

MINISTRY OF INDUSTRY  
TRADE AND COOPERATION  
State Department for Cooperatives  
**MAIN REGISTRY**

27 APR 2018



No.....

P.O. Box 30547 - 00100  
GPO, NAIROBI, KENYA

REPUBLIC OF KENYA

NAIROBI COUNTY

C/S NO.3981

**MZIMA SPRINGS SAVINGS AND CREDIT  
CO-OPERATIVE SOCIETY LTD.**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2017**

Ministry of Industry Trade and Co-operatives,

P.O. Box 40811 – 00100,

Tel. 2731531-9

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Website: [www.cooperative.go.ke](http://www.cooperative.go.ke)

**NAIROBI**

**C/S NO 3981**

**MZIMA SPRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD**

**Annual Report and Financial Statement for the year ended 31st December 2017**

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C/S NO 3981

MZIMA SPRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD

Annual Report and Financial Statement for the year ended 31st December, 2017

### Society Information

#### Management and Supervisory Committee Members

#### MANAGEMENT COMMITTEE MEMBERS

1 Chairman	Mr. Fredrick Odhiambo
2 Vice-Chairman	Ms. Loice Orege
3 Secretary	Mr. Were Lwanga
4 Treasurer	Dr. David Mathuva
5 Credit committee	Ms. Caroline Ndambiri
6 Credit committee	Mr. Josphat Manani
7 Credit committee	Mr. John Njane

#### SUPERVISORY COMMITTEE MEMBERS

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

#### REGISTERED OFFICE

Mzima Springs SACCO Society Ltd  
Strathmore University next to Madaraka Estate  
P.O. Box 59857-00200  
Nairobi  
Telephone: 07030034336

#### PRINCIPAL BANKER

Co-Operative Bank of Kenya limited  
Ukulima Branch  
Nairobi.

#### INDEPENDENT AUDITORS

County Director Co operative Audit  
Ministry of Industry, Trade and Industry  
P.O Box 30547-00100  
NAIROBI COUNTY.

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**MZIMA SRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD**

**Annual Report and financial Statements for the year ended 31st December 2017**

**REPORT OF THE MANAGEMENT COMMITTEE**

The members of the Management Committee submit their annual report together with the Audited financial statement for the year ended 31st December 2017

**Incorporation**

The society is incorporated in Kenya under the Co-operative Society Act.cap 490 of 1997 ammended 2004 and is domicilled in kenya.

**Principal Activity**

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

<b>Results</b>	<b>2017</b>	<b>2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Surplus before tax	794,161.20	679,360.00
Proposed Dividends	315,757.00	155,930.00
Proposed Honoraria	210,000.00	210,000.00
Net Surplus(deficit)	793,384.20	660,835.00
Retained Surplus/loss for the Year	108,950.36	162,738.00
<b>Interest on members deposits</b>	<b>8%</b>	<b>8%</b>

**Dividends/Interest on members deposits**

The management committtee recommends payment of first and final dividend of (10%) per share (2016,(10%) to all members in the register as at 31st December 2017,subject to deduction of applicable withholding tax.

They also recommend interest on members deposit at the rate of 7.5 % (2016,8%) on deposit balances held by the society as at 31st December 2017 and will be paid subject to deduction of applicable withholding tax. Calculation of interest payable is based on the number of months the deposits were held by the society during the year.

**Management Committee**

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

By order of Management Committee

Secretary ..... *NERE LWANGA -M*

Signature ..... *Hhang* ..... Date ..... *23/04/2018*

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MZIMA SPRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD

Annual Report and Financial Statement for the year ended 31st December 2017

**Statistical Information as at 31st December 2017**

		<b>2017</b>	<b>2016</b>
Number of members -	Active	815	789
	Dormant	64	92
		<u>879</u>	<u>881</u>
Employees		<u>3</u>	<u>2</u>

