

MINISTRY OF INDUSTRY, TRADE & CO-OPERATIVES
OFFICE OF THE COMMISSIONER FOR CO-OPERATIVE
DEVELOPMENT

Telegrams: "CO-OPS" Nairobi
Telegrams: Nairobi 020 2731531/9
Fax:: Nairobi 020 240096
When replying please quote



SOCIAL SECURITY HIUSE
BISHOPS ROAD, CAPITAL HILL
P.O. BOX 40811- 00100 GPO,
NAIROBI

Ref No. cs/9602/03
and date
When calling on telephone ask for

DATE 20.4.17

REF: CS/NO 18418

SOC. NAME BLUE EAGLES STCC

AUDIT AND SUPERVISION FEES

I attach official miscellaneous Receipt(s) No. CH for Kshs. 14500
Date 7-4-17 in acknowledgement for your remittance.

The balance outstanding at the date of this letter is Kshs. 00000
FOR: COMMISSIONER FOR COOPERATIVE DEVELOPMENT

- b) A fee Note for KSH. /= from the External Auditor will be sent direct by he Auditor to the Society. Bankers Cheques in settlement of (a) should be made payable to the Commissioner for Co-operative Development."
Cheques in settlement of (b) should be sent direct to the Auditor concerned.

Please ensure that prompt action is taken on the Auditor's Report and the comments below and that a progress report is submitted to me within two months from the date Hereof.

G.N. NJANG'OMBE (MR)

For: COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT

MINISTRY OF INDUSTRY, TRADE AND CO-OPERATIVES
STATE DEPARTMENT FOR CO-OPERATIVE DEVELOPMENT



Department of Co-op
P.O. BOX 40811
NAIROBI.

19/04/2017

CS/18418

The County Director of Co-operative
P.O. BOX 30202
NAIROBI.

CERTIFICATE OF ACCOUNTS – FINANCIAL YEAR 31.12.2016
BLUE EAGLES SACCO

The accounts of the above Society are forwarded herewith duly approved.

1. Please forward these accounts to the Chairman of the Society together with:

- a) Debit Note NO. **for Kshs 14,500/=**.being the fees as authorized under section 23(1) of the act.
- b) A fee Note for **KSH. /=-** from the External Auditor will be sent direct by the Auditor to the Society. Bankers Cheques in settlement of (a) should be made payable to the Commissioner for Co-operative Development." Cheques in settlement of (b) should be sent direct to the Auditor concerned.

Please ensure that prompt action is taken on the Auditor's Report and the comments below and that a progress report is submitted to me within two months from the date Hereof.


G.N. NJANG'OMBE (MR)

For: **COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT**



000064
NAIROBI CITY COUNTY

General

Receipt No 104350

Department Coop Audit

Date 05/04/17

Received from: Blue Eagle

18418

Shillings: Fourteen Thousand five
Hundred Only.

On account of: Audit fee

SHS.	CTS.
14,500	2
CHEQUE	CASH

[Signature]

For COUNTY REVENUE OFFICER

REPU
NAIROBI

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

CS/NO 18418

BLUE EAGLES

CO OPERATIVE SOCIETY LIMITED

BALANCE SHEET & FINAL ACCOUNTS

AS AT 31ST DECEMBER, 2016

MINISTRY OF INDUSTRY, TRADE & COOPERATIVES,

DEPARTMENT OF CO OPERATIVE DEVELOPMENT

P.O. Box 40811 – 00100,

Tel. 2731531-9

Fax 2731511/2731507/0730080

Website: www.cooperative.go.ke

NAIROBI

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BLUE EAGLE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
2016

CENTRAL MANAGEMENT COMMITTEE MEMBERS

ISUF OMAR	CHAIRMAN
ELATRICE VULULE	VICE CHAIRMAN
ELSON OFUNJA	TREASURER
JOYCE LIHANDA	SECRETARY
HARLES MAINA	COMMITTEE
MARYANNE KAGWE	COMMITTEE
JOSEPH WAFULA	COMMITTEE
NEREAH OKANGA	COMMITTEE

SUPERVISORY COMMITTEE MEMBERS

LABAN OMANGI	CHAIRMAN
ZACK ODEGIH	SECRETARY:
GENEVA MUSAU	COMMITTEE MEMBER:

AUDITORS

MINISTRY OF INDUSTRY, TRADE & CO OPERATIVES
P.O Box 30547-00100
NAIROBI

BANKERS

BARCLAYS BANK
WESTLANDS BRANCH
NAIROBI

REGISTERED OFFICE

BLUE EAGLE SACCO
P.O BOX 30120
NAIROBI

C/S 18418

BLUE EAGLE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31.12.2016

Report of the management committee

The members of the management committee submit their annual report together with the audited financial statements for the year ended 31st Dec 2016.

