



Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061.



Annual Report and Financial Statements for the Year Ended
31st December 2021.

Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021

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Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021

Society Information

BOARD OF DIRECTORS

1st January 2021 to 9th August 2021		9th August to 31st December 2021	
Chairperson	Rosemary Aseka	Chairperson	Janette Rubadiri
Hon. Secretary	Constantine Mwanga	Vice Chairperson	Duke Mayaka
Treasurer	Rachael Omollo	Hon. Secretary	Agnes Kinyanjui
Board Member	Janette Rubadiri	Treasurer	Agnes Wairimu
Board Member	Patricia Onsando	Board Member	Patricia Onsando
Board Member	Mumbi Mathenge	Board Member	Florence Ombewa
Board Member	Remick Muga	Board Member	Remick Muga
Board Member	Florence Ombewa	Board Member	Alfred Musachi

NOTE:

The Board that served from 1st January to 9th August 2021 was removed by members in a Special General Meeting (SGM) on 30th November 2019. The Board that served from 9th August to 31st December 2021 was elected on interim basis at the same SGM. The former Chairperson then challenged the SGM decision at the Co-operatives Tribunal Court and got a stay order on 16th December 2019. This matter was ruled in favour of the SGM appointed Board on 27th May 2021, however the ruling was again challenged in the High Court by former Chairperson. She obtained a temporary stay order on 9th June 2021 to remain in office. On 27th of May 2021, the high Court threw out her case, and upheld the ruling of the Tribunal. The SGM appointed Board then took office, to-date.

SUPERVISORY COMMITTEE

Chairperson	Geoffrey Wesonga	Resigned - May 2021
Secretary	Petrigona Ratemo	Resigned - May 2021
Member	Jane G.W. Waitegi - Ng	Resigned - May 2021 - Rescinded her resignation in September 2021

NOTE:

The Supervisory Committee resigned in May 2021 due to frustration by the state of affairs in the Sacco. The current Board in office, consulted with the authorities, and got clearance to request the Supervisory Committee to rescind their resignation and continue serving. Unfortunately, two of them had become ineligible to return to their roles. The Third member of the Supervisory Committee agreed to rescind her decision in September 2021 and is now the only member serving in the capacity of the Supervisory Committee.

REGISTERED OFFICE

3rd Floor, Centenary House
Westlands, Nairobi

PRINCIPAL BANKERS

Co-operative Bank of Kenya Ltd.

AUDITORS

Kibiego Kiptum & Company Auditors
P.O. Box 42790 - 00100
NAIROBI

Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Report of The Board of Directors

The Board of Directors submit their annual report together with the audited financial statements for the year ended 31st December 2021.

INCORPORATION

The Society is incorporated in Kenya under the Co-operative Societies Act Cap 490 of 1997 amended in 2004 and is domiciled in Kenya.

PRINCIPAL ACTIVITY

The principal activity of the Society is to receiving savings from and provision of loan to its members.

RESULTS	2021	2020
	Kshs.	Kshs.
Surplus before Tax	3,737,852	9,693,929
Net Surplus after Tax	3,299,449	9,114,273
Retained surplus for the Year	718,266	1,336,107
Interest on Members' Deposits	32,293,496	46,265,397

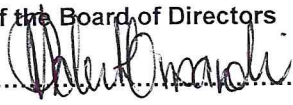
The Board of Directors recommends interest on members' deposits to be paid at the rate of 6.9% (2020 - 8.5%).

