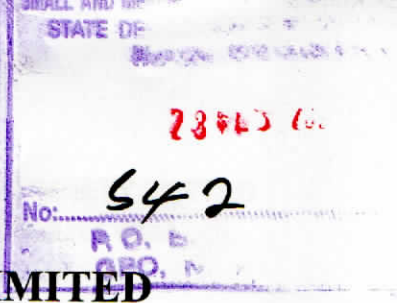


CS NO/11396



KARURA COMMUNITY SACCO SOCIETY LIMITED

**FINANCIAL STATEMENT PERIOD FOR THE PERIOD ENDED
31ST DECEMBER 2023**

**NJENGA K NGUGI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS (K)
P.O BOX 441-00605
NAIROBI
Tel 0722 770 846/ 0724718973**

CS NO/11396

KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
REPORTS AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

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CS NO/ 11396

**KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
REPORT AND ACCOUNTS FOR THE YEAR E ENDED 31ST DECEMBER 2023**

SACCO INFORMATION

EXECUTIVE COMMITTEE

Epainito Chahale Kerosio
Jeniffer Syekonyo Mwangangi
Hesborn Omondi Ongudi
Samuel Njathi Njuguna
Esther Nina Oloo
Fredrick Kanyiri Kariuki
Reuben Kimani Mwangi

Chairman
Vice Chair
Treasurer
Secretary
Member
Member
Member

SUPERVISORY COMMITTEE

Joseph Wangoto Wanjiru
Evan Nduna Ngechu
CLAIRE ANGOYE NEONDO

Chairman
Member
Member

Auditors

Njenga K Ngugi & Co CPA(K)
P.O BOX 441-00605
Tel 0722770846/ 0724718973

Principal bankers

Co-operative bank-Gigiri Branch SBM Bank

Registered office

Karura Community Chapel
P.O BOX 663-00621
VILLAGE MARKET

	2023	2022	2021	2020	2019
STATISTICAL INFORMATION					
MEMBERS	3,651	2,551	1,209.00	624	464
MEMBERSHIP GROWTH	43%	111%	94%	34%	
ACTIVE	3,349	2,249	1,065.87	550.13	409.07
DORMANT	302	302	143.13	73.87	54.93
FINANCIAL					
	KES	KES	KES	KES	KES
Total Assets	257,365,489	167,100,363	91,624,470	55,227,555	31,291,657
Core Capital	27,359,472	16,250,352	7,285,670	3,574,626	1,685,873
Share Capital	16,440,525	9,767,920	4,559,443	2,429,539	660,810
Institutional Capital	10,918,947	6,482,432	2,726,227	1,145,087	1,025,063
Members Deposits	204,000,635	131,757,287	73,891,595	42,369,064	22,677,468
External Borrowing	4,666,667	6,266,667	4,374,999	5,875,001	2,503,309
Investments	4,572,358	2,607,039	1,412,198	694,082	490,000
Total Revenue	38,738,818	24,173,132	11,710,893	6,412,450	4,252,777
Growth Rate (YoY)	60%	106%	83%	51%	
Total Interest Income	26,093,676	16,265,520	9,097,650	5,265,619	3,655,209
Total expenses	14,994,985	9,467,124	4,141,767	3,307,328	2,190,600
Statutory Reserve Fund	2,645,211	1,587,908	686,667	298,513	234,508
Retained Surplus	8,273,736	4,894,524	2,039,560	846,574	790,555
Non-current Assets	2,591,508	3,471,870	1,420,472	1,399,815	810,310
Current Assets	254,773,981	163,628,493	90,203,998	53,827,740	30,481,347
Loan and advances to Members	227,283,058	153,503,883	84,224,454	50,533,032	28,537,485
Employees of the Sacco					
Key ratios:					
Capital Adequacy Ratio					
Core Capital/Total Assets	10.63%	9.72%	7.95%	6.47%	5.39%
Core Capital/Total Deposits	13.41%	12.33%	9.86%	8.44%	7.43%
Institutional Capital/Total Assets	4.24%	3.88%	2.98%	2.07%	3.28%
Liquidity Ratio (15%)					
Liquid Assets/Total deposits & Long term liab	122.10%	118.55%	115.25%	111.57%	121.05%
Operating Efficiency/Loan quality ratios					
Total Expenses / Total Revenue	38.71%	39.16%	35.37%	51.58%	51.51%
Interest on member deposits/Total revenue	67.36%	67.29%	77.69%	82.12%	85.95%
Interest rate on member's deposits	8	7	7	7	6
Dividend rate on members share capital	13	10	10	10	10

