



CS/2672

DUDU SAVINGS & CREDIT CO-OPERATIVE

SOCIETY LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2018

EXTERNAL AUDITORS.



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CS/2672
DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Statistical information	1
Management Committee's Report	2a-2b
Management Committee's Representation	3
Auditors Report	4
Statement of Comprehensive Income	5
Statement of financial position	6
Statement of changes in Equity	7
Cash Flow statement	8
Notes to the accounts	9...19

CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018

STATISTICAL INFORMATION

		2018	2017
Membership	Active Members	365	353
	Dormant Members	75	62
	Total Members	440	415

	<u>Kshs.</u>	<u>Kshs.</u>
<u>FINANCIALS</u>		
Cash and cash equivalents	11,969,014	6,868,846
Prepayments and receivables	633,093	789,652
Members' deposits	126,456,018	111,790,745
Loans to members	146,930,789	127,434,438
Investments	5,846,646	6,738,982
Share Capital	3,147,196	2,891,577
Statutory Reserves	3,449,645	3,305,637
General Reserve Account	534,097	534,097
Proposed Interest on deposits	8,219,641	6,250,000
Property , Plant and Equipment	317,240	353,171
Current Assets	165,379,542	141,831,918
Current Liabilities	159,440,499	136,554,794
Turnover	12,112,282	10,413,595
Surplus	720,040	506,315

KEY RATIOS

Interest on Members Deposits as % age of total Deposits	6.5%	5.6%
Operating Expenditure as a % of Turnover	96%	97%
Return on Members Deposit as a % of Turnover	68%	60%
Current Ratio	1.03:1	1.03:1

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018

MANAGEMENT COMMITTEES REPORT

The management committee submit their report and audited financial statements for the year ended 31st December, 2018

GENERAL INFORMATION

The society is incorporated in Kenya under the Cooperative Societies Act.
 The society and is domiciled in Kenya.

PRINCIPAL ACTIVITIES

The society continued to receive savings and advancing loans to its members and charged an interest rate of 1% per month on a reducing balance method and 1.125% on asset loans also on reducing balance method

RESULTS FOR THE YEAR

This is as tabulated below:-

	2018	2017
	<u>Kshs.</u>	<u>Kshs.</u>
Gross Turnover	22,237,941	17,998,607
<u>Expenditure</u>		
Administrative	2,391,378	1,182,397
Financial Cost	18,277	20,679
Personnel expenses	5,479,197	5,179,199
Governance Expenses	3,083,359	2,892,663
Interest payable Expenses	10,125,659	7,585,012
Depreciation	437,288	533,504
Total	<u>21,535,157</u>	<u>17,393,454</u>
Surplus	<u>702,784</u>	<u>605,153</u>

DIVIDENDS / INTEREST ON MEMBERS DEPOSITS / HONORARIA

The management recommends payment of dividends of **Kshs. 157,360** at a rate of **5 % (2017-5%-Ksh 144,579)** and payment of interest on member's deposits of **Kshs. 8,219,641** at a rate of **6.5 % (2017-5.6%- Ksh 6,250,000)** They also recommend a payment of Honoraria of **Ksh 240,000.**

MANAGEMENT COMMITTEE MEMBERS

The following members served during the year:-

Executive Committee Members

Joel L. Bargul	Chairman
Lamberts Moreka	Vice Chairman
Caroline Akal	Hon Secretary
Robertson Nyikuli	Treasurer

Credit

Nelson C. Suchi	Chairman
Julius O. Ochieng	Secretary
Simprose Oyugi	Member

CS/2672

**DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018**

MANAGEMENT COMMITTEES REPORT CONTD.

Education Committee Members

Lamberts Moreka	Chairman
Gerphas Okuku	Member
Janet Ambale	Secretary

Supervisory Committee

Eunice N. Musyoka	Chairperson
Silas Ojwang	Secretary
David Mbesi	Member

BANKERS

Co-operative Bank of Kenya Limited
Kenya Commercial Bank
Commercial Bank of Africa

AUDITORS

Messrs
Maina Kimani & Associates
Certified Public Accountants(k)

They were appointed Auditors of the society for the year ended 31st December, 2018 and being eligible have expressed their willingness to continue in office in accordance with the provision of the Co-operative Act

By the order of the Management Committee



HON SECRETARY

CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018

The Sacco's Act No 14 of 2008 requires the Management Committee to prepare financial statements which give a true and fair view of the state of affairs of the society as at the end of the financial year and of its operating results for that year in accordance with IFRS. The Management committee is required to ensure that the society keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the society. The Management Committee is also responsible for safeguarding the assets of the society and ensuring that the business of the society has been conducted in accordance with its objectives, by-laws 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 the manner required by the Co-operative Societies Act.

