

**UKULIMA SAVINGS AND CREDIT
CO-OPERATIVE SOCIETY LIMITED
CS/NO: 2026**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**



Omanwa & Associates
Certified Public Accountants and Secretaries (Kenya)
Commerce House, Moi Avenue
P.o Box 64447-00620 Nairobi

UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

TABLE OF CONTENTS	PAGE
Society Information and Professional Advisors	1
Statistical Information and Other Disclosures	2
Report of the Board of Directors	3
Statement of Directors' Responsibilities	4
Report of the Independent Auditor	5
Financial Statements:	
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 22
The following pages do not form an intergral part of these Financial Statements	
Ukulima House	23
Eldoret Houses	24

**UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

SOCIETY INFORMATION

Board of Directors

Dr. Philip K. Cheronu, HSC	Chairman
Mr. Andrew . A. Okwach	Vice–Chairman
Mr. Isaack K. Cherop	Treasurer
Mr. Jeremiah N. Ongaro	Secretary
Mr. Titus M. Nyaga	Member
Mr. Joseph O. Olendo	Member
Mr. John M. Gitau	Member
Mr. Paul W. Egondi	Member
Mrs. Beatrice Ndakwe	Member w.e.f 30.04.2014
Mr. Henry E. Nakaya	Ex-official

Supervisory Committee:

Mr. Eustace N. Rewa	Chairman
Mr. Francis W. Wamukoya	Secretary w.e.f. 30.04.2014
Mrs. Consolata Maisiba	Member w.e.f 30.04.2014
Mrs. Beatrice Ndakwe	Secretary up to 29.04.2014
Mr. Harrison Asewe	Member up to 29.04.2014

Chief Executive Officer

Henry E. Nakaya
P.O. Box 44071-00100
Nairobi.

Registered Office:

Ukulima SACCO Society Ltd
Ukulima Co-operative House, Haile Sellasie Avenue
P.O. Box 44071 – 00100
Nairobi
LR No. 209/5003
Telephone: 2785000
Email; info@ukulimasacco.coop
Website: www.ukulimasacco.coop

Principal Bankers:

Co-operative Bank of Kenya Limited
Ukulima House Branch
P.O. Box 74956. -00200
Nairobi

Independent Auditor

Omanwa & Associates
Commerce House, 3rd Floor
Moi Avenue, Nairobi
P.O. Box 64447 - 00620
Nairobi
Email: info@omanwaassociates.com

**UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

STATISTICAL INFORMATION

		2014	2013
Number of members	Active	33,613	32,722
	Dormant	2,546	2,546
	Total	<u>36,159</u>	<u>35,268</u>

Financial	Kshs	Kshs
Total Assets	8,294,183,624	7,442,982,245
Members Deposits	6,004,712,254	5,514,465,940
Loans and Advances to Members	6,127,932,428	5,624,702,557
Investments	28,985,570	25,711,632
Core capital	553,795,158	450,590,326
Share capital	349,077,934	247,081,488
Institutional Capital	204,717,224	203,508,838
Total Revenue	960,912,181	798,396,268
Total Interest Income	866,440,681	713,834,920
Total Expenses	411,284,445	347,879,202

Employees of the Sacco	150	149
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Key Ratios

	SASRA		
Capital Adequacy Ratios	Req.		
Core capital/total assets	≥10%	7%	6%
Core capital/Members deposits	≥8%	9%	8%
Institutional capital/total assets	≥8%	2%	3%
Investments/deposits	≤5%	0.5%	0.5%

Liquidity Ratio(15%)

Liquid assets /Total Deposits &Long term Liab.	≥15%	5%	5%
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Operating Efficiency/Loan Quality Ratios

Total Expenses/Total Revenue	42.8%	43.6%
Interest on member deposits/Total Revenue	45.2%	50.1%
Interest rate on members deposits	8.0%	8.0%
Dividend Rate on members share capital	10.0%	10.0%

Members Earnings

Dividend on Eldoret Houses shares	2.0%	4.0%
Dividend on Ukulima House shares	12.0%	12.0%

**UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors have the pleasure to present their annual report together with the audited Financial Statements for the year ended 31st December 2014.

INCORPORATION

The Society is Incorporated in Kenya under the Co-operative Societies Act, Cap 490 and licensed under the Sacco Societies Act No. 14 of 2008, and is domiciled in Kenya.

PRINCIPAL ACTIVITY

The Society continued with its principal activity of receiving shares and deposits and giving out loans and advances to its members.

OPERATING RESULTS

	<u>2014</u> Kshs	<u>2013</u> Kshs
Surplus /(Deficit) Before Tax	68,936,983	22,592,041
Income Tax Expense	<u>(18,483,746)</u>	<u>(10,530,013)</u>
Net Surplus/(Deficit) After Tax But Before Donations	50,453,238	12,062,028
Donations	<u>(1,156,830)</u>	<u>(812,800)</u>
Net Surplus Available for Appropriation	<u>49,296,408</u>	<u>11,249,228</u>
Interest On Members' Deposits	<u>434,058,907</u>	<u>400,344,245</u>

DIVIDEND/INTEREST ON MEMBERS' DEPOSITS

The Board of Directors recommends the payments of interest refund to members at the rate of 8% (2013: 8%) and dividends on share capital at 10% (2013: 10%) as at 31st December 2014.

THE BOARD OF DIRECTORS

The Members of the Board of Directors who served during the year and to the date of this report are as listed on page 1.

INDEPENDENT AUDITORS

Messrs Omanwa & Associates, Certified Public Accountants(K), who were appointed during the year have expressed their willingness to continue in office in accordance with section 159(2) of the Companies Act (Cap 486) and under the terms of section 25(4) of the Co-operative Societies Act (Cap 490) under Amendment No.2 of 2004.

