

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED

CS/10997

FINANCIAL STATEMENTS

For the year ended

31st December, 2014

Kreston KM & Co.
Certified Public Accountants (K)
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WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
SOCIETY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

The board and supervisory committee members

Management committee

Eric Mbugua	Chairman
Nelly Konchella	Vice Chair
Victor Moturi	Hon. Secretary
Mary N. Mambo	Treasurer
Geoffrey Kioko Kilela	Member
Stephen Kibuna	Member
Purity Thogo	Member
Abraham Maloba	Member

Supervisory committee

Mrs. Pamela Walinywa	Chairlady
Mrs Florence Akwera	Secretary
Mr. Joseph Mweri Chege	Member

Ex - Official

Salesio Njeru Gerrard	CEO
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Registered office and Principal place of business

Wanandeg Plaza, 2nd flr
P.O. Box 700 - 00521
Embakasi Village
Nairobi

Independent auditor

Kreston KM & Co.
Certified Public Accountants (K)
P.O. Box 66837 - 00800
Westlands, woodvale groove
Block B, Suite 8

Principal bankers

Co-operative Bank of Kenya Limited
Housing Finance Corporation of Kenya Limited
Wanandeg Sacco Society Limited - Fosa

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors submit their report and the audited financial statements for the year ended 31 December 2014 which show the state of the society's financial affairs.

1 Incorporation

The Society incorporated in Kenya under the Co-operative Societies Act, Cap 490 and is domiciled in Kenya. The registration number is CS/10997 and was registered on 10th February, 2006 by the Registrar of Co-operative Societies. The address of the registered office is as set out on page 1.

2 Principal activity

The principal activity of the society is to promote thrift amongst its members by affording them an opportunity for accumulating their savings to create a source of funds from which members can invest in real estate and eventually provide housing to members at fair prices and reasonable rates of interest.

3 Results for the year

	2014	2013
	Kshs	Kshs
Surplus (Deficit) before tax	8,827,043	(6,171,079)
Income Tax expense	(22,000)	-
Net Surplus (Deficit) after tax	<u>8,805,043</u>	<u>(6,171,079)</u>
Dividends	(4,698,465)	-
Retained Surplus for the year	<u><u>4,106,578</u></u>	<u><u>(6,171,079)</u></u>

4 Dividends

A dividend of 6% per share has been proposed subject to approval at the Annual General Meeting.

5 Financial statements

At the date of this report, the management committee was not aware of any circumstances which would have rendered the values attributed to the assets in the financial statements misleading.

6 Management committee members

The Management and Supervisory Committee members who served during the year and to the date of this report are shown on page 1.

8 Auditor

The society's auditor, Kreston KM & Co. Certified Public Accountants (K) has indicated willingness to continue in office in accordance with the provision of the Kenyan Co-operative Societies Act 1997 (Amended 2004).

By order of the Board



Victor Moturi

Honorary secretary

11 FEB 2015

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

STATISTICAL INFORMATION

	2014	2013
Membership	No.	No.
Active	600	824
Dormant	919	554
	<u>1,519</u>	<u>1,378</u>

Financials	Kshs.	Kshs.
Share capital	78,307,749	72,187,461
Members deposit	28,825,392	45,651,036
Retained surplus	6,150,994	(4,362,103)
Property and equipment	5,038,303	6,245,422
Investments	73,523,427	88,098,310
Loans to members	15,442,714	22,185,622
Total liabilities	71,708,494	108,983,649
Total assets	156,683,221	177,391,491
Proposed dividends	4,698,465	-
Turnover/ income	22,775,454	5,848,483

Employees

Permanent	6	5
Casual	3	3
	<u>9</u>	<u>8</u>

Expressed as percentage of turnover

	%	%
Personnel expenses	27	67
Governance expenses	13	66
Administrative expenses	17	52
Financial and professional	1	3

Key ratios

Liquidity ratios:

Assets: Liabilities	2.19	1.63
Loans to members: members shares and deposits	0.14	0.19

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
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STATEMENT OF MANAGEMENT COMMITTEES RESPONSIBILITY

The Kenyan Co-operative Societies (Amendment) Act, 2004 requires the management committee to prepare financial statements for each financial year that 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 the year. It also requires the management committee to ensure that the society keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the society. The management committee is also responsible for safeguarding the assets of the society.