BOARD OF DIRECTORS

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

By Order of the Board of Directors

Signature.....
Secretary



Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Statistical Information

	2021 Kshs.	2020 Kshs.
Membership:		
Active	843	959
Dormant	617	497
Total	1,460	1,456
Employees:		
Female	3	4
Male	7	6
Total	10	10
Financials		
Total Assets	568,041,473	689,111,510
Total Liabilities	508,234,106	634,850,528
Current Liabilities	81,980,148	83,986,325
Liquid Assets	34,724,575	92,682,974
Current Assets	131,026,399	175,048,004
Loans to Members	435,004,471	511,839,882
Members' Deposits	426,253,957	550,864,203
Core Capital	59,807,367	54,260,981
Share Capital	32,021,528	27,853,297
Retained Earnings & Disclosed Reserves	27,785,840	26,407,684
Interest On Members' Deposits	32,293,496	46,265,397
Total Revenue	69,758,273	83,559,301
Total Expenses	28,726,924	27,599,975
Key Ratios:		
Capital Adequacy Ratios		
Core Capital/Total Assets	10.53%	7.87%
Core Capital/Total Deposits	14.03%	9.85%
Retained Earnings & Disclosed Reserves/Core Capital	46.46%	48.67%
Liquidity Ratio		
Liquid Assets/Total Deposits & Current Liabilities	6.83%	14.60%
Efficiency Ratios:		
Expenses to Revenue	41.18%	33.03%
Interest on Members' Deposits to Revenue	46.29%	58.00%
Interest Rate on Member Deposits	6.90%	8.50%
Dividend on Share Capital	6.00%	10.00%
Total Non Performing Loans/Gross Loan Portfolio	37.35%	-

Allowances Paid To Board & Supervisory Committee (Gross)	
Rosemary Aseka	130,284
Rachael Omollo	123,433
Constantine Mwanga	31,646
Mumbi Mathenge	86,638
Remick Muga	225,879
Patricia Onsando	116,814
Florence Ombewa	117,885
Jane Ngugi	14,141
Janette Rubadiri	158,600
Duke Mayaka	169,898
Agnes Wairimu	150,546
Agnes Shikungu	93,006
Alfred Musachi	92,636
TOTAL	1,511,406

Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Board Responsibilities

The Co-operative Societies Act, Cap 490 requires the Board to prepare financial statements for each year which give a true and fair view of the affairs of the society at the end of the financial year and of its operating results for that year in accordance with the International Financial Reporting Standards. It also requires the Board to ensure that the society keeps proper accounting records which disclose with reasonable accuracy, 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 the society's general meeting.

The Board accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates in conformity with the International Financial Reporting Standards and in the manner required by the Co-operative Societies Act, Cap 490. The board 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. The Board further accepts responsibility for the maintenance of the accounting records, which may be relied upon on the preparation of the financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the board to indicate that the society will not remain a going concern for at least the next twelve months from the date of this statement.

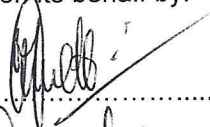
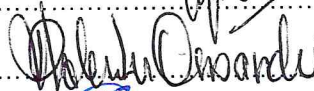

Approved by the Board and signed on its behalf by:

Chairperson

Hon Secretary

Treasurer

Date


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.....

.....
23/03/2022

Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Report of the Independent Auditor
To The Members of Concorde Savings & Credit Society Ltd. (Regulated Non-Deposit Taking Sacco)
KIBIEGO KIPTUM & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA (CPA K)
P.O.BOX 42790-00100
NAIROBI

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF CONCORDE SACCO SOCIETY LTD

Opinion

We have audited the accompanying financial statements of The Concorde Sacco Society Limited, set out on pages 7 to 16 which comprise the statement of financial position as at 31st December 2021, 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 other explanatory notes.

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 2021 and of the results of its performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of opinion

We conducted our audit in accordance with 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' Code of Ethics for Professional Accountants (IESBA Code)**, and we have fulfilled our other ethical responsibilities in accordance with the **IESBA Code**. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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. We did not find any significant matter during the course of our audit.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors 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 directors either intends to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain 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 control.
- (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 our auditor's report. However, future events or conditions may cause the Group 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.

(vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

As required by the Sacco Societies Act No. 14 of 2008, we report to you that the financial statements are in agreement with the books of accounts 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 Sacco Societies Act.
- (ii) In accordance with Concorde Sacco Society's objectives, by-laws and any other resolutions made by the society members at a general meeting.