BY ORDER OF THE BOARD

SIGNATURE
JEREMIAH N. ONGARO
HON SECRETARY

DATE

UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES

The SACCO Societies Act, No 14 of 2008 requires the Board of Directors to prepare financial statements for each year 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. It also requires the Board of Directors 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 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 Board of Directors 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 SACCO Societies Act No. 14 of 2008. The Board of Directors 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 of its operating results in accordance with the IFRS. The Board of Directors 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 Board of Directors to indicate that the society will not remain a going concern for at least twelve months from the date of this statement.

Approved by the Board of Directors on..... and signed on its behalf by:

.....Chairman
Signature

.....Treasurer
Signature

.....Board Member
Signature

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF UKULIMA SACCO SOCIETY LIMITED - CS/NO:2026

1. Introduction

We have audited the accompanying financial statements of Ukulima Sacco Society Limited set out on pages 6-22, which comprise the statement of financial position as at 31 December 2014, 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 as set out on pages 10 to 23.

2. 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 Kenyan Sacco Societies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that 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.

3. 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 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, 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.

4. Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2014 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 Sacco Societies Act.

5. Report on Other Legal Requirements

The Kenyan Sacco Societies Act of 2008 requires that we report the following matters to the Sacco Societies Regulatory Authority (SASRA). We report that:

- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were considered necessary for the purposes of our audit;
- (ii) We have no evidence of irregularities or illegal acts that have been committed by directors or employees of the Sacco Society; and,
- (iii) We have no grounds to believe that the Sacco Society is insolvent or that there is a significant risk that it may become insolvent.

6. Engagement Partner

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Hedrick Masaki Omanwa - Practising Number 1184.

**OMANWA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS & SECRETARIES
PIN NO. P051165248Z**

Date:.....



UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2014 Kshs	2013 Kshs
Revenue			
Interest on loans and advances	3	858,649,558	705,920,268
Other interest income	3	<u>7,791,123</u>	<u>7,914,652</u>
Total interest income		866,440,681	713,834,920
Interest expense	4	(453,852,785)	(419,800,026)
Loan loss provision	9	<u>(26,837,969)</u>	<u>(8,124,999)</u>
Net interest income		385,749,928	285,909,895
Other operating income	5	94,471,500	84,561,348
Personnel expenses	6	(225,908,868)	(203,438,352)
Administration expenses	6	(102,498,225)	(78,851,119)
Other operating expenses	6	(82,877,351)	(65,589,730)
Net operating surplus before tax		68,936,983	22,592,041
Income tax expense	16	(18,483,746)	(10,530,013)
Net surplus for the year after tax		50,453,238	12,062,028
Other comprehensive Income/(Loss)			
Items that may be reclassified subsequently to profit or loss;			
Gain/(Loss) on revaluation of investments		5,910,261	-
Total Comprehensive Income		56,363,499	12,062,028

**UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2014

	Notes	2014 Kshs.	2013 Kshs
ASSETS			
Cash and cash equivalents	7	301,064,219	277,557,791
Accounts Receivable & Prepayments	8	942,253,583	613,427,565
Loans & Advances to members	9	6,127,932,428	5,624,702,557
Investments	11	28,985,570	25,711,632
Inventory	10	626,672	857,942
Fixed Assets-Intangible	12	11,928,474	21,398,841
Property, Plant and Equipment	13	881,392,678	879,325,917
TOTAL ASSETS		8,294,183,624	7,442,982,245
LIABILITIES			
Member's Deposits	15	6,004,712,254	5,514,465,940
Tax payable	16	10,834,016	5,620,634
Payable to Members & Board	17	528,863,989	490,290,702
Proposed dividends		33,768,642	23,874,052
Trade payables & accruals	18	34,352,751	46,912,125
Borrowings	19	339,222,223	121,666,667
Benevolent Fund	20	28,288,090	32,489,236
TOTAL LIABILITIES		6,980,041,965	6,235,319,356
EQUITY			
Share Capital	21	268,043,596	165,894,511
Other shares	22	81,034,338	81,186,977
Reserves	23	965,063,725	960,581,401
TOTAL EQUITY		1,314,141,659	1,207,662,889
TOTAL LIABILITIES AND EQUITY		8,294,183,624	7,442,982,245

The financial statements were approved by the Board of Directors on **23rd March 2015** and signed on its behalf by:-

Chairman.....

Treasurer.....

Board Member.....

**UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

	Share Capital - Society General Kshs	Share Capital - Ukulima Hse, Towers Plot & Eldoret Houses	Statutory reserve Kshs	Asset revaluation reserves Kshs	Equity Investments Revaluation Kshs	General reserve Kshs	Retained Earnings Kshs	Proposed Dividends Kshs	Total Kshs
As at 1.1.2013	161,111,932	81,213,945	96,786,791	738,963,721	-	111,562,502	23,295,745	23,555,855	1,236,490,491
Prior Year Adjustments:			(60)				191,500		191,440
Dealt with in income statement	-	-	-	-	-	-	-	-	-
Prior years' depreciation	-	-	-	-	-	-	-	-	-
Prior year's depreciation	-	-	-	-	-	-	-	-	-
Surplus for the year	-	-	-	-	-	-	12,062,029	-	12,062,029
Received in the year	4,782,579	-	-	-	-	4,993,225	-	-	9,775,804
Transfer during the year	-	-	-	(7,602,790)	-	7,602,790	-	-	-
Towers Refund	-	(26,967)	-	-	-	-	-	(23,555,855)	(23,582,822)
Transfer to Statutory Reserve	-	-	2,412,406	-	-	-	(2,412,406)	-	(0)
Honorarium	-	-	-	-	-	-	(3,400,000)	-	(3,400,000)
Proposed Dividends	-	-	-	-	-	-	(23,874,052)	23,874,052	-
As at 31.12.2013	165,894,511	81,186,978	99,199,137	731,360,931		124,158,517	5,862,816	23,874,052	1,231,536,942
As at 1.1.2014									
As previously stated	165,894,511	81,186,978	99,199,137	731,360,931		124,158,517	5,862,816	23,874,052	1,231,536,942
Prior Year Adjustments:	-	-	-	-	-	-	-	-	-
Difference in opening balance	-	-	-	-	-	(1,581,980)	-	-	(1,581,980)
Tax arrears	-	-	-	-	-	(13,056,493)	-	-	(13,056,493)
Prior years' depreciation	-	-	-	-	-	-	(74,060)	-	(74,060)
As restated	165,894,511	81,186,978	99,199,137	731,360,931	-	109,520,044	5,788,756	23,874,052	1,216,824,409
Surplus for the year	-	-	-	-	5,910,261	-	50,453,238	-	56,363,499
Received in the year	102,149,085	(152,639)	-	-	-	-	-	-	101,996,446
Transfer during the year	-	-	-	-	-	-	-	(23,874,052)	(23,874,052)
Towers refund	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	10,090,648	-	-	-	(10,090,648)	-	-
Honorarium	-	-	-	-	-	-	(3,400,000)	-	(3,400,000)
Proposed Dividends	-	-	-	-	-	-	(33,768,642)	33,768,642	-
As at 31.12.2014	268,043,596	81,034,339	109,289,784	731,360,931	5,910,261	109,520,044	8,982,705	33,768,642	1,347,910,302

**UKULIMA SACCO SOCIETY LIMITED - CS/2026
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

STATEMENT OF CASH FLOWS

	Note	2014 Kshs.	2013 Kshs
Cash flows from operating activities			
Interest receipts	3	858,732,964	713,834,920
Income from other operating activities	5	94,221,500	84,561,348
Interest payments		(428,838,673)	(349,500,052)
Payment to employees and suppliers		<u>(398,630,778)</u>	<u>(327,357,817)</u>
		125,485,014	121,538,400
(Increase)/ decrease in operating assets			
Net loans to members	9	(503,229,871)	(805,640,044)
Trade and other receivables	18	(328,826,018)	(58,786,519)
Short term investments	10	2,494,460	14,812,720
Inventory	11	231,270	173,700
Increase/ decrease in liabilities			
Deposits from members	15	490,246,314	816,592,328
Trade payables and accruals	8	(12,559,374)	2,377,967
Benevolent Fund	20	<u>(4,201,145)</u>	<u>7,399,580</u>
Net Cash from operating activities before Income taxes		(230,359,351)	98,468,131
Income tax paid	16	<u>(26,229,337)</u>	<u>(8,920,872)</u>
Net Cash flows from operations		<u>(256,588,688)</u>	<u>89,547,259</u>
Cash flow from Investing Activities			
Purchase of property and equipment	13 & 14	(23,555,459)	(8,900,982)
Purchase of intangibles assets	12	-	(17,967,781)
Dividends received	3 (b)	<u>7,707,717</u>	<u>7,806,819</u>
Net cash from investing activities		<u>(15,847,742)</u>	<u>(19,061,945)</u>
Cash flows from financing activities			
Share capital contributions	21	102,149,085	4,782,579
Borrowings received	19	400,000,000	150,000,000
Repayment of Borrowings	19	(182,444,444)	(28,333,333)
Dividends paid		<u>(23,761,783)</u>	<u>(23,555,855)</u>
Net Cash flows from financing activities		<u>295,942,858</u>	<u>102,893,391</u>
Increase in cash and cash equivalent		23,506,428	173,378,706
Cash and cash equivalent at the beginning		<u>277,557,791</u>	<u>104,179,085</u>
Cash and cash equivalent at the end	7	<u>301,064,219</u>	<u>277,557,791</u>

1. Basis of Preparation of Financial Statements

1.1 Statement of Compliance & Basis of Preparation

The financial statements have been prepared on an historical cost basis, except for the measurement at revaluation amounts of certain property and equipment, marketable securities and financial instruments at fair value, impaired assets at their recoverable amounts and actuarially determined liabilities at their present value where applicable.

The accounts have been prepared in accordance with and comply with International Financial Reporting Standards which allows management to use estimates, assumptions and judgments in the process of applying the Sacco's accounting policies.

Statement of Compliance

The financial statements have been prepared in accordance with the Kenya Co-operative Societies Act, and International Financial Reporting Standards (IFRS) and comply in all material respects.

1.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Amendments resulting from improvements to IFRS to the following standards did not have any impact on the accounting policies, financial position or performance of the Sacco.

Improvements to IFRS

Between 2008 and 2010, the IASB issued amendments to some of its standards, primarily with a view to removing inconsistencies and clarifying wordings. The adoption of the following amendments where relevant, resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Sacco.

IAS 7, Statement of Cash Flows: Statement of Cash Flows states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment had no impact on the financial statement of the Sacco.

IAS 36, Impairment of Assets: Although not necessary in the circumstances of this Sacco, the amendment clarifies that the largest unit permitted for allocating goodwill acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Sacco as all its assets were in good working condition.

Other amendments resulting from Improvements to IFRS to the following standards did not have any impact on the accounting policies, financial position or performance of the Sacco:

IFRS 2, Share-based Payment

IAS 1, Preparation & Presentation of Financial Statements

IAS 34, Interim Financial Reporting

IAS 39 Financial Instruments: Recognition & Measurement

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments.

The following amendments were effective for annual periods on or after either 1st July 2010 or 1st January 2011.

IFRS 7, Financial Instruments: Disclosure

IAS 1, Presentation of Financial Statements

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Sacco has or will adopt the following standards on their effective dates.