**Financial**

Share Capital	4,568,900.00	1,559,300.00
Members Deposits	161,265,880.00	131,813,562.00
Statutory Reserve Fund	5,042,381.84	4,883,705.00
Retained Earnings	4,594,676.64	4,165,761.00
Loans to members	177,123,442.28	143,021,257.00
Total Assets	189,396,493.48	154,379,973.00
Total liabilities	175,190,535.00	143,771,207.00
Share holders Funds	14,205,958.48	10,608,766.00
Interest income	15,480,623.00	13,078,015.00
Current Assets	11,864,258.00	10,767,463.00
Current Liabilities	175,190,535.00	143,771,207.00
Revenue	15,583,574.00	13,206,590.00

**KEY RATIOS**

Liquidity Ratio	55%	46%
Percentage of expenses to revenue	33%	30%
Interest on Members deposits	7.5%	8%

**MZIMA SPRINGS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD.**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup>**  
**DEC 2017**

**STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES**

The Co-operative Societies Act Cap 490 requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its operating results for that year in accordance with IFRS. It also requires the Management Committee to ensure that the Society keeps proper accounting records, which disclose, with reasonable accuracy, at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and ensuring that the business has been conducted in accordance to its objectives, bylaws and any other resolutions made at the society's general meeting.

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

Nothing has come to the attention of the Management Committee to indicate that the Society will not remain a going concern for at least the next twelve months from the date of this statement. Approved by the management committee on 23/04/2018 and signed on its behalf by

Chairman.....FREDRICK ODHIAMBO.....

Treasurer.....DAVID MATHUVA (Dak).....

Secretary.....KIERE LWANGA - M. (Hwang).....

Date.....23/04/2018.....

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**MZIMA SPRINGS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD.  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2017**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MZIMA SPRINGS SOCIETY LTD.**

**Opinion.**

We have audited the accompanying financial statements of MZIMA SPRINGS SACCO Limited, which comprise the statement of financial position as at 31 December 2017, 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 information

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Co-operative Societies Act.

**Key Audit Matter.**

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 thereon and we do not provide a separate opinion on these matters.

**Directors' responsibility for the financial statements**

The directors 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 directors determine is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

**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 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 judgement, 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 INDUSTRY, TRADE AND CO-OPERATIVES**

  
CPA BETTY C RONO

**DEPUTY COUNTY DIRECTOR CO-OP AUDIT**

**NAIROBI CITY COUNTY.**

Date.....28/4/2018.....



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**MZIMA SPRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD**

Annual Report and Financial Statements for the year ended 31st December 2017

Income statement for the year ended 31st December 2017

REVENUE	NOTES	2017 KSHS	2016 KSHS
Interest on members loans		15,475,443.00	13,078,015.00
Other interest income	2b	5,180.00	5,075.00
Interest Expenses	2a	(9,600,000.00)	(8,500,000.00)
<b>Net Interest Income</b>		<b>5,880,623.00</b>	<b>4,583,090.00</b>
Other Operating Income	3	102,951.00	123,500.00
<b>Net revenue</b>		<b>5,983,574.00</b>	<b>4,706,590.00</b>
Administrative Expenses	4	(4,975,215.80)	(3,764,632.00)
Other Operating Expenses	5	(214,197.00)	(262,598.00)
<b>Total Expenditure</b>		<b>(5,189,412.80)</b>	<b>(4,027,230.00)</b>
<b>Surplus /deficit before income tax</b>		<b>794,161.20</b>	<b>679,360.00</b>
Income tax expense		(777.00)	(18,525.00)
<b>Surplus/deficit after income tax</b>		<b>793,384.20</b>	<b>660,835.00</b>
20% transfers to Statutory reserve		(158,676.84)	(132,167.00)
<b>Surplus available for distribution</b>		<b>634,707.36</b>	<b>528,668.00</b>
Provision for Dividends		(315,757.00)	(155,930.00)
Provision for Honorarium		(210,000.00)	(210,000.00)
<b>Surplus to Retained Earnings</b>		<b>108,950.36</b>	<b>162,738.00</b>

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**MZIMA SPRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD**