The engagement partner responsible for the audit resulting in this independent auditors report is CPA JOHN KIPTUM BARMAO – P/No 468


KIBIEGO KIPTUM & CO.
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA
P.O. BOX 82780 NAIROBI

CERTIFIED PUBLIC ACCOUNTANTS OF KENYA
NAIROBI

24/03/2022

Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Statement of Comprehensive Income for The Year Ended 31st December 2021

		2021	2020
REVENUE	Note	Kshs.	Kshs.
Interest on Loans	2(a)(i)	63,441,698	75,719,922
Other Interest Income	2(a)(ii)	4,285,259	6,052,396
		<u>67,726,957</u>	<u>81,772,318</u>
Interest Expense	11	(32,293,496)	(46,265,397)
Net Interest Income		<u>35,433,461</u>	<u>35,506,922</u>
Other Operating Income	2(b)	2,031,315	1,786,982
Net Revenue		<u>37,464,777</u>	<u>37,293,904</u>
EXPENDITURE			
Provision for Loans	3(a)	(11,029,383)	(6,718,399)
Administrative Expenses	3(b)	(6,430,205)	(6,310,635)
Personnel Costs	3(c)	(13,069,237)	(12,652,809)
Depreciation & Amortization	3(d)	(548,021)	(599,077)
Governance Expenses	3(e)	(2,120,857)	(855,377)
Financial Expenses (Bank Charges)	3(f)	(529,221)	(463,679)
		<u>(33,726,924)</u>	<u>(27,599,975)</u>
Net Surplus before Income Tax		<u>3,737,852</u>	<u>9,693,929</u>
Tax expense	13	(438,403)	(579,656)
Net Surplus after Tax		<u>3,299,449</u>	<u>9,114,273</u>
20% Transfer to Statutory Reserve	1(a)	(659,890)	(1,822,855)
Surplus for the year available for distribution		<u>2,639,560</u>	<u>7,291,419</u>
Provision for Dividends	10	(1,921,294)	(2,785,330)
Provision for Honorarium	10	-	(2,310,289)
Provision for Staff Bonus	10	-	(859,693)
		<u>-</u>	<u>(3,855,312)</u>
Surplus to Retained Earnings		<u>718,266</u>	<u>1,336,107</u>



Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Statement Of Financial Position as at 31st December 2021

		2021 Kshs.	2020 Kshs.
ASSETS			
	Note		
Cash and Cash Equivalents	4	11,268,796	60,440,207
Trade and Other Receivables	5	99,020,361	85,748,156
Prepayments & Sundry Receivables	6	1,418,919	1,086,239
Stock of T-Shirts	7	57,383	117,000
Other Financial Assets	8	19,260,942	27,656,402
Loans to Members	9(b)	411,417,389	511,839,852
Property, Plant & Equipment	1(b)	2,010,602	2,223,624
TOTAL ASSETS		544,454,392	689,111,480
LIABILITIES			
Members' Deposits	9(a)	426,253,957	550,864,203
Trade and Other Payables	10	25,118,289	24,185,256
Provision for Loans	9(c)	-	12,557,669
Interest on Members Deposits	11	32,293,497	46,265,397
Sundry Creditors	12	981,281	977,974
TOTAL LIABILITIES		484,647,024	634,850,499
SHAREHOLDERS' FUNDS			
Share Capital	1(a)	32,021,528	27,853,297
Reserves	1(a)	27,785,840	26,407,684
TOTAL SHAREHOLDERS' FUNDS		59,807,367	54,260,981
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		544,454,392	689,111,480

The financial statements on pages 6 to 13 were authorised for issue by the board of directors on 23/3/22

Chairperson.....

Secretary.....

Treasurer.....



Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Statement Of Changes In Equity For The Year Ended 31st December 2021

NOTE 1(a)

	SHARE CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	STATUTORY RESERVES	TOTAL EQUITY
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
As at 01.01.2020	26,940,149	3,193,151	10,900,334	8,847,429	49,881,064
Total Recognized Surplus	-	-	9,693,929	-	9,693,929
Provision for tax	-	-	(579,656)	-	(579,656)
Changes in Fair Value	-	307,808	-	-	307,808
Transfer to Statutory Reserve	-	-	(1,822,855)	1,822,855	-
Provision for Honorarium	-	-	(2,310,289)	-	(2,310,289)
Provision for staff bonus	-	-	(859,693)	-	(859,693)
Issue of Share Capital	913,148	-	-	-	913,148
Provision for Dividends	-	-	(2,785,330)	-	(2,785,330)
At the end of the Year 2020	27,853,297	3,500,959	12,236,441	10,670,284	54,260,981
As at 01.01.2021	27,853,297	3,500,959	12,236,441	10,670,284	54,260,981
Total Recognized Surplus	-	-	3,737,852	-	3,737,852
Provision for tax	-	-	(438,403)	-	(438,403)
Transfer to Statutory Reserve	-	-	(659,890)	659,890	-
Provision for Honorarium	-	-	-	-	-
Provision for staff bonus	-	-	-	-	-
Issue of Share Capital	4,168,231	-	-	-	4,168,231
Provision for Dividends	-	-	(1,921,294)	-	(1,921,294)
At the end of the Year 2021	32,021,528	3,500,959	12,954,707	11,330,174	59,807,367



Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Cash Flow Statement For The Year Ended 31st December 2021

		2021	2020
	NOTE	Kshs.	Kshs.
CASH FLOW FROM OPERATING ACTIVITIES			
Interest receipts	2(a)(i)	63,441,698	75,719,922
Other operating income	2(b)	2,031,315	1,786,982
Payment to Employees & Suppliers	16	(45,643,929)	(19,550,149)
Interest paid on Members Deposits	11	(46,265,397)	(50,460,351)
		<u>(26,436,313)</u>	<u>7,496,405</u>
Increase/Decrease in Operating Assets			
Loans to members	9(b)	100,422,464	72,090,151
Trade and Other Receivables	5	(13,272,205)	(29,554,637)
Prepayments & Sundry Receivables	6	(332,680)	336,556
Stock	7	59,617	58,400
		<u>86,877,196</u>	<u>42,930,469</u>
Increase /Decrease in Operating Liabilities			
Deposits from members	9(a)	(124,610,246)	(85,391,046)
Trade and Other Payables	10	(933,034)	8,242,193
Sundry creditors	12	(3,308)	87,716
Honorarium & Staff Bonus Paid	10	-	(3,169,982)
Tax Paid	13	(579,656)	-
		<u>(126,126,243)</u>	<u>(80,231,119)</u>
NET CASH FLOW FROM OPERATIONS		<u>(65,685,360)</u>	<u>(29,804,244)</u>
CASHFLOW FROM INVESTING ACTIVITIES			
Interest income	2(a)(ii)	4,285,259	6,052,396
Purchase of Property, Plant & Equipment	1(b)	(16,000)	(118,560)
Purchase of Intangible Asset	1(b)	(319,000)	-
Increase/Decrease in Investments	8	8,395,460	(2,253,143)
NET CASH FLOW FROM INVESTING ACTIVITIES		<u>12,345,720</u>	<u>3,680,693</u>
CASHFLOW FROM FINANCING ACTIVITIES			
Share Capital Contributions	1(a)	4,168,231	913,148
Capital Gain	1(a)	-	307,808
NET CASHFLOW FROM FINANCING ACTIVITIES		<u>4,168,231</u>	<u>1,220,956</u>
NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS		<u>(49,171,410)</u>	<u>(24,902,595)</u>
CASH & CASH EQUIVALENT BEGINNING OF THE YEAR		<u>60,440,207</u>	<u>85,342,802</u>
CASH & CASH EQUIVALENT AT THE END OF THE YEAR		<u>11,268,796</u>	<u>60,440,207</u>
CASH AT HAND AND BANK	4	<u>11,268,796</u>	<u>60,440,207</u>



Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Notes To The Audited Financial Statements

1. Summary of significant accounting policies

The principle accounting policies 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. Financial statements are presented in the functional, Kenya Shillings (Kshs) and prepared under historical cost convention as modified by revaluation of certain assets as prescribed by IFRSs.

b) Revenue recognition

Income was derived from interest from members loans and other operating income.

c) Statutory reserve

Transfers are made to the statutory reserve fund at the rate of 20% of the net operating surplus after tax provision of Section 47 (1&2) of the co-operative societies Act Cap 490.

d) Trade & other payables

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

e) Cash & cash equivalents

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

f) Depreciation

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

Office equipment	12.50%
Computer Hardware & software	30.00%
Micro wave	30.00%

NOTE 1(b)