IAS 24, Related Party Disclosures (Amendment)

Effective date, on or after 1st January 2011. It clarifies and simplifies the definition of a related party and its identification as to remove any inconsistencies in its application. The Sacco is currently assessing the impact of adopting the amendment.

IFRS 9, Financial Instruments: Classification and Measurement

This standard will be adopted in phases the first phase being classification and measurement of the Sacco's financial assets. The Sacco is currently assessing the impact of adopting IFRS 9. However, the impact of adoption depends on the assets held by the Sacco at the date of adoption, and it is not practical to quantify the effect.

IFRS 14, Prepayment of a Minimum Funding Requirement

Effective date after 1st January 2011 with retrospective application. The amendment corrects an unintended consequence of IFRS 14, IAS 19. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. These amendments provide guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment has no impact on this financial statements of the Sacco.

IAS 40, Investment Property

Effective 1st January, 2012. The amendment introduces a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale. The standard is not applicable in the operations of the Sacco.

IFRS 13, Fair Value Measurement

Effective 1st January 2013. This new standard provides guidance on how to measure fair value of financial and non-financial assets and liabilities when fair value measurement is required or permitted by IFRS. Because of its effective date, the Sacco is not intending to adopt the amendment on its financial position or performance.

KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Societies accounting policies, which are described in note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Useful lives of property, plant and equipments

The society reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the financial year, no changes to the useful lives were identified by the Directors.

Impairment losses

At each reporting period, the Society reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2 Summary of Significant Accounting Policies

a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Sacco and the revenue can be reliably measured. Revenue is recognised at fair value of consideration received or receivable taking into account contractually defined terms of payment (mostly monthly) and recognised net of taxes. The following specific recognition criteria must be met before revenue is recognised:-

i) Interest from Loans & Advances to Members

Interest on loans to members is calculated on a reducing balance method at a monthly rates ranging between 1% to 1.5%. Interest income is recognised on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

New members to the society are required to pay an entrance fee. The fees is recognised in the income statement in accordance with IAS 1.

ii) Other Interest Income

Other interest income comprises interest receivable from bank deposits and investment in securities. It is recognised when it is probable that the economic benefits will flow to the Society and the amount of income can be measured reliably and accrued in profit or loss, using the effective interest rate method.

b) Property, Plant and Equipment

All property, plant and equipments are initially recorded at cost less accumulated depreciation and accumulated impairment in value. Land and building class of property, plant and equipments are stated at valued amounts by independent valuers. Increase in carrying value arising on revaluations are credited to other comprehensive income and accumulated in revaluation reserves in equity.

Each year, the difference between the depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost is transferred to retained earnings.

Depreciation is computed on a declining balance method to write down the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates in use are:

Leasehold Building	Lease period
Office Equipment	12.50%
Furniture & Fittings	12.50%
Fencing	12.50%
Motor Vehicle	25.00%
Computers	30.00%

Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of a revalued asset, amount in the revaluation reserve relating to that asset is transferred to retained earnings.

c) Amortisation

Computer Software licenses and preliminary expenses are capitalised on the basis of the costs incurred to acquire them. These costs are amortised over their estimated useful life of three years.

d) Financial Instruments

Financial assets and liabilities are recognized on the statement of Financial Position when the Society has become a party to the contractual provisions of the instrument.

- Borrowed Funds are valued at principle less the amount paid towards the principle at the end of the year
- Borrowed Costs are recognised on due date as per the loan agreements
- Share Capital represents members' interest in the Society and measured at par value of Kshs. 20 per share & subject to transfer only.

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	Kshs	Kshs
3a) Interest income		
BOSA Loans	566,564,193	443,896,011
FOSA Advances	292,085,365	262,024,257
	858,649,558	705,920,268
b) Other interest income		
Bank deposits	83,406	107,834
Dividend income	7,707,717	7,806,819
	7,791,123	7,914,652
4 Interest expense on members deposits		
Interest Expense on deposits	434,058,907	400,344,281
Interest on Savings / Fixed Deposits	14,679,916	11,071,772
Bank charges and interests	4,073,318	8,383,973
Other Financial costs	1,040,644	-
	453,852,785	419,800,026
5 Other operating income		
Rental income	63,033,837	60,712,108
Entrance fees	274,226	1,651,336
Other FOSA income	21,134,175	18,679,262
Car park fees	2,941,850	1,905,800
Insurance commission income	6,837,212	1,574,842
Gain on Sale of MV	250,000	-
Sundry income	200	38,000
	94,471,500	84,561,348
Net operating Income	507,059,397	378,596,242

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	Kshs.	Kshs
6 Expenses		
a) Financial Expenses		
Interest Expense on deposits	417,689,871	400,344,281
Interest on Fixed Deposits	14,679,916	11,071,772
Bank charges and interests	4,073,318	8,383,973
Other Financial Costs	1,040,644	-
	437,483,749	419,800,026
Operating/Administrative Expenses		
b) Personnel Expenses		
Salaries and Wages	195,494,056	170,580,827
Medical Expenses	16,123,490	20,668,060
Provident fund	14,291,322	12,189,465
	225,908,868	203,438,352
c) Administrative Expenses		
Travelling & Subsistence allowance	4,416,462	2,599,810
Staff welfare expenses	2,649,779	2,333,307
Staff education	9,739,911	6,219,250
Staff Uniforms	464,261	602,484
Management and Letting Commission	4,165,447	4,579,116
Audit fees	1,039,635	943,170
Legal and professional fees	217,140	1,472,775
Consultancy	3,226,948	664,800
Parking Fees	92,980	8,800
Printing and stationery	6,570,803	5,017,015
Rent charges	13,592,112	12,318,396
Repairs and Maintenance	5,196,812	6,091,021
Computer Software Maintenance	4,182,858	-
Repairs of motor vehicles	177,731	229,484
Ushirika day celebrations	1,342,200	1,414,962
Telephone and postage	9,274,162	7,283,441
Training levy/service charge	90,000	81,600
Rates	1,023,000	468,117
Insurances and licenses	6,178,230	5,845,603
Vehicle fuel and oil	471,660	877,684
Donations and subscription	1,156,830	812,800
Security	6,148,510	5,060,729
Office Cleaning	2,586,467	2,087,986
General expenses	38,900	24,468
Electricity and Water	14,039,297	9,803,249
Caretakers Expenses	204,900	138,600
Lift Maintenance	740,471	1,872,454
ISO Certification	3,470,720	-
	102,498,225	78,851,119

