

**CS/No. 3982**

**MZIMA SPRINGS SAVINGS AND CREDIT**

**COOPERATIVE SOCIETY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**



**CS/No. 3982**

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**

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

<b>Table of Contents</b>	<b>Pages</b>
Society information	2
Statistical information	3
Report of the management committee	4
Statement of management committee's responsibilities	5
Independent auditor's report	6
Financial Statements	
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the annual financial statements	11 - 18

**CS/No. 3982**

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**

**SOCIETY INFORMATION**

**Members of the Management Committee**

1. Mr. John Njane Nduta - Chairman
2. Ms. Josphine Muli - Vice-Chair
3. Mr. Fredrick Odhiambo - Secretary
4. Mr. Josphat Manani - Treasurer
5. Ms. Caroline Ndambiri - Member
6. Mr. Were Lwanga - Member
7. Dr. David Mathuva - Member

**Members of the Supervisory Committee**

1. Mr. Moses Muchemi - Chairman
2. Ms. Juliana Sila - Secretary
3. Ms. Josphine Kayere

**Registered Office**

Mzima Springs SACCO Society Ltd  
Strathmore University next to Madaraka Estate  
P O Box 59857 - 00200  
Nairobi  
Telephone: 0703 034336

**Auditors**

Kavili & Company  
Certified Public Accountants  
P.O. Box 68188- 00200  
Nairobi

**Principal Bankers**

Cooperative Bank of Kenya  
Ukulima Branch  
Nairobi

CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**

**STATISTICAL INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b>	<b>2015</b>
Membership	789	659
Members' Deposits	131,813,561.80	103,462,155
Loan to Members	143,021,257.19	111,940,329
Investment	64,000.00	64,000
Assets	154,379,973.00	120,973,738
Liabilities	143,771,207	109,634,411
Interest Income	13,078,014.50	10,922,566
Other Incomes	123,500.00	89,644

CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**

**THE REPORT OF THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

The Board of Management submit their report together with the audited financial statements for the year ended 31 December 2016 which discloses the state of affairs of the institution.

**1 Registration**

The society is incorporated in Kenya under the Sacco Society Act No. 14 of 2008 vide Registration Certificate No. CS/3981 dated 21st November, 1983

**2 Principal Activity**

The principal activity of the society is to receive deposits from members and provide loans to them.

**3 Operating Results**

The operating results are shown on page 7.

**4 Management Committee**

The members of the management committee who served during the year are shown on page 2

**5 Auditors**

The auditors Kavili & Company, Certified Public Accountants of Kenya, were appointed during the year in the Annual General Meeting, to serve as auditors. The auditors have expressed their willingness to continue in office and therefore offer themselves for reappointment.

**By Order of the Management Committee**



**Mr. Fredrick Odhiambo**  
Secretary.

Nairobi 29/3/2017

CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**  
**STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**Statements of responsibilities**

The Management Committee is required to prepare financial statements for each financial year that give a true and fair view of the Society's state of affairs of the society as at the end of the financial year and of its surplus or deficit and cash flows for that year. The Management Committee should ensure the society keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Society. It is also responsible for safeguarding the assets of the Society.

The Management Committee accepts responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the Co-operative Societies (Amendment) Act 2008.

The Management Committee is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the society and its results. The Management Committee further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the 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 12 months from the date of this report.

Chairman 

Date 29-03-2017

Treasurer 

Date 29/3/2017

Secretary 

Date 29/03/2017



V.A.T No. 0013848U  
PIN No. A001094285S

Your Ref: \_\_\_\_\_

Our Ref: \_\_\_\_\_

Date: \_\_\_\_\_

**INDEPENDENT AUDITORS REPORT TO  
THE MEMBERS OF MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED FOR  
THE YEAR ENDED 31 DECEMBER 2016**

**Report on the financial statements**

We have audited the accompanying financial statements of the Mzima Springs Savings & Credit Cooperative Society set out on pages 7 - 18 which comprise the statement of financial position at 31st December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, together with a summary of significant accounting policies and other explanatory notes.

**The Responsibility of the Management Committee for the financial statements**

The management committee is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standard and the requirements of the Kenyan Cooperative Societies' Act 2008 (Amendment) and for such internal controls as management committee may determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**The 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 whether the financial statements are free from 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 judgement, including the assessment of the risk 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 institution's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

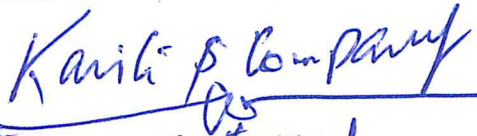
**Opinion**

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the society as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Kenyan Cooperatives Societies Act.