The management committee accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. The management also accepts responsibility for:

- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

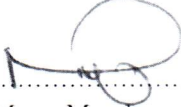
The management committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society as at 31 December, 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Co-operative Societies (Amendment) Act, 2004.

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 February 11th.....2015 and signed on its behalf by;



 Eric Mbugua
 Chairman



 Mary Mambo
 Treasurer



 Victor Moturi
 Honorary Secretary

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2014**

Report on the financial statements

We have audited the accompanying financial statements of Wanandeg Housing Co-operative Society Limited, set out on pages 6 to 17 which comprise of the balance sheet as at 31st December 2014, the income statement, Statement of Changes in Equity and Statement of Cash Flow for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management committee's 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 the Co-operative Societies Act. This responsibility includes: designing, implementing and maintaining Internal Controls relevant to the 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.

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 Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 our professional judgments, including the assessment of the risk of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, we considered the 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 society's internal control. An Audit also includes evaluating the a appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management committee, 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 opinion.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2014 (Continued ...)

Opinion

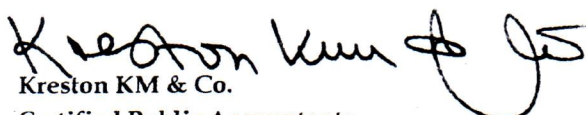
In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the society as at 31st December 2014 and of its results and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Co-operative Societies Act.

Report on other legal requirement

As required by the Kenyan Co-operative Societies (Amendment) Act, 2004 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 purpose of the audit;
- ii) in our opinion proper books of accounts have been kept by the Society, so far as appears from our examination of those books; and
- iii) the Society's statement of financial position and statement of comprehensive income are in agreement with the books of accounts.

The engagement partner responsible for the audit resulting in this independent auditor's report is FCPA Dr. George Kimeu - P/No. 603.


Kreston KM & Co.
Certified Public Accountants
Nairobi

Nairobi


..... 2015

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2014 Kshs	2013 Kshs
Revenue			
Interest income	2	2,884,624	4,934,699
Income from Sale of Land	3	18,942,729	-
Other Incomes	4	948,101	913,784
Total income		22,775,454	5,848,483
Expenditure			
Personnel expenses	6	6,123,409	3,901,194
Governance expense	7	2,997,301	3,873,520
Administrative expenses:	5	3,774,299	3,028,072
Marketing expenses	8	871,238	1,037,418
Financial and Professional expenses:	9	182,165	179,358
Total expenses		13,948,411	12,019,562
Profit before / (Loss) tax		8,827,043	(6,171,079)
Income tax		(22,000)	-
Profit / (Loss) after tax		8,805,043	(6,171,079)
Other comprehensive income			
Fair value gain	11	344,500	-
		9,149,543	(6,171,079)

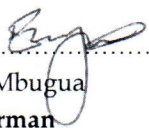
WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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 FOR THE YEAR ENDED 31 DECEMBER 2014

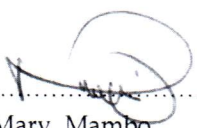
STATEMENT OF FINANCIAL POSITION


	Notes	2014 Kshs	2013 Kshs
Assets			
Cash and cash equivalent	10	6,405,121	9,593,755
Sundry receivables and prepayments	11	3,318,488	5,638,206
Deferred Expenses	12	52,416,022	45,284,690
Loans to members	14	15,442,714	22,185,623
Investments	15	73,523,427	88,098,310
Property, Plant and Equipment	16	5,038,303	6,034,751
Intangible assets	17	147,469	210,671
Taxation	18	391,677	345,485
Total assets		156,683,221	177,391,491
Liabilities			
Members' land deposits:	19	28,825,392	45,651,036
Payables and accruals	20	19,543,016	9,861,352
Long term loan	21	23,340,086	53,471,261
Total liabilities		71,708,494	108,983,649
Equity			
Share capital:	21	78,307,749	72,253,961
Reserves		6,666,978	(3,846,119)
Total equity		84,974,727	68,407,842
Total liabilities and equity		156,683,221	177,391,491