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014 Kshs	2013 Kshs
d) Other Operating Expenses		
i). Governance Expenses (Member Related Cost)		
Members education	11,900,685	10,641,837
Committee travel allowance	8,308,136	6,868,332
Committee sitting allowance	10,679,030	6,743,748
Delegates Welfare Fund	2,318,170	1,023,608
SASRA Levies	4,697,874	4,275,984
AGM Expenses	8,227,430	5,814,591
	46,131,325	35,368,100
ii). Marketing Expenses		
Advertising and public relations	5,786,961	1,893,837
	5,786,961	1,893,837
iii). Depreciation/Amortization expenses		
Depreciation	21,488,698	18,857,517
Amortization	9,470,367	9,470,276
	30,959,065	28,327,793
Total Other operating Expenses	82,877,351	65,589,730
Total Expenses	848,768,193	767,679,228
Net Operating Surplus	95,774,952	30,717,040
The following items have been charged in arriving at Net Operating Surplus:		
a) Depreciation and amortisation		
Depreciation of Property, Plant and Equipment	21,488,698	18,857,517
Amortization of Intangible Assets	9,470,367	9,470,276
Total	30,959,065	28,327,793
b) Employee Benefits Expenses		
Salaries and Wages	195,494,056	170,580,827
Pension costs:-Defined Contribution	14,291,322	12,189,465
Total	209,785,378	182,770,292

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	Kshs	Kshs
7 CASH AND CASH EQUIVALENT		
Cash		
Cash in hand	213,880	270,903
Treasury Cash - Head office FOSA	6,239,356	11,154,580
Treasury Cash - Kisumu FOSA	4,051,592	2,025,454
Treasury Cash - Mombasa FOSA	4,668,088	2,901,162
Treasury Cash - Eldoret FOSA	5,616,470	3,365,864
Treasury Cash - Embu FOSA	5,524,491	-
MPESA float	1,668,593	1,668,593
Co-operative Bank Accounts		
Ukulima House Shares Savings account	21,443,625	5,344,102
Eldoret Houses savings Account	3,554,532	1,294,408
Current Account-Main	86,333,807	66,695,811
FOSA savings Account	319,715	319,715
Nairobi FOSA Current Account	61,934,650	145,186,318
Kisumu FOSA Current Account	17,437,572	5,701,624
Mombasa FOSA Current account	23,290,477	11,057,238
Eldoret FOSA Current account	14,250,519	7,622,740
Embu FOSA Current account	10,897,383	-
ATM Settlement account	(8,287,489)	(7,574,048)
MSACCO Account	28,006,555	2,385,513
Accounts with other banks		
Branch Emergency Loan Account(B.E.L.A)	13,900,405	18,137,814
	<u>301,064,219</u>	<u>277,557,791</u>
8 RECEIVABLE AND PREPAYMENTS		
Prepaid insurance premiums	65,669,136	37,892,551
Electricity deposit	1,140,510	1,166,960
Safaricom/ Celtel -Rent deposit	1,472,516	1,769,559
Prepaid Rent	652,000	652,000
Ministries and Parastatals	275,657,008	345,033,246
CIC B/F Refunds Receivable	4,634,881	4,413,120
KUSCCO Debtor	1,177,928	-
Staff Debtors	1,167,636	1,693,282
FOSA opening controls	-	5,201
Debtors -rent collection	1,422,529	6,133,550
Rent receivables	30,701,662	40,270,711
Barclays Securities (pension debtor)	673,936	382,406
*Ukulima Housing Co-operative	507,049,476	162,385,457
Reconciliations control account	39,204,845	-
**Reliable Securities-Investment fund	11,629,520	11,629,520
	<u>942,253,583</u>	<u>613,427,565</u>

* Included in the amount due from Ukulima Housing Co-operative Kshs. 339,222,223/= (2013: 121,666,667/=) being loan balance due to Co-operative Bank through the Society (Note 19).

**The society instituted legal proceedings to recover the amount due from Reliable Securities. A ruling by the Arbitrator awarded the Society Kshs.10,229,520 and simple interest at a rate of 12% amounting to Kshs. 16,300,305. The Society is awaiting settlement from the respondent.

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

		2014	2013
		Kshs	Kshs
9 (a) LOANS & ADVANCES			
At the start of the year		5,624,702,557	4,819,062,513
Granted during the year		5,011,326,144	5,185,415,359
Repayment during the year		(4,424,926,757)	(4,323,443,768)
Loan loss provision			
At the year end	A	<u>6,211,101,944</u>	<u>5,681,034,104</u>
Loans & Advances as per listing (MPL's)	B	<u>6,216,011,763</u>	<u>5,779,469,262</u>
		<u>(4,909,819)</u>	<u>(98,435,158)</u>
(b) LOAN LOSS PROVISION			
Balance B/F		56,331,547	48,206,548
Provision for the year			
- BOSA Loans		21,928,150	6,298,915
- FOSA Advances		4,909,819	1,826,084
Total Charge		<u>26,837,969</u>	<u>8,124,999</u>
	C	<u>83,169,516</u>	<u>56,331,547</u>
Net Loans and Advances	A - C	<u>6,127,932,428</u>	<u>5,624,702,557</u>
AGING OF PAST DUE IMPAIRMENT			
	Amount 2014		
0 - 30 days (Performing- 0% provision)	5,715,635,383	-	-
31 - 60 days (Watch- 5%)	146,966,117	7,348,305.85	15,695,562
61-180 days (Substantial- 25 %)	228,544,199	57,136,049.75	24,135,737
181- 360 days (Doubtful- 50%)	67,478,878	33,739,439	8,407,100
>360 days or 12 Months (Loss - 100%)	52,477,367	52,477,367	8,093,148
	<u>6,211,101,944</u>	<u>150,701,162</u>	<u>56,331,547</u>

The Society has not fully complied with the requirements of the Sacco Societies (Deposit-taking Business) regulation no.44 on Loan loss provision.