Annual Report and Financial Statements for the year ended 31st December 2017

Balance Sheet as at 31st December 2017

ASSETS	NOTES	2017 KSHS	2016 Kshs
Cash and Cash equivalent	6	2,010,763.00	1,416,334.00 ✓
Trade and other receivables	7	9,853,495.00	9,351,129.00 ✓
Loans to Members	8	177,123,442.28	143,021,257.00 ✓
Uncredited bankings	17	80,000.00	168,466.00 ✓
Other Financial Assets	11	64,000.00	64,000.00 ✓
Property plant and Equipment	21	134,593.20	172,787.00 ✓
Intangible Assets	21	130,200.00	186,000.00 ✓
<b>Total Assets</b>		<b>189,396,493.48</b>	<b>154,379,973.00</b> ✓
<b>LIABILITIES</b>			
Members Deposits	13	61,265,880.00	131,813,562.00 ✓
Interest on Members Deposit		9,600,000.00	8,500,000.00 ✓
Smart Saver Deposits	10	560,863.00	340,000.00 ✓
Dividends payable	22	315,757.00	155,930.00 ✓
Trade and Other payables	16	3,448,035.00	2,961,715.00 ✓
<b>Total Liabilities</b>		<b>175,190,535.00</b>	<b>143,771,207.00</b> ✓
<b>SHARE HOLDERS EQUITY</b>			
Share Capital	14	4,568,900.00	1,559,300.00 ✓
Reserves	15	9,637,058.48	9,049,466.00 ✓
<b>Total Shareholders' Equity</b>		<b>14,205,958.48</b>	<b>10,608,766.00</b> ✓
<b>Total Liabilities and Share holders Equity</b>		<b>189,396,493.48</b>	<b>154,379,973.00</b> ✓



The financial statement on pages 6-15 were authorized by the Management Committee on ..... 23/04/2018 ..... and signed on its behalf by,

CHAIRMAN..... *O. DHIAMBO FREDRICK* ✓

SECRETARY..... *WRE LUANGA M. Aduaga*

TREASURER..... *DAVID MATHUA (D.M.)*

DATE ..... *23/04/2018* .....



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## MZIMA SPRINGS SAVINGS &amp; CREDIT CO-OPERATIVE SOCIETY LTD

Annual Report and Financial Statements for the year ended 31st December 2017

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017

	NOTES	SHARE CAPITAL KSHS	STATUTORY RESERVE FUND KSHS	RETAINED EARNING KSHS	TOTALS KSHS
Year ended 31/12/2016					
At start of the year		4,000,000.00	1,751,538.00	5,587,789.00	11,339,327.00
Prior year adjustment				(2,584,766.00)	(2,584,766.00)
Transfer from share capital		(4,000,000.00)	3,000,000.00	1,000,000.00	-
Surplus for the Year/(deficit)				660,835.00	660,835.00
Statutory Reserve fund			132,167.00	(132,167.00)	
Contribution		1,559,300.00			1,559,300.00
Honoraria				(210,000.00)	(210,000.00)
Provision for dividends				(155,930.00)	(155,930.00)
Balance C/F 31/12/2016		1,559,300.00	4,883,705.00	4,165,761.00	10,608,766.00
	NOTES	SHARE CAPITAL KSHS	STATUTORY RESERVE FUND KSHS	RETAINED EARNING KSHS	TOTALS KSHS
Year ended 31/12/2017					
At start of the year		1,559,300.00	4,883,705.00	4,165,761.00	10,608,766.00
Prior year adjustment				319,965.28	319,965.28
Surplus for the Year/(deficit)				794,161.20	794,161.20
Corporation Tax				(777.00)	(777.00)
Statutory Reserve fund			158,676.84	(158,676.84)	0.00
Contribution		3,009,600.00			3,009,600.00
Honoraria				(210,000.00)	(210,000.00)
Provision for dividends				(315,757.00)	(315,757.00)
Balance C/F 31/12/2017		4,568,900.00	5,042,381.84	4,594,676.64	14,205,958.48
22 Prior Year adjustment Kshs.413,958.68					
Interest on deposits overprovision			164,035.28		
Dividends overprovision Written back			155,930.00		
Total			319,965.28		

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MZIMA SPRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD

Annual Report and Financial Statements for the year ended 31st December 2017

Cashflow for the year ended 31st December 2017	2017	2016
NOTES	KSHS	KSHS
<b>Cashflows from operating activities</b>		
Interest Receipts	15,475,443.00	13,078,015.00
Other operating income	102,951.00	123,500.00
Interest payment	(8,243,963.72)	(8,377,755.00)
Payment to Employees & Suppliers	(4,730,504.00)	(3,772,952.00)
	<u>2,603,926.28</u>	<u>1,050,808.00</u>
<b>Increase/Decrease in Operating Assets</b>		
Trade and other receivables	(502,366.00)	(1,723,968.00)
Loan to Members	(34,102,185.28)	(29,881,468.00)
Uncredited bankings	88,466.00	-
	<u>(34,516,085.28)</u>	<u>(31,605,436.00)</u>
<b>Increase/Decrease in Operating Liabilities</b>		
Deposits from members	32,129,818.00	28,640,407.00
Smart Savers deposits	220,863.00	340,000.00
Trade and accrued Expenses	(89,373.00)	1,684,806.00
<b>Net cashflow from operating activities before income tax</b>	<u>32,261,308.00</u>	<u>(940,223.00)</u>
Income tax		
<b>Net cashflow from operating activities</b>	<u>32,261,308.00</u>	<u>(940,223.00)</u>
<b>Cash flow from investing activities</b>		
Purchase of Assets	(92,000.00)	(92,000.00)
Investment Income	5,180.00	5,075.00
<b>Cash from Investing activities</b>	<u>(86,820.00)</u>	<u>(86,925.00)</u>
<b>Net cash from financial activities</b>		
Share Capital contribution	332,100.00	1,559,300.00
<b>Net cash from financial activities</b>	<u>332,100.00</u>	<u>1,559,300.00</u>
<b>Net Decrease/Increase in cash and cash equivalent</b>	594,429.00	532,152.00
Cash and cash equivalent at the beginning of the year	1,416,334.00	884,182.00
<b>Cash and cash equivalent at the end of the year</b>	<u>2,010,763.00</u>	<u>1,416,334.00</u>

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MZIMA SRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD

Annual Report and Financial Statements for the year ended 31st December 2017

Notes on the Audited accounts for the year ended 31st December 2017

## **1. Summary of significant Accounting Policies**

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

### **a) Statement of compliance & basis of Preparation**

The financial statement are prepared in accordance and comply with International Reporting Standards. This financial statement are presented in the functional currency, Kenya Shillings (Kshs) and prepared under the historical cost convention, as modified by revaluation of assets as prescribed by IFRS.

### **b) Revenue Recognition**

Interest on loan to members is calculated on reducing balancing method on a monthly basis on rates applicable to each type of loan. Interest income is recognized on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

### **c) Investments**

These are investments in the equity shares of other co-operative entities and are recognized initially at cost. They are not listed in the open stock exchange.

### **d) Loans**

Loans are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate so as to allocate the interest income over the relevant period, and so as to exactly amortise the loan(including all fees, transaction costs and premiums) over the expected life of the loan.

### **e)Statutory Reserves**

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 cooperative society act Cap490

### **f)Trade and other Payables**

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method

### **g)Cash and Cash equivalent**

Cash and Cash equivalent comprise cash at hand and demand deposit and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of change in value.

### **h)Tax**

The incomes of the society wholly comprise sources that do not attract tax under the income tax Act and as a result, no tax has been provided on account of the income of the society.

	2017 Kshs	2016 Kshs
<b>2a Interest Expense</b>		
Interest on members deposit	<u>9,600,000.00</u>	<u>8,500,000.00</u>
<b>2b Other Interest Income</b>		
Bank interest	5,180.00	
<b>3 Other Operating Income</b>		
Entrance fees	99,000.00	123,500.00
Investment interest	3,951.00	5,075.00
<b>Total</b>	<u>102,951.00</u>	<u>128,575.00</u>
<b>4 Administrative Expenses</b>		
Salaries and wages	1,934,752.00	969,000.00
Printing and Stationery	60,153.00	27,169.00
Telephone and postage	11,800.00	34,799.00
Legal fees	-	63,000.00
Depreciation	38,192.80	51,778.00
Arnotization	55,800.00	139,500.00
Staff welfare	130,715.00	88,600.00
AGM Expenses	936,009.00	531,687.00
Insurance	325,503.00	303,438.00
CMC Sitting allowance	1,041,600.00	1,239,000.00
Supervisory Committee allowance	60,000.00	-
Travelling Expenses	18,820.00	-
Audit and Supervision fee	60,000.00	69,600.00
Supervision and Recoverable fee	-	6,200.00
Marketing Expenses	-	92,992.00
Donation	15,450.00	70,000.00
Kuscco Subsription	10,000.00	10,000.00
Website Charges	44,390.00	10,000.00
Medical Expenses	37,471.00	17,164.00
Sundry Expenses		23,405.00
Ministry of Cooperative (Inspection)	80,060.00	-
Nssf Employer	10,000.00	4,800.00
Staff Training	69,000.00	7,500.00
Disbursements	-	5,000.00
Committee Subsistence allowance	35,500.00	-
<b>Total</b>	<u>4,975,215.80</u>	<u>3,764,632.00</u>
<b>5 Other Operating expenses</b>		
Bank charges and commissions	214,197.00	262,598.00
<b>Total</b>	<u>214,197.00</u>	<u>262,598.00</u>