PROPERTY, PLANT & EQUIPMENT

ASSET	OFFICE FURNITURE & EQUIPMENT	COMPUTERS & ACCESSORIES	INTANGIBLE ASSETS (SOFTWARE)	TOTAL
COST	Kshs.	Kshs.	Kshs.	Kshs.
As at 01.01.2020	3,028,005	2,147,549	3,225,136	8,400,690
Additions/(Disposals)	-	118,560		118,560
Balance as at 31.12.2020	3,028,005	2,266,109	3,225,136	11,744,386
As at 01.01.2021	3,028,005	2,266,109	3,225,136	8,519,250
Additions/(Disposals)	16,000		319,000	335,000
Balance as at 31.12.2021	3,044,005	2,266,109	3,544,136	8,854,250
ACCUMULATED DEPRECIATION				
As at 1.1.2020	1,612,389	1,460,371	2,623,790	5,696,550
Charge for the year	176,952	241,721	180,404	599,077
As at 31.12.2020	1,789,341	1,702,092	2,804,194	6,295,627
As at 1.1.2021	1,789,341	1,702,092	2,804,194	6,295,627
Charge for the year	156,833	169,205	221,983	548,021
As at 31.12.2021	1,946,174	1,871,297	3,026,177	6,843,648
NBV 31.12.2020	1,238,664	564,017	420,942	2,223,623
NBV 31.12.2021	1,097,831	394,812	517,960	2,010,602

Concorde Regulated Non-WDT-Sacco Society Ltd. CS/No. 3061
Annual Report and Financial Statements for the Year Ended 31st December 2021
Notes To The Audited Financial Statements

	2021	2020
	Kshs.	Kshs.
Note 2		
Note 2(a)(i) Interest on Loans	63,441,698	75,719,922
	<u>63,441,698</u>	<u>75,719,922</u>
2(a)(ii) Other Interest Income		
Interest from Special Deposits (Kuscco)	877,780	1,847,137
C.I.C. Investment	1,604,538	1,945,336
Britam CMS	1,778,875	2,961,648
SBM Holdings Ltd.	240,183	-
Withholding tax	(216,116)	(701,725)
	<u>4,285,259</u>	<u>6,052,396</u>
Note 2 (b)		
Other Operating Income		
Entrance Fees	100,600	86,100
MPESA Transactions Income	257,378	21,768
Sale of Sacco branded T-Shirts	17,200	7,600
Administration Fees from Loans Offset	573,737	451,807
Loans Processing Fees	474,539	547,858
Membership card fees	11,050	4,000
Withdrawal Income	114,369	253,883
Dividend Income (Kuscco)	54,050	-
Dividend Income (Co-op Bank)	285,263	288,559
Miscellaneous Income	143,130	125,407
	<u>2,031,315</u>	<u>1,786,982</u>
Note 3: Expenses		
(a) Provision for loans	11,029,383	6,718,399
	<u>11,029,383</u>	<u>6,718,399</u>
(b) Administrative Expenses		
Printing & Stationery	110,089	32,810
Telephone & Postage	189,557	177,794
Internet Services & Bulk SMS	248,640	276,125
Domain Renewal & Web Hosting	14,100	14,100
Office Expenses	408,500	530,617
Commutation Allowances	191,422	260,217
Office Rent & Services	2,601,698	2,696,823
Office Equipment Insurance	27,824	27,824
Annual Subscription	50,000	94,075
Bad Debts	53,916	-
Legal Fees	960,834	287,180
Consultancy Fees	740,600	-
Supervision Fees (SASRA)	50,000	-
Audit Fees	259,325	61,000
VAT on Audit Fees	41,492	-
Disbursements	8,690	-
Supervision Fees	-	24,805
Commissioner's Inquiry Costs	-	449,400
Members' Last Expense	50,000	150,000
Repairs & Maintenance	196,268	271,888
MFS Concorde flash charges	227,250	955,977
	<u>6,430,205</u>	<u>6,310,635</u>
(c) Personnel Costs		
Staff Salaries, House, Transport & Leave Allowance	10,425,225	10,390,316
Medical Insurance Cover for staff	2,099,853	1,474,889
NSSF	19,800	25,800
Pension	495,359	757,804
Staff Training & Other Personnel Costs	29,000	4,000
	<u>13,069,237</u>	<u>12,652,809</u>