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KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES;

The management committee is responsible for the preparation of the financial statements which give a true and fair view of the state of the Society as at the end of the financial year and of its surplus or deficit for the period. The management committee is responsible for ;

1. The maintenance of accounting records which can be relied upon in preparation of annual financial statements which comply with applicable accounting standards.
2. Selecting suitable accounting policies and applying them consistently.
3. Maintaining adequate systems of internal control for the prevention and detection of fraud, material errors and other irregularities and safeguarding the assets of the society, and;
4. Making estimates that are reasonable and prudent.

The management committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to ensure that the accounts comply with Co-operative Societies Act and Society's by-laws.

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

SIGNED BY: CHAIRMAN.....

DATE.....

TREASURER.....

DATE.....

SECRETARY.....

DATE.....

KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
REPORT OF THE INDEPENDENT AUDITORS

Report on the financial statements

We have audited the accompanying financial statements of Karura Community Savings And Credit Co-operative Society Limited, set out on pages 6 to 10 which comprise the statement of financial position at 31st december 2023 and the statement of income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the accompanying financial statements give true and fair view of the state of financial affairs of the co-operative society as at 31st december 2023. And of its income and cashflows for the year ended in accordance with International Financial reporting Standards and the Co-operative Societies Act.

Report on other legal requirements

As required by the Sacco Act and the Co-operative Societies Act we report to you, based on our audit that:

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 2) In our opinion, proper books of accounts have been kept by the co-operative, so far as appears from our examination of those books; and
- 3) The co-operative society statement of financial position and the statement of income are in agreement with the books of account.

Management's responsibility for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with the international financial reporting standards and the requirements of the law.

This responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that 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 co-operative societies Act also requires the management to ensure that the society maintains proper books of accounts which are in agreement with the Statement of Financial Position and the Income Statement.

Auditors' responsibility

Our responsibility is to express an independent opinion of these financial statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with the ethical requirements, plan and perform the audit obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depended on our professional judgment, including the assessment of risks of material misstatement of the financial statement whether due to fraud or error. In making those risks assessment, we considered the internal control relevant to the co-operative society's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the co-operative society's internal control.

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 accompanying financial statements give true and fair view of the state of financial affairs of the co-operative society as at 31st december 2023. And of its income and cashflows for the year ended in accordance with International Financial reporting Standards and the Co-operative Societies Act.

Report on other legal requirements

As required by the Sacco Act and the Co-operative Societies Act we report to you, based on our audit that:

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 2) In our opinion, proper books of accounts have been kept by the co-operative, so far as appears from our examination of those books; and
- 3) The co-operative society statement of financial position and the statement of income are in agreement with the books of account.

The auditor responsible for this audit is CPA Newton Njenga
Njenga K. Ngugi & Company
Certified public accountants ((K))
P.O BOX 441-00605

NJENGA K. NGUGI & COMPANY
Certified Public Accountants (K)
P. O. Box 441 - 00605, NAIROBI