The financial statements on pages 6 to 17 were approved for issue by the Management Committee on

February 11th 2015, and were signed on their behalf by:-


 Eric Mbugua
 Chairman


 Mary Mambo
 Treasurer


 Victor Moturi
 Honorary Secretary

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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 FOR THE YEAR ENDED 31 DECEMBER 2014

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital Kshs	Statutory reserves Kshs	Revenue reserves Kshs	Total Kshs
As at 1st January 2013		58,270,441	515,984	1,761,974	60,548,399
Additions		13,983,520	-	-	13,983,520
Surplus/deficit for the year		-	-	(6,171,077)	(6,171,077)
Prior year adjustment on unrealised gain		-	-	47,000	47,000
As at 31st December 2013		<u>72,253,961</u>	<u>515,984</u>	<u>(4,362,103)</u>	<u>68,407,842</u>
As at 1st January 2014		72,253,961	515,984	(4,362,103)	68,407,842
Additions		9,290,666	-	-	9,290,666
Surplus/deficit for the year		-	-	9,149,543	9,149,543
Proposed Dividends		-	-	(4,698,465)	(4,698,465)
Transfer to Pepea Deposits		(3,236,878)	-	-	(3,236,878)
Prior year adjustment	23	-	-	6,062,019	6,062,019
As at 31st December 2014		<u>78,307,749</u>	<u>515,984</u>	<u>6,150,994</u>	<u>84,974,727</u>

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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STATEMENT OF CASH FLOWS	2014 Kshs	2013 Kshs
Cash flow from operating activities:		
Sale receipts	18,942,729	4,934,699
Interest receipts	2,884,624	913,784
Other operating non-interest receipts	948,101	-
Amortisation	63,202	
Payments to employees and suppliers	(12,951,964)	(10,807,665)
Net cash flow from operating activities	9,886,692	(4,959,182)
(Increase)/Decrease in operating assets:		
Trade and other receivables	2,319,718	9,318,597
Loans to members	6,742,909	13,872,121
Deffered expenses	(7,131,332)	(14,954,783)
Increase/(Decrease) in operating liabilities		
Members deposits	(16,825,644)	32,304,902
Trade and accrued expenses	9,681,664	(2,459,807)
Net cash from operating activities before income tax	4,674,007	33,121,848
Income tax paid	(68,192)	(43,590)
Net cash from operating activities	4,605,815	33,078,258
Cash flow from investing activities:		
Purchase of assets	-	(321,832)
Purchase of investments	(19,984,842)	(19,446,810)
Disposal of Investments	40,966,244	-
Net cash from investing activities	20,981,402	(19,768,642)
Cash flow from financing activities:		
Share capital contributions	6,053,788	13,983,520
Long term loan repaid	(30,131,175)	(21,383,953)
Dividends	(4,698,465)	-
Short term loan repayment	-	(3,000,000)
Net cash from financing activities	(28,775,852)	(10,400,433)
Net increase/(decrease) in cash and cash equivalents	(3,188,634)	2,909,183
Cash and cash equivalents at the beginning of the year	9,593,755	6,684,572
Cash and cash equivalents at the end of the year	6,405,121	9,593,755

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
 FINANCIAL STATEMENTS
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Notes

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied over the years presented unless otherwise stated.

a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The financial statements are presented in Kenya shillings(Kshs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

b) Income Recognition

- i. Gains on sale of land is recognized at the completion of the process of transfer of title title.
- ii. Interest income includes interest on loans and advances to members and is recognized in the period in which it is earned.
- iii. Fees and commissions are recognized at the time of effecting the transaction.

c) Investments

The quoted investments are stated at fair market value (IAS 39). Investment property, after initial recognition is stated at cost less accumulated depreciation/impairment (IAS 40).

d) Property and Equipment

All equipment are stated at historical cost less accumulated depreciation, amortization and impairment losses.