The Management Committee is of the opinion that these financial statements give a true and fair view of the state of the financial affairs of the society and of its operating 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 twelve months from the date of this statement,

This report was approved by the Management Committee on 20/03/19 and signed on its behalf by:

Chairman Secretary Treasurer

CS/2672

**EXTERNAL AUDITORS REPORT TO THE MEMBERS OF
DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Dudu Savings and Credit Co-operative Society Ltd, set out on pages 5-19 which comprise the Statement of financial position as at 31st December 2018 and the statement of comprehensive 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.

Management Committee's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Co-operatives Societies Act. This responsibility includes: designing, implementing and maintaining internal control 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.

Auditor's Responsibility

Our responsibility is to express an independent opinion of 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 depended on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to the Sacco'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 Sacco's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 Sacco as at 31st December 2018 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Co-operative Societies Act.

Report on Other Legal Requirements

As required by the Kenyan Co-operative Societies Act we report to you, that the financial statements are in agreement with the books of accounts 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 Co-operative Societies Act.
- (b) In accordance with the Co-operative Societies objectives, by-laws and any other resolutions made by the society at a general meeting.

Engagement Partner

The engagement Partner responsible for the audit resulting in this independent auditors report is
CPA Peter Maina Kimani P/993, Reg .No, 1876


Maina Kimani & Associates
Certified Public Accountants (K)
Nairobi

Assessed



Date... 8/03/2019

CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

STATEMENT OF COMPREHENSIVE INCOME

	<u>Notes</u>	<u>2018</u> <u>KShs.</u>	<u>2017</u> <u>KShs.</u>
Revenue:			
Interest on loans and advances	2-A	20,889,157	17,266,930
Interest Expenses	3	(10,125,659)	(7,585,012)
Net interest income		<u>10,763,498</u>	<u>9,681,918</u>
Other operating income	2-B	1,348,784	731,677
Administration expenses	4	(2,185,536)	(1,182,397)
Other operating expenses	5	<u>(9,018,120)</u>	<u>(8,626,045)</u>
Net operating surplus before income tax		908,626	605,153
Income tax expense	6	<u>(188,586)</u>	<u>(98,838)</u>
Net surplus for the year		<u>720,040</u>	<u>506,315</u>

CS/2672
DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	<u>2018</u> <u>Kshs.</u>	<u>2017</u> <u>Kshs.</u>
<u>Assets:</u>			
Cash and cash equivalents	7	11,969,014	6,868,846
Prepayments and receivables	8	633,093	789,652
Loans to members	9	146,930,789	127,434,438
Investments	10	5,846,646	6,738,982
Computer software	11	1,373,746	1,717,182
Property plant and equipment	12	317,240	353,171
Total assets		167,070,528	143,902,271
<u>Liabilities</u>			
Members' deposits	13	126,456,018	111,790,745
Current income tax payable	14	172,542	98,838
Trade payable and accruals	15	32,811,940	24,665,211
Total Liabilities		159,440,500	136,554,794
<u>Equity</u>			
Share capital	16	3,147,196	2,891,577
Reserves	17	3,983,742	3,839,734
Retained Earnings		280,127	101,455
Total Equity		7,411,065	6,832,766
Insurance Fund	18	218,963	514,711
Total Liabilities Equity , and Fund		167,070,528	143,902,271

The notes attached form an integral part of the financial statements which were presented to the management committee on ... day of ... 2019, approved and signed on its behalf by

Chairman..... Secretary..... Treasurer



CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital Kshs</u>	<u>Statutory Reserve Kshs</u>	<u>General Reserve Kshs</u>	<u>Retained Earning Kshs</u>	<u>Total Kshs</u>
Balance as at 1st January 2018	2,891,577	3,305,637	534,097	101,455	6,832,766
Transfer from current Profit	-	144,008	-	178,672	322,680
Additional Shares	255,619	-	-	-	255,619
As at 31 December 2018	3,147,196	3,449,645	534,097	280,127	7,411,065

STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital Kshs</u>	<u>Statutory Reserve Kshs</u>	<u>General Reserve Kshs</u>	<u>Retained Earning Kshs</u>	<u>Total Kshs</u>
	-	-	-	-	-
Balance as at 1st January 2017	2,704,400	3,204,374	534,097	91,201	6,534,072
Prior year adjustment(Tax Penalty paid)	-	-	-	- 10,219	- 10,219
Transfer from current Profit	-	101,263	-	20,473	121,736
Additional Shares	187,177	-	-	-	187,177
As at 31 December 2017	2,891,577	3,305,637	534,097	101,455	6,832,766

CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

CASH FLOW STATEMENT

	2018 <u>KSHS</u>	2017 <u>KSHS</u>
Cash Flow from Operating Activities		
Interest receipts	20,889,157 ✓	17,266,930
Interest payments(note 20)	(8,156,018) ✓	(7,515,012) ✓
Payments to employees and suppliers (note 19)	(8,930,913) ✓	(8,944,939) ✓
	<u>3,802,226</u>	<u>806,979</u>
(Increase)/Decrease in Operating Assets		
Net Loans to members granted (note 9) net of provision	(20,578,875) ✓	18,153,890 ✓
Trade and other receivables	156,559 ✓	(170,906) ✓
Increase/(Decrease) in Operating Liabilities		
Net Members Savings Deposits	14,665,273 ✓	(4,297,183) ✓
Creditors and accruals paid (note 21)	5,187,179 ✓	(4,826,337) ✓
Honoraria	(240,000) ✓	(240,000) ✓
Dividends paid	(144,579) ✓	(270,440) ✓
Income tax paid & penalty	(114,882) ✓	(111,040) ✓
Net cash from operating activities	<u>2,732,901</u>	<u>9,044,964</u>
Cash flow from investing activities		
Purchase of Soft Ware and equipment	(57,920) ✓	(400,000) ✓
Sale (Purchase) of investments	892,336 ✓	(6,108,383) ✓
Other receipts / Dividends received	1,348,784 ✓	731,677 ✓
Net cash from investing activities	<u>2,183,200</u>	<u>(5,776,706)</u>
Cash flow from financing activities		
Insurance Fund Payments (note 18)	(1,093,068) ✓	(1,052,180) ✓
Insurance Fund Receipt (note 18)	797,320 ✓	874,774 ✓
Other Financing(note 22)	224,196 ✓	555,100 ✓
Share capital contributions	255,619 ✓	187,177 ✓
	<u>184,067</u>	<u>564,871</u>
Movement in Cash & Cash Equivalent	5,100,168	3,833,129
Cash and Cash Equivalent at the beginning of the year	6,868,846 ✓	3,035,717 ✓
Cash and Cash Equivalents at the end of the year	<u>11,969,014</u> ✓	<u>6,868,846</u> ✓

CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018

NOTES TO THE ACCOUNTS

The principal accounting policies of the society, which are set out below, conform with standards issued by the International Accounting Standards Board and which have been applied,

a) Basis of accounting

The financial statements are prepared in accordance and comply with International Financial Reporting Standards (IFRSs). The financial statements are prepared under the historical cost convention,

Adoption of new and revised International Financial Reporting Standards (IFRSs)

i) Standards and interpretations effective in the current period

- IAS 1, Presentation of Financial Statements- Amendments to revise the way other comprehensive income is presented (effective for accounting period beginning on or after 1 July 2013).
- IFRS 3, Contingent consideration - improvements to IFRSs 2010 - 2012 (effective for accounting year beginning on or after 1 July 2014).
- IFRS 12, Disclosure of interests in other entities (effective for accounting year beginning on or after 1 January 2014).
- IAS 32, Financial Instruments: **Presentation-Amendments** to application guidance on the offsetting of financial assets and financial liabilities (effective for accounting period beginning on or after 1 January 2014)

ii) New and revised standards and interpretations in issue not yet adopted

- IAS 16, Management service payment **Disclosures-Amendments** (effective for accounting periods beginning on or after 1 July 2014).
- IAS 3, Defined Benefit Plans: Employee contributions (effective for accounting periods beginning on or after 1 July 2014),
- IAS 9, Financial Instruments: Classification and measurement (effective for accounting periods beginning on or after 1 January 2015).
 - IAS 9, Financial Instruments: Accounting for financial liabilities and de-recognition (effective for accounting period beginning on or after 1 January 2015).
 - IFRS 9, Financial Instruments: Classification and Measurement (effective for accounting periods beginning on or after 1 January 2018).

ii) Impact of other standards and interpretations

The Board of Directors anticipate that the adoption of the other standards and interpretations and amendments to other IFRSs resulting from the International Accounting Standards Board (IASB)'s

CS/2672
DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018

NOTES

b) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention and presented in the functional translated currency, Kenya Shillings (Shs), rounded to the nearest shilling.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements,

c) Revenue recognition

Revenue represents income from loans interest and investment and is recognised on accrual basis.

d) Translation of foreign currency

Transaction in foreign currency during the year are converted into the functional currency, Kenya shilling, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the transactions at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account

e) Property, plant and equipment

Property, plant and equipment are initially stated at cost or subsequently at valuation, less accumulated depreciation and any impairment in value.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate, only where 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.

CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

NOTES (CONTINUED)

e) Property, plant and equipment

All other expenses and maintenance are classified to the profit and loss account in the financial year in which they are incurred.

Depreciation is calculated on the reducing balance basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives.

The annual rates used are:-

	<u>Rate p.a</u>
Office Equipment	12.5%
Computers and Accessories	30.0%
Computer Software	20.0%
Loose Tools	50.00%

f) Inventories

Inventories are valued by the Management Committee at the lower of cost and net realizable values. Cost comprises expenditure incurred in the normal course of business, including direct material costs, labour and production overheads wherever appropriate on a first-in-first-out (weighted average) basis.

Net realizable value is the price at which the stock can be realized in the normal course of business after allowing for the costs of the realization and, where appropriate, the cost of conversion from its existing state to a realizable condition. Provision is made for obsolete, slow moving and defective stocks.

g) Trade receivables

Trade receivables are carried at anticipated realizable values. Specific provision is for all known doubtful debts. Bad debts are written off when all reasonable steps to recover them have been taken without success.

h) Trade payables

Trade payables are stated at the nominal value.

i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalent comprise balances that are readily convertible to known amounts of cash.

j) Comparatives

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

CS/2672

**DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018**

NOTES (CONTINUED)

k) Taxation

Current taxation is provided for on the basis of the results for the year as shown in the financial statements, adjusted in accordance with the tax legislation. Deferred taxation is not provided or considered.

l) Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognized but are disclosed unless they are remote.

m) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The society's activities expose it to a variety of financial risks, including credit risks and the effects of changes in foreign currency exchange rates and interest rates. The society's overall risks management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The society has policies in place to ensure that sales are made to customers with an appropriate credit history.

n) 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 made by the management committee in determining depreciation rates for the property, plant and equipment. The rates are set out in note 2('c).

ii) Critical judgements in applying the entity's accounting policies

In the process of applying the organization's accounting policies, management has made judgement in determining:

- . Whether assets are impaired
- . The classification of financial assets

CS/2672
DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

NOTES TO THE ACCOUNTS CONT.

	2018 <u>Kshs</u>	2017 <u>Kshs</u>
2-A INCOME		
Interest on loans and advances	20,889,157	17,266,930
	<u>20,889,157</u>	<u>17,266,930</u>
2-B Other Operating Incomes		
Investment Income	1,257,240	658,917
Entrance Fees	39,000	31,000
Dusco Pesa Income	52,544	41,760
	<u>1,348,784</u>	<u>731,677</u>
3 Interest Expense		
Interest on Savings A/C	1,799,126	1,233,884
Proposed Interest on Members Deposits	8,219,641	6,250,000
Interest on Deposits (Icipe Staff Association)	106,892	101,128
	<u>10,125,659</u>	<u>7,585,012</u>
4 Administrative Expenses		
Audit fee	70,000	70,000
V.A.T.	11,200	11,200
Supervision Fee	7,200	7,200
Telephone and Postage	69,332	71,474
Casual Labour and Sundry Expenses	53,911	54,420
Printing and Stationery	120,312	123,731
Public Relations	2,910	2,125
Group Life Insurance	71,547	71,547
Software Maintainance	156,600	156,600
Internet (ICIPE Expenses)	540,000	449,100
Provision for bad debts (1.5 %)	1,082,524	165,000
	<u>2,185,536</u>	<u>1,182,397</u>