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**MZIMA SRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD**

Annual Report and Financial Statements for the year ended 31st December 2017

Notes on the Audited Accounts continued

**6 Cash and Cash equivalent**

Cash in hand (not verified)	18,748.00	14,074.00
Bank current a/c- (Co op Bank)reconciled	1,754,861.00	1,402,260.00
Opening balance adjustment	43,489.00	-
Savings Account-Co operative Bank Ltd	193,665.00	-
	<u>2,010,763.00</u>	<u>1,416,334.00</u>

Cash can be verified every year end and a certificate issued.

**7 Trade and other receivables**

Sundry Debtors (Centres)	8,710,858.00	8,418,025.00
Due from Ex-Members	859,108.00	859,108.00
Prepaid Insurance	73,995.00	73,995.00
Prepaid W/Tax	148,318.00	-
Uncredited bankings (Cash recoveries a/c)	61,216.00	-
	<u>9,853,495.00</u>	<u>9,351,128.00</u>

**8 Loans to members**

At start of the year	143,021,257.00	
Granted during the year	99,468,179.58	
Repayment during the year	(65,365,994.30)	
At the end of the year	<u>177,123,442.28</u>	<u>143,021,257.00</u>

**9 INTEREST ON MEMBERS DEPOSITS**

Balance brought forward	8,500,000.00	5,213,064.00
Payment during the year	(8,500,000.00)	(8,377,755.00)
Adjustments	-	3,164,691.00
Provision for the year	9,600,000.00	8,500,000.00
	<u>9,600,000.00</u>	<u>8,500,000.00</u>

**10 SMART SAVER ACCOUNT**

Balance brought forward	340,000.00	-
Amount received during the year	220,863.00	340,000.00
	<u>560,863.00</u>	<u>340,000.00</u>

Kshs

Kshs

**11 Other Financial Assets**

Kuscco shares	64,000.00	64,000.00
	<u>64,000.00</u>	<u>64,000.00</u>

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**MZIMA SRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD**

Annual Report and Financial Statements for the year ended 31st December 2017

Notes on the Audited Accounts continued

	2017	2016	
<b>12 Shares Deposit and Loan balances</b>			
	<b>Shares</b>	<b>Deposits</b>	<b>Loans</b>
Balance as per control a/c	4,568,900.00	161,265,879.29	177,123,442.00
Balance as per MPA	(4,568,900.00)	(161,265,879.29)	(177,123,442.00)
<b>Difference</b>	<b>0.00</b>	-	-
<b>13 Members deposits</b>			
As at 1st jan . 2017	131,813,562.00		
Contribution during the year	38,455,993.87		
Other deposits (Not in system)	1,890,553.00		
Refunds during the year	(8,216,728.87)		
Transfer to Share Capital	(2,677,500.00)		
<b>Balance as at 31st Dec.2017</b>	<b>161,265,880.00</b>	<b>131,813,562.00</b>	
<b>14 Share Capital</b>			
As at 1st january 2017 @ kshs 20 each	1,559,300.00	4,000,000.00	
Contribution during the year	332,100.00	-	
Capitalized reserves	-	353,300.00	
Transfer from Members Deposits account	2,677,500.00	(2,794,000.00)	
<b>Balance as at 31st December 2017</b>	<b>4,568,900.00</b>	<b>1,559,300.00</b>	
<b>Share Capital should not be refunded or transferred to any other reserve account.</b>			
<b>15 Reserves</b>			
Statutory reserve fund	5,042,381.84	4,883,705.00	
Retained earnings	4,594,676.64	4,165,761.00	
<b>Total</b>	<b>9,637,058.48</b>	<b>9,049,466.00</b>	