Depreciation is calculated using the reducing 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;

Computers	30%
Furniture and Fittings	12.50%

A full year's depreciation is charged in the year of acquisition. No depreciation is charged in the year of disposal. Gains or losses arising from disposal of equipment are computed by reference to the sales proceeds and the net carrying amounts at the date of disposal. The gains or losses are dealt with through the income statement.

e) Intangible assets

The expenditure on acquisition of the computer software is capitalised and amortised over its useful life on a reducing balance basis at a rate of 30%.

f) Taxation

Current taxation is provided for on the basis of the results for the year as shown in the financial statements adjusted in accordance with the tax legislation.

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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Notes (Continued ...)

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demands and term deposits, with maturities of 12 months or less from the date of acquisition, 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.

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise cash and cash equivalents as defined above.

h) Translation of foreign currencies

Monetary assets and monetary liabilities expressed in foreign currencies are translated into Kenya shillings at the rate of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains and losses arising from the translation are dealt with in the income statement.

i) Trade receivables

Trade receivables are carried at amortised invoice amount less estimate made for bad and doubtful receivables based on the review of all outstanding amounts, on account by account basis, at the year end. Bad debts are written off in the year in which they are identified as irrecoverable.

j) Trade payables

Trade and other payables are carried at cost, which is measured at the fair or contractual value to be paid in respect of goods or services supplied to the society, whether billed or not.

k) Bank borrowings

Interest bearing bank loans and bank overdrafts are recorded at the proceeds received, net of direct issue cost. Finance charges including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period they arise.

l) Provision for liabilities and charges

Provisions for liabilities are recognised when there is a present obligation (legal or constructive) resulting from a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the monetary value of the obligation.

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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Notes (Continued ...)

	2014	2013
	Kshs	Kshs
2 Interest on loans and advances		
Interest from Bank	209,000	154,011
Interest from Loans	2,675,624	4,780,688
	<u>2,884,624</u>	<u>4,934,699</u>
Interest on members' loans is calculated at a rate ranging from 1.4% to 2% per month based on the management committee's decision.		
3 Income from Sale of Land		
Proceeds from Sale of Plots	72,078,000	-
Less costs		
Purchase of land	40,472,994	-
Subdivision	5,659,343	-
Title deed processing - Katani	966,400	-
Beacon Pointing	350,000	-
Green card, title deed, Reg of consent & Stamp Duty	5,232,500	-
Marketing & Miscellaneous expenses	454,034	-
	<u>53,135,271</u>	-
	<u>18,942,729</u>	-
4 Other Income		
Entrance fees	86,000	146,000
Commision from share transfer	56,218	67,225
Application form fees	45,000	84,000
Tinga Application fees	503,000	367,000
Penalties	67,300	86,700
Dividend income	14,583	11,559
Miscellaneous income - Tender fees	176,000	151,300
	<u>948,101</u>	<u>913,784</u>
5 Administrative expenses		
Consultancy fees	-	323,400
Telephone and postage	107,930	40,882
Website development	454,980	-
Internet and email	170,570	40,600
Water and electricity	200,514	178,812
Office rent and rates	565,765	523,962
Entertainment	87,697	93,175
Printing and stationery	416,946	255,442
Repairs and maintenace	3,615	420
Office expenses	106,719	133,114
Cleaning expenses	9,743	10,918
Travel and subsistence allowance	80,769	77,180
Depreciation	1,059,649	1,230,167
System licence	120,000	120,000
Subscriptions	23,524	-
Tender Advertisements	365,878	-
	<u>3,774,299</u>	<u>3,028,072</u>

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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Notes (Continued ...)

