

MINISTRY OF INDUSTRY
TRADE AND COOPERATIVES
State Department for Cooperatives
MAIN REGISTRY

29 JUN 2021

294

NO.
P.O. Box 30547 - 0010
GPO, NAIROBI, KENYA



REPUBLIC OF KENYA

NAIROBI CITY COUNTY

CS/3061

CONCORDE SAVINGS

CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

31ST DECEMBER 2020

Ministry of Agriculture, Livestock, Fisheries, and Co-operatives

P. O BOX 40811-00100

TEL.2731531-9

FAX 2731511/2731507/0730080

Website: www.cooperative.go.ke

NAIROBI

*CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
Society Information*

BOARD OF DIRECTORS

Chairperson	Rosemary Aseka
Hon. Secretary	Constantine Mwanga
Vice Chair	Stephen Kisaka
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

Ministry of Agriculture, Livestock, Fisheries & Co-operatives

P.O. Box 30202 - 00100

NAIROBI

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
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 2020.

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	2020	2019
	Kshs.	Kshs.
Surplus before Tax	9,693,929	5,665,974
Net Surplus after Tax	9,114,273	5,583,374
Retained surplus for the Year	1,336,107	1,394,284
Interest on Members' Deposits	46,265,397	50,460,351

The Board of Directors recommends interest on members' deposits to be paid at the rate of 8.5% (2019 - 8.5%). Dormant members earn interest on deposits from financial year 2019.

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 2020
Statistical Information

	2020	2019
	Kshs.	Kshs.
Number of members		
Active	1,037	1,882
Dormant	497	188
FINANCIAL		
Share Capital	27,853,297	26,940,149
Retained Earnings	12,236,441	10,900,334
Total Assets	689,111,510	755,171,949
Total Liabilities	634,850,528	705,290,885
Current Liabilities	83,986,325	69,035,636
Current Assets	175,048,004	168,537,776
Loans to Members	511,839,882	583,930,033
Members' Deposits	550,864,203	636,255,249
Interest On Members' Deposits	46,265,397	50,460,351
Total Revenue	83,559,301	86,627,758
Total Expenses	27,599,975	30,501,434
KEY RATIOS		
Liquidity Ratio/Current Ratio	2.07:1	1.25:1
Dividend Rate	10%	0%
Interest on Deposits Rate	8.5%	8.5%
EFFICIENCY RATIOS		
Expenses to Revenue	33%	35%
Interest on Members' Deposits to Revenue	55%	58%

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
Board responsibilities


The Co-operative Societies Act, Cap 490 requires the Board 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 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 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 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 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 board 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 Board and signed on its behalf by:

Chairman 

Hon Secretary 

Treasurer 

Date 21st JUNE 2021

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
 Annual Report and Financial Statements for the Year Ended 31st December 2020
 Report of the Independent Auditor

Opinion.

We have audited the accompanying financial statements of CONCORDE Sacco Society Limited, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statement of changes in equity, 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 except for matters addressed in the Key Audit Matters paragraph present fairly, in all material respects, the financial position of the Society as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Kenyan Co-operative Societies Act Cap 490.

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 auditors of the Sacco 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 other ethical responsibilities in accordance with the requirements and the IESBA Code. We believe the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

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. We do not provide a separate opinion on those matters.

We have also set out how we tailored our audit to address these specific areas and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Key Audit Matters