Incorporation

The society is incorporated in Kenya under the cooperative societies act. cap 490 of 1997 amended 2004 and is domiciled in Kenya.

Principal activity.

The principal activity of the society is receiving savings from and provision of loans to its members

Results	31.12.2016	31.12.2015
	kshs	kshs
Surplus/loss before tax	301,202.10	159,029.75
Net Surplus(deficit) after Tax	301,202.10	-
Retained surplus/Loss for the year	240,961.68	127,223.80

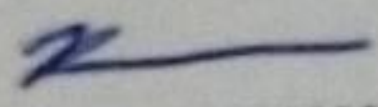
Management Committee

The members of the management committee who served during the year and to the date of this report is as listed on page 1.

Auditors

The auditors of the year, Ministry of Industry, Trade & Co operatives express their willingness to continue in office.

By order of management committee

Signature.....

Secretary.

Date.....

3rd April 2017

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THE EAGLE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
12.2015

STATISTICAL INFORMATION AS AT 31ST DEC 2016

	31.12.2016	31.12.2015
Number of members		
_Active		100
_Dormant		12
	<u>KSHS</u>	<u>KSHS</u>
Members Deposits	36,622,211.50	16,566,050.00
Statutory reserves	92,046.37	31,805.95
Retained earnings	368,185.48	127,223.80
Current Assets	31,674,042.35	18,608,979.70
Current Liabilities	4,412,962.75	3,068,400.00
Share capital	4,959,000.00	1,222,500.00
Loans to members	14,780,363.75	2,407,000.05
Turnover	5,641,218.35	1,649,341.35

KEY RATIOS

Liquidity Ratio	7.18:1	06:01
Percentage of expense to revenue	15%	14%

**CS/NO 18418 BLUE EAGLE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD.
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2016.**

STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES

The Co-operative Societies Act requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its operating results for that year in accordance with 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 has been conducted in accordance to its objectives, bylaws and any other resolutions made at the 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 and in a manner required by the Co-operative 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 its operating results in accordance with 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 Society will not remain a going concern for at least the next twelve months from the date of this statement.
Approved by the management committee on.....and signed on its behalf by

Chairman..... 31/04/2017

Treasurer.....

Secretary.....

Date..... 3rd April 2017

**CS/NO 18418 BLUE EAGLE SAVINGS CO-OPERATIVE SOCIETY LTD.
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2016
REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BLUE EAGLE CO-
OPERATIVE SOCIETY LTD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of BLUE EAGLE SACCO set out on page 6-15 which comprise the balance sheet, as at 31ST December 2016, income statement, statement of changes in equity and cash flow for the year then ended and summary of significant accounting policies and other explanatory notes.

THE MANAGEMENT COMMITTEE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of Kenya Cooperative Societies Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements and that they 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. The Kenya Cooperative Societies Act also requires the management to ensure that the society maintains proper books of accounts which are in agreement with the balance sheet and the profit and loss account.

AUDITORS RESPONSIBILITY

Our responsibility is to express an independent opinion on the financial statements based on our Audit. We conducted our Audit in accordance with the International Auditing standards. These standards require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance 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 assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the society'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 society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee as well as an evaluation of the overall presentation of the financial statements.

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

OPINION

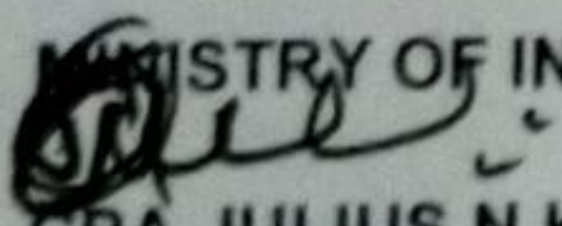
In our opinion, the financial statements give a true and fair view of the state of the society's financial affairs as at 31ST December 2016 and results of its operations and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Kenya Cooperative Societies Act.

REPORT ON OTHER LEGAL REQUIREMENTS.

As required by the Kenya cooperative societies Act we report to you that the financial statements are in agreement with the books 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:

- (a) In accordance with the provisions of the cooperative societies Act; and
- (b) In accordance with the Cooperatives objectives, by-laws and any other resolutions made by the Society at a general meeting.

