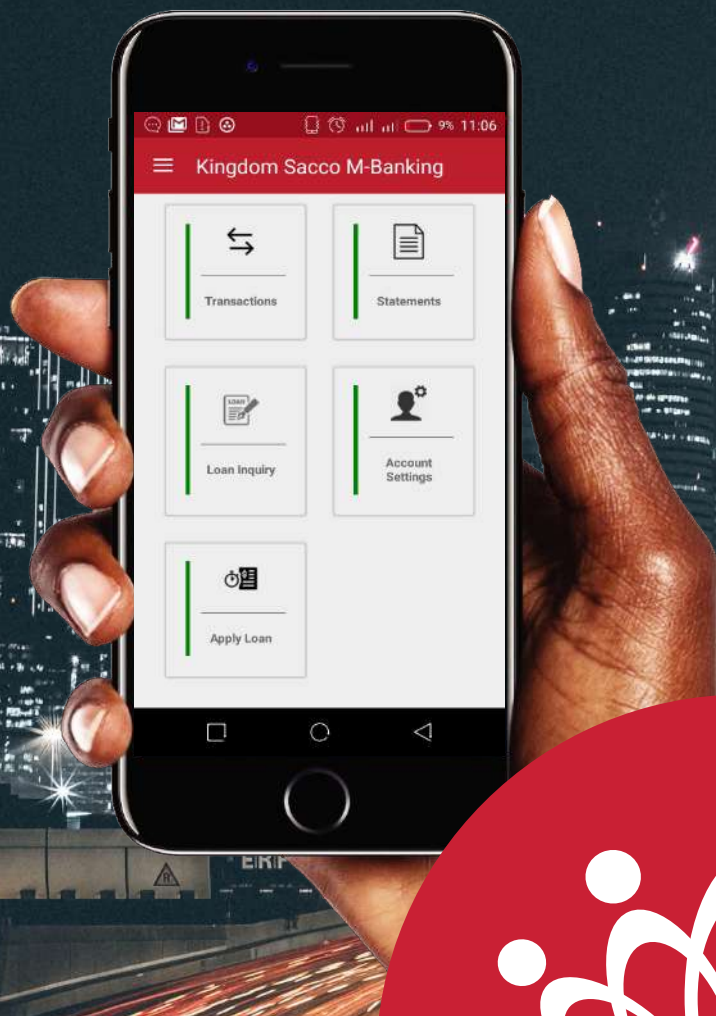


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KINGDOM SACCO

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**ANNUAL REPORT
AND FINANCIAL
STATEMENTS**

2017

KINGDOM SACCO SOCIETY LIMITED CS/9208
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of comprehensive income	Note	2017 Kshs	2016 Kshs
Income			
Interest on loans and advances	5	114,908,194	107,685,855
Other interest income	6	18,940,782	11,021,065
Total interest income		133,848,976	118,706,920
Interest expenses	7	(39,663,825)	(38,151,634)
Net interest income		94,185,151	80,555,286
Member related income	8	1,993,656	1,571,162
Other incomes	9(a)	3,577,618	3,310,699
Dividend income	9(b)	48,353	76,733
Loss on disposal of Fixed Assets	9(c)	(94,390)	(228,125)
Total other incomes		5,525,237	4,730,469
Total income		99,710,388	85,285,755
Impairment of loans and advances	18(b)	(5,279,171)	(4,415,553)
Staff expenses	10	(28,124,173)	(24,461,755)
Directors expenses	11	(1,590,015)	(1,711,311)
Depreciation	20	(4,487,660)	(3,121,621)
Amortization	19	(925,561)	(1,470,760)
Other operating expenses	12(a)	(22,969,537)	(16,148,190)
Marketing Expenses	12(b)	(3,464,385)	(2,336,121)
Total operating expenses		(66,840,502)	(53,665,310)
Surplus before income tax expense		32,869,886	31,620,445
Income tax expense	17	(3,385,012)	(2,161,275)
Net surplus for the year		29,484,874	29,459,170
Other comprehensive income for the year, net of tax		836,168	-
Total comprehensive income for the year		30,321,042	29,459,170

KINGDOM SACCO SOCIETY LIMITED CS/9208
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of changes in equity

Year 2017	Share capital Kshs	Statutory reserve Kshs	Capital grant Kshs	Retained earnings Kshs	Total Kshs
At1 January	89,037,173	10,874,576	340,425	53,390,536	153,642,710
Additional share capital	10,052,996	-	-	-	10,052,996
Prior year adjustments	-	-	-	167,915	167,915
Surplus for the year	-	-	-	30,321,042	30,321,042
Dividends - 2016	-	-	-	(8,874,220)	(8,874,220)
Transfer to statutory reserve	-	4,044,691	-	(4,044,691)	-
At 31 December	99,090,169	14,919,267	340,425	70,960,582	185,310,442
Year 2016	Share capital Kshs	Statutory reserve Kshs	Capital grant Kshs	Retained earnings Kshs	Total Kshs
At1 January	81,470,599	6,757,586	340,425	35,651,217	124,219,827
Additional share capital	7,566,574	-	-	-	7,566,574
Prior year adjustments	-	-	-	(3,025)	(3,025)
Surplus for the year	-	-	-	29,459,170	29,459,170
Dividends - 2015	-	-	-	(7,599,836)	(7,599,836)
Transfer to statutory reserve	-	4,116,990	-	(4,116,990)	-
At 31 December	89,037,173	10,874,576	340,425	53,390,536	153,642,710

Key Highlights

a) The Sacco's asset base surpassed the Kshs. 1 billion threshold which saw the Sacco move from a Tier 4 (Small) Sacco to a Tier 3 (medium) Sacco. Total assets grew by 12% from Kshs. 978 million in 2016 to Kshs. 1.116 billion by close of 2017.

b) Total revenues grew by 26% from Kshs. 85.2 million in 2016 to Kshs. 99.7 million in 2017, having factored interest expenses on members' deposits.

c) Improvement of the Mobile Banking Platform to support Normal Loan Applications, Guarantor ship, Status Tracking and Loan Clearance;

d) Corporate & Joint Accounts Mobile Banking Solution for Account Transfers and Mpesa Withdrawal where signatories can approve such transactions;

The relocation of the Sacco at the beginning of 2017 was a key milestone in the expansion of the Society's Head Office and business premises. This expansion not only enhanced the Sacco's operational capacity and efficiency, but also created the necessary physical infrastructure that continues to anchor our operations, growth and extension of improved services and support to our members. The new premises have also become a hub for the development and launch of new financial solutions, delivery channels and as well as outreach programmes.



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ANNUAL REPORT
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2017

FINANCIAL SOLUTIONS
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Development

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