<u>Interest Income</u>	<u>How our audit addressed the Key Audit Matters</u>
<p>The accuracy and completeness of interest income is an inherent risk in the society due to processing large volumes of data with combination of several loan products and complete IT systems.</p>	<p>We evaluated the relevant IT system and the design of controls, and tested the operating effectiveness of the controls over the:</p> <ul style="list-style-type: none"> - Capture and recording of loan instructions and rates - Approvals, authorisation of interest rates - Use of data extracted from the society's accounting system and we verified the completeness and accuracy of sample of interest charges. <p>Based on our work, we noted interest income included interest on members loan in arrears of ksh. 29,497,519. Cumulatively from revenue recognised, Kshs 74,883,816 interest on loan to members is in arrears as at 31 December 2020.</p>
<p>Expected Credit Loss Provision The expected credit loss provision is key audit matter owing to the significance of loans and high degree of judgement and complexity involved in estimation of the provision.</p>	<p>We performed credit assesment for a sample of loans, focusing on high risk areas and loans in arrears to determine whether the loans have been appropriately monitored and provided for if necessary. We also tested the loaning related controls.</p> <p>Based on our audit we noted that though provision was made for impaired loans it is not sufficient given the number of non performing loan portfolio was Kshs 314,057,970 as at 31.12.20.</p>
<p>Payments through paybill</p>	<p>We carried out our audit of paybill transactions to verify the completeness of accounting of the transactions and whether the transactions were for business purposes. In obtaining evidence necessary for our audit we evaluated controls over recording of transactions, supporting documents, approvals of transactions and reconciliations. Based on our audit procedures we noted some payments through members of staff personal mobile numbers reasons for which could not be reliably be established whether they were for furtherance of sacco business.</p>

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.

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

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 as a whole 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.

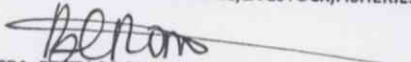
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES


CPA BETTY C RONO

DEPUTY COUNTY DIRECTOR CO-OP AUDIT

NAIROBI CITY COUNTY

Date... 29/6/2021

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
Statement of Comprehensive Income for The Year Ended 31st December 2020

		2020	2019
	Note	Kshs.	Kshs.
REVENUE			
Interest on Loans		75,719,922	77,476,841
Other Interest Income	2(a)	6,052,396	4,970,432
		<u>81,772,319</u>	<u>82,447,273</u>
Interest Expense	11	(46,265,397)	(50,460,351)
Net Interest Income		<u>35,506,922</u>	<u>31,986,922</u>
Other Operating Income	2(b)	1,786,982	4,180,485
Net Revenue		<u>37,293,904</u>	<u>36,167,408</u>
EXPENDITURE			
Provision for Loans	3(a)	(6,718,399)	(3,467,180)
Administrative Expenses	3(b)	(6,310,635)	(8,006,453)
Personnel Costs	3(c)	(12,652,809)	(12,864,744)
Depreciation & Amortization	3(d)	(599,077)	(754,455)
Governance Expenses	3(e)	(855,377)	(4,738,239)
Financial Expenses (Bank Charges)	3(f)	(463,679)	(670,363)
		<u>(27,599,975)</u>	<u>(30,501,434)</u>
Net Surplus before Income Tax		<u>9,693,929</u>	<u>5,665,974</u>
Tax expense		(579,656)	(82,600)
Net Surplus after Tax		<u>9,114,273</u>	<u>5,583,374</u>
20% Transfer to Statutory Reserve		(1,822,855)	(1,116,675)
Surplus for the year available for distribution		<u>7,291,419</u>	<u>4,466,699</u>
Provision for Dividends	10	(2,785,330)	-
Provision for Honorarium	10	(2,310,289)	(2,212,722)
Provision for Staff Bonus	10	(859,693)	(859,693)
		<u>1,336,107</u>	<u>1,394,284</u>
Surplus to Retained Earnings		<u>1,336,107</u>	<u>1,394,284</u>

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
Statement Of Financial Position as at 31st December 2020