CS/2672
DUDU CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018

NOTES TO THE ACCOUNTS CONTD.	2018 <u>Kshs</u>	2017 <u>Kshs</u>
5 Other Operating Expenses		
(a) Finance Cost		
Bank Charges	18,277	20,679
	<u>18,277</u>	<u>20,679</u>
(b) Personnel Expenses		
Salaries and Wages	4,061,015	3,633,258
Staff Medical	599,198	705,509
Education Allowances	175,004	174,997
Leave allowances	30,000	30,000
NSSF	7,200	7,200
Pension Contribution	535,224	476,618
Staff Training	71,556	151,617
	<u>5,479,197</u>	<u>5,179,199</u>
Depreciation/Amortization		
Depreciation/Amortization Expenses	437,288	533,504
	<u>437,288</u>	<u>533,504</u>
(d) Governance Expenses (Member related Cost)		
Committee Education	286,750	125,600
Travelling and Subsistence	788,500	732,134
Sitting Allowance	421,784	495,269
Members Education	340,334	324,300
Annual General Meeting (AGM)	1,007,727	1,080,010
Strategic Plan/marketing expenses	223,264	50,000
CRB Affiliation fees	-	44,100
Legal fees	5,000	5,000
Kusco Affiliation fees	-	21,250
Ushirika day Celebrations	10,000	15,000
	<u>3,083,359</u>	<u>2,892,663</u>
Total other Operating Expenses	<u>9,018,120</u>	<u>8,626,045</u>
6 Current Income Tax Payable (2017 re instated)		
Balance brought forward	98,838	100,821
Charge for the Year	188,586	98,838
Paid during the Year	(114,882)	(100,821)
Balance carried forward	<u>172,542</u>	<u>98,838</u>

CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

NOTES TO THE ACCOUNT CONTD.

	<u>2018</u> <u>Kshs</u>	<u>2017</u> <u>Kshs</u>
7 Cash and Bank Balances		
Petty cash balance	(50)	-
Co-operative Bank of Kenya Ltd- current A/C	1,165,303	2,279,099
Commercial Bank of Africa -KES	6,111,486	2,870,199
-Dollar A/C	3,587,716	614,874
Kenya Commercial Bank	1,104,558	1,104,674
	<u>11,969,014</u>	<u>6,868,846</u>
8 Prepayment and Receivables		
Prepaid Insurance	566,978	526,090
Dusco Pesa Settlement A/C	66,115	263,562
	<u>633,093</u>	<u>789,652</u>
9 Loan to Members		
Balance Brought Forward	128,589,438	146,743,328
Disbursement During the Year	138,984,155	108,287,881
Repayment During the Year	(118,405,280)	(126,441,771)
	<u>149,168,313</u>	<u>128,589,438</u>
Provision for Bad debts (1.5 %)		
Provision for bad debts B/f	(1,155,000)	(990,000)
Provision for the Year	(1,082,524)	(165,000)
	<u>(2,237,524)</u>	<u>(1,155,000)</u>
Balance Carried Down	<u>146,930,789</u>	<u>127,434,438</u>
10 Investments		
Coop Bank Shares	561,700	561,700
C.I.C. Shares	45,820	45,820
KUSCCO shares	11,832	11,832
CIC Money market	5,227,294	6,119,630
	<u>5,846,646</u>	<u>6,738,982</u>

12 Property, Plant & Equipment Movement Schedule

	<u>Furniture & Equipment Kshs.</u>	<u>Computer & Accessories Kshs.</u>	<u>Loose Tools Kshs.</u>	<u>Totals Assets Kshs.</u>	<u>Computer Software Kshs.</u>	<u>Totals Assets & Software Kshs.</u>
Cost						
As at 01.01.18	429,605	1,177,470	-	1,607,075	3,750,000	1,607,075
Additions	32,480	-	25,440	57,920	-	57,920
As at 31.12.2018	462,085	1,177,470	25,440	1,664,995	3,750,000	1,664,995
Depreciation						
As at 01.01.18	264,576	989,328	-	1,253,904	2,032,818	1,253,904
Charge for the Year	24,689	56,443	12,720	93,851	343,436	437,288
As at 31.12.2018	289,265	1,045,771	12,720	1,347,755	2,376,254	1,691,192
Net Book Value						
As at 31.12.2018	172,820	131,699	12,720	317,240	1,373,746	1,690,985
As at 31.12.2017	165,029	188,142	-	353,171	1,717,182	2,070,353