For and on behalf of


CPA JULIUS N KARINA
AG. COUNTY DEPUTY DIRECTOR CO-OP AUDIT.
NAIROBI CITY COUNTY

DATE... 6/4/2017

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BLUE EAGLE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31.12.2016

INCOME STATEMENT FOR THE YEAR ENDED 31/12/ 2016

NOTES

		2016	2015
			Kshs
REVENUE			
Interest on loans		4,035,694.25	222,150.35
Other interest income	2	1,371,524.10	932,691.00
Total Interest		5,407,218.35	1,154,841.35
Interest expense	13	(4,486,040.25)	(1,254,084.60)
Net Interest		921,178.10	(99,243.25)
Other operating income	3	234,000.00	494,500.00
Net revenue		1,155,178.10	395,256.75
EXPENDITURE			
Administrative expenses	4	(842,231.60)	(125,355.00)
Other operating expenses	5	(11,744.40)	(110,872.00)
		(853,976.00)	(236,227.00)
Net operating surplus/deficit before tax		301,202.10	159,029.75
Net operating surplus/deficit after tax		301,202.10	159,029.75
20% transfer to statutory reserve		(60,240.42)	(31,805.95)
Surplus/deficits to retained earnings		240,961.68	127,223.80

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THE EAGLE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
12.2016
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTES	2016 Kshs	2015 Kshs
ASSETS			
Cash and Cash Equivalent	14	11,664,042.35	5,108,979.70
Loans to members	9	14,780,363.75	2,407,000.05
Other Financial Assets	12	20,010,000.00	13,500,000.00
TOTAL ASSETS		46,454,406.10	21,015,979.75
LIABILITIES			
Members Deposits	7	36,622,211.50	16,566,050.00
Withdrawable savings	11	2,398,462.75	2,055,000.00
Interest payable on deposits	13	2,000,000.00	1,000,000.00
Trade and other payables	6	14,500.00	13,400.00
TOTAL LIABILITIES		41,035,174.25	19,634,450.00
SHAREHOLDERS FUNDS			
Share capital	15	4,959,000.00	1,222,500.00
Reserves	8	460,231.85	159,029.75
TOTAL SHAREHOLDERS FUND		5,419,231.85	1,381,529.75
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS		46,454,406.10	21,015,979.75



The Financial Statements on pages 6_11 were approved by the Management and signed on on its behalf by:-

CHAIRMAN
TREASURER
SECRETARY



CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 Kshs	2015 Kshs
Cashflows from operating activities		
Interest receipts	4,035,694.25	222,150.35
Other operating income	234,000.00	494,500.00
Payment to employees and suppliers	(839,476.00)	(222,827.00)
Interest payments	(3,486,040.25)	(254,084.60)
	(55,822.00)	239,738.75
Increase /decrease in operating assets		
Loans to members	(12,373,363.70)	(2,407,000.05)
Increase/decrease in operating liabilities		
Deposits from members	20,056,161.50	16,566,050.00
Trade and other payables	(13,400.00)	-
Withdrawable savings	343,462.75	2,055,000.00
Net cashflow from operating activities before tax	7,957,038.55	16,453,788.70
Net cashflow from operating activities after tax	7,957,038.55	16,453,788.70
Cashflow from investing activities activities		
Other Financial Assets	(6,510,000.00)	(13,500,000.00)
Interest received	1,371,524.10	932,691.00
Cashflow from financing activities		
Share capital		
Dividend	3,736,500.00	1,222,500.00
Net increase/decrease in cash and cash equivalent	6,555,062.65	5,108,979.70
Cash and cash equivalent at the beginning of the y	5,108,979.70	-
Cash and cash equivalent at the end of the year	11,664,042.35	5,108,979.70

C/S 18418
BLUE EAGLE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2016

	SHARE CAPITAL KSHS	RETAINED EARNINGS KSHS	STATUTORY RESERVES KSHS	TOTAL KSHS
AS AT 01.01.2015	-	-		-
SURPLUS/DEFICIT		159,029.75		159,029.75
ISSUE OF SHARES	1,222,500.00			1,222,500.00
STATUTORY RESERVES		(31,805.95)	31,805.95	-
AS AT 31.12.2015	1,222,500.00	127,223.80	31,805.95	1,381,529.75

	SHARE CAPITAL KSHS	RETAINED EARNINGS KSHS	STATUTORY RESERVES KSHS	TOTAL KSHS
AS AT 01.01.2016	1,222,500.00	127,223.80	31,805.95	1,381,529.75
SURPLUS/DEFICIT		301,202.10		301,202.10
ISSUE OF SHARES	3,736,500.00	(60,240.42)		3,676,259.58
STATUTORY RESERVES			60,240.42	60,240.42
AS AT 31.12.2015	4,959,000.00	368,185.48	92,046.37	5,419,231.85

C/S 18418 BLUE EAGLE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016
NOTES TO THE AUDITED ACCOUNTS AS AT 31.12.2016

Note 1 ACCOUNTING POLICIES

summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set below:

(a) Statement of compliance & basis of preparation

The financial statements are prepared in accordance and comply with international financial reporting standards, are presented in the functional currency, Kenya shillings (shs) and prepared under historical cost convention, as modified by revaluation of certain assets as prescribed by IFRSs.

b) Revenue Recognition

Revenue is recognised on accrual basis from interest on loans to members and other other short term investments.

c) Statutory Reserves.

