 583,930,033 | 541,884,087 |
| (c) Share Capital Movement | | |
| At the Start of the Year | 23,338,243 | 19,497,765 |
| Dividends capitalised | 1,686,005 | 1,170,961 |
| Contribution During the Year | 1,915,901 | 2,669,517 |
| At the End of the Year | 26,940,149 | 23,338,243 |
| Note 10: Trade and Other Payables | | |
| Accrued Audit Fees | 225,500 | 205,000 |
| Accrued VAT on Audit Fees | 36,080 | 32,800 |
| Accrued Disbursements | 7,540 | 7,540 |
| Accrued Supervision Fees | 22,770 | 20,700 |
| Accrued Withholding Tax | 233,622 | 198,218 |
| W/Tax Payable | - | 8,850 |
| Provision for Honorarium | 2,212,722 | 1,892,870 |
| Provision for staff Bonus | 859,693 | 728,000 |
| Proposed Dividends | - | 1,700,000 |
| Junior Savings Scheme | 1,238,400 | 605,416 |
| Withdrawable Deposits | 73,253 | 126,253 |
| Sacco Insurance Fund | 5,705,349 | 5,615,528 |
| Lanstar Technologies | - | 571,100 |
| Microfinance Deposits | 30,300 | - |
| Surplus/Deficit Account | 46,412 | - |
| Bunson Travels | 3,000 | - |
| Accrued MFS Commission (Concorde Flash) | 413,555 | - |
| Accrued Staff Salaries (Net December 2019) | 375,759 | - |
| Staff Pension (December 2019) | 115,801 | - |
| Staff NSSF (December 2019) | 4,000 | - |
| NHIF (December 2019) | 13,650 | - |
| Pay As You Earn (PAYE December 2019) | 167,070 | - |
| Tax Payable | 61,252.47 | - |
| | 11,845,727 | 11,712,275 |

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2019
Notes To The Audited Financial Statements

| Note 11: Interest on Members' Deposits | 2019 | 2018 |
|---|-------------------|-------------------|
| | Kshs. | Kshs. |
| Balance b/f | 45,500,000 | 42,318,005 |
| Paid during the Year | (45,500,000) | (42,318,005) |
| Provision for the Year | 50,460,351 | 45,500,000 |
| Balance c/f | <u>50,460,351</u> | <u>45,500,000</u> |

The Board of Directors proposes to pay interest on members deposits at the rate of 8.5% subject to AGM Approval.

Note 12: Provision for Bad Debts

| | | |
|------------------------|------------------|------------------|
| Balance b/f | 2,372,120 | 1,830,236 |
| Provision for the Year | 3,467,180 | 541,884 |
| Balance c/f | <u>5,839,300</u> | <u>2,372,120</u> |

The Society has made a provision for Bad Debts at the rate of 1% of total loans amounting to Kshs. 5,839,300

Note 13: Other Creditors

| | | |
|------------------|----------------|------------------|
| Sundry Creditors | 880,658 | 1,372,169 |
| General Reserve | 9,600 | 9,600 |
| | <u>890,258</u> | <u>1,381,769</u> |