



**ACC&S SACCO SOCIETY LIMITED CS/NO: 6710**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2024**



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**Management committee**

Elijah Wainaina Karanu - Chairman  
Samuel Karanja Kamau - Vice chairman  
John Ng'ang'a Thuku - Secretary  
Joseph Karanja Maara - Treasurer  
Geoffrey Kang'ethe Mwangi - Member  
Nancy Warau Mwangi - Member  
Lizzie Waitherero Njeri - Member

**Supervisory committee**

Patrick Maina Kimani - Chairman  
Nahashon Kahara Njihia - Secretary  
Rose Nyambura Kamau - Member

**Registered office**

Africa Christian Church & Schools - Thika Headquarters  
P.O. Box 8022 - 01000  
Thika,  
Kenya.

**Independent auditor**

Kariuki Thuo & Company  
Certified Public Accountants  
4th Floor, Equity Plaza, Thika  
P.O. Box 2130 - 01000  
Thika,  
Kenya.

**Principal banker**

Co-operative Bank of Kenya Limited  
Thika Branch  
P.O. Box 3975 - 01002  
Thika,  
Kenya.



	<b>2024</b>	<b>2023</b>
	<b>Shs</b>	<b>Shs</b>
<b>Membership</b>		
Active	1113	1052
Dormant	142	135
	<b>1255</b>	<b>1187</b>
<b>Financial</b>		
Total assets	88,020,839	68,250,112
Deposits	71,692,232	55,540,062
Loan and advance to members	72,961,980	56,238,187
Core capital	12,112,153	9,416,177
Share capital	6,084,672	4,776,350
Institutional capital	1,568,897	1,214,945
Total revenue	6,461,363	4,532,209
Total interest income	8,830,767	6,848,691
Interest on members' deposits	3,180,562	2,777,003
Total expenses	4,552,796	3,174,118
	<b>Members</b>	<b>Members</b>
Employees of the Sacco	3	2
	<b>Minimum ratio</b>	
<b>Key ratios</b>		
<b>Capital adequacy ratios</b>		
Core capital / Total assets	≥ 10%	14%
Core capital / Total deposits	≥ 8%	17%
Institutional capital / Total assets	≥ 10%	2%
<b>External borrowing ratio</b>		
External borrowing / Total assets	≤ 25%	0%
<b>Liquidity ratio</b>		
Liquid assets / Total deposit and long term liabilities	≥ 15%	17%
<b>Operating efficiency ratios</b>		
Total expenses / Total revenue	70%	70%
Interest on members' deposits / Total revenue	33%	38%
Interest rate on members' deposits	4.5%	5.0%
Dividend rate on members' share capital	8.5%	8.0%



The management committee submit their report together with the audited financial statements for the year ended 31st December 2024, which disclose the state of affairs of the society.

**Incorporation**

The society was incorporated in Kenya under the Co-operative Society Act, Cap 490 and licensed under the Sacco Societies Act No. 14 of 2008, and is domiciled in Kenya. The address of the registered office is set out on page 1.

**Principal activities**

The principal activities of the company is that of receiving savings from and provision of loans to its members.

<b>Results</b>	<b>2024 Shs</b>	<b>2023 Shs</b>
Surplus before tax	1,908,567	1,358,091
Tax charge	(138,805)	(47,693)
Surplus for the year	1,769,762	1,310,398
Interest on members' deposits	3,180,562	2,777,003
Proposed dividends	516,985	382,108

**Dividend/interest on members' deposits**

The management have recommended payment of 9% (2023: 8%) as dividend on members' share capital and pay 4% (2023: 5%) interest on members' deposits.

**Management**

The management committee who held office during the year and to the date of this report are set out on page 1.

Joseph Karanja Maara and Geoffrey Kang'ethe Mwangi retire by rotation in accordance with the society's By-Laws Section 44(a).

**Supervisory**

The supervisory committee who held office during the year and to the date of this report are set out on page 1.

Nahashon Kahara Njihia retire by rotation in accordance with the society's By-Laws Section 63.

**Independent auditor**

During the year, Kariuki Thuo & Company was appointed in office in accordance with the provision of the Sacco Societies Act No. 14 of 2008.

