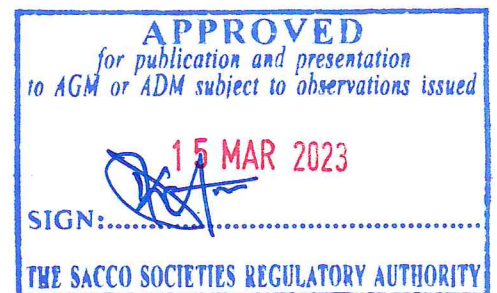


**CONCORDE REGULATED NON-WDT SACCO
SOCIETY LTD. CS/NO.3061**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER 2022**



CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD. CS/NO.3061

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

CONTENTS	PAGE
Society Information	1
Report of the Board of Directors	2
Statistical Information	3
Statement of Board Responsibilities	4
Report of the Independent Auditor	5 – 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Financial Statements	13 - 21

**CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD. CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

SOCIETY INFORMATION

BOARD OF DIRECTORS

Duke Mayaka	Chairperson
Janette Rubadiri	Vice Chairperson
Fredrick Nambuya	Hon. Secretary
Agnes Wairimu	Treasurer
Florence Ombewa	Board Member
Catherine Mugambi	Board Member
Remick Muga	Board Member
Charles Karinga	Board Member
Joel Orototo	Board Member

SUPERVISORY COMMITTEE

Jane G.W. Waitegi - Ngugi	Chairperson
Patricia Mutunga	Secretary
Rugaiya Ebrahim	Member

REGISTERED OFFICE

3rd Floor, Centenary House
Westlands,
NAIROBI

PRINCIPAL BANKERS

Co-operative Bank of Kenya Ltd.
Westlands Branch,
NAIROBI

AUDITORS

Henry Smith & Wilson,
Certified Public Accountants (K),
Kalsion Towers, 6th Floor,
P.O. Box 9937-00100,
NAIROBI

**CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD. CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

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 2022.

INCORPORATION

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

PRINCIPAL ACTIVITY

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


RESULTS	2022	2021
	Kshs.	Kshs.
Surplus before Tax	4,738,981	3,737,852
Net Surplus after Tax	4,450,075	3,299,449
Retained surplus for the Year	96,459	718,266
Interest on Members' Deposits	21,327,362	32,293,496

The Board of Directors recommends interest on members' deposits to be paid at the rate of 6.1% (2021 6.9%)

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/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

STATISTICAL INFORMATION

	2022	2021
Membership:		
Active	933	843
Dormant	230	617
Total	1,163	1,460

Employees:

Female	2	3
Male	8	7
Total	10	10

FINANCIALS

	Kshs.	Kshs.
Total Assets	497,828,670	544,454,392
Total Liabilities	435,114,498	484,647,024
Current Liabilities	43,190,472	81,980,148
Liquid Assets	64,561,526	34,724,577
Current Assets	162,438,520	131,026,401
Loans to Members	333,389,092	411,417,389
Members' Deposits	391,924,026	426,253,957
Core Capital	62,714,172	59,807,367
Share Capital	33,877,303	32,021,528
Institutional Capital	28,836,869	27,785,839
Interest On Members' Deposits	21,327,362	32,293,496
Total Revenue	58,044,720	69,758,273
Total Expenses	31,978,378	33,726,924

KEY RATIOS:

	SASRA STANDARDS		
Capital Adequacy Ratios			
Core Capital/Total Assets	8%	12.60%	10.98%
Core Capital/Total Deposits	5%	16.00%	14.03%
Retained Earnings & Disclosed Reserves/Core Capital	50%	45.98%	46.46%

Liquidity Ratio

Liquid Assets/Total Deposits & Current Liabilities	10%	14.84%	7.16%
--	-----	--------	-------

EFFICIENCY RATIOS

Expenses to Revenue		55.09%	48.35%
Interest on Members' Deposits to Revenue		36.74%	58.00%
Interest Rate on Member Deposits		6.25%	6.90%
Interest Rate on Share Capital		3.45%	5.00%
Total NPL/Gross Loan Portfolio	5%	25.47%	37.35%

BOARD & SUPERVISORY COMMITTEE SITTING ALLOWANCES PAID IN THE YEAR 2022			
	NAME	POSITION	Kshs.
1	Duke Mayaka	Board Chair	244,861
2	Janette Rubadiri	Vice Chair	197,152
3	Agnes Wairimu	Treasurer	174,583
4	Fredrick Nambuya	Hon. Secretary	112,935
5	Remick Muga	Chair - Credit	462,472
6	Florence Ombewa	Member - Credit	321,480
7	Charles Karinga	Secretary - F&A	102,530
8	Joel Oroti	Member - Education	100,762
9	Catherine Mugambi	Member - Credit	130,830
10	Jayne Ngugi	Chair - Supervisory	59,497
11	Patricia Mutunga	Secretary - Supervisory	44,641
12	Rugaiya Ebrahim	Member, Supervisory	37,123
13	Patricia Onsando	(Retired May 2022)	87,852
TOTAL			2,076,718

CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD. CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022


STATEMENT OF BAORD 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 Internantional 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:

Chairman 

Hon Secretary 

Treasurer 

Date 11th March 2022

REPORT OF THE INDEPENDENT AUDITOR TO MEMBERS OF CONCORDE NON WDT SACCO SOCIETY LIMITED CS/3061 FOR THE YEAR ENDED 31 DECEMBER 2022

Auditors Report on the Financial Statements

We have audited the accompanying Financial Statements set out on pages 10 to 29 of Concorde Non - WDT Sacco Society Limited that comprise

- i.* the Statement of Financial Position as at 31 December 2022;
- ii.* the Statement of Comprehensive Income;
- iii.* Statement of Changes in Equity;
- iv.* Statement of Cash Flows for the year then ended; and
- v.* A summary of significant accounting policies and other explanatory information.

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.

Opinion

In Our Opinion the financial statements give a true and fair view of the state of financial affairs of the Sacco as at 31st December 2022 and of its financial performance and its cash flows for the year then ended in accordance with international financial Reporting Standards (IFRSs) and the requirements of Sacco Society Act No 14 of 2008.

Basis for Opinion

We conducted our audit in accordance with the international standards on auditing (ISA's). Our responsibility under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 financial statements as a whole, and in addition to the opinion we have determined the matters described below to be key matters to be communicated in our report.

Kalson Towers, 6th Floor,
The Crescent (Off Parklands Rd.)
Opposite M.P. Shah Hospital
P.O. Box 9937-00100
Nairobi, Kenya.
Tel: +254 (20) 2104874
+254 743 758 686
+254 735 240 888
Email: info@henrysmithwilson.co.ke
Website: www.henrysmithwilson.co.ke

SERVICES:

- Auditing
- Accountancy
- Taxation
- Consultancy & Business Advising
- Training & Development

PARTNERS:

- CPA. S.K. Ndegwa (Managing)
- CPA. W.M. Mutero
- CPA. P.M. Njathi
- CPA. S. Muturi
- CPA. P.T. Ndegwa

Key Audit Matter	How Our Audit Addressed Key Audit Matter
<p>Non-performing loans</p> <p>The Society's has continued to experience substantial non-performing loans with loans outstanding balances amounting to Kshs 75.9 million being in arrears for over 365 Days. This balances are most likely not going to be recovered. This has necessitated the recognition for expected loss by way of provision for loan loss allowance. The Society has recognized a provision of Kshs 6.4 million in the current year and has recognized 30 million cumulatively. This has caused reduction in the surpluses that would otherwise have been available for distribution to members.</p>	<p>We engaged the management on the matter and the management confirmed the challenge of non-performing loans and they informed of the challenge that faced most of the members who are derived mostly from airline companies and that they were seriously affected by the disruption brought about by the Covid. The management is actively following up on the members to recover the amount in arrears. In the event the members are not able to honour their obligation(s) then the management will be forced to recover the amounts from guarantors.</p>
<p>Information Technology (IT) System</p> <p>The Sacco relies heavily on IT for the capture, processing and financial reporting. The interest on loans is also done automatically by the software. The accuracy and completeness of interest income is an inherent risk in the sector due to processing of large volumes of transactions with a combination of several loan products and complete IT systems</p>	<p>We evaluated the relevant IT system and the design of controls, and tested the operational effectiveness of controls over the;</p> <ul style="list-style-type: none"> - Capture and recording of loan transactions and rates. - Approvals, authorization of rates and interest. - Using data extracted from the Society's accounting system, we verified the completeness and accuracy of a sample of interest charges.
<p><i>Based on our work we noted no significant issues in accuracy of interest recorded in the year.</i></p>	

Other Information

The directors are responsible for the other information. The other information comprise the director's reports and other statements included within the annual report (but does not include our report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated if, based on the work we have performed we conclude there is a material misstatement of this information. We are required to report that we have nothing to report on this regard.

Responsibilities of the Directors and those Charged with Governance.

As explained more fully in the statement of director's responsibilities on page 3, the directors are responsible for the preparation of the Financial Statements and for being satisfied that

they give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Kenyan SACCO Societies Act.

In preparing the financial statements the directors are responsible for assessing the society's ability to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the society or to cease operations or has no realistic alternative but to do so.

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

The responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that included our opinion. Reasonable assurance is a high level assurance, but not a guarantee that an audit conducted in accordance with ISA's 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 ISA's, we exercise professional judgment and maintain professional skepticism 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 to 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 controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(iii) Conclude the appropriateness of management's use of 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 disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

(iv) Evaluate the overall preparation, 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 preparation.

(v) Obtain sufficient appropriate audit evidence regarding the financial information of the

entity or business within the Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Society's audit

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant, 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 relationship and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From matters communicated with those charged with governance, we determine