## Statement of Comprehensive Income for the Year ended 31 December 2014

| | | 2014 | 2013 |
|---|---|---|---|
| | | KShs | KShs |
| Revenue: | Note | | |
| Interest on loans and advances to members | 3a | 52,194,043 | 57,022,088 |
| Other interest Income | 3b | 2,983,273 | 2,127,844 |
| **Total interest income** | | **55,177,316** | **59,149,933** |
| Interest expenses | 4 | (29,838,010) | (29,263,433) |
| **Net interest income** | | **25,339,306** | **29,886,500** |
| Other operating income | 5 | 10,514,024 | 14,877,374 |
| **Total Income** | | **35,853,329** | **44,763,874** |
| **Operating Expenses** | | | |
| Personnel | 6(a) | 12,353,692 | 15,280,515 |
| Administration | 6(b) | 2,798,139 | 4,920,351 |
| Governance | 6(c) | 2,435,008 | 1,988,288 |
| Marketing and Publicity | 6(d) | 620,436 | 593,373 |
| Depreciation And Amortization | 6(e) | 1,700,323 | 2,078,503 |
| Bank Charges | 6(f) | 821,631 | 1,174,922 |
| Other Operating Expenses | 6(g) | 4,872,129 | 10,000,387 |
| Allowance for loss on loan impairment | 12(b) | 2,366,661 | 1,509,402 |
| **Total Expenses** | | **27,968,020** | **37,545,741** |
| **Net operating surplus before income tax** | | **7,885,310** | **7,218,133** |
| Income tax expense | 8 | 886,290 | 1,852,719 |
| **Net surplus for the year** | | **6,999,020** | **5,365,414** |
| **Other Comprehensive Income** | | | |
| Surplus/(deficit) on revaluation of property, plant and equipment | | - | - |
| Increase/(Decrease) in fair value of available for sale investments | | 34,324,872 | 1,167,905 |
| **Other comprehensive income for the year, net of tax** | | **34,324,872** | **1,167,905** |
| **Total comprehensive income** | | **41,323,892** | **6,533,319** |

## Statement Of Financial Position As at 31st December 2014

| | Note | 2014 KShs | 2013 KShs |
|---|---|---|---|
| **Assets** | | | |
| Cash and Cash Equivalents | **10** | 50,955,120 | 23,690,713 |
| Prepayments and Receivables | **11** | 33,063,169 | 49,712,658 |
| Income Tax Claimable | **8** | 1,082,502 | - |
| Loans to members | **12(a)** | 291,789,680 | 312,933,438 |
| Investments | **13** | 44,310,422 | 17,863,697 |
| Property and equipment | **17** | 6,162,725 | 7,304,256 |
| **TOTAL ASSETS** | | **427,363,617** | **411,504,762** |
| **LIABILITIES** | | | |
| Cash and Cash Equivalents | **10** | 3,024,397 | 1,930,600 |
| Members' deposits | **14** | 326,128,476 | 296,319,708 |
| Tax payable | **8** | - | 1,291,123 |
| Dividends Payable | | 849,619 | 802,538 |
| Payables and accruals | **15** | 25,796,811 | 25,547,859 |
| Interest bearing liabilities | **16** | 782,851 | 58,455,393 |
| **Total liabilities** | | **356,582,155** | **384,347,221** |
| **EQUITY** | | | |
| Share capital | **18** | 9,759,036 | 8,025,378 |
| Reserves | **18** | 61,022,429 | 19,132,163 |
| **Total Equity** | | **70,781,465** | **27,157,541** |
| **TOTAL LIABILITIES AND EQUITY** | | **427,363,617** | **411,504,762** |

APPROVED
for publication and presentation to AGM or ADM subject to observations issued
13 FEB 2015
SIGN:
THE SACCO SOCIETIES REGULATORY AUTHORITY

The financial statements on pages 19-48 were authorized for issue by the Board of Directors on 6th February 2015 and signed on its behalf by:

| | | |
|---|---|---|
| ............................ | ............................ | ............................ |
| Lucy Kaburia (Mrs. Ominde) | Gordon Opiyo | |
| Chairperson | **Treasurer** | **Member** |

**CS/2664 Magadi Savings and Credit Co-Operative Society Limited**
**Annual Report and Financial Statements**
**For the Year ended 31st December 2014**