Date: 19th Feb 2024

CS /NO 11396

KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 ST DECEMBER 2023

STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2023	2022
Interest on member loans	3	26,093,676 ✓	16,265,520 ✓
Interest Expenses	5	(18,457,318) ✓	(10,199,802) ✓
Net Interest Income/loss		7,636,358	6,065,718
Other Incomes	4	12,645,142 ✓	7,907,612 ✓
Total Income		20,281,500	13,973,330
<u>Operating Expenses</u>			
Administrative Expenses	6	13,617,079 ✓	8,369,039 ✓
Financial Expenses	7	1,377,906 ✓	1,098,086 ✓
Total Expenses		14,994,985	9,467,125
Profit/Loss Before Tax		5,286,515	4,506,205
Tax		0	-
Profit/Loss		5,286,515	4,506,205
Statutory Reserve		1,057,303	901,241
Retained earning		4,229,212	3,604,964
Provision for Honoraria		(300,000) ✓	(300,000) ✓
Staff Bonuses		(550,000) ✓	(450,000) ✓
Net earnings		3,379,212	2,854,964

CS /NO 11396

KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2023
STATEMENT OF FINANCIAL POSITION

	NOTES	2023 KSHS	2022 KSHS
ASSETS			
Cash and cash Equivalents	8	14,466,717✓	3,478,785✓
Sundry Receivables	9	8,123,394✓	3,714,474✓
Loan to members	10	227,283,058✓	153,503,883✓
Investment shares & deposits	11	4,572,358✓	2,607,039
Inventory		328,454✓	324,312✓
		254,773,981	163,628,493
Non-Current Assets			
Property, Plant & Equipment	2	2,591,508✓	3,471,870✓
		2,591,508	3,471,870
Total Assets		257,365,489	167,100,363
LIABILITIES			
Member Deposits	13	204,000,635✓	131,757,287✓
Interest On Deposits	14	18,457,318✓	10,199,802✓
Sundry Payables	15	2,881,398✓	2,626,255✓
Bank Loan	16	4,666,667✓	6,266,667✓
Total Liabilities		230,006,018	150,850,011
EQUITY			
Share Capital	17	16,440,525✓	9,767,920✓
Reserves	18	10,918,947✓	6,482,432✓
Total Equity		27,359,472	16,250,352
Total Liabilities & Equity		257,365,489	167,100,363

The Accounts were approved by the committee and signed on their behalf by:

Chairman _____

Secretary _____

Treasurer _____

Date 13/02/2024



CS /NO 11396

KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2023

YEAR ENDED 2022	Share Capital	Statutory Reserves	Retained Earnings	Total
As at 1st January, 2022	4,559,443	686,667	2,039,560	7,285,670
Additions during the year	5,208,477	901,241	4,506,205	10,615,923
Statutory Reserves			(901,241)	(901,241)
Honoraria			(300,000)	(300,000)
Staff bonuses			(450,000)	(450,000)
As at 31st December, 2022	9,767,920	1,587,908	4,894,524	16,250,352

YEAR ENDED 2023	Share Capital	Statutory Reserves	Retained Earnings	Total
As at 1st January, 2023	9,767,920	1,587,908	4,894,524	16,250,352
Additions during the year	6,672,605	1,057,303	5,286,515	13,016,422
Statutory Reserves			(1,057,303)	(1,057,303)
Honoraria			(300,000)	(300,000)
Staff bonuses			(550,000)	(550,000)
As at 31st December, 2023	16,440,525	2,645,211	8,273,736	27,359,472

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KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 ST DECEMBER 2023