	2014	2013
	Kshs	Kshs
6 Personnel Costs		
Salaries and wages	4,212,875	1,956,857
Casual wages	202,099	486,723
House allowance	749,996	686,542
NSSF	21,000	15,400
Provident fund	417,050	82,372
Transport allowance	204,742	138,442
Overtime	2,900	63,355
Medical insurance	234,083	438,983
Staff training	51,000	9,000
Leave allowance	27,664	23,520
	<u>6,123,409</u>	<u>3,901,194</u>
7 Governance expense		
AGM expenses	372,327	1,055,159
Committee sitting allowance	1,155,527	1,104,520
Committee Travelling Allowance	277,890	-
Committee education	382,186	518,765
Committee expense	-	295,000
Members education	-	900,076
Team building and strategic plan	809,371	-
	<u>2,997,301</u>	<u>3,873,520</u>
8 Marketing expenses		
Marketing expenses and promotion	476,346	443,131
Public relations and advertisement	227,592	428,527
Ushirika expenses	167,300	165,760
	<u>871,238</u>	<u>1,037,418</u>
9 Finance Costs and Professional costs		
Bank charges	106,365	121,358
Audit fees	75,800	58,000
	<u>182,165</u>	<u>179,358</u>
10 Cash and Bank balances		
Co-operative Bank of Kenya Ltd	3,263,118	4,906,696
Current Account FOSA (WAN 05)	2,664,012	4,058,754
Current Account FOSA (WAN 08)	-	624,839
Current Account FOSA (WAN 06)	-	1,171
Current Account FOSA (WAN 07)	-	1,000
Housing Finance Savings	96,369	-
Mpesa Paybill Account	379,691	-
Petty cash	1,931	1,295
	<u>6,405,121</u>	<u>9,593,755</u>

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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Notes (Continued ...)	2014	2013
11 Fair Value changes	Kshs	Kshs
Safaricom Limited shares	199,500	-
Co-operative bank of Kenya shares	145,000	-
	344,500	-
12 Prepayments and Sundry Receivables		
Katani professional due from membes	1,556,644	4,778,825
Prepayments - Rent deposit	521,282	222,735
Unremitted deductions	1,206,562	387,000
Interest form FOSA	-	154,012
Salary advances	34,000	49,634
Receivables - Non members	-	46,000
	3,318,488	5,638,206
13 Deferred expenses		
Interest on loans - 2014	4,785,976	-
Interest on loans - 2013	11,035,761	11,035,761
Interest on loans - 2012	15,593,516	15,593,516
Interest on loans - 2011	7,992,808	7,992,808
Stamp duty	1,002,000	1,002,000
Legal fees	5,741,583	5,741,583
Kisaju 1 expenses	1,638,422	1,638,422
Oletepesi	-	280,600
Committee expenses	2,800,000	1,800,000
Projects marketing costs	919,200	200,000
Staff Salaries-Embakasi & Oletepesi II Project	906,756	-
	52,416,022	45,284,690
14 Loans to members		
As at 1st January	22,185,623	36,641,164
Accrued interest	174,579	222,098
Loans issued during the year	3,003,500	-
Loan repayments during the year	(9,920,988)	(14,094,219)
	15,442,714	22,769,043
Less provision for loan loss	-	(583,420)
As at 31st December	15,442,714	22,185,623
Provision for loans were not made since all existings loans are secured against title deeds		
15 Investments		
Land		
Kisaju 11	25,161,732	39,716,360
Embakasi Apartments	25,212,833	20,114,341
Kisaju Block 4722- 8.8 Acre Land	1,477,797	15,774,170
Kinanie	6,217,715	-
Tinga - Oletepesi	14,886,350	12,270,939
	72,956,427	87,875,810

WANANDEGE HOUSING CO-OPERATIVE SOCIETY LIMITED
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Notes (Continued ...)