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	2021 Kshs.	2020 Kshs.
Note 3: Continued		
(d) Depreciation & Amortization		
Intangible Asset (Computer Software) Amortized	244,089	211,985
Furniture & Equipment	156,833	176,952
Computers & Accessories	147,099	210,140
	548,021	599,077
(e) Governance Expenses		
SGM Expenses	188,465	-
Committee Sitting Allowance	983,620	314,668
Travelling & Subsistence Allowance	527,786	191,153
Strategic Plan Development	336,556	336,556
Marketing Expenses	84,430	13,000
	2,120,857	855,377
(f) Financial Expenses		
Bank Charges	529,221	463,679
	529,221	463,679
Note 4		
Cash and cash Equivalents		
Co-operative Bank Current Account	9,292,080	6,442,479
MPESA Paybill Account	1,952,206	2,488,438
Petty Cash	24,510	22,858
Kuscco Special Deposits	-	20,001,762
Britam Special Deposits	-	30,334,622
SBM (Kenya) Ltd.	-	1,150,048
	11,268,796	60,440,207
Note 5		
Trade and Other Receivables		
Employees Debtors	17,224	681,813
Chase Bank Ltd. (IR)FDR	2,701,313	2,701,313
Interest Receivable	88,968,602	74,883,816
Insurance Receivable	7,333,222	7,481,214
	99,020,361	85,748,156
Note 6		
Prepayments and Sundry Receivables		
Office Mobile (Post paid)	-	47,032
Strategic Plan Development (2017 - 2021)	-	336,556
Concorde Multipurpose Account	2,000	2,000
Rent Deposit	686,868	686,868
Office Telephone Deposit (Fixed Line)	10,784	10,784
Safe Deposit at the Bank	-	3,000
Staff Medical & Personal Accident Cover	719,267	-
	1,418,919	1,086,239
Note 7		
Stock of Corporate Shirts		
Trading Account		
Sale of T-Shirts	49,117	66,000
Opening Stock	117,000	
Add: Purchases	-	
Less: Obsolete Stock	(27,700)	
Less: Closing Stock	(57,383)	
Cost of Sales	31,917	58,400
Profit	17,200	7,600
Note 8		
Other Financial Assets		
Quoted 84,000 shares Co-operative Bank Ltd@11.80	991,200	991,200
Unquoted 225,288 shares with Co-op Holdings Society Ltd @ 7.10.	1,599,545	1,599,545
Unquoted 600,000 shares with CIC Ltd @3.5.	2,100,000	2,100,000
Unquoted Kuscco - 6465 shares @100.00	646,500	646,500
Unquoted CODIC Ltd - 20 shares @1000.00	20,000	20,000
CIC Unit Trust (Money Market)	13,903,695	22,299,157
	19,260,942	27,656,402