Transfers are made to the statutory reserves fund at a rate of 20% of net operating surplus after tax as per provision of section 47 (1&2) of the cooperative societies act Cap 490.

d) Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost. Certain classes of property, plant and equipment are subsequently shown at revalued amount, based on periodic valuation by the independent valuers. All the other property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over estimated useful life. The annual depreciation rate in use are

Assets	Rates
Office Equipment	12.50%
Computer and accessories	33%

e) Cash and Cash equivalent

Cash and Cash equivalents comprise cash on hand and demand deposit and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of change in value.

	2016	2015
	KSHS	KSHS
Note 2 OTHER INTEREST INCOME		
Interest from T-bills	1,371,524.10	794,589.25
Interest from Term deposits	-	138,101.75
	<u>1,371,524.10</u>	<u>932,691.00</u>
Note 3 OTHER OPERATING INCOME		
Entrance fee	64,000.00	494,500.00
Loan application Fee	126,000.00	
Exit Fee	44,000.00	
	<u>234,000.00</u>	<u>494,500.00</u>
Note 4 ADMINISTRATION EXPENSES		
Audit fees	13,000.00	12,000.00
CCD supervision fees	1,300.00	1,200.00
Recoverable expenses	200.00	200.00
Committee expenses	175,000.00	32,575.00
Seminar expenses		10,000.00
Printing and stationery		24,300.00
Sacco registration		3,500.00
Annual general meeting	131,650.00	14,000.00
By-laws expenses and registration		25,000.00
Office expenses	44,792.00	2,580.00
Medical Cover	61,113.60	
Salary and Wages	363,276.00	
postages and stamps	400.00	
Rates and Subscription	1,000.00	
Office renovation	43,500.00	
Telephone expenses	7,000.00	
	<u>842,231.60</u>	<u>125,355.00</u>

CS 18418 BLUE EAGLE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

	2016 KSHS	2015 KSHS
Note 5 OTHER OPERATING EXPENSES		
Bank charges	11,744.40	10,872.00
Strategic plan expenses	-	100,000.00
	<u>11,744.40</u>	<u>110,872.00</u>
Note 6 TRADE AND OTHER PAYABLES		
Audit and Supervision fees	14,500.00	13,400.00
	<u>14,500.00</u>	<u>13,400.00</u>
Note 7 MEMBERS DEPOSITS		
Bal b/f	16,566,050.00	-
Contributions	39,375,137.25	17,000,000.00
Refunds	(2,752,925.75)	(433,950.00)
Bal c/d	<u>36,622,211.50</u>	<u>16,566,050.00</u>
As per MPA	36,622,211.50	16,566,050.00
DIFFERENCE		-
Note 8 RESERVES		
Retained Earnings/Deficit	368,185.48	127,223.80
Statutory Reserves	92,046.37	31,805.95
	<u>460,231.85</u>	<u>159,029.75</u>
Note 9 LOANS TO MEMBERS		
Balance b/f	2,407,000.05	-
Granted during the year	36,345,117.70	3,500,000.00
Repayments during the year	(23,971,754.00)	(1,092,999.95)
Balance c/d	<u>14,780,363.75</u>	<u>2,407,000.05</u>
AS PER MPA	14,780,363.75	2,407,000.05
DIFFERENCE		-
Note 10 BUDGET		
The society operated within the approved budget except legal fees.		
Note 11 WITHDRAWABLE SAVINGS (HOLIDAY SAVINGS)		
Bal b/f	2,055,000.00	-
Contributions	27,302,425.80	2,055,000.00
Withdrawals	(26,958,963.05)	-
Bal c/d	<u>2,398,462.75</u>	<u>2,055,000.00</u>
Note 12 OTHER FINANCIAL ASSETS		
Treasury-bills (realizable within 1 year)	-	13,500,000.00
Term Deposit	20,000,000.00	-
KUSSCO - Investment	10,000.00	-
	<u>20,010,000.00</u>	<u>13,500,000.00</u>
Note 13 INTEREST EXPENSE		
Interest on Holiday Savings	2,486,040.25	254,084.60
Interest payable on members deposits	2,000,000.00	1,000,000.00
	<u>4,486,040.25</u>	<u>1,254,084.60</u>
Note 14 CASH AND CASH EQUIVALENT.		
Barclays bank Current A/c code 46 -reconciled	944,622.00	702,948.45
Barclays bank Current A/c code 35 -reconciled	10,719,420.35	4,406,031.25
	<u>11,664,042.35</u>	<u>5,108,979.70</u>
Note 15 SHARE CAPITAL		
Bal b/f	1,222,500.00	-
Contributions	3,736,500.00	1,222,500.00
Bal c/d	<u>4,959,000.00</u>	<u>1,222,500.00</u>