	2014	2013
Quoted	Kshs	Kshs
Co-operative Bank of Kenya Ltd	240,000	95,000
Safaricom shares	304,500	105,000
	<u>544,500</u>	<u>200,000</u>

The quoted investments are stated at the current market value. The investment costs were Kshs.5 for 21,000 Safaricom limited shares and Kshs.12 for 12,000 Co-operative bank of Kenya limited shares.

	2014	2013
Unquoted	Kshs	Kshs
Nachu share	12,500	12,500
Codic shares	10,000	10,000
	<u>22,500</u>	<u>22,500</u>
Total Investments	<u><u>73,523,427</u></u>	<u><u>88,098,310</u></u>

16 Property, Plant and Equipment

	Computers & Accessories Kshs	Furniture & Fittings Kshs	Total Kshs
Cost	30%	12.50%	
1st January 2014	2,703,931	6,700,546	9,404,477
Addition during the year	-	-	-
31st December 2014	<u>2,703,931</u>	<u>6,700,546</u>	<u>9,404,477</u>
Accumulated depreciation			
1st January 2014	1,320,481	2,049,245	3,369,726
Charge for the year	415,035	581,413	996,448
31st December 2014	<u>1,735,516</u>	<u>2,630,658</u>	<u>4,366,174</u>
Net Book Value			
31st December 2014	<u>968,415</u>	<u>4,069,888</u>	<u>5,038,303</u>
31st December 2013	<u>1,383,450</u>	<u>4,651,301</u>	<u>6,034,751</u>

17 Intangible Assets

	2014	2013
Computer software	Kshs	Kshs
Cost as at 1st January	1,277,744	1,277,744
Armortisation as at 1st January	(1,067,074)	(992,962)
Charge for the year	(63,201)	(74,111)
Net Book Value	<u>147,469</u>	<u>210,671</u>

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Notes (Continued ...)

	2014 Kshs	2013 Kshs
18 Taxation		
Balance at start of the year	(345,485)	(301,895)
Provision for the year	22,000	-
Less: Installment tax paid	(68,192)	(43,590)
Balance at end of the year	<u>(391,677)</u>	<u>(345,485)</u>
19 Members' land deposits:		
Kisaju 1 members' deposits (partial payers)	3,556,439	2,288,522
Kisaju Annex members' deposits	622,000	14,447,000
Kisaju 11 members' deposits	9,085,034	16,307,222
Pepea development savings	9,594,938	846,000
Tinga - members' deposits	5,016,980	11,762,292
Embakasi Flat Deposits	950,000	-
	<u>28,825,392</u>	<u>45,651,036</u>
20 Payables and accruals		
Statutory deduction due	128,632	75,160
Sacco staff payroll deductions	3,446	39,015
Provident fund	148,958	58,329
Audit fees	69,600	58,000
Registration fees	6,200	5,200
Uncollected dividends - Housing	597,129	601,102
Wanandegge Sacco Div - FOSA	1,284,046	1,284,046
Provision for dividends	4,698,465	-
Un-identified receipts	596,000	596,000
Subdivision - Kisaju 1	6,837,840	7,144,500
Accruals - Project	5,172,699	-
	<u>19,543,016</u>	<u>9,861,352</u>
21 Long term loan		
Co-operative bank of Kenya		
Balance B/F	53,471,261	74,855,214
Repayment during the year	(30,131,175)	(21,383,953)
	<u>23,340,086</u>	<u>53,471,261</u>

Secured against L.R.No.KJD/Kisaju/3956/3958 and Society's checkoff deductions

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Notes (Continued ...)

	2014	2013
	Kshs	Kshs
22 Share capital:		
At 1st January 2014	72,253,961	58,270,441
Issued during the year	6,053,788	13,983,520
At 31 December 2014	<u><u>78,307,749</u></u>	<u><u>72,253,961</u></u>

23 Prior year adjustments

The prior year adjustment relates to revaluation of two plots in Kinanie whose related costs had erroneously been expensed in prior years.

24 Contingent Asset / liability

There is a pending court case regarding the disputed ownership of a property L.R No. 9042/699 between Wanandeg Housing Co-operative Society Limited and the Kenya Airports Authority.