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Note 9:	2021	2020
Loans & Deposits		
	Kshs.	Kshs.
(a) Members' Deposits		
Movement		
At the Start of the Year	550,864,203	636,255,249
Contribution During the Year	56,897,533	58,490,727
Refunds During the Year	(181,507,779)	(143,881,774)
At the End of the Year	426,253,957	550,864,203
(b) Loans to Members		
Movement		
At the Start of the Year	511,839,852	596,487,702
Granted During the Year	179,086,691	153,735,869
Repayment During the Year	(255,922,103)	(225,826,050)
At the End of the Year	435,004,441	524,397,521
Provision for Loan Loss	(23,587,052)	(12,557,669)
Net Loans	411,417,389	511,839,852
(c) Movement of Provision for Loan Loss		
At the Start of the Year	12,557,669	5,839,270
Provision for the Year	11,029,383	6,718,399
At the End of the Year	23,587,052	12,557,669
(d) Classification of Loan Loss	Amount	Provision Required
Performing loans(0 days) 1%	207,669,269	2,076,693
Watch(1-30 days) 5%	22,713,768	1,135,688
Substandard (31-180 days) 25%	21,557,076	5,389,269
Doubtful (181-360days) 50%	58,397,430	29,198,715
Loss (361 days and above) 100%	124,666,928	124,666,928
Total loans	435,004,471	162,467,293
(e) Share Capital Movement		
At the Start of the Year	27,853,297	26,940,149
Contribution During the Year	4,168,231	913,148
At the End of the Year	32,021,528	27,853,297
Note 10:		
Trade and Other Payables		
Accrued Audit Fees	4,510	61,000
Accrued Audit Fees, W/Tax & Disbursements 2021	309,507	24,805
Accrued Withholding Tax	-	491,100
Provision for Honorarium (2021)	-	2,310,289
Provision for staff Bonus (2021)	-	859,693
Honorarium not paid (2019 & 2020)	4,523,011	2,212,722
Staff Bonus not paid (2019 & 2020)	1,719,386	859,693
Proposed Dividends	1,921,294	2,785,330
Junior Savings Scheme	837,825	1,034,895
Withdrawable Deposits	6,850	48,350
Sacco Insurance Fund	12,164,263	10,132,005
Microfinance Deposits	-	34,100
Interest On Deposits/Dividends Payable	962,622	252,436
Accrued Staff Salaries	-	412,267
Jubilee Insurance (Unpaid Medical Insurance Premium)	1,474,889	1,474,889
Executive Rentals	-	2,500
Charleston Travel	-	17,991
Ride On Agencies Ltd.	-	990
Withholding Tax Payable	438,403	579,656
Accrued Committee Sitting Allowance	-	505,821
Corporate Image & Social Responsibility	70,713	80,214
Members' Funds held in E-Wallet Account	128,974	-
Lanstar Technologies (Mobile Banking Solution)	319,000	-
Accrued Staff Pension (December 2021)	42,662	-
Accrued NSSF (December 2021)	2,000	-
Accrued NHIF (December 2021)	13,950	-
Accrued PAYE (December 2021)	178,429	-
	25,118,289	24,180,746

NOTE:

The Society did not undertake a CSR activity in the year 2021.

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Note 11: Interest on Members' Deposits	2021	2020
	Kshs.	Kshs.
Balance b/f	46,265,397	50,460,351
Paid during the Year	(46,265,397)	(50,460,351)
Provision for the Year	32,293,496	46,265,397
Balance c/f	<u>32,293,497</u>	<u>46,265,397</u>

The Board of Directors proposes to pay interest on members deposits at the rate of 6.9 % subject to AGM Approval.

Note 12: Other Creditors
Sundry Creditors

981,281	968,374
<u>981,281</u>	<u>977,974</u>

Note 13: Taxation

Gross Dividends - Co-op Bank shares	300,277	303,778
Gross Interest from Special Deposits (Kuscco)	877,780	1,716,521
Gross C.I.C. Investment	1,604,538	1,945,336
Gross Interest from SBM Ltd.	240,183	-
	<u>3,022,777</u>	<u>3,965,635</u>
Tax (30%X50% of Gross)	453,417	594,845
Less: W/Tax deducted	(15,014)	(15,189)
W/Tax Liability	<u>438,403</u>	<u>579,656</u>

Note 14: Movement of the Sacco Insurance Fund

At the Start of the Year	10,132,005	5,705,349
Paid during the Year	5,731,716	4,781,873
Insurance Premium Paid	(3,699,458)	-
EFT Write off	-	(355,217)
At the End of the Year	<u>12,164,263</u>	<u>10,132,005</u>



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Notes To The Audited Financial Statements

Note 15: Related Party Transactions	2021	2020
Management Committee Loans	17,210,980	12,590,436
Supervisory Committee Loans	2,838,316	3,126,568
Staff Loans	4,504,624	5,486,707
Total Insider Lending	24,553,920	21,203,711

Note 16: Payments to Employees & Suppliers (Notes 3(a) to 3(f))

Total Expenditure	(33,726,924)	(27,599,975)
Committee Sitting Allowance (FY 2020 Paid in FY 2021)	(505,821)	-
Staff NSSF (December FY 2020 Paid in FY 2021)	(2,000)	-
Less: Non-Cash Items		
Accrued Audit Fees	309,507	320,083
Provision for Bad debts	(12,557,669)	6,718,399
Depreciation	548,021	599,077
Bad Debts	53,916	-
Staff Pension (December 2021)	42,662	-
Staff NSSF (December 2021)	2,000	-
NHIF (December 2021)	13,950	-
Pay As You Earn (PAYE December 2021)	178,429	-
Accrued Staff Salaries	-	412,267
	(45,643,929)	(19,550,149)