

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

**NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
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CONTENTS

Page

Welfare Information	1
Report of Management Committee	2
Statistical Information	3
Statement of Management Committee's Responsibilities	4
Report of Independent Auditor	5-8
Financial Statements	
Statement of Profit or Loss & other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cashflows	12
Accounting Policies	13-15
Notes to the Financial Statements	16-20

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND

SOCIETY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2021

MANAGEMENT COMMITTEE

Mr. Daniel Kamania	Chairperson
Mr. Daniel Wesonga	Vice Chairperson
Mr. Daniel Kipng'etich	Minutes-Secretary
Mrs. Dionisia Githae	Treasurer
Fr. John Kariuki	General Manager
Mr. Fredrick Kang'ethe	Secretary/Operation Manager
Mr. Wiberforce Khalwale	School Chairman
Mrs. Anselmina Muriangi	Member
Ms. Evelyne Kyungu	Member
Mr. Japheth Nyantika	Member

SUPERVISORY COMMITTEE

Mr. John Mwangi	Chairperson
Mr. George Gichia	Member
Ms. Elizabeth Muthoni	Member

CREDIT COMMITTEE

Mr. Japheth Nyantika	Chair
Mr. Daniel Kipng'etich	Member
Mr. Wiberforce Khalwale	Member

REGISTERED OFFICE

Ngong Town, Kajjado
P.O Box 24401-00502
Karen, Kenya

PRINCIPAL BANKERS

ABSA Bank of Kenya Limited
P.O. BOX 24180-00502
Karen Branch
Nairobi, Kenya.

INDEPENDENT AUDITOR

Ronalds LLP
Certified Public Accountants
136 Manyani East Road, Off Waiyaki Way,
P.O. BOX 41331-0100
Nairobi, Kenya.

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2021

The Management Committee submit their annual report together with the audited financial statements for the year ended 31 December 2021.

INCORPORATION

The Welfare was established by the Ngong Catholic Diocese as a welfare group for its members and is domiciled in Kenya.

PRINCIPAL ACTIVITY

The Welfare's principal activity is to receive deposits from members and advance loans on interest to members to promote mutual aid and development within the community.

RESULTS

	2021 Kshs	2020 Kshs
Surplus for the period	1,637,083	1,697,380
Retained surplus for the period	<u>1,637,083</u>	<u>1,697,380</u>
Interest on members deposits	<u>26,014,494</u>	<u>22,950,343</u>

INTEREST ON MEMBERS DEPOSITS

The management committee recommend payment of interest on members deposits at 7% (2020, 6.0%)

INDEPENDENT AUDITOR

The Sacco's auditors, Messrs Ronalds LLP, Certified Public Accountants (K), have expressed their willingness to continue in office in accordance with section 717(1&2) of the Companies Act (Cap 486) and under the terms of section 25(4) of the Co-operative Societies (Amendment) Act No.2 of 2004.

BY ORDER OF THE MANAGEMENT COMMITTEE



.....
SECRETARY



DATE 04/07/2022

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
STATISTICAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
Membership		
Active members	7,937	4,609
Dormant members	8,944	9,828
	16,881	14,437

	Kshs	Kshs
Core Capital	115,852,397	114,595,206
Institutional Capital	115,852,397	114,595,206
Members' Deposits	371,635,636	382,505,711
Members' savings	145,083,687	124,494,192
Reserves	115,852,397	114,595,206
Loans to Members	185,780,717	232,680,396
Liquid Assets	16,448,566	18,099,480
Total Assets	666,825,766	645,560,452
Total Liabilities	550,973,369	530,965,246
Total Revenue	53,086,988	50,714,660
Total Expenses	24,273,318	24,985,245
Interest on member Depsoits	26,014,494	22,950,343

STDs

Key Ratios

Core Capital/Total Assets	>8%	17%	18%
Core Capital/Total deposits	>5%	31%	30%
Institutional Capital /Total Assets	>8%	17%	18%
Net Loans / Total assets	70-80%	28%	36%
Savings/ Total assets	70-80%	22%	19%

Liquidity ratio

Liquid assets/ Total deposits and long term liability	>10%	4%	5%
Delinquency Ratio	<5%	19%	0%

Operating efficiency ratios

Total Expenses/ Total Revenue	46%	49%
Interest rate on deposits	7.0%	6%

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND

STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Sacco Societies Act, No.14 of 2008 requires the Management Committee 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 its operating results for that year in accordance with International Financial Reporting Standards (IFRS). It also requires the Management Committee 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 society's general meeting.