C/S NO 3981

**MZIMA SPRINGS SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD**

Annual Report and Financial Statements December 2017

Notes on the Audited accounts continued

	2017 Kshs	2016 Kshs
<b>16 Trade ,payables and accrued expense</b>		
Sundry creditors-Ex Members (2017)	474,104.00 ✓	474,104.00 ✓
Provision for Audit fees	60,000.00 ✕	74,600.00
Provision for honoraria	210,000.00 ✓	210,000.00
Audit fees balance b/f	-	(2,750.00)
PAYE	79,396.00	52,245.00
NHIF	2,170.00	320.00
NSSF	400.00	800.00
Sundry payables (2016 c/d)	522,671.00 ✓	522,671.00 ✓
Due to Investment Company	1,844,308.00 ✓	1,131,197.00
Accrued sitting allowance-MC	204,950.00 ✕	68,600.00
Accrued sitting allowance-SP	18,000.00 †	-
Withholding Tax	-	392,469.00
CCD	-	6,200.00
Coporation Tax	32,036.00	31,259.00
	<b>3,448,035.00</b> ✓	<b>2,961,715.00</b> ✓
<b>17 Uncredited Bankings</b>		
Balance brought forward	168,466.00	-
Recoveries during the year	(88,466.00)	168,466.00
<b>Balance Carried down</b>	<b>80,000.00</b> ✓	<b>168,466.00</b> ✓

**18 Commitments**

The society has no commitments.

**19 Contigent liabilities**

The society has not given any guarantees to any third party that may give rise to contigent liabilities.

**20 Budget**

The society operated within the budget approved during the AGM.

C/S NO.3981

**MZIMA SPRINGS CO-OPERATIVE SAVINGS & CREDIT SOCIETY LTD**

Annual Report and Financial Statement for the period ended 31st December 2017.

Notes on the Audited Accounts continued

**21 Property/Plant and Equipment**

	<b>Furniture and Fittings</b>	<b>Computers &amp; Accessories</b>	<b>Total</b>
	<b>12.50%</b>	<b>30.00%</b>	<b>Kshs</b>
Cost as at 1st Jan 2017	205,293.00	517,725.00	723,018.00
Additional during the year	-	92,000.00	92,000.00
<b>Totals</b>	<b>205,293.00</b>	<b>609,725.00</b>	<b>815,018.00</b>

**Accumulated Depreciation**

Balance as at 1st Jan 2017	127,333.00	514,899.00	642,232.00
Charge for the year	9,745.00	28,447.80	38,192.80
<b>Accumulated Depreciation as at 31 Dec 2017</b>	<b>137,078.00</b>	<b>543,346.80</b>	<b>680,424.80</b>

**Carrying Amount**

As at 31st December 2016	<b>77,960.00</b>	<b>94,826.00</b>	<b>172,786.00</b>
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As at 31st December 2017	<b>68,215.00</b>	<b>66,378.20</b>	<b>134,593.20</b>
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	<b>COMPUTER SOFTWARE</b>	<b>TOTAL</b>
	<b>30.00%</b>	
Rate		
COST		
As at 1st January 2017	465,000.00	465,000.00
Additions	-	
<b>As at 31st December 2017</b>	<b>465,000.00</b>	<b>465,000.00</b>

**AMORTIZATION**

As at 1st January 2017	279,000.00	279,000.00
Charge for the year	55,800.00	55,800.00
<b>As at 31st December 2017</b>	<b>334,800.00</b>	<b>334,800.00</b>

**NETBOOK VALUE**

As at 31st December 2017	130,200.00	130,200.00
As at 31st December 2016	186,000.00	186,000.00

**NB: New Assets were not depreciated during the year of Acquisition.**