10 INVENTORY

Consumable stationery	<u>626,672</u>	<u>857,942</u>
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UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	Kshs	Kshs
11 EQUITY INVESTMENTS		
Unquoted Investments		
KUSCCO Shares	2,933,258	2,731,500
Codic	50,000	50,000
CAK Shares	101,000	101,000
Ukulima Housing Co-operative	5,000,000	5,000,000
Co-operative bank shares	19,483,240	13,916,600
CIC Shares	683,502	683,502
	<u>28,251,000</u>	<u>22,482,602</u>
Quoted Investments		
Investments at NSE:	3,229,030	3,229,030
Less Disposal during the year	(1,637,381)	-
Gain/(Loss) on revaluation as at 31.12.2014	(857,079)	
	<u>734,570</u>	<u>3,229,030</u>
Consisting of:		
66,100 shares of Kenya Airways @ 8.70	575,070	1,487,250
5,800 shares of Rea Vipingo@ 27.50	159,500	104,400
72,300 shares of CMC	-	918,210
Adjustment of closing balance	-	719,170
	<u>734,570</u>	<u>3,229,030</u>
Total Equity Investments	<u>28,985,570</u>	<u>25,711,632</u>
<p>The unquoted shares are equity investments classified as available for sale. They are carried at cost due to lack of comparable quoted investments which have been used for the determination of fair value. In the opinion of the directors, the above investments would, if sold, realize not less than the amount at which they are stated.</p>		
12 FIXED ASSETS-INTANGIBLE		
Software Licenses		
Cost		
At 01.01.2014	42,097,762	24,129,981
Additions	-	17,967,781
At 31.12.2014	<u>42,097,762</u>	<u>42,097,762</u>
AMORTIZATION		
At 01.01.2014	20,698,921	11,228,645
Charge for the year	9,470,367	9,470,276
At 31.12.2014	<u>30,169,288</u>	<u>20,698,921</u>
NET BOOK VALUE		
At 31.12.2014	<u>11,928,474</u>	<u>21,398,841</u>

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Leasehold land & Building - Ukulima House	Leasehold land & Buildings - Eldoret Houses	Fencing	Motor Vehicles/ Cycles 25% Kshs	Furniture, Fixtures & Fittings 12.50%	Eldoret Houses Cookers Kshs	Office Equipment 12.50% Kshs	Computers & Accessories 30% Kshs	Total Kshs
2014										
Cost or Valuation	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 01.01.2014	153,332,500	750,000,000	79,670,462	221,065	5,151,580	34,979,511	142,400	38,160,960	39,991,812	1,101,650,290
Additions	-	-	213,600	-	-	7,082,116	-	10,575,133	5,684,610	23,555,459
Disposals	-	-	-	-	-	-	-	-	-	-
At 31.12.2014	153,332,500	750,000,000	79,884,062	221,065	5,151,580	42,061,627	142,400	48,736,093	45,676,422	1,125,205,749
Breakdown										
Cost	153,332,500	550,972,721	55,435,899	221,065	5,151,580	42,061,627	142,400	48,736,093	45,676,422	901,730,307
Revaluation/additions	-	199,027,279	24,448,163	-	-	-	-	-	-	223,475,442
	153,332,500	750,000,000	79,884,062	221,065	5,151,580	42,061,627	142,400	48,736,093	45,676,422	1,125,205,749
Depreciation										
At 01.01.2014	8,439,361	121,932,926	11,007,751	201,548	4,749,998	19,878,046	138,268	21,165,501	34,810,975	222,324,373
On disposals	-	-	-	-	-	-	-	-	-	-
Charge for the year	1,906,489	9,102,421	895,757	3,904	100,396	2,772,948	826	3,446,324	3,259,634	21,488,698
At 31.12.2014	10,345,850	131,035,347	11,903,508	205,451	4,850,393	22,650,993	139,094	24,611,825	38,070,609	243,813,071
At 31.12.2014	142,986,650	618,964,653	67,980,554	15,614	301,187	19,410,633	3,306	24,124,268	7,605,813	881,392,678
2013										
Cost or Valuation										
At 01.01.2013	150,000,000	750,000,000	78,200,000	221,065	5,151,580	34,519,207	142,400	37,462,814	37,052,242	1,092,749,308
Additions	3,332,500	-	1,470,462	-	-	460,304	-	698,146	2,939,570	8,900,982
Disposals	-	-	-	-	-	-	-	-	-	-
At 31.12.2013	153,332,500	750,000,000	79,670,462	221,065	5,151,580	34,979,511	142,400	38,160,960	39,991,812	1,101,650,290
Breakdown										
Cost	150,000,000	550,972,721	55,222,299	221,065	5,151,580	34,979,511	142,400	38,160,960	39,991,812	874,842,348
Revaluation/additions	3,332,500	199,027,279	24,448,163	-	-	-	-	-	-	226,807,942
	153,332,500	750,000,000	79,670,462	221,065	5,151,580	34,979,511	142,400	38,160,960	39,991,812	1,101,650,290
Depreciation										
At 01.01.2013	6,532,873	112,801,018	10,132,854	197,644	4,616,137	17,720,694	137,441	18,737,578	32,590,617	203,466,856
On disposals	-	-	-	-	-	-	-	-	-	-
Charge for the year	1,906,488	9,131,907	874,897	3,904	133,861	2,157,352	826	2,427,923	2,220,359	18,857,517
At 31.12.2013	8,439,361	121,932,926	11,007,751	201,548	4,749,998	19,878,046	138,267	21,165,501	34,810,976	222,324,374
At 31.12.2013	144,893,139	628,067,074	68,662,711	19,518	401,582	15,101,465	4,133	16,995,459	5,180,836	879,325,916