CS/2672

DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST DECEMBER 2018

NOTES TO THE ACCOUNT CONTD.	2018 <u>Kshs</u>	2017 <u>Kshs</u>
13 Members Deposits		
General Ledger balances	126,458,018	111,790,745
Balance as per Control Account	<u>126,458,018</u>	<u>111,790,745</u>
14 Current Income Tax Payable		
Balance brought forward	98,838	100,821
Charge for the Year	188,586	98,838
Paid during the Year	(114,882)	(100,821)
Balance carried forward	<u>172,542</u>	<u>98,838</u>
15 Trade Payable and Accrued Expenses		
Members Savings Withholding tax	95,295	66,066
Members Withdrawable Savings	4,015,839	4,630,819
Members Fixed Deposits	16,068,151	10,130,222
Members Children Accounts	975,292	816,342
Unidentified Banking	31,100	31,100
Members Dusco Pesa	347,136	241,116
Icipe Staff Association Investment A/C	1,872,420	1,781,562
ICIPE Payments(services)	576,774	168,406
Audit Fees and VAT	81,200	81,200
Recoverable Fees	7,200	7,200
Sundry creditors Payroll(Payee)	81,029	71,899
" " Payroll (NSSF)	1,200	-
Sundry creditors Payroll(Pension)	42,303	-
" " Payroll (NHIF)	-	4,700
	<u>24,194,939</u>	<u>18,030,632</u>
Proposed Interest on Members Deposit	8,219,641	6,250,000
Proposed Honoraria	240,000	240,000
Proposed Dividends	157,360	144,579
	<u>8,617,001</u>	<u>6,634,579</u>
	<u>32,811,940</u>	<u>24,665,211</u>
16 Share Capital		
Balance Brought Forward	2,891,577	2,704,400
Additions	255,619	187,177
Balance Carried Down	<u>3,147,196</u>	<u>2,891,577</u>
17 Reserves		
Statutory Reserve		
Balance Brought Forward	3,305,637	3,204,374
Provided During the Period	144,008	101,263
Balance Carried Forward	<u>3,449,645</u>	<u>3,305,637</u>
General Reserve		
Balance Brought Forward	534,097	534,097
Retained Earnings Carried Forward	<u>534,097</u>	<u>534,097</u>
Total Reserves	<u>3,983,742</u>	<u>3,839,734</u>
18 Insurance Fund		
Balance Brought Forward	514,711	692,117
Receipts During the Year	797,320	874,774
Group Insurance Payments	(1,093,068)	(1,052,180)
	<u>218,963</u>	<u>514,711</u>

CS/2672
**ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 2018**

NOTES TO THE CASH FLOW STATEMENT

	2018 <u>Kshs</u>	2017 <u>Kshs</u>
19 <u>Payment to Employee & Suppliers</u>		
Total Payments (note 4 & 5)	11,409,498	9,808,442
<u>Less provisions</u>		
Audit, Vat & ccd	88,400	88,400
Accruals Payroll (note 15)	124,532	76,599
Depreciation	437,288	533,504
Bad debts	1,828,366	165,000
	2,478,586	863,503
	8,930,913	8,944,939
20 <u>Interest Payments</u>		
Interest on savings-2018	1,799,126	1,233,884
Interest paid to ISA-2018	106,892	101,128
Interest on deposits-2017	6,250,000	6,180,000
	8,156,018	7,515,012
21 <u>Trade Payable and Accruals (Paid)</u>		
Members Fixed Deposits:	5,937,929	(4,535,431)
Members Withdrawable Saving	(614,980)	(31,183)
Members Savings Withholding tax	29,229	(44,837)
Audit Fees and VAT	(81,200)	(81,200)
Recoverable Fees	(7,200)	(7,200)
Sundry creditors (PAYROLL)	(76,599)	(126,486)
	5,187,179	(4,826,337)
22 <u>OTHER FINANCING</u>		
Members Children Accounts	158,950	75,546
Members Dusco Pesa	106,020	196,347
ICIPE Payments	(131,632)	168,406
Unidentified Banking	-	18,700
ISA Investment A/C	90,858	96,101
	224,196	555,100

CS/2672
DUDU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

GENERAL (APPROPRIATION) RESERVE ACCOUNT

	<u>2018</u> <u>Kshs</u>	<u>2017</u> <u>Kshs</u>
23 <u>APPROPRIATION ACCOUNT</u>		
Surplus for the Year	720,040	506,315
<u>Less:-</u>		
Statutory Reserve - 20%	(144,008)	(101,263)
Proposed Honoraria	(240,000)	(240,000)
Proposed Dividends	(157,360)	(144,579)
Retained Earnings for the Year	<u>178,672</u>	<u>20,473</u>
24 Current year Tax Expense		
Taxable Income		
Investment Income	1,257,240	658,917
Total Income	<u>1,257,240</u>	<u>658,917</u>
50% Taxable	628,620	329,459
Total Taxable Income	<u>628,620</u>	<u>329,459</u>
Tax there on (30%)	<u>188,586</u>	<u>98,838</u>