		2020	2019
		Kshs.	Kshs.
ASSETS			
	Note		
Cash and Cash Equivalents	4	60,440,207	85,342,804
Trade and Other Receivables	5	85,748,156	56,193,518
Prepayments & Sundry Receivables	6	1,086,239	1,422,795
Stock of T-Shirts	7	117,000	175,400
Other Financial Assets	8	27,656,402	25,403,259
Loans to Members	9(b)	511,839,882	583,930,033
Property, Plant & Equipment	9(b)	2,228,624	2,704,141
TOTAL ASSETS		689,111,510	755,171,949
LIABILITIES			
Members' Deposits	9(a)	550,864,203	636,255,249
Trade and Other Payables	10	24,185,256	11,845,727
Interest on Members' Deposits	11	46,265,397	50,460,351
Provision for Bad Debts	12	12,957,699	5,839,300
Sundry Creditors	13	977,974	890,258
TOTAL LIABILITIES		634,850,528	705,290,885
SHAREHOLDERS' FUNDS			
Share Capital	1(a)	27,853,297	26,940,149
Reserves	1(a)	26,407,684	22,940,915
TOTAL SHAREHOLDERS' FUNDS		54,260,981	49,881,064
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		689,111,510	755,171,949

REGISTERED
SEC. 25(7) Co-operative Societies
ACT CAP 490 (Amended 2004)

07 JUL 2021
Signature
JAVEL M. MUBIRA
FOR: COMMISSIONER OF CO-OPERATIVES

The financial statements on pages 6 to 13 were authorised for issue by the board of directors on 21st JUNE 2021

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



CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
Statement Of Changes In Equity For The Year Ended 31st December 2020

NOTE 1(a)					
	SHARE CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	STATUTORY RESERVES	TOTAL EQUITY
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
As at 01.01.2019	23,338,243	-	9,506,050	7,730,754	40,575,048
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 Honorarium	-	-	(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 2019	26,940,149	3,193,151	10,900,334	8,847,429	49,881,064
As at 01.01.2020	26,940,149	3,193,151	10,900,334	8,847,429	49,881,064
Changes in Fair Value	-	307,808	-	-	307,808
Restated Balance	26,940,149	3,500,959	10,900,334	8,847,429	50,188,872
Changes in Equity	-	-	-	-	-
Total Recognized Surplus	-	-	9,693,929	-	9,693,929
Provision for tax	-	-	(579,656)	-	(579,656)
Transfer to Statutory Reserve	-	-	(1,822,855)	1,822,855	-
Provision for Honorarium	-	-	(2,310,289)	-	(2,310,289)
Provision for staff bonus	-	-	(859,693)	-	(859,693)
Issue of Share Capital	913,148	-	-	-	913,148
Provision for Dividends	-	-	(2,785,330)	-	(2,785,330)
At the end of the Year 2020	27,853,297	3,500,959	12,236,441	10,670,284	54,260,981

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
Cash Flow Statement For The Year Ended 31st December 2020

	2020 Kshs.	2019 Kshs.
CASH FLOW FROM OPERATING ACTIVITIES		
Interest receipts	75,719,922	77,476,841
Other operating income	1,786,982	4,180,485
Payment to Employees & Suppliers	(19,550,149)	(25,987,909)
Interest paid on Members Deposits	(50,460,351)	(45,500,000)
	<u>7,496,405</u>	<u>10,169,417</u>
Increase /Decrease in Operating Assets		
Loans to members	72,090,151	(42,045,946)
Trade and Other Receivables	(29,554,637)	(6,432,944)
Prepayments & Sundry Receivables	336,556	336,556
Stock	58,400	59,900
	<u>42,930,470</u>	<u>(48,082,434)</u>
Increase /Decrease in Operating Liabilities		
Deposits from members	(85,391,046)	52,342,772
Trade and Other Payables	8,242,193	1,090,018
Sundry creditors	87,716	(491,511)
Honorarium & Staff Bonus Paid	(3,169,982)	(2,620,870)
Tax Paid	-	(96,594)
	<u>(80,231,119)</u>	<u>50,223,814</u>
NET CASH FLOW FROM OPERATIONS	<u>(29,804,244)</u>	<u>12,310,797</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Interest income	6,052,396	4,970,432
Purchase of equipments	(118,560)	(895,266)
Increase/Decrease in Investments	(2,253,143)	135,506
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>3,680,693</u>	<u>4,210,672</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Share capital contributions	913,148	1,915,901
Capital Gain	307,808	3,193,151
NET CASHFLOW FROM FINANCING ACTIVITIES	<u>1,220,956</u>	<u>5,109,052</u>
NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	<u>(24,902,595)</u>	<u>21,630,521</u>
CASH & CASH EQUIVALENT BEGINNING OF THE YEAR	<u>85,342,803</u>	<u>63,712,282</u>
REPRESENTED BY		
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	<u>60,440,208</u>	<u>85,342,803</u>

