

2018

ANNUAL REPORT



KINGDOM SACCO

Empowering People, Transforming Lives

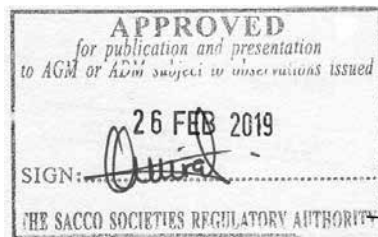


STATEMENT OF COMPREHENSIVE INCOME


	Note	2018 Kshs	2017 Kshs
Income			
Interest on loans and advances	5	128,845,287	114,908,194
Other interest income	6	23,497,546	18,940,782
Total interest income		152,342,834	133,848,976
Interest expenses	7	(47,804,967)	(39,663,825)
Net interest income		104,537,867	94,185,152
Member related income	8	2,151,744	1,993,656
Other incomes	9(a)	4,595,907	3,577,618
Dividend income	9(b)	54,423	48,353
Loss on disposal of Fixed Assets	9(c)	21,812	(94,390)
Miscellaneous incomes	9(d)	1,690,752	-
Total other incomes		8,514,639	5,525,236
Total income		113,052,506	99,710,388
Impairment of loans and advances	18(b)	-	(5,279,171)
Staff expenses	10	(32,381,043)	(28,124,173)
Directors expenses	11	(1,548,222)	(1,590,015)
Depreciation	20	(5,800,842)	(4,487,660)
Amortization	19	(678,468)	(925,561)
Other operating expenses	12(a)	(23,413,594)	(22,969,537)
Marketing Expenses	12(b)	(4,085,803)	(3,464,385)
Total operating expenses		(67,907,972)	(66,840,502)
Surplus before income tax expense		45,144,534	32,869,886
Income tax expense	17	(3,666,085)	(3,385,013)
Net surplus for the year		41,478,449	29,484,873
Other comprehensive income for the year, net of tax		-	836,168
Total comprehensive income for the year	b/d	41,478,449	30,321,041

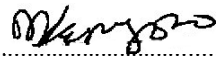
**STATEMENT OF FINANCIAL POSITION**

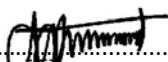
	Note	2018 Kshs	2017 Kshs
Assets			
Cash balances	13(a)	12,742,786	13,068,929
Balances with banks	13(b)	5,757,676	7,648,837
Short term investments	13(c)	227,172,260	244,919,981
Government securities	14	17,253,949	17,167,206
Non-current assets held for Sale	15	31,472,487	31,562,737
Loans and advances to members	18	908,162,905	749,674,727
Property and equipment	20	21,206,071	25,667,091
Intangible assets	19	5,354,909	5,432,870
Freehold land	16	34,055,910	14,455,910
Other assets	21	6,620,489	6,609,976
Total assets		<u>1,269,799,442</u>	<u>1,116,208,265</u>
Liabilities and member's funds			
Liabilities			
Members' withdrawable deposits	22	224,073,731	246,009,328
Members' non withdrawable deposits	23	741,943,663	622,050,994
Interest payable on member deposits	24	44,728,960	36,924,995
Other liabilities	25	20,987,465	25,200,991
Income tax payable	17	494,474	711,515
		<u>1,032,228,293</u>	<u>930,897,823</u>
Members' funds			
Share capital		119,969,096	99,090,169
Capital grant		340,425	340,425
Statutory reserve		20,655,291	14,919,267
Revenue reserves		96,606,337	70,960,582
Total members' funds		<u>237,571,149</u>	<u>185,310,443</u>
Total liabilities and equity		<u>1,269,799,442</u>	<u>1,116,208,265</u>



The financial statements on pages 31 to 51 were authorized for issue by the Board of Directors on 23/02/2019 and signed on its behalf by:

Chairman:  Mr. Meshak Ndegwa

Honorary Secretary:  Ms. Margaret Kanyoro

Treasurer:  Mr. Peter Mbugua

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 35 to 51.



STATEMENT OF CHANGES IN EQUITY

Year 2018	Share capital	Statutory reserve	Capital grant	Retained earnings	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 January	99,090,169	14,919,267	340,425	70,960,582	185,310,443
Additional share capital	20,878,927				20,878,927
Surplus for the year				41,478,449	41,478,449
Dividends – 2017				(10,096,670)	(10,096,670)
Transfer to statutory reserve		5,736,024		(5,736,024)	-
At 31 December	119,969,096	20,655,291	340,425	96,606,336	237,571,149
Year 2017	Share capital	Statutory reserve	Capital grant	Retained earnings	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 January	89,037,173	10,874,576	340,425	53,390,536	153,642,710
Additional share capital	10,052,996				10,052,996
Prior year adjustments				167,915	167,915
Surplus for the year				30,321,042	30,321,042
Dividends – 2016				(8,874,220)	(8,874,220)
Transfer to statutory reserve		4,044,691		(4,044,691)	-
At 31 December	99,090,169	14,919,267	340,425	70,960,582	185,310,443



STATEMENT OF CASH FLOWS

		2018	2017
	Notes	Kshs	Kshs
Cash flows from operating activities			
Interest from loans and other sources	5&6	152,342,834	133,848,976
Other member related income	8&9	8,514,640	5,525,238
Dividends paid		(10,096,669)	(8,706,304)
Interest paid		(40,001,001)	(33,837,897)
Payment to employees and suppliers		(61,428,661)	(61,427,281)
		49,331,142	35,402,732
(Increase)/ Decrease in operating assets			
(Increase) in loans to members		(158,488,178)	24,541,958
Decrease in other assets		79,737	(2,884,838)
		(158,408,441)	21,657,120
Increase /(Decrease) in operating liabilities			
Decrease in withdrawable deposits		(21,935,597)	425,794
Increase in non-withdrawable deposits		119,892,669	99,829,603
Decrease in other liabilities		(4,213,526)	2,223,753
Tax paid		(3,883,126)	(3,030,157)
		89,860,419	99,448,993
Net cash flow from operating activities		(19,216,880)	156,508,845
Cash flows from investing activities			
Purchase of property and equipment	20	(1,166,624)	(2,400,957)
Decrease in government securities	14	(86,742)	325,403
Purchase of intangible assets	19	(600,507)	(5,025,000)
Purchase of investments		(19,773,197)	(40,440,011)
Net cash flows from investing activities		(21,627,071)	(47,540,565)
Cash flows from financing activities			
Share capital		20,878,927	10,052,996
Net cash flows from financing activities		20,878,927	10,052,996
Net decrease in cash and cash equivalents		(19,965,024)	119,021,275
Cash and cash equivalents at start of year		265,637,747	146,616,472
Cash and cash equivalents at end of year	13	245,672,723	265,637,747



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