The Management Committee accepts responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and in the manner required by the Co-operatives Societies Act, Cap 490. The Management Committee 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 International Financial Reporting Standards (IFRS). The Management Committee 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 Management Committee to indicate that the welfare will not remain a going concern for at least twelve months from the date of this statement.

Approved by the Management Committee on 4th July2022 and signed on its behalf by:


.....
CHAIRMAN




.....
TREASURER


.....
COMMITTEE MEMBER

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF NGONG' CATHOLIC PARISH MEMBERS' WELFARE FUND**Report on the financial statements****Opinion**

We have audited the accompanying financial statements of Ngong' Catholic Parish Members' Welfare Fund as set out on pages 9 to 20, which comprise the statement of financial position as at 31st December 2021, the profit or loss and other comprehensive incomes, statement of changes in equity and statement of cash flows for the period then ended. A summary of significant accounting policies and other explanatory notes is also included.

In our opinion, the financial statements give a true and fair view of the state of the organizations' financial affairs as at 31 December 2021, the results of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) and the Kenya Co-operative Societies Act.

Basis of Opinion

We conducted our audit in accordance with the 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 Society in accordance with the International Ethics Standards Board for Accountants (IESBA), Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities in accordance with IESBA code and in accordance with other ethical requirements applicable to performing the audit of financial statements in Kenya.

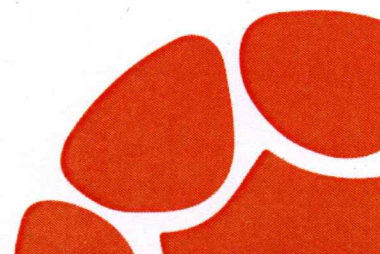
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the society financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the Key Audit Matters for the current Period

Key Audit Matter	How the audit matter was addressed
Recovery of Loans The organizations' Portfolio at Risk during the year is Ksh 56,526,993, which represents 19.39% of the total loan book. Of this amount, a total of Ksh 22,350,897 are under the loan loss category (greater than 360 days).	Our audit procedure Included: Assessment and verification of the defaulted accounts and measures taken by the management in recovery of the loans.



REPORT CONT'D

Other information

The Management Committee is responsible for other information, which, comprises of the budget and the chairman's report 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 identified above 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 on the other information, 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 Responsibility for the Financial Statements.

The Management Committee are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenya Co-operative Societies Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, they are responsible for assessing the Organization'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 they either intend to liquidate the Organization's or to cease operations, or have no realistic alternative but to do so. The Kenya Co-operative Societies Act also requires the Management Committee to ensure that the Organization maintains proper books of accounts, which are in agreement with the statement of profit or loss and other comprehensive income and statement of financial position.

Auditors' Responsibility for the audit of the financial statements

Our responsibility is to express an 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 whether the annual report and financial statements are free from material misstatement.

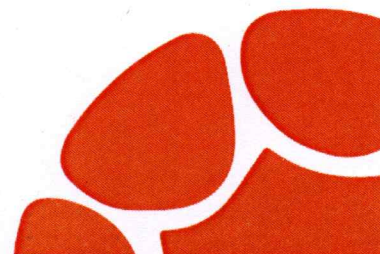
As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:



Auditors' Responsibility Cont'd

- 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee Members.
- Conclude on the appropriateness of the Management Committee 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 Organization'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 our auditor's report. However, future events or conditions may cause the Organization 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.