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
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 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 01.01.2019	3,028,005	4,477,419	7,505,424
Additions/(Disposals)	-	895,266	895,266
Balance as at 31.12.2019	3,028,005	5,372,685	8,400,690
As at 01.01.2020	3,028,005	5,372,685	8,400,690
Additions/(Disposals)	-	118,560	118,560
Balance as at 31.12.2020	3,028,005	5,491,245	8,519,250
ACCUMULATED DEPRECIATION			
As at 1.1.2019	1,410,158	3,531,937	4,942,094
Charge for the year	202,231	552,224	754,455
As at 31.12.2019	1,612,389	4,084,161	5,696,550
As at 1.1.2020	1,612,389	4,084,161	5,696,550
Charge for the year	176,952	422,125	599,077
As at 31.12.2020	1,789,341	4,506,285	6,295,626
NBV 31.12.2019	1,415,616	1,288,524	2,704,141
NBV 31.12.2020	1,238,664	984,960	2,223,624

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
Notes To The Audited Financial Statements

	2020	2019
	Kshs.	Kshs.
Note 2 (a)		
Other Interest Income		
Interest from Special Deposits (Kuscco)	1,716,521	1,557,482
C.I.C. Investment	1,945,336	1,822,862
Britam CMS	2,961,648	2,447,279
Co-operative Bank Call Deposit	130,616	50,411
Withholding tax	(701,725)	(907,602)
	<u>6,052,396</u>	<u>4,970,432</u>
Note 2 (b)		
Other Operating Income		
Entrance Fees	86,100	375,500
MPESA Transactions Income	21,768	403,415
Sale of Sacco branded T-Shirts	7,600	60,800
Administration Fees from Loans Offset	451,807	1,613,979
Loans Processing Fees	547,858	746,509
Membership card fees	4,000	1,900
Withdrawal Income	253,883	397,007
Dividend Income (Kuscco)	-	30,710
Dividend Income (Co-op Bank)	288,559	426,046
Miscellaneous Income	125,407	124,619
	<u>1,786,982</u>	<u>4,180,485</u>
Note 3: Expenses		
(a) Provision for loans	6,718,399	3,467,180
	<u>6,718,399</u>	<u>3,467,180</u>
(b) Administrative Expenses		
Printing & Stationery	32,810	160,119
Telephone & Postage	177,794	272,485
Internet Services & Bulk SMS	276,125	264,514
Domain Renewal & Web Hosting	14,100	23,600
Office Expenses	530,617	908,173
Commutation Allowances	260,217	553,346
Office Rent & Services	2,696,823	3,061,905
Office Equipment Insurance	27,824	27,755
Annual Subscription	94,075	93,700
Legal Fees	287,180	351,472
Audit Fees	61,000	225,500
VAT on Audit Fees	-	36,080
Disbursements	-	7,540
Supervision Fees	24,805	22,770
Commissioner's Inquiry Costs	449,400	-
Members' Last Expense	150,000	100,000
Repairs & Maintenance	271,888	196,970
MFS Concorde flash charges	955,977	1,700,524
	<u>6,310,635</u>	<u>8,006,453</u>
(c) Personnel Costs		
Staff Salaries, House, Transport & Leave Allowances	10,390,316	9,867,774
Medical Insurance Cover for staff	1,474,889	1,737,924
NSSF	25,800	22,800
Pension	757,804	694,804
Staff Training & Other Personnel Costs	4,000	541,442
	<u>12,652,809</u>	<u>12,864,744</u>

NOTE ON STAFF MEDICAL INSURANCE COVER:

Employees did not benefit from the medical insurance as it was cancelled by the insurer in May 2020 for non-payment of premium which was still unpaid as at 31:12:2020.