**Report on other legal requirements**

As required by the Cooperative Societies Act (Amendment) of 2008 we report to you, based on our audit, that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion proper books of account have been kept by the society, so far as appears from our examination of those books; and
- (iii) The society's statement of the financial position and statement of comprehensive income are in agreement with the books of account.

  
Nairobi, Kenya 30<sup>th</sup> March, 2017

CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**

**STATEMENT OF PROFIT & LOSS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

		<b>2016</b>	<b>2015</b>
<b>Revenue</b>	<b>Note</b>	<b>Kshs</b>	<b>Kshs</b>
Interest from Members Loans	<b>17</b>	13,078,015	10,922,566
Less: Interest on Members Deposits		<u>(8,500,000)</u>	<u>(6,000,000)</u>
Net Interest from Members Loans		4,578,015	4,922,566
	<b>17</b>		
Interest from Bank		<u>5,075</u>	<u>4,744</u>
<b>Total Net Interest Income</b>		4,583,089	4,927,310
Other Incomes	<b>17</b>	<u>123,500</u>	<u>84,900</u>
<b>Total Income</b>		4,706,589	5,012,210
Administrative Expenses	<b>17</b>	<u>(4,027,230)</u>	<u>(2,913,275)</u>
<b>Net Operating Surplus for the year</b>		679,360	2,098,935
Income Tax		<u>(18,525)</u>	<u>(12,735)</u>
<b>Net Surplus for the year after tax</b>		<u><u>660,835</u></u>	<u><u>2,086,200</u></u>



CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER, 2016**

	Notes	2016 Kshs	2015 Kshs
<b>ASSETS</b>			
Cash and Bank Balances	5	1,416,334	884,183
Trade & Other Receivables	6	9,351,129	7,627,161
Loans to members	7	143,021,257	111,940,329
Investments	8	64,000	64,000
Property, Plant & Equipment	9	172,787	132,565
Intangible Assets	10	186,000	325,500
Unaccounted Cash Receipts		168,466	
		<u>154,379,973</u>	<u>120,973,738</u>
<b>LIABILITIES</b>			
Members Deposits	13	131,813,562	103,462,155
Trade and Other Payables	12	2,720,457	946,458
Interest on Members Deposits	14	8,500,000	5,213,064
Tax Provision		31,259	12,735
Smartsaver deposits		340,000	-
Honorarium		210,000	
Proposed Dividends		155,930	
		<u>143,771,207</u>	<u>109,634,411</u>
<b>EQUITY AND LIABILITIES</b>			
Share Capital	16	1,559,300	4,000,000
Retained Earnings (Page 9)		4,165,761	5,587,789
Statutory Reserve		4,883,705	1,751,538
		<u>10,608,766</u>	<u>11,339,327</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<u><u>154,379,973</u></u>	<u><u>120,973,738</u></u>



These financial statements on pages 7 to 18 were approved and signed by

Chairman [Signature]

Date: 29/3/2017

Treasurer [Signature]

Date: 29/3/2017

Secretary [Signature]

Date: 29/03/2017

CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

		Share Capital Kshs	Statutory Reserve Kshs	Retained Surplus Kshs	Total Kshs
<b>Year Ended 31 December 2015</b>	<b>Notes</b>				
As at January 2015		4,000,000	1,353,824	3,996,933	9,350,756
Surplus for the Year	17	-	-	1,988,570	1,988,570
Transfer from Surplus Statutory Reserve Fund		-	397,714	(397,714)	-
As at 31 December 2015		4,000,000	1,751,538	5,587,789	11,339,327
<b>Year Ended 31 December 2016</b>	<b>Notes</b>				
As at January 2016		4,000,000	1,751,538	5,587,789	11,339,327
Prior Year's Adjustment				(2,584,766) *	(2,584,766)
Receipts		1,559,300			1,559,300
Surplus for the Year	17	-	-	660,835	660,835
Proposed Dividends				(155,930)	(155,930)
Proposed Honorarium				(210,000)	(210,000)
Transfer from Share Capital		(4,000,000)	3,000,000	1,000,000 *	-
Transfer from Surplus Statutory Reserve Fund		-	132,167	(132,167)	-
As at 31 December 2016		1,559,300	4,883,705	4,165,761	10,608,766

\*PRIOR YEAR'S ADJUSTMENT - KSHS 2,584,766 & KSHS 1,000,000

a) Being overpayment of 2015 interest on deposits

2,584,766

b) Reversal of transfer to share capital in the 2012 Audited Accounts

1,000,000

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. Accounting policies**

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

**a) Statement of compliance & basis of preparation**

The financial statements are prepared under the historical cost convention and are in compliance with International Financial Reporting Standards and the Co-operative Societies (Amendment) Act 2008, and are presented in the functional currency.