Report on other legal requirements

As required by The Kenya Co-operatives Societies Act we report to you that the financial statements are in agreement with the books of account kept by the Society and that, based on our audit, nothing has come to our attention that causes us to believe that the Society's business has not been conducted:

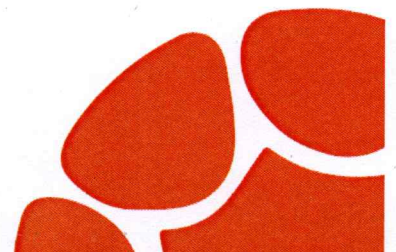
- (i) In accordance with the provisions of The Kenya Co-operatives Societies Act.
- (ii) In accordance with The Kenya Co-operatives Societies Act objectives, by-laws and any other resolutions made by the Society at a general meeting.

The engagement Partner responsible for the audit resulting in this independent auditor's reports is **CPA Ronald N. Bwosi - P/No: - 1865**


Certified Public Accountants (K)
Nairobi, Kenya.



C.P.A Ronald N. Bwosi
Practising No. P/1865



NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021


	Notes	2021 Kshs	2020 Kshs
Revenue			
Interest on loans and advances	2	23,921,392	33,865,331
Other income	3	18,467,889	13,654,000
Total interest income		42,389,281	47,519,331
Interest expense	4	(26,994,689)	(23,877,961)
Net interest income		15,394,592	23,641,370
Income from non core business	5	10,697,707	3,195,329
		26,092,299	26,836,699
Expenditure			
Administrative expenses	6	(4,545,469)	(4,282,412)
Personnel expenses	7	(6,803,970)	(8,193,536)
Marketing and public relations expenses	8	(59,133)	(73,620)
Governance expenses	9	(2,718,198)	(2,092,973)
Legal and professional expenses	10	(507,000)	(491,000)
Other operating expenses	11	(9,639,548)	(9,851,704)
Total expenses		(24,273,318)	(24,985,245)
Surplus for the year		1,818,981	1,851,454
Church tithe		(181,898)	(154,074)
Net surplus for the year		1,637,083	1,697,380

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 Kshs	2020 Kshs
ASSETS			
Cash and cash equivalents	12	16,448,566	18,099,480
Trade and other receivables	13	48,839,367	30,980,842
Property and equipment	14	69,888,903	38,479,010
Intangible Assets	15	896,000	1,328,000
Net Loans and advances to members	16	185,780,717	232,680,396
Land held for sale	17	51,479,621	61,950,000
Financial Assets	18	293,492,592	262,042,724
TOTAL ASSETS		666,825,766	645,560,452
LIABILITIES			
Members' deposits	19	371,635,636	382,505,711
Members' savings	20	145,083,687	124,494,192
Trade payables	21	8,771,741	1,015,000
Interest and Dividend Payable	22	25,482,305	22,950,343
TOTAL LIABILITIES		550,973,369	530,965,246
SHARE HOLDERS FUNDS			
Revenue Reserve (Pg 11)		20,366,316	19,436,542
Reserve Fund (Pg 11)		1,000,244	672,827
Revaluation Reserve (Pg 11)		94,485,837	94,485,837
TOTAL SHAREHOLDERS FUNDS		115,852,397	114,595,206
TOTAL EQUITY AND LIABILITIES		666,825,766	645,560,452

The financial statements were approved and authorised for issue by the Board of Directors on
 4th July 2022 and signed on its behalf by:


 CHAIRMAN


 COMMITTEE MEMBER




 TREASURER

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021

	REVENUE RESERVE Kshs	STATUTORY RESERVE FUND Kshs	REVALUATION RESERVE Kshs	TOTAL Kshs
Balance as at 01.01.2020	14,682,208	333,351	21,068,870	36,084,429
Net Surplus for the period	1,697,380	-	-	1,697,380
Transfer to statutory reserve	(339,476)	339,476	-	-
Revaluation Surplus for the year	-	-	73,416,967	73,416,967
Prior year adjustment (Note 23)	3,396,430	-	-	3,396,430
Balance as at 30.12.2020	19,436,542	672,827	94,485,837	114,595,206
Balance as at 01.01.2021	19,436,542	672,827	94,485,837	114,595,206
Net surplus for the period	1,637,083	-	-	1,637,083
Transfer to statutory reserve	(327,417)	327,417	-	-
Prior year adjustments (Note 23)	(379,892)	-	-	(379,892)
Balance as at 31.12.2021	20,366,316	1,000,244	94,485,837	115,852,397