**By order of the management committee**

.....  
**Secretary**

**Date:** ..... 2025



**STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES**

The Sacco Societies Act No. 14 Of 2008 requires the management committee to prepare financial statements for each financial year that give a true and fair view of the financial position of the society as at the end of the financial year and the operating results for that year. It also requires the management committee to ensure that the society maintains proper accounting records that are sufficient to show and explain the transactions of the society and disclose, with reasonable accuracy, the financial position of the society. The management committee are also responsible for safeguarding the assets of the society, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The management committee accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and the requirements of the Sacco Societies Act No. 14 of 2008. They also accept responsibility for:

- i) designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the society's ability to continue as a going concern, the management committee are not aware of any material uncertainties related to events or conditions that may cast doubt upon the society's ability to continue as a going concern.

The management committee acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the management committee on ..... 2025 and signed on its behalf by:

.....  
**Chairman**

.....  
**Treasurer**

.....  
**Secretary**

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ACC&S SACCO SOCIETY LIMITED**

### **Opinion**

We have audited the accompanying financial statements of ACC&S Sacco Society Limited (the society), set out on pages 7 to 15, which comprise the statement of financial statements as at 31st December 2024, statement of profit or loss and other comprehensive income, statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the society as at 31st December 2024 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 Sacco Societies Act No. 14 2008.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other information**

The management committee are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management committee's responsibility for the financial statements**

The management committee are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the requirements of the Sacco Societies Act No.14 2008, and for such internal control as the management committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management committee are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management committee either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Auditor's responsibilities for the audit of the financial statements (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal requirements**

As required by the Sacco Societies Act No. 14 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  
the society's statement of financial position and statement of profit or loss and other comprehensive income are in
- iii) agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report was **CPA John Kariuki**, Practising Certificate No. 2233.

**Kariuki Thuo & Company**  
**Certified Public Accountants**  
**Kenya**

**Date: ..... 2025**



**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST DECEMBER 2024**

	Note	2024 Shs	2023 Shs
<b>Income</b>			
Interest on loans and advances	3	8,058,354	6,579,051
Other interest income	4	772,413	269,640
Less: Interest expense	5	<u>(3,180,562)</u>	<u>(2,777,003)</u>
		5,650,205	4,071,688
Other operating income	6	<u>811,158</u>	<u>460,521</u>
<b>Total income</b>		<b><u>6,461,363</u></b>	<b><u>4,532,209</u></b>
Administrative expenses		3,113,063	1,970,252
Governance expenses		1,000,535	897,120
Establishment expenses		<u>439,198</u>	<u>306,746</u>
<b>Total expenses</b>		<b><u>4,552,796</u></b>	<b><u>3,174,118</u></b>
<b>Operating surplus before tax</b>		1,908,567	1,358,091
Tax expense	12	<u>(138,805)</u>	<u>(47,693)</u>
<b>Net surplus for the year</b>		<b><u>1,769,762</u></b>	<b><u>1,310,398</u></b>
20% transfer to statutory reserve		<u>353,952</u>	<u>262,080</u>
Surplus for the year available for distribution		<b><u>1,415,810</u></b>	<b><u>1,048,318</u></b>



**STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2024**

	Note	2024 Shs	2023 Shs
<b>Assets</b>			
Cash and cash equivalent	7	12,362,286	11,098,838
Prepayments and other receivables	8	1,895,816	296,103
Loans and advances	9	72,961,980	56,238,187
Property, plant and equipment	10	532,329	425,462
Investments	11	20,000	20,000
Intangible assets	12	17,767	16,247
Tax recoverable	13	-	1,783
Inventories	14	230,661	153,492
<b>Total assets</b>		<u>88,020,839</u>	<u>68,250,112</u>
<b>Liabilities</b>			
Tax payable	13	21,206	-
Payables	15	1,014,686	516,870
Interest due to members	16	3,180,562	2,777,003
Deposits	17	71,692,232	55,540,062
<b>Total liabilities</b>		<u>75,908,686</u>	<u>58,833,935</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	18	6,084,672	4,776,350
Statutory reserve	19	1,568,897	1,214,945
Other reserves		9,300	9,300
Appropriation reserve	19	3,932,299	3,033,474
Proposed dividend	19	516,985	382,108
<b>Total equity and reserves</b>		<u>12,112,153</u>	<u>9,416,177</u>
<b>Total liabilities and equity</b>		<u>88,020,839</u>	<u>68,250,112</u>

The financial statements on pages 7 to 15 were approved for issue by the Management Committee on ..... 2025 and were signed on its behalf by:

.....  
**Chairman**

.....  
**Treasurer**

.....  
**Secretary**



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024**

		Share capital	Statutory reserve	Other reserves	Appropriation reserve	Proposed dividend	Total
	Note	Shs	Shs	Shs	Shs	Shs	Shs
<b>At 1st January 2023</b>		3,277,259	952,865	9,300	2,164,172	163,863	6,567,459
Prior year overstatement of accrued AGM expenses	19	-	-	-	203,092	-	203,092
Shares issued for cash	18	1,499,091	-	-	-	-	1,499,091
Surplus for the year		-	-	-	1,310,398	-	1,310,398
Transfer to statutory reserve	19	-	262,080	-	(262,080)	-	-
Dividends paid	19	-	-	-	-	(163,863)	(163,863)
Proposed dividends	19	-	-	-	(382,108)	382,108	-
<b>At 31st December 2023</b>		<u>4,776,350</u>	<u>1,214,945</u>	<u>9,300</u>	<u>3,033,474</u>	<u>382,108</u>	<u>9,416,177</u>
<b>At 1st January 2024</b>		4,776,350	1,214,945	9,300	3,033,474	382,108	9,416,177
Prior year overstatement of accrued AGM expenses	19	-	-	-	-	-	-
Shares issued for cash	18	1,308,322	-	-	-	-	1,308,322
Surplus for the year		-	-	-	1,769,762	-	1,769,762
Transfer to statutory reserve	19	-	353,952	-	(353,952)	-	-
Dividends paid	19	-	-	-	-	(382,108)	(382,108)
Proposed dividends	19	-	-	-	(516,985)	516,985	-
<b>At 31st December 2024</b>		<u>6,084,672</u>	<u>1,568,897</u>	<u>9,300</u>	<u>3,932,299</u>	<u>516,985</u>	<u>12,112,153</u>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2024**

	Note	2024 Shs	2023 Shs
<b>Cash flows from operating activities</b>			
Interest receipts	3	8,058,354	6,579,051
Other interest income	4	772,413	269,640
Other operating income	6	811,158	460,521
Payment to employee and suppliers		(4,362,418)	(2,987,348)
Interest paid on members deposits	15	(2,777,003)	(1,353,378)
Changes in operating assets and liabilities:			
Increase in loan and advances		(16,723,793)	(11,654,630)
(Increase)/decrease in trade and other receivables		(1,599,713)	2,364,321
Increase in inventories		(77,169)	(8,442)
Increase in payables		497,816	22,000
Increase in deposits		16,152,170	10,427,476
<i>Cash generated from operating activities</i>		751,815	4,119,211
Income tax paid	13	(115,816)	(40,400)
<i>Net cash generated from operating activities</i>		635,999	4,078,811
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(252,365)	(77,000)
Purchase of intangible assests	12	(46,400)	-
<i>Net cash used in investing activities</i>		(298,765)	(77,000)
<b>Cash flows from financing activities</b>			
Proceeds from sale of shares	18	1,308,322	1,499,091
Dividends paid	19	(382,108)	(163,863)
<i>Net cash flow generated from financing activities</i>		926,214	1,335,228
Net increase in cash and cash equivalents		1,263,448	5,337,039
Cash and cash equivalents at 1st January		11,098,838	5,761,799
Cash and cash equivalents at 31st December	7	12,362,286	11,098,838



## NOTES

### 1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation and summary of significant accounting policies

The financial statement have been prepared in accordance with the International Financial Reporting Standards, the requirements of the Sacco Societies Act No. 14 2008 and IFRS Interpretations Committee (IFRIC) applicable to societies reporting under IFRS.

The financial statements comprise statement of profit or loss and comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes. Income and expenses comprises items of income and expense, (including reclassification adjustments) that are not recognised in the income statement as required or permitted by IFRS. Reclassification adjustments are amounts reclassified to the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

#### Going concern

The financial performance of the society is set out in the management committee's report and in the income statement. The financial position of the society is set out in the statement of financial position.

Based on the financial performance and position of the society and its risk management policies, the management committee are of the opinion that the society is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Sacco Societies Act No. 14 of 2008. The income statement represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

#### Revenue recognition

##### *Interest income and expense*

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the society estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

##### *Fee and commission income*

Fees and commission income, including account entrance fees, loan processing fees and custody fees are generally recognised on an accrual basis when the service has been provided.

#### Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable surplus for the year, determined in accordance with the Kenyan Income Tax Act.

##### *Inventories*

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.



**NOTES (CONTINUED)**

**a) Basis of preparation and summary of significant accounting policies (continued)**

**Financial assets**

Loans and receivables financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. All assets with maturities greater than 12 months after the reporting date are classified as non-current assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method. Changes in the carrying amount are recognised in income statement.

**Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful life, using the straightline method. The following annual rates are used for the depreciation of property, plant and equipment:

Furniture, fittings and equipment	12.5%
Computer, copiers and faxes	30%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in income statement.