CS/3061 Concorde Savings and Credit Co-operative Society Ltd
Annual Report and Financial Statements for the Year Ended 31st December 2020
Notes To The Audited Financial Statements

	2020	2019
	Kshs.	Kshs.
Note 3: Continued		
(d) Depreciation & Amortization		
Intangible Asset (Computer Software)	211,985	302,835
Furniture & Equipment	176,952	202,231
Computers & Accessories	210,140	249,390
	<u>599,077</u>	<u>754,455</u>
(e) Governance Expenses		
AGM Expenses	-	1,009,702
SGM Expenses	-	51,200
Education to Members	-	535,656
Committee Sitting Allowance	314,668	1,430,573
Travelling & Subsistence Allowance	191,153	944,873
Education to Committee	-	126,000
Strategic Plan Development	336,556	336,556
Marketing Expenses	13,000	242,930
CSR Activities	-	60,749
	<u>855,377</u>	<u>4,738,239</u>
(f) Financial Expenses		
Bank Charges	463,679	670,363
	<u>463,679</u>	<u>670,363</u>
Note 4		
Cash and cash Equivalents		
Co-operative Bank Current Account	6,442,479	24,549,172
MPEESA Paybill Account	2,488,438	6,998,575
Petty Cash	22,858	31,455
Kuscco Special Deposits	20,001,762	18,285,241
Britam Special Deposits	30,334,622	27,817,221
SBM (Kenya) Ltd.	1,150,048	2,610,729
Call Deposit - Co-operative Bank	-	5,050,411
	<u>60,440,207</u>	<u>85,342,804</u>
Note 5		
Trade and Other Receivables		
Debtors (Employers)	-	1,609,859
EFT Payments	-	355,218
Employees Debtors	681,813	331,381
Chase Bank Ltd. (IR)FDR	2,701,313	2,701,313
Interest Receivable	74,883,816	45,743,575
Insurance Receivable	7,481,214	5,452,172
	<u>85,748,156</u>	<u>56,193,518</u>
Note 6		
Prepayments and Sundry receivables		
Office Mobile (Post paid)	47,032	47,032
Strategic Plan Development (2017 - 2021)	336,556	673,111
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>1,086,239</u>	<u>1,422,795</u>
Note 7		
Stock of Corporate Shirts		
Trading Account		
Sale of T-Shirts	66,000	301,900
Opening Stock	175,400	235,300
Add: Purchases	-	181,200
Less: Closing Stock	(117,000)	(175,400)
Cost of Sales	58,400	241,100
Profit	<u>7,600</u>	<u>60,800</u>
Note 8		
Other Financial Assets		
225,288 shares with Co-op Holdings Society Ltd @ 7.10.	1,599,545	2,140,236
84,000 shares Co-operative Bank Ltd@11.80	991,200	2,321,760
600,000 shares with CIC Ltd @3.5.	2,100,000	-
Kuscco - 6465 shares @100.00	646,500	567,441
CODIC Ltd - 20 shares @1000.00	20,000	20,000
CIC Unit Trust	22,299,157	20,353,822
	<u>27,656,402</u>	<u>25,403,259</u>

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Notes To The Audited Financial Statements

Note 9: Loans & Deposits	2020	2019
	Kshs.	Kshs.
(a) Members' Deposits		
Balance as per Ledger	550,864,203	636,255,249
Balance as per Schedule	550,864,203	636,255,249
	-	-
Movement		
At the Start of the Year	636,255,249	583,912,477
Contribution During the Year	58,490,727	114,103,127
Refunds During the Year	(143,881,774)	(61,760,355)
At the End of the Year	550,864,203	636,255,249
(b) Loans to Members		
Balance as per Ledger	511,839,882	583,930,033
Balance as per Schedule	511,839,882	583,930,033
	-	-
Movement		
At the Start of the Year	583,930,033	541,884,087
Granted During the Year	153,735,899	401,117,934
Repayment During the Year	(225,826,050)	(359,071,988)
At the End of the Year	511,839,882	583,930,033
(c) Share Capital Movement		
At the Start of the Year	26,940,149	23,338,243
Dividends capitalised	-	1,686,005
Contribution During the Year	913,148	1,915,901
At the End of the Year	27,853,297	26,940,149