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 Kshs	2020 Kshs
Cashflow from operating activities			
Interest receipts		23,921,392	33,865,331
Other interest income		18,467,889	13,654,000
Other operating income		10,697,707	3,195,329
Interest expense		(26,994,689)	(23,877,961)
Payment to employees and suppliers		(21,826,543)	(18,133,426)
		4,265,756	8,703,273
(Increase) decrease in operating assets			
Trade and other receivables		(17,858,525)	33,910,021
Loans to members		46,899,679	53,947,224
Land held for sale		10,470,379	(26,400,000)
		39,511,533	61,457,245
(Decrease)/ Increase in operating liabilities			
Deposits from members		9,719,419	(4,425,067)
Trade payables		7,756,740	(11,874,505)
		17,476,159	(16,299,572)
Net Cash from operating activities before tax		61,253,448	53,860,946
Net cash (used in)operations		61,253,448	53,860,946
Cashflow from investing activities			
Purchase of property and equipment		(31,454,494)	5,400,000
Financial assets movement		(31,449,868)	(74,522,175)
Dividends paid		-	-
Net cash (used in) from investing activities		(62,904,362)	(69,122,175)
Cash and Cash equivalents at the start of the year.		18,099,480	33,360,709
Net cash increase/ (decrease) during the period		(1,650,914)	(15,261,229)
Cash and Cash equivalents at the end of the period	12	16,448,566	18,099,480

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant accounting Policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below:-

Statement of Compliance and Basis of Preparation

- a) The financial statements are prepared and comply with International Financial Reporting Standards and are prepared under the historical cost convention basis

In the current year, the society has adopted the amendments to IAS 1 Presentation of Financial Statements, Comprehensive revision including requiring a statement of comprehensive income

IAS 1 on 'Presentation of financial statements' (effective on or after 1 January 2010, applicable and mandatory for the society's accounting periods beginning on or after 1 January 2010 but the society has not adopted them in advance of the effective date:

IAS 1 on 'Presentation of financial statements' (effective on or after 1 January 2010). IAS 7 on 'Cashflow Statement' (effective on or after 1 January 2010). IFRS 7 on 'Financial Instruments: Disclosures' (effective on or after 1 January 2010). IFRS 9 Financial Instruments (effective on or after 1 January 2013).

- b) **IAS 18: Revenue Recognition**

Interest income and Expense

Interest on members loans and any other income is recognized on the year it is earned by the Society. Revenue shall be measured at the fair value of the consideration received or receivable. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Other income

- i) Entrance fee is recognised when a new member joins the society;
- ii) Dividend is recognised when the right to receive income is established. Dividend are reflected as a component of other operating income based on the underlying classification of the equity instrument;
- iii) Commission income is recognised upon successful completion of the transaction;
- iv) Miscellaneous income is recognised upon performance of the services agreed on.

Interest income is recognised on cash basis in the profit or loss for the year using the effective yield on the asset. Interest income includes income from loans and advances. When financial assets become impaired, interest income is thereafter not recognised until such time that recoverability is assured.

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. Interest expense on members' deposits is recognised on a pro-rata basis using the interest rate determined by the directors under the by-laws of the society.

- c) **IAS 7: Statement of Cashflows**

Statement of cash flows states that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities. This amendment had no impact on the Financial Statements of the Sacco.