**Intangible assets**

Intangible assets comprise purchased computer software and are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their estimated life of five years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

**Impairment of non-financial assets**

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in income statement.

**Financial liabilities**

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

**2. Key sources of estimation uncertainty**

The are no significant judgements made by the directors in the process of applying the society's accounting policies on the amounts recognised in the financial statements.

**3. Interest income**

	<b>2024</b>	<b>2023</b>
	<b>Shs</b>	<b>Shs</b>
Interest charged on members loans	<u>8,058,354</u>	<u>6,579,051</u>



**NOTES (CONTINUED)**

	<b>2024</b>	<b>2023</b>	
	<b>Shs</b>	<b>Shs</b>	
<b>4. Other interest income</b>			
Interest on fixed deposits	772,413	269,640	
<b>5. Interest expense</b>			
Interest on members deposits - 4% (2023: 5%)	3,180,562	2,777,003	
<b>6. Other operating income</b>			
Entrance fees	136,100	74,500	
By-laws sales	13,500	7,800	
Refinancing cost	397,137	297,171	
Loan application forms	104,500	66,000	
Sale of T-shirts	29,000	3,400	
Other income	130,921	11,650	
	<u>811,158</u>	<u>460,521</u>	
<b>7. Cash and cash equivalents</b>			
Bank balance - Co-operative Bank	4,138,503	3,085,792	
Short-term fixed deposit - Smep Micro Finance	7,219,763	6,812,963	
Safaricom short code account	11,294	-	
M-pesa paybill balance	992,006	1,197,723	
Cash in hand	720	2,360	
	<u>12,362,286</u>	<u>11,098,838</u>	
<b>8. Prepayments and other receivables</b>			
Rebates on deposits	4,853	4,853	
Smep interest receivable	61,200	75,395	
Loan interest	228,714	200,235	
Insurance claims due	20,000	-	
Other receivable	24,750	4,500	
Due from ACC&S General Council	1,546,299	1,120	
Rent deposit	10,000	10,000	
	<u>1,895,816</u>	<u>296,103</u>	
<b>9. Loans and advances</b>			
At start of year	56,238,187	44,583,557	
Loans issued	40,954,216	32,526,574	
Loans repaid	(24,230,423)	(20,871,944)	
At end of year	<u>72,961,980</u>	<u>56,238,187</u>	
<b>10. Property, plant and equipment</b>			
	<b>Furniture, fittings and equipment</b>	<b>Computers and accessories</b>	<b>Total</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
<b>Cost</b>			
At start of year	413,858	264,650	678,508
Additions	252,365	-	252,365
At end of year	<u>666,223</u>	<u>264,650</u>	<u>930,873</u>
<b>Accumulated depreciation</b>			
At start of year	50,616	202,430	253,046
Annual depreciation	83,278	62,220	145,498
At end of year	<u>133,894</u>	<u>264,650</u>	<u>398,544</u>
<b>Carrying amount</b>			
31st December 2024	<u>532,329</u>	<u>-</u>	<u>532,329</u>
31st December 2023	<u>363,242</u>	<u>62,220</u>	<u>425,462</u>



**NOTES (CONTINUED)**

	<b>2024</b>	<b>2023</b>
	<b>Shs</b>	<b>Shs</b>
<b>11. Investments</b>		
KUSSCO Limited shares	20,000	20,000
<b>12. Intangible assets - Computer software</b>		
<b>Cost</b>		
At start of year	103,200	103,200
Additions	46,400	-
At end of year	149,600	103,200
<b>Accumulated depreciation</b>		
At start of year	86,953	66,313
Annual amortisation	44,880	20,640
At end of year	131,833	86,953
<b>Carrying amount</b>		
At end of year	17,767	16,247
	<b>2024</b>	<b>2023</b>
	<b>Shs</b>	<b>Shs</b>
<b>13. Taxation</b>		
Balance brought forward	(1,783)	(9,076)
Tax charge for the year	138,805	47,693
Less withholding tax paid	(115,816)	(40,400)
Balance carried forward	21,206	(1,783)
<b>14. Inventories</b>		
Sacco T-shirts	140,742	56,492
By-laws booklets	89,919	97,000
	230,661	153,492
<b>15. Payables</b>		
Audit fees and registration	33,000	33,000
Provision for AGM expenses	510,330	430,000
Unidentified bankings	55,870	53,870
Past members account	335,386	-
Accrued expenses:strategic plan	80,100	-
	1,014,686	516,870
<b>16. Interest due to members</b>		
As at start of year	2,777,003	1,353,378
Provision for the year	3,180,562	2,777,003
Paid during the year	(2,777,003)	(1,353,378)
At the end of year	3,180,562	2,777,003