Land & Buildings located in Nairobi and Eldoret were revalued in 2011 and 2012 by Highland Valuers and Tysons to reflect the current market value and to comply with IAS 16

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
	Kshs	Kshs
15 MEMBERS DEPOSITS		
As at January 01, 2014	5,514,465,940	4,697,873,612
Contributions for the year	410,774,126	483,743,016
Refunds	(499,503,731)	(177,313,567)
FOSA individual savings	578,975,919	510,162,879
As at December 31, 2014	<u>6,004,712,254</u>	<u>5,514,465,940</u>
Members' Deposit Listing	6,038,760,124	5,493,821,517
Unreconciled difference	<u>(34,047,870)</u>	<u>20,644,423</u>
16 TAXATION		
At 1st January	5,620,634	4,011,493
Installment taxes	(7,802,799)	-
Charge for the Year	18,483,746	10,530,013
Payment during the period	(5,467,565)	(8,920,872)
As at 31st December	<u>10,834,016</u>	<u>5,620,634</u>
17 PAYABLE TO MEMBERS & BOARD		
i) Interest on Deposits		
Unpaid interests previous year	486,608,276	409,022,317
Payments during the year	(409,044,795)	(330,044,307)
Proposed interest on members deposits - BOSA	434,058,907	400,344,245
Provision for interest on members savings-FOSA	14,061,213	7,286,022
	<u>525,683,601</u>	<u>486,608,276</u>
ii). Honorarium		
At 1st January	3,682,426	3,400,000
Amount paid during the period	(3,902,038)	(3,117,574)
Proposed	3,400,000	3,400,000
	<u>3,180,388</u>	<u>3,682,426</u>
TOTAL	<u>528,863,989</u>	<u>490,290,702</u>
18 PAYABLES & ACCRUALS		
Trade payables	6,887,145	4,638,436
Accruals for services and utilities	-	1,946,627
Payroll liabilities	77,317	90,771
Provisions on FOSA loans	-	4,909,819
Provisions for AGM expenses	8,628,084	6,000,000
Tenant deposits received	977,279	1,237,479
Deposit on parking plot	17,500,000	17,500,000
Reconciliations Control Account	-	10,262,263
Sundry payables	282,926	326,731
	<u>34,352,751</u>	<u>46,912,125</u>
19 BORROWINGS		
Co-operative Bank Loan		
Balance brought forward	121,666,667	-
Received during the year	400,000,000	150,000,000
Repaid during the year	(182,444,444)	(28,333,333)
	<u>339,222,223</u>	<u>121,666,667</u>

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014 Kshs	2013 Kshs
20 BENEVOLENT FUND		
Income		
Members contributions	33,609,371	30,572,939
Recoveries from unpaid BF	54,263	42,410
	<u>33,663,634</u>	<u>30,615,349</u>
Expenditure		
Insurance	37,864,779	23,215,769
	<u>37,864,779</u>	<u>23,215,769</u>
Surplus for the Year	<u>(4,201,145)</u>	<u>7,399,580</u>
Accumulated Fund		
Balance at 1st January	32,489,236	25,089,656
Surplus for the Year	(4,201,145)	7,399,580
Balance at 31st December	<u>28,288,090</u>	<u>32,489,236</u>
21 SHARE CAPITAL		
Authorised		
A undetermined number of shares of Kshs 20/ each		
Issued and paid		
As at January 01,	165,894,511	161,111,932
Contributions during the year	102,149,085	4,782,579
As at December 31,	<u>268,043,596</u>	<u>165,894,511</u>
Listing Balance	<u>267,217,247</u>	<u>165,053,599</u>
Unreconciled difference	<u>826,348</u>	<u>840,912</u>
22 OTHER SHARES		
Eldoret Houses shares	16,018,750	16,017,350
Ukulima House shares	55,365,891	55,365,891
Ukulima Towers shares	9,649,697	9,803,736
	<u>81,034,338</u>	<u>81,186,977</u>
23 RESERVES		
Assets Revaluation Reserve	731,360,931	731,360,931
Statutory Reserves	109,289,784	99,199,137
General reserve	109,520,044	124,158,517
Change in value of Equity investments	5,910,261	-
Appropriation Account	8,982,705	5,862,816
	<u>965,063,725</u>	<u>960,581,401</u>
24 CONTINGENT LIABILITY		

The Society has a tax assessment arising from KRA audit relating to years 2005 - 2010 After a series of meetings with the KRA the Society was required to settle the agreed taxes amounting to Kshs 20,639,766 of which Kshs 13,056,493 has been paid.

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

25 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Placings are made in the SACCO by directors and the staff. Loans to members at 31st December 2014 include loans to directors and staff. All transactions with related parties are at arm's length in the normal course of business, and on terms and conditions similar to those applicable to other customers.