- d) **IAS 12: Income Taxes**

According to IAS 12, current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND

ACCOUNTING POLICIES (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

e) IFRS 9 Financial Instrument

Issued on 24th July 2014, this standard replaces earlier version of IFRS 9 and replaced IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model. The standard is effective for annual period beginning on or after 1 January 2018 with retrospective application, early adoption permitted. The Welfare Fund is needs to assess the potential impact on its financial statements resulting from application of IFRS 9.

f) 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 Welfare Fund is assessing the adoption of this amendment on its financial position or performance.

g) Property and Equipment

Property is recognized at cost and subsequently carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated using the reducing balance method to write off the cost of each asset to its residual value over its estimated useful life using the following rates;

	Rates
Motor vehicles	25.0%
Computers & Accessories	30.0%
Office equipment	12.5%
Building	0.0%

Intangible Assets

Intangible assets include computer software recognised in the books at cost and amortised over an estimated useful life based on the circumstances at an annual rate of 20% per annum based on straight line method.

h) Financial and Business Risk Management

The Welfare Fund's activities expose it to a variety of financial risk including credit, liquidity and market risk. The risk limits are regularly assessed to ensure alignment with the Welfare Fund.

i) Credit Risk

Credit risk is the risk that some members may not repay loans when due and in full.

ii) Liquidity Risk

Liquidity risk is the risk that the Welfare Fund will encounter difficulty in meeting members' loan obligations.

iii) Interest rate Risk

The Welfare Fund is exposed to cash flow interest risk on its borrowings because of changes in the market interest rate. The Welfare Fund manages this exposure by maintaining a high interest cover which is the extent to which profit are available to service borrowing costs.

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
ACCOUNTING POLICIES (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021

i) Statutory Reserve Fund

Transfers are made to Statutory Reserve Fund account at a rate of 20% on net operating surplus after taxation in compliance with the provisions of the Co-operative Societies Act.

j) Trade and Other Payables

Trade and other payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest rate method.

k) Loan and receivable

Loans and receivables are financial assets with fixed or determined payment and fixed maturities that are not quoted in an active market. They arise when the Welfare Fund provide money directly to borrowers, other than those created with the intention of short term profit making. They are recognized at the date money is disbursed to the borrower or when they are transferred to the Welfare Fund from third party. Subsequently to initial recognition, these are carried at amortized cost. Loan origination fees together with related direct costs are treated as part of the cost of transaction.

l) Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to cash and subject to insignificant risk of changes in value.

m) Impairment losses on loans to members

The Welfare Fund regularly reviews its loans to members to assess impairment. In determining whether an impairment loss should be recorded in the statement of financial income, the society makes judgements as to whether there is any observable data that there is measurable decrease in the estimated future cash flows of any loans.

n) Functional and representation currency

The consolidated financial statement are presented in Kenya Shillings, which is also the Welfare Fund's functional currency. Except as otherwise indicated, financial information presented in Kenya Shillings (KShs) has been rounded to the nearest Shilling.

o) Use of estimates and judgements

The preparation of financial statement is in conformity with international Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements and expenses during the reported period. Although these estimates are based on Director's best knowledge of current events and actions, actual results ultimately may differ from estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates revised if the revision and future periods if the revision affects both current and future periods.

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 Kshs	2020 Kshs
2 Interest Income		
Members interest income		
Interest on loan to members	23,921,392	33,865,331
	23,921,392	33,865,331
3 Other income		
Insurance fee	1,677,245	2,869,467
Negotiation fee	1,851,337	1,854,942
Other income from front office	2,664,292	1,901,640
Other Income	119,590	21,004
Interest Income from CIC Money Market	11,183,425	4,945,259
Interest from treasury bonds	972,000	972,000
Interest income Absa fixed deposit	-	1,089,688
	18,467,889	13,654,000
4 Interest Expenses		
Interest on members fixed deposits	980,195	927,618
Interest on members deposits	26,014,494	22,950,343
	26,994,689	23,877,961
5 Income from non-core activities		
Gain on sale of land	10,268,043	2,857,572
Rental Income - Kibiko	225,000	225,000
Dividend Income	11,214	13,618
Mpesa commission	193,450	99,139
	10,697,707	3,195,329
6 Administrative expenses		
Travelling and subsistence	124,240	181,312
General and office utilities	272,038	332,621
Printing and stationery	309,211	545,276
Computer expenses	39,000	119,350
License fee	35,000	-
Bank charges	85,613	131,611
Telephone and postage	244,699	140,930
Insurance	749,403	971,484
Depreciation	890,846	927,429
Consultancy fee	657,800	-
Water, fuel and electricity	305,185	299,174
Rental house expense	577,226	329,990
Motor vehicle expense	192,498	112,900
Repairs and maintenance	62,710	190,335
	4,545,469	4,282,412