**Statement of Changes in Equity for the period ended 31 December 2014**

| | Share capital KShs | Statutory Reserve | Fair Value Reserve | Capital Reserve | Revaluation surplus KShs | Insurance Fund | Retained earnings KShs | Total KShs |
|---|---|---|---|---|---|---|---|---|
| **At 1 January 2013** | **7,048,436** | **5,270,550** | **-** | **134,210** | **1,310,930** | **7,493,953** | **1,953,488** | **23,211,568** |
| Prior year adjustments | - | - | - | - | - | - | (2,031,857) | (2,031,857) |
| Transfer to income | - | - | - | - | (1,310,930) | - | - | (1,310,930) |
| **As restated** | **7,048,436** | **5,270,550** | **-** | **134,210** | **-** | **7,493,953** | **(78,369)** | **19,868,781** |
| | | | | | | | | |
| Total comprehensive income/(loss) for the year | - | - | - | - | - | - | 5,365,414 | 5,365,414 |
| Transfer to statutory reserve | - | 1,073,083 | - | - | - | - | (1,073,083) | - |
| Contributions during the year | 976,942 | - | - | - | - | - | - | 976,942 |
| Additions during the year | - | - | - | - | - | 1,081,037 | - | 1,081,037 |
| Fair value gain/(loss) on C.I.C. shares | - | - | 1,167,905 | - | - | - | - | 1,167,905 |
| Transactions with owners: | | | | | | | | |
| Bonus | - | - | - | - | - | - | (200,000) | (200,000) |
| Honoraria | - | - | - | - | - | - | (300,000) | (300,000) |
| Proposed Dividends | - | - | - | - | - | - | (802,538) | (802,538) |
| **At 31 December 2013** | **8,025,378** | **6,343,633** | **1,167,905** | **134,210** | **-** | **8,574,990** | **2,911,424** | **27,157,541** |
| | | | | | | | | |
| **At 1 January 2014** | **8,025,378** | **6,343,633** | **1,167,905** | **134,210** | **-** | **8,574,990** | **2,911,424** | **27,157,541** |
| Profit/(loss) for the Period | - | - | - | - | - | - | 6,999,020 | 6,999,020 |
| Change in fair value of financial assets | | | | | | | | |
| measured at fair value | - | - | 34,324,872 | - | - | - | - | 34,324,872 |
| Transfer to retained Earnings * | - | - | | - | - | - | 1,474,858 | 1,474,858 |
| For the period | 1,733,657 | - | - | - | - | 950,550 | - | 2,684,207 |
| Transfer to retained Earnings and Insurance expense** | - | - | - | - | - | (9,525,540) | 8,516,126 | (1,009,414) |
| Transfer To Statutory Reserve | - | 1,399,804 | - | - | - | - | (1,399,804) | - |
| Proposed Dividends | - | - | - | - | - | - | (849,619) | (849,619) |
| **At 31 December 2014** | **9,759,036** | **7,743,437** | **35,492,777** | **134,210** | **-** | **-** | **17,652,005** | **70,781,465** |

* Relates to Kshs 1,008,995 Business disposal account balance written off and Kshs 465,860 unallocated dividends written back to the Retained Earnings
** Ksh 8,516,125.95 was transferred to retained earnings after paying insurance expenses for the year of Ksh 1,009,414.

## Statement of Cash Flows for the Period ended 31 December 2014

| | 2014<br>KShs | 2013<br>KShs |
|---|---|---|
| **Cash flow from operating activities** | | |
| Interests Receipts | 55,177,316 | 57,356,298 |
| Interest Payments | (8,219,416) | (8,109,541) |
| Payment to Employees and Suppliers | (25,970,496) | (32,309,860) |
| Other Operating Income | 8,754,609 | 13,415,681 |
| Cash lost through fraud | - | (1,516,211) |
| | 29,742,013 | 28,836,366 |
| ***Increase in operating Assets*** | | |
| Net Loans to Members | 21,143,758 | (67,654,111) |
| Trade and other Receivables | 16,649,489 | 23,555,956 |
| | 37,793,247 | (44,098,155) |
| ***Increase in operating liabilities*** | | |
| Deposits From Members | 29,808,768 | 29,524,933 |
| Trade and Accrued Expenses | (4,244,978) | 313,763 |
| | 25,563,790 | 29,838,696 |
| ***Net cash from operating Activities before income taxes*** | **93,099,050** | **14,576,907** |
| income tax paid | (3,321,897) | (119,049) |
| **Net cash from operating Activities** | **89,777,153** | **14,457,858** |
| **Cash flow from investing activities** | | |
| purchase of property and equipment | (558,792) | (2,234,965) |
| proceeds on disposal of plant and Equipment | - | 4,947,871 |
| purchase/Sale of investment securities | (9,874,708) | (5,706,798) |
| Proceeds from recall of investments - Kuscco | 19,127,028 | - |
| **Net cash From investing activities** | **8,693,528** | **(2,993,892)** |
| **Cash flow from financing activities** | | |
| share capital contributions | 1,733,657 | 976,942 |
| Members Interest Paid | (17,137,870) | (10,982,572) |
| Proceeds from Borrowings | - | 35,800,000 |
| Insurance Fund | (58,864) | 1,081,037 |
| Repayment of Long term Borrowing | (57,672,542) | (27,089,967) |
| Dividends paid | (639,313) | (287,358) |
| Prior Year Adjustments | 1,474,856 | - |
| **Net cash from financing activities** | **(72,300,075)** | **(501,918)** |
| Net (decrease) increase in cash and cash equivalent | 26,170,606 | 10,962,048 |
| cash and cash equivalent at the beginning of the year | 21,760,114 | 10,798,065 |
| **cash and cash equivalent at the end of the period** | **47,930,722** | **21,760,114** |