CASHFLOW STATEMENT

	2023 KSH	2022 KSH
CASHFLOW FROM OPERATING ACTIVITIES		
Interest income	26,093,676✓	16,265,520✓
Interest Expense	(10,199,802)✓	(5,628,356)✓
Other operating Income	12,645,142✓	7,907,612✓
Payment to employees and suppliers	(14,106,423)✓	(9,667,546)✓
	<u>14,432,593</u>	<u>8,877,230</u>
Increase/Decrease in operating assets		
Loan to Members	(73,779,175)✓	(69,279,429)✓
Trade receivables	(4,408,920)✓	(2,255,554)✓
Inventory	(4,142)✓	(324,312)✓
	<u>(78,192,237)</u>	<u>(71,859,295)</u>
Increase/Decrease in operating Liabilities		
Deposits from members	72,243,348✓	57,865,692✓
Trade Payables and accrued expenses	(1,156,464)✓	1,972,405✓
	<u>71,086,884</u>	<u>59,838,097</u>
NET CASHFLOW FROM OPERATING ACTIVITIES	<u>7,327,240</u>	<u>(3,143,968)</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Increase in Investments & deposits	(1,026,995)✓	(1,194,841)✓
Increase/Decrease in Fixed Assets	(404,918)✓	(2,390,977)✓
NET CASHFLOW FROM INVESTING ACTIVITIES	<u>(1,431,913)</u>	<u>(3,585,818)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Bank loan	1,600,000✓	1,891,668
Share capital	6,672,605✓	5,208,477
NET CASHFLOW FROM FINANCING ACTIVITIES	<u>5,072,605</u>	<u>7,100,145</u>
NET CASH CHANGES	<u>10,967,932</u>	<u>370,358</u>
Cash and Cash equivalent at start of the year	3,478,785✓	3,108,426✓
Cash and Cash equivalent at end of the year	14,446,717✓	3,478,785✓

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KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 ST DECEMBER 2023
NOTES

1. a) Accounting period

The society prepares its accounts for a period of twelve months ending 31st December every year

b) Basis of accounting

The accounts are prepared under the historical cost convention

c) Depreciation

Depreciation is calculated at annual rates estimated to write off each asset over terms of its useful life. No depreciation is charged in the year of asset purchase. The basis and rates at which depreciation has been calculated are as follows:

Furniture & Equipments	12.50%
Computers	30%
Motor vehicles	25%

d) Statutory reserve

Transfers are made to the statutory reserve fund at the rate of 20% of the net operating surplus after taxation in accordance with Co-operative Societies Act (No 12 of 1997)

e) Currency

The accounts are expressed in Kenya Shillings

f) Turnover

Turnover represents loans to members

2. PROPERTY & EQUIPMENTS

	Motor Vehicle Kshs	Software System Kshs	Computer & Accessories Kshs	Furnitures & Fittings Kshs	Total Kshs
BALANCE AS AT 01/01/2022	1,887,499	200,909	211,194	1,008,370	3,307,972
Additions/ Disposals	-	166,119	272,759	64,600	503,478
Totals	1,887,499	367,028	483,953	1,072,970	3,811,450
Depreciation					
Charge for the year	-	60,273	145,186	134,121	339,580
Net Book value as at 31/12/2022	1,887,499	200,909	211,194	938,849	3,471,870
BALANCE AS AT 01/01/2023	1,887,499	200,909	211,194	938,849	3,471,870
Addition / Disposals	-	127,545	277,373	-	404,918
Totals	1,887,499	328,454	488,567	938,849	3,643,369
Depreciation					
Charge for the year	471,875	98,536	146,670	117,356	806,362
Net Book value	1,415,624	208,219	341,997	821,493	2,591,508

	2023 kshs	2022 kshs
3 Interest On Member Loans	26,093,676	16,265,520

4. Incomes

Entrance Fee	915,159	997,670
other operating income	2,416,618	1,291,891
Loan Processing fee	7,197,375	5,198,264
Penalties	-	237,787
Reactivation	-	182,000
Annual Loan maintenance fee	2,115,990	-
	12,645,142	7,907,612

5 Interest Expenses

Interest On Member Deposits 8%	16,320,050	9,223,010
Dividend on Member Shares 13%	2,137,268	976,792
	18,457,318	10,199,802

KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 ST DECEMBER 2023

	2023	2022
6 Administrative Expenses		
Committee Sitting Allowances	376,000	262,000
Salaries & Wages	5,004,005	2,810,435
Staff Training and Member education	84,300	349,465
other staff expenses	224,300	
Repair & Maintenance	205,030	116,320
new member referral fee	171,350	-
Printing & Stationery	223,864	211,907
Postage, Telephone & Internet	-	171,400
provision for doubtful debts	59,893	687,711
Depreciation	806,362	339,580
Marketing & communication	1,212,978	992,798
Audit contingency	5,000	5,000
Audit Fee	70,000	30,000
CCD Supervision	7,200	3,200
meetings/hospitality expenses	440,588	-
Insurance	839,869	295,369
Rent	210,000	180,000
Commission Paid out	-	87,800
Legal & other subscriptions	942,002	191,350
Utility bills	613,467	259,378
CSR/volunteer expenses	140,200	120,000
Transport and Communication	1,231,071	450,264
AGM EXPENSES	749,600	435,220
Bad debt written off	-	369,842
	<u>13,617,079</u>	<u>8,369,039</u>
7 Finance costs		
Interest on Loan	805,366	515,925
Interest on Savings Account	141,683	27,524
Bank Charges	430,857	554,636
	<u>1,377,906</u>	<u>1,098,086</u>
8 Cash And Cash Equivalents		
M-Pesa Paybill	10,445	271,473
M-Pesa 0741888000	35,102	37,000
M-Pesa B2C	48,663	189,462
Co-operative-Collateral Account	2,040,000	840,000
SBM Bank	83,500	383,000
Co-operative-current Account	2,830,051	1,735,500
petty cash & teller	20,000	22,350
Equity	9,398,956	0
Balances as per the cashbook	<u>14,466,717</u>	<u>3,478,785</u>
9 Receivables		
fees receivables	2,664,704	679,048
other receivables	349,989	165,119
Late payment fees	176,082	-
Interest receivable	4,782,825	2,848,494
penalties receivable	149,794	21,813
	<u>8,123,394</u>	<u>3,714,474</u>
10 Loan To Members		
Balance B/F	153,503,883	84,224,454
Advances during the year	169,622,063	128,614,009
Paid during the year	(93,094,844)	(57,789,541)
Total debts	<u>230,031,102</u>	<u>155,038,922</u>
provision for doubtful debts	(2,748,044)	(1,535,039)
bal c/d	<u>227,283,058</u>	<u>153,503,883</u>

CS /NO 11396
KARURA COMMUNITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 ST DECEMBER 2023

	2023	2022
11 Investment Shares		
Bal B/F	2,607,039	
Kusco CFP Deposits	21,778	1,790,000
Nabo Capital	1,943,541	817,039
	<u>4,572,358</u>	<u>2,607,039</u>
13 Member Deposits		
Bal B/F	131,757,287	73,891,595
Received During the year	77,223,748	58,390,766
Refunds	(4,980,400)	(525,074)
	<u>204,000,635</u>	<u>131,757,287</u>
14 Interest on Member Deposits		
Bal B/F	10,199,802	5,628,358
Payments during the year	(10,199,802)	(5,628,356)
Provision for Interest on deposits	18,457,318	10,199,802
	<u>18,457,318</u>	<u>10,199,802</u>
15 Trade Payables		
Creditors Control account		
Audit Fee	70,000	50,000
CCD Supervision	7,200	5,200
Audit contingency	5,000	5,000
Honoraria	300,000	300,000
Payroll	131,514	58,322
Staff Bonuses	550,000	450,000
Crest Sacco	-	43,159
Pending disbursement	1,817,684	1,714,574
	<u>2,881,398</u>	<u>2,626,255</u>
16 Bank Loan		
BAL B/F	6,266,667	4,374,999
Received	-	6,400,000
Accrued Interest	-	82,061
Paid during the year	(1,600,000)	(4,590,393)
	<u>4,666,667</u>	<u>6,266,667</u>
17 Share Capital		
B/F	9,767,920	4,559,443
Additions during the year	6,672,605	5,208,477
	<u>16,440,525</u>	<u>9,767,920</u>
18 Reserves		
Statutory reserves	2,645,211	1,587,908
retained earnings	8,273,736	4,894,524
	<u>10,918,947</u>	<u>6,482,432</u>
19 Provision for doubtful debts		
bal b/d	1,535,039	847,328
provision for the year	1,213,005	687,711
	<u>2,748,044</u>	<u>1,535,039</u>