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	Kshs	Kshs
7 Personnel expenses		
Salaries and wages	5,831,993	6,314,880
Medical insurance	510,653	1,221,957
Pension fund	184,434	294,753
Casual wages	57,300	235,340
NSSF-contribution	26,400	30,000
Staff welfare	193,190	96,606
	6,803,970	8,193,536
8 Marketing and public relations expenses		
Education and Promotion	59,133	73,620
	59,133	73,620
9 Governance expenses		
Board meetings and training	2,718,198	2,092,973
	2,718,198	2,092,973
10 Legal and professional expenses		
Audit fees	140,000	140,000
Legal fees and stamp duty	367,000	351,000
	507,000	491,000
11 Other Operating Expenses		
Security expense	491,273	348,695
Land development costs	1,092,910	2,159,158
Sales discounts	579,970	-
Other Utilities	-	163,911
Loss in fair Value Quoted Shares	-	49,436
Loans written off	224,515	-
Allowance for loan loss	7,000,000	7,000,000
Internet	160,880	54,222
Gifts and donation	90,000	76,282
	9,639,548	9,851,704
12 Cash and Cash Equivalents		
Absa bank fixed deposit	10,000,000	10,000,000
Cash Treasury	2,469,631	1,263,254
Cheque settlement	2,011,000	-
Absa bank uwezo	953,093	2,232,477
Cooperative bank	506,402	1,947,200
Absa Bank Savings	291,827	2,194,562
Mpesa account	197,213	435,437
Mpesa USSD	19,400	26,550
	16,448,566	18,099,480
13 Trade and other receivables		
Land loan Receivable	43,103,726	22,888,365
Accounts receivable St. Joseph	4,758,113	6,658,594
Promic shamba	823,230	923,230
Prepaid rent	126,000	-
Accounts receivable Cadons	27,798	-
Mpesa receivable	500	-
Prepaid insurance	-	510,653
	48,839,367	30,980,842

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Property and Equipment

	LAND 0.0% KSHS	BUILDING 0.0% KSHS	OFFICE EQUIPMENT 12.5% KSHS	COMPUTER ACCESSORIES 30% KSHS	MOTOR VEHICLES 25% KSHS	TOTAL KSHS
Cost or Valuation						
As at 1 January 2020	39,660,000	2,099,748	1,879,317	3,721,746	1,900,000	49,260,811
Additions	-	-	322,200	130,000	-	452,200
Disposal	(5,400,000)	-	-	-	-	(5,400,000)
As at 31 December 2020	34,260,000	2,099,748	2,201,517	3,851,746	1,900,000	44,313,011
Depreciation						
As at 1 January 2020	-	-	898,193	3,097,496	1,298,829	5,294,518
Charge for the period	-	-	162,915	226,275	150,293	539,483
As at 31 December 2020			1,061,108	3,323,771	1,449,122	5,834,001
Net book value						
As at 31 December 2020	34,260,000	2,099,748	1,140,409	527,975	450,878	38,479,010
Cost or Valuation						
As at 1 January 2021	34,260,000	2,099,748	2,201,517	3,851,746	1,900,000	44,313,011
Additions	30,571,260	522,575	360,659	-	-	31,454,494
As at 31 December 2021	64,831,260	2,622,505	2,562,176	3,851,746	1,900,400	75,768,087
Depreciation						
As at 1 January 2021	-	-	898,193	3,097,496	1,298,829	5,294,518
Charge for the period	-	-	207,998	226,275	150,393	584,666
As at 31 December 2021			1,106,191	3,323,771	1,449,222	5,879,184
Net book value						
As at 31 December 2021	64,831,260	2,622,505	1,455,985	527,975	451,178	69,888,903