	Board & Supervisory		Employees/Staff	
	2014	2013	2014	2013
	Kshs	Kshs	Kshs	Kshs
a) Loans				
At 1 January	14,603,087	12,854,163	171,704,892	135,324,257
Net movement in the year	6,508,216	1,748,924	21,908,077	36,380,635
At 31 December	<u>21,111,303</u>	<u>14,603,087</u>	<u>193,612,969</u>	<u>171,704,892</u>

b) Deposits

At 1 January	8,598,777	7,441,779	76,703,569	67,774,172
Net movement in the year	1,228,708	1,156,998	11,825,050	8,929,397
At 31 December	<u>9,827,485</u>	<u>8,598,777</u>	<u>88,528,619</u>	<u>76,703,569</u>

c) Key Management, Board and Supervisory Committee Remuneration

The remuneration of directors and the supervisory committee members during the year were as follows:

Honorarium and Allowances	<u>33,066,196</u>	<u>23,755,828</u>
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26 EVENTS AFTER REPORTING PERIOD

There are no significant events after the reporting period which have been reported in these financial statements.

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

UKULIMA HOUSE

	2014	2013
	Kshs	Kshs
INCOME		
Rent Income	58,427,837	56,138,108
Bank Interest	65,402	64,401
TOTAL INCOME	58,493,239	56,202,509
Expenditure		
Staff expenditure		
Salaries and wages	705,343	765,276
House allowance	236,916	222,360
Medical allowance	99,592	153,164
Commuter allowance	48,000	42,000
Leave travel allowance	11,532	10,580
NSSF	2,400	2,400
Provident fund	85,950	91,493
Staff Uniform	4,926	4,303
Staff Education	42,900	44,423
	1,237,559	1,336,000
Financial and professional expenses		
Management & Letting commission	1,965,285	914,237
Bank charges	7,990	9,275
Legal fees	55,180	310,575
Audit fees	25,991	43,555
Depreciation	9,106,325	9,135,811
	11,160,771	10,413,453
Administration expenses		
Repairs and maintenance	1,108,062	586,670
Insurance	527,403	527,403
Rates	436,400	297,400
Security	1,907,000	1,642,000
Caretakers expenses	188,900	136,600
Cleaning services	1,823,206	1,363,310
Lift maintenance	740,471	1,159,049
Electricity and water	13,255,866	9,086,357
Sundry Expenses	-	24,468
	19,987,307	14,823,257
Committee expenses		
Committee Travel allowance	207,703	337,187
Committee Sitting allowance	266,976	343,417
	474,679	680,604
TOTAL EXPENDITURE	32,860,316	27,253,314
SURPLUS FOR THE YEAR	25,632,923	28,949,195

UKULIMA SACCO SOCIETY LIMITED - CS/2026
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

ELDORET HOUSES

	2014	2013
	Kshs	Kshs
INCOME		
Rent Income	4,606,000	4,574,000
Bank Interest	18,004	20,343
TOTAL INCOME	4,624,004	4,594,343
Expenditure		
Staff expenditure		
Salaries and wages	686,610	600,789
House allowance	266,832	201,585
Commuter allowance	48,000	42,000
Leave travel allowance	9,652	8,855
NSSF	2,400	1,200
Provident fund	85,826	43,249
Medical Expenses	99,592	153,164
Staff Uniform	4,926	4,303
Staff Education	42,900	44,423
	1,246,738	1,099,568
Financial and professional expenses		
Management & Letting Commission	223,312	204,011
Bank Charges	275	275
Audit fees	25,991	21,777
Depreciation	896,583	875,723
Legal & professional fees	350,000	234,000
	1,496,161	1,335,787
Administration expenses		
Repairs and maintenance	232,460	259,990
Insurance	60,270	60,270
Advertisement	128,760	-
Security	792,512	678,600
Cleaning	47,500	56,500
	1,261,502	1,055,360
Committee expenses		
Committee travel allowance	98,075	168,594
Committee sitting allowance	100,000	171,708
	198,075	340,302
TOTAL EXPENDITURE	4,202,476	3,831,017
SURPLUS FOR THE YEAR	421,527	763,326

UKULIMA SACCO SOCIETY LTD		
INCOME TAX COMPUTATION YEAR 2014		
	Kshs.	Kshs.
Rental Income		
Ukulima House	25,632,923.18	
Eldoret Houses	421,527.40	
		26,054,450.57
Add Back : Depreciation		
Ukulima House	11,012,813.55	
Eldoret Houses	896,583.05	11,909,396.60
Less: Wear & Tear (Per Computation)		(10,367,296.42)
Taxable Income year 2014		27,596,550.76
Tax payable @ 30%		8,278,965.23
Less; Advance tax paid during 2014		-
Tax payable		8,278,965.23

8,145,022.25
133,942.98

	CLASS II 25%	CLASS III 12.50%	CLASS IV 30%	TOTAL
Written down Value 01.01.2013	5,151,580.00	30,604,320.25	4,471,074.30	40,226,974.55
Additions year 2014	-	17,657,248.75	5,684,610.00	23,341,858.75
	5,151,580.00	48,261,569.00	10,155,684.30	63,568,833.30
Charge for the Year	(1,287,895.00)	(6,032,696.13)	(3,046,705.29)	(10,367,296.42)
Written down Value 31.12.2014	3,863,685.00	42,228,872.88	7,108,979.01	53,201,536.89

Car Park fees	2,190,490
Other Incomes -FOSA	27,971,587
Dividend Income 50%	3,853,859
TOTAL	<u>34,015,935</u>

Tax Thereon	10,204,780.60
Add Tax payable on Ukulima & Eldoret houses	8,278,965.23
TOTAL TAX PAYABLE	<u>18,483,745.83</u>

Less Instalment tax paid	7,802,799.00
TAX DUE	<u>10,680,946.83</u>

Car park fees	
Income	2,941,850.00
Less: Allowable expenses	
Security	(155,760.00)
Rent & rates	(559,600.00)
Stationery	(36,000.00)
Taxable Income	<u>2,190,490.00</u>