

MINISTRY OF AGRICULTURE
LIVESTOCK, FISHERIES & CO-OPERATIVE
State Department for Co-operative
MAIN REGISTRY

13 JAN 2023

No: 5216
P. O. Box 30547 - 00100,
GPO, NAIROBI, KENYA

KENYA FRANCE SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED

CS/ 19831

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Kenya France Savings and Credit Cooperative Society Ltd
Financial statements
For the year ended 31st December 2018

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Kenya France Savings and Credit Cooperative Society Ltd
Society information
For the year ended 31st December 2018

Board Members:

Mr.Noah Muli	-	Chairman
Mr. John Kimani	-	Vice Chairman
M/s Pauline Kariuki	-	Treasurer
M/s Faith Kaburia	-	Secretary
M/s Rose nyambura	-	Member

Supervisory Committee

Mr. Noah Lenku	-	Chairman
M/s Veronica Kariuki	-	Secretary
M/S Carol Muthoni	-	Member

Registered Office:

Paris
France

Principal Bankers:

KCB Bank
Dispora Account
Moi Avenue
Nairobi

Independent auditor:

Francis Kagiri and Associates
Certified Public Accountants (K),
P.O. Box 67127 - 00200
Nairobi

Kenya France Savings and Credit Cooperative Society Ltd
Report of the Executive committee
For the year ended 31st December 2018

The Executive committee submit their report together with the audited financial statements for the year ended 31 December 2018, which disclose the state of the affairs of the Society

Principal activity

The Principal activity of the entity is receiving savings and giving loan to members

Trading results

The entity results are set out on page 6.

Board Members

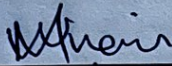
The Board members who served the Organization during the year are set out on page 1.

Independent auditor

The Society's independent auditors, Francis Kagiri and Associates were appointed during the year and has expressed their willingness to continue in office in accordance with the co-operative Societies (amended) Act, 2004.

By order of the Board Members


Sign:-



Date:-

05/01/2023

Designation

Chairperson 

Kenya France Savings and Credit Cooperative Society Ltd
Statement of Executive committee's Responsibilities
For the year ended 31st December 2018

The executive committee is required by the Kenyan Societies Act to maintain adequate accounting records and is responsible for the content and integrity of the annual report and financial statements and related financial information included in this report. It is his responsibility to ensure that the annual report and financial statements fairly present the state of affairs of the Society as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Society. The external auditors are engaged to express an independent opinion on the annual report and financial statements. The annual report and financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The executive committee acknowledges that he is ultimately responsible for the system of internal financial control established by the Society and places considerable importance on maintaining a strong control environment. To enable the executive committee to meet these responsibilities, appropriate standards for internal control aimed at reducing the risk of error or loss in a cost effective manner have been set. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Society and all employees are acceptable level of risk. These controls are monitored throughout the Society and all employees are required to maintain the highest ethical standards in ensuring the Society's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Society is on identifying, assessing, managing and monitoring all known forms of risk across the Society. While operating risk cannot be fully eliminated, the Society endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The executive committee is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the annual report and financial statements. They are, also, 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 as at December 31, 2018. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The executive committee has reviewed the Society's cash flow forecast for the year to December 31, 2018 and, in the light of this review and the current financial position, is satisfied that the Society has or has access to adequate resources to continue in operational existence for the foreseeable future.

By order of the Executive Committee on 5th January 2023

Sign: Natone
Chairperson

Sign: Leuku
Secretary

Name: FE
Treasurer

Kenya France Savings and Credit Cooperative Society Ltd
Statistical information
For the year ended 31st December 2018

	2018
Membership	
Active	11
Dormant	-
	<u>11</u>
Financial data	
Share capital	<u>260,000</u>
General reserve	<u>7,623</u>
Current assets	<u>1,805,513</u>
Non-current liabilities	<u>780,000</u>
Current liabilities	<u>727,400</u>



FRANCIS KAGIRI & ASSOCIATES

Certified Public Accountants (K)

Westlands Commercial Centre, Block B, 2nd Floor, Suite No.1 | P.O. Box 67127-00200, Nairobi – Kenya
Mobile: 0724 117 353/ 0731 230 970/ 0721 566474 / 0729 747 604 | Email: info@fka.co.ke

Kenya France Savings and Credit Cooperative Society Ltd
Independent Auditors' Report
For the year ended 31st December 2018

Report on the Financial Statements

We have audited the annual report and financial statements of Kenya France Savings & Credit Cooperative Society Ltd set out on pages 7 to 13, which comprise the statement of financial position as at December 31, 2018, and the 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 In our opinion the accompanying financial statements give a true and fair view of the financial position of the society as at 31 December 2018 and of its financial performance and cash flows for the year then ended December 2018 in accordance with International Financial Reporting Standards.

Other information

The executive 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.

Executive committee responsibility for the financial statements

The executive committee members are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the societies act. This responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the executive committee are responsible for assessing the Society'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 members either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

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

**Report of the independent Auditor
Independent Auditors' Report
For the year ended 31st December 2018**

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

- i). 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 controls.
- ii). 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 Society's internal control.
- iii). Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv). 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 Society'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 Society to cease to continue as a going concern.
- v). 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.

As required by the societies act 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
- iii) The Society's financial statements are in agreement with the books of account.