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 Kshs	2020 Kshs
15 Intangible Asset (Software)		
At the beginning of the year	2,160,000	2,000,000
Additions	-	160,000
At the end of the year	2,160,000	2,160,000
Amortization		
Accumulated depreciation	832,000	400,000
Charge for the year	432,000	432,000
	1,264,000	832,000
Net Book Value	896,000	1,328,000
16 Loans to Members		
Balance brought forward	239,680,396	286,627,620
Advances during period	209,987,611	240,924,000
Repayment during the period	(249,662,775)	(287,871,224)
Loans Written Off*	(224,515)	-
As at the end of the year	199,780,717	239,680,396
*NB: Deceased member loans amounting to Ksh 224,515 were written off during the year		
Provision for loan loss	14,000,000	7,000,000
Net Loan	185,780,717	232,680,396
Loan provisioning at the start of the year	7,000,000	-
Allowance for loan loss	7,000,000	7,000,000
Accumulated	14,000,000	7,000,000
Loan Provisioning Categories	Loan Balance	Rate
0 days -Performing	130,960,966	1%
1-30 Days -Watch	16,044,646	5%
31-180 Days - Substandard	5,316,036	25%
181-360 Days - Doubtful	4,512,529	50%
>360 Days - Loss	30,653,782	100%
	187,487,959	
		Provision
		1,309,610
		802,232
		1,329,009
		2,256,265
		30,653,782
		36,350,897
17 Assets held for sale		
Land held for sale	45,129,621	55,600,000
House held for sale	6,350,000	6,350,000
	51,479,621	61,950,000
18 Financial Assets		
Investment in St. Joseph Ngong Catholic academy	161,790,000	161,790,000
CIC money market fund	122,944,538	91,694,670
Treasury bonds	8,000,000	8,000,000
Investment in listed securities	308,054	308,054
Shares in Pacis insurance Co. Ltd	250,000	250,000
Investment in Ngong' Branch	200,000	-
	293,492,592	262,042,724

NGONG CATHOLIC PARISH MEMBERS' WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 Kshs	2020 Kshs
19 Members deposits		
As at the start of the year	382,505,711	408,916,593
Movement during the year	<u>(10,870,075)</u>	<u>(26,410,882)</u>
At the end of the year	<u>371,635,636</u>	<u>382,505,711</u>
20 Members savings		
Members savings	121,168,062	105,833,106
Members fixed deposits	<u>23,915,625</u>	<u>18,661,086</u>
	<u>145,083,687</u>	<u>124,494,192</u>
21 Trade payables		
Land Deposits Held(Payable)	8,000,000	-
Unidentified Deposits	388,549	-
Church tithe	181,898	154,074
Rent payable	-	252,000
Audit fee	140,000	140,000
Accrued expense	53,000	-
Cashier overages	8,294	-
Pension Payable	-	15,206
Computer software	-	300,000
PAYE payable	-	153,720
	<u>8,771,741</u>	<u>1,015,000</u>
22 Interest payable		
At the start of the year	22,950,343	18,656,516
Proposed interests to members	26,014,494	22,950,343
Dividends Paid out to members	<u>(23,482,532)</u>	<u>(18,656,516)</u>
	<u>25,482,305</u>	<u>22,950,343</u>
23 Prior year Adjustments		
Prior year adjustments relate to underprovisioning of Interest Payout and expenditures for the year 2020 not recorded i. e. church tithe		
Dividends Under provisioning	(532,189)	(3,396,430)
Prepaid expenses	<u>152,297</u>	<u>-</u>
	<u>(379,892)</u>	<u>(3,396,430)</u>
24 Comparatives		
Where necessary comparatives have been adjusted to confirm with changes in presentation in the current year		