**b) Revenue recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Sacco and the revenue can be reliably measured. Revenue is recognized at fair value of consideration received or receivable taking into account contractually defined terms of payment (mostly monthly) and recognized net taxes. The following recognition criteria must be met before revenue is recognized:

**i) Interest from loans to members**

Interest on loans to members is calculated on a reducing balance method at a monthly rate of 1%. Interest income is recognized on a time basis by reference to the principal outstanding and the effective interest rate applicable.

**ii) Fees and commission income**

Fees and commission income is recognized at the time of effecting the transactions.

**iii) Dividend Income**

Dividend income from equity investment is recognized when the society's right to receive payments as a shareholder is established.

**iv) Other Income**

Other income is recognized on an accrual basis

**c) Property, plant and equipment**

All categories of property, plant and equipment are initially recognised at historical cost. All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the profit and loss account in the year to which it relates. Depreciation is calculated using straight line method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

	<u>Rate - %</u>
Office Equipment	12.5
Computers	30.0
Computer Software	30.0



Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

**d) Provision for liabilities and charges**

A provision is recognised in the balance sheet when the society has a present legal or constructive obligation as a result of past event and it is more likely than not that an outflow of economic benefits will be required to settle the obligation and it can be reliably estimated.

**e) Taxation**

Current tax is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

**f) Reserves**

Transfers are made to the statutory reserve fund at a rate of 20% of net operating surplus after tax in compliance with the Co-operative Societies Act (Amendment) of 2008.

**g) Cash and Cash Equivalents**

For the purposes of the Cash flow statements, the year end 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 an insignificant risk of changes in value net of bank overdrafts.

**h) Intangible assets**

Intangible assets include computer software stated at cost less accumulated amortization. The cost of amortized over the expected useful life of four years on a straight line.

**i) Interest on members loans**

Interest rates are charged at reducing balances at 1% for the Normal and Emergency loans.

**j) Comparatives**

Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current year.

**k) Pensions obligations**

The society also contributes to statutory defined contribution pension scheme, The National Social Security Fund (NSSF). Contributions are determined by local statute and are currently limited to Kshs 200 per employee per month, with the school contributing a similar amount.

The society contribution to the above schemes are charged to the income and expenditure account in the year in which the relate.

**l) Employee entitlements**

Employees entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated monetary liability for annual leave at the balance sheet date and recognised as an expense accrual.

**3. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

**i) Critical accounting estimates and assumptions**

**Property, plant and equipment**

Critical estimates are required in determining the depreciation rates for property, plant and equipment. The management determines these rates of depreciation based on their assessment of the useful lives of the various items of property, plant and equipment. These rates are set out in policy 1 (c)

**ii) Critical judgements in applying the entity's accounting policies. In the process of applying the society's accounting policies, management has made judgements in determining :**

- The classification of financial assets and leases
- Whether assets are impaired

**4. Employees**

The average number of employees during the year was 2



CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b> <b>Kshs</b>	<b>2015</b> <b>Kshs</b>
<b>5. BANK AND CASH BALANCES</b>		
Cash-in-hand	14,074	9,466
Co-operative Bank Ltd	1,402,260	874,717
	<u>1,416,334</u>	<u>884,183</u>
<b>6. RECEIVABLES &amp; PREPAYMENTS</b>		
Sundry Debtors	8,418,025	503,023
Due from Resigned Members	859,108	110,471
Resigned Members Loans		271,230
Prepaid Insurance	73,995	81,453
Members Remittances - December	-	6,660,984
	<u>9,351,129</u>	<u>7,627,161</u>
<b>7. LOANS TO MEMBERS</b>		
Balance per Control Account	143,021,257	111,940,329
Balance per Member Individual Accounts	139,895,049	111,515,145
	<u>3,126,209</u>	<u>425,184</u>
<b>8. INVESTMENT</b>		
KUSCO	64,000	64,000
	<u>64,000</u>	<u>64,000</u>

**9. PROPERTY, PLANT AND EQUIPMENT SCHEDULE****(a) PROPERTY PLANT AND EQUIPMENT SCHEDULE 2016**

	<b>Furniture &amp; Fittings 12.5% Kshs</b>	<b>Computers 30.0% Kshs</b>	<b>Totals  Kshs</b>
<b>COST</b>			
As at 1 January 2016	205,293	517,725	723,018
Additions	-	92,000	92,000
<b>As at 31 December 2016</b>	<u>205,293</u>	<u>609,725</u>	<u>815,018</u>
<b>DEPRECIATION</b>			
As at 1 January 2016	116,196	474,257	590,453
Charge for the year	11,137	40,640	51,777
<b>As at 31 December 2016</b>	<u>127,333</u>	<u>514,899</u>	<u>642,231</u>
<b>NET BOOK VALUE</b>			
<b>As at 31 December 2016</b>	<u>77,960</u>	<u>94,826</u>	<u>172,787</u>
<b>As at 31 December 2015</b>	<u>89,097</u>	<u>43,468</u>	<u>132,565</u>

CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**10. INTANGIBLE ASSETS SCHEDULE**

**(a) PROPERTY PLANT AND EQUIPMENT SCHEDULE 2016**

	<b>Computers Software 30.0% Kshs</b>	<b>Totals Kshs</b>
<b>COST</b>		
As at 1 January 2016	465,000	465,000
Additions		-
<b>As at 31 December 2016</b>	<u>465,000</u>	<u>465,000</u>
<b>AMORTISATION</b>		
As at January 2016	139,500	139,500
Charge for the year	139,500	139,500
<b>As at 31 December 2016</b>	<u>279,000</u>	<u>279,000</u>
<b>NET BOOK VALUE</b>		
As at 31 December 2016	<u>186,000</u>	<u>186,000</u>
As at 31 December 2015	<u>325,500</u>	<u>325,500</u>

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016 Kshs</b>	<b>2015 Kshs</b>
<b>11. WORK-IN-PROGRESS</b>		
Accounting Computer System	-	-
<b>12. PAYABLES AND ACCRUALS</b>		
Due to resigned members	474,104	277,100
Audit Fees	74,600	135,000
Audit Fees Balance B/Forward	(2,750)	
PAYE	52,245	3,327
NHIF	320	160
NSSF	800	200
Sundry Payables	522,671	506,156
Investment Company	1,131,198	16,515
CCD	6,200	8,000
Withholding Tax	392,469	
Accrued sitting allowances	68,600	
	<u>2,720,457</u>	<u>946,458</u>
<b>13. MEMBERS DEPOSIT</b>		
Balance per Control Accounts	131,813,562	103,462,155
Balance per Members Personal Accounts	133,669,297	103,544,124
	<u>1,855,736</u>	<u>81,969</u>
<b>14. INTEREST ON MEMBERS DEPOSITS</b>		
Balance Brought Forward	5,213,064	4,659,211
Paid during the year	(8,377,755)	(5,446,147)
Adjustment	3,164,691	
Provision for the year	8,500,000	6,000,000
	<u>8,500,000</u>	<u>5,213,064</u>
<b>15 SMART SAVER ACCOUNT</b>		
Balance Brought Forward	-	-
Net Receipts for the year	340,000	-
	<u>340,000</u>	<u>-</u>
<b>16 SHARE CAPITAL</b>		
Opening Balance	4,000,000	4,000,000
Reserves Capitalised in the year	353,300	-
	<u>4,353,300</u>	<u>4,000,000</u>

CS/No. 3982

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>17 DETAILED STATEMENT OF INCOME &amp; EXPENDITURE</b>		<b>2016</b>	<b>2015</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Income</b>	<b>Notes</b>		
Interest from Members		13,078,015	10,922,566
Entrance Fees		123,500	84,900
Investment Interest		5,075	4,744
		<u>13,206,589</u>	<u>11,012,210</u>
<b>Administrative Expenses</b>			
Audit Fees - Internal		-	55,000
Supervisory Fees		-	41,529
Repairs & Maintenance		-	1,100
Committee Sitting Allowance		1,239,000	857,560
Salaries & Wages	10	969,000	843,044
AGM Expense		531,687	237,100
Insurance		303,438	324,439
Bank Charges		262,598	64,913
Armatization		139,500	139,500
Marketing Expenses		92,992	13,660
Donations		70,000	120,000
Audit fees - External		69,600	80,000
Depreciation	5	51,778	31,358
Telephone & Postages		34,799	88,970
Printing & Stationery		27,169	67,048
Medical Expenses		17,164	27,684
Supervision fees & Recoverable Expenses		6,200	13,200
NSSF Employer Portion		4,800	4,800
Staff Welfare		88,600	-
Staff Training		7,500	-
Legal Fees	12	63,000	-
Sundry Expenses		23,405	-
Subscriptions		10,000	-
Website charges		10,000	-
Disbursements		5,000	-
<b>Total Expenditure</b>		<u>4,027,230</u>	<u>2,913,275</u>



**CS/No. 3982**

**MZIMA SPRINGS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED**

	<b>Kshs</b>
Entrance Fees	<u>84,900.00</u>
Computation 50%	<u>42,450.00</u>
Tax Due 30%	<u>12,735.00</u>

	<b>Kshs</b>
Entrance Fees	<u>123,500.00</u>
Computation 50%	<u>61,750.00</u>
Tax Due 30%	<u>18,525.00</u>