The signing partner responsible for the independent audit was CPA Francis Kimani Kagiri Practising Certificate No. 2420

FKA & ASSOCIATES
FRANCIS KAGIRI & ASSOCIATES (K)
CERTIFIED PUBLIC ACCOUNTANTS (K)
CERTIFIED PUBLIC ACCOUNTING CENTRE
Westlands Commercial Centre
Block B, 2nd Floor, Suite No. 1
P.O. BOX 1127 - 00202
Nairobi - KENYA

Francis Kagiri & Associates
Certified Public Accountants
Nairobi
info@fka-ks.ke

6th January 2023

Kenya France Savings and Credit Cooperative Society Ltd
Financial statements
For the year ended 31st December 2018

Statement of comprehensive income

	Note	2018 Kshs
Revenue	3	<u>196,647</u> ✓
Expenditure		
Administration expense		<u>(158,534)</u> ✓
Surplus		<u>38,113</u> ✓
Statutory reserves		<u>7,623</u> ✓
Net Surplus for the year		<u><u>30,490</u></u> ✓

Kenya France Savings and Credit Cooperative Society Ltd
Financial statements
For the year ended 31st December 2018

Statement of financial position

	Note	2018 Kshs
Non Current Assets		
Land		1,150,000
		<u>1,150,000</u>
Current Assets		
Trade and Other Receivables		216,082
Cash & cash equivalents		439,431
		<u>655,513</u>
		<u>1,805,513</u>
Equity and Liabilities		
Liabilities		
Members balances <i>members</i>		780,000
Sundry creditors		727,400
		<u>1,507,400</u>
Equity		
Share capital		260,000
Statutory reserve		7,623
Retained earnings		30,490
		<u>298,113</u>
		<u>1,805,513</u>
Total Liabilities and and equity		

The financial statements were approved by the Board members on _____ 2022
and were signed on their behalf by:-

Sign: Mweni
Chairperson

Name: Leuku
Secretary

Name: FD
Treasurer



Kenya France Savings and Credit Cooperative Society Ltd
 Financial statements
 For the year ended 31st December 2018

Statement of changes in funds

	Share capital Kshs	Statutory reserve Kshs	Revenue reserve	Total Kshs
As at 1 January 2018	-	-	-	-
Statutory reserve	-	7,623	-	7,623
Issue of shares	260,000	-	-	260,000
Surplus for the year	-	-	30,490	30,490
As at 31 December 2018	<u>260,000</u>	<u>7,623</u>	<u>30,490</u>	<u>298,113</u>

Kenya France Savings and Credit Cooperative Society Ltd
Financial statements
For the year ended 31st December 2018

Statement of cashflows

	Note	2018 Kshs
Cashflow from operating activities		
Profit for the period		38,113
Adjustment for:		-
Depreciation		-
Operating profit before working capital changes		<u>38,113</u>
Changes in operating activities		
Net increase in trade Receivables		(216,082)
Net increase in Liabilities/Payables		727,400
Net deposit by members		<u>780,000</u>
Cash Utilised in Operations		<u>1,329,431</u>
Cashflow from financing Investing activities		
Purchase of Land		(1,150,000)
Net cash generated from Investing Activities		<u>(1,150,000)</u>
Cashflow from financing activities		
Issue of Share capital		260,000
Net cash generated from financing activities		<u>260,000</u>
increase/decrease in cash and cash equivalent		<u>439,431</u>
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year		<u><u>439,431</u></u>

Kenya France Savings and Credit Cooperative Society Ltd
Financial statements
For the year ended 31st December 2018

Notes

1 Summary of significant accounting policies

a) Basis of preparation

The financial statements are in compliance with International Financial Reporting Standards (IFRSs).

The financial statements are prepared on the historical cost basis. They are presented in the functional currency, Kenya shillings (Kshs), which is the prevailing currency within the primary economic environment. The figures in the financial statements have been rounded to the nearest shilling.

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Organization's policies.

b) Revenue recognition

Operation fee are recognised when received. Interest is recognised when earned.

c) Expenditure recognition

Expenditure is recognized on accrual basis.

d) Financial assets

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method.

e) Share capital

Ordinary shares are recognised at par value and classified as 'share capital' in equity.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. In the balance sheet, bank overdrafts are included as borrowings under current liabilities.

g) 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.

Kenya France Savings and Credit Cooperative Society Ltd
Finanacial statements
For the year ended 31st December 2018

	2018 Kshs
3 Income	
Entrance Fees	196,647
	-
	<u>196,647</u>
4 Administration cost	
Legal Fees	65,210
Logo Design	4,658
Training Costs - Meeting Expenses	20,960
Audit Fees	22,400
Bank Charges	2,221
Website and Fliers	43,085
	<u>158,534</u>
5 Cash and cash equivalents	
Bank balance	410,319
Cash in hand	29,112
	<u>439,431</u>
6 Payables and accruals	
Registration fee	2,400
Optiven - Land Purchase	705,000
Audit fee	20,000
	<u>727,400</u>
7 Members deposits	
Opening Members deposit	-
Deposit made during the year	769,294
Unallocated funds	10,706
Refunds	-
Members Savings C/F	<u>780,000</u>
8 Trade and Other Receivables	
Outstanding Member Deposits	216,082
	<u>216,082</u>
9 Share Capital	
Share Capital contribution	260,000
	<u>260,000</u>
10 Land and Buildings	
Plot of Land	1,150,000
	<u>1,150,000</u>

11 Currency

These financial statements are presented in Kenya Shillings.

12 Contingent liabilities and commitments

There were no contingent liabilities and commitments as at 31 December 2018.