Note 10: Trade and Other Payables

Accrued Audit Fees	61,000	225,500
Accrued VAT on Audit Fees	-	36,080
Accrued Disbursements	-	7,540
Accrued Supervision Fees	24,805	22,770
Accrued Audit Fees (2019)	4,510	-
Accrued Withholding Tax	491,100	233,622
Provision for Honorarium (2020)	2,310,289	2,212,722
Provision for staff Bonus (2020)	859,693	859,693
Honorarium (2019) not paid	2,212,722	-
Staff Bonus (2019) not paid	859,693	-
Proposed Dividends	2,785,330	-
Junior Savings Scheme	1,034,895	1,238,400
Withdrawable Deposits	48,350	73,253
Sacco Insurance Fund	10,132,005	5,705,349
Microfinance Deposits	34,100	30,300
Surplus/Deficit Account	252,436	46,412
Bunson Travels	-	3,000
Accrued MFS Commission (Concorde Flash)	-	413,555
Accrued Staff Salaries (Net December 2020)	412,267	375,759
Accrued Staff Medical (Payable to Jubilee Insurance)	1,474,889	-
Staff Pension	-	115,801
Staff NSSF	-	4,000
NHIF	-	13,650
Pay As You Earn	-	167,070
Executive Rentals	2,500	-
Charleston Travel	17,991	-
Ride On Agencies Ltd.	990	-
Withholding Tax Payable	579,656	61,252
Accrued Committee Sitting Allowance	505,821	-
Corporate Image & Social Responsibility	80,214	-
	24,185,256	11,845,727

NOTE:

- (i) The Society did not insure members' loans & deposits in the year 2020.
- (ii) The Society did not undertake a CSR activity in the year 2020.

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Annual Report and Financial Statements for the Year Ended 31st December 2020
Notes To The Audited Financial Statements

Note 11: Interest on Members' Deposits	2,020	2019
	Kshs.	Kshs.
Balance b/f	50,460,351	45,500,000
Paid during the Year	(50,460,351)	(45,500,000)
Provision for the Year	46,265,397	50,460,351
Balance c/f	<u>46,265,397</u>	<u>50,460,351</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 Loans

Balance b/f	5,839,300	2,372,120
Provision for the Year	6,718,399	3,467,180
Balance c/f	<u>12,557,699</u>	<u>5,839,300</u>

The Society made a provision for Bad Debts at the rate of 1% of total loans amounting to Kshs. 6,718,399

Note 13: Other Creditors

Sundry Creditors	968,374	880,658
General Reserve	9,600	9,600
	<u>977,974</u>	<u>890,258</u>

Note 14: Taxation

Gross Dividends -Coop Bank shares	303,778	-
Gross Interest from Special Deposits (Kuscco)	1,716,521	-
Gross C.I.C. Investment	1,945,336	-
	<u>3,965,635</u>	-
Tax (30%X50% of Gross)	594,845	-
Less: W/Tax deducted	(15,189)	-
W/Tax Liability	<u>579,656</u>	-

Note 15: Movement of the Sacco Insurance Fund

At the Start of the Year	5,705,349	5,615,528
Paid during the Year	4,781,873	2,080,796
Insurance Loan Guard paid	-	(1,635,758)
EFT Write off	(355,217)	(355,218)
At the End of the Year	<u>10,132,005</u>	<u>5,705,349</u>

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Notes To The Audited Financial Statements

Note 16: Loan aging report	2,020	2,019
	Kshs.	Kshs.
Performing loans	197,781,913	471,831,265
Substandard 1-6 Months	180,277,982	59,564,664
Doubtful 6-12 Months	84,481,731	14,127,059
Loss>12 Months	49,298,257	38,407,045
Total loans	511,839,883	583,930,033