<b>NOTES (CONTINUED)</b>	<b>2024</b>	<b>2023</b>
	<b>Shs</b>	<b>Shs</b>
<b>17. Members' deposits</b>		
At start of year	55,540,062	45,112,586
Contributions during the year	19,266,237	11,994,115
Refunds/offsets	<u>(3,114,067)</u>	<u>(1,566,639)</u>
At end of year	<u><u>71,692,232</u></u>	<u><u>55,540,062</u></u>
<b>18. Share capital</b>		
At start of year	4,776,350	3,277,259
Contributed during the year	<u>1,308,322</u>	<u>1,499,091</u>
At end of year	<u><u>6,084,672</u></u>	<u><u>4,776,350</u></u>
This relates to non-refundable amounts paid by members for purchase of shares		
<b>19. Reserves</b>	<b>2024</b>	<b>2023</b>
	<b>Shs</b>	<b>Shs</b>
<b>i) Statutory reserve</b>		
As at start of year	1,214,945	952,865
Transfer in the year	<u>353,952</u>	<u>262,080</u>
At the end of year	<u><u>1,568,897</u></u>	<u><u>1,214,945</u></u>
These are statutory transfers made from appropriation reserve at a rate of 20% of net operating surplus after tax in compliance with the provision of section 47 (a and 2) of the Co-operative Societies Act, Cap 490. This reserve is not distributable.		
<b>ii) Appropriation reserve</b>	<b>2024</b>	<b>2023</b>
	<b>Shs</b>	<b>Shs</b>
As at start of year	3,033,474	2,164,172
Prior year overstatement of accrued AGM expenses	-	203,092
Surplus for the year	1,769,762	1,310,398
Transfer to statutory reserve	<u>(353,952)</u>	<u>(262,080)</u>
Proposed dividends	<u>(516,985)</u>	<u>(382,108)</u>
	<u><u>3,932,299</u></u>	<u><u>3,033,474</u></u>
<b>iii) Dividends account</b>		
As at start of year	324,798	106,553
Payment during the year	<u>(382,108)</u>	<u>(163,863)</u>
Proposed during the year	<u>516,985</u>	<u>382,108</u>
	<u><u>459,675</u></u>	<u><u>324,798</u></u>

Dividend is recognised as a liability by transferring from appropriation reserve to dividends account. This reserve is distributable.



## SCHEDULE OF OPERATING EXPENDITURE

	2024 Shs	2023 Shs
<b>1. ADMINISTRATIVE EXPENSES</b>		
<b>Employment:</b>		
Salaries and wages	1,147,321	957,110
Staff welfare	73,588	12,095
<b>Total employment costs</b>	<u>1,220,909</u>	<u>969,205</u>
<b>Other administration expenses:</b>		
Telephone and postage	64,268	64,360
Office operating expenses	86,522	96,267
Travelling and subsistence	135,320	76,810
Printing and stationery	36,906	26,662
AGM/SGM expenses	500,000	430,000
Advertisements and marketing	160,740	40,760
Computer expenses	7,000	49,300
Bank charges	38,368	45,423
Purchase of T-shirts	7,750	2,325
Tax filing expenses	9,800	5,800
Audit fees	25,000	25,000
CCD supervision fees & VAT	8,000	8,000
Training expenses	-	85,340
Strategic plan	797,480	-
Ushirika Day contribution	15,000	15,000
KUSSCO subscription	-	10,000
Members welfare	-	20,000
<b>Total other administrative expenses</b>	<u>1,892,154</u>	<u>1,001,047</u>
<b>Total administrative expenses</b>	<u><u>3,113,063</u></u>	<u><u>1,970,252</u></u>
<b>2. GOVERNANCE EXPENSES</b>		
BOM/Committee travel/sitting allowances and meeting expenses	880,535	797,120
Committee honorarium	120,000	100,000
<b>Total governance expenses</b>	<u><u>1,000,535</u></u>	<u><u>897,120</u></u>
<b>3. ESTABLISHMENT EXPENSES</b>		
Repairs and maintenance	8,820	74,978
Office rents	240,000	180,000
Amortisation of intangible assets	44,880	20,640
Depreciation on property, plant and equipment	145,498	31,128
<b>Total establishment expenses</b>	<u><u>439,198</u></u>	<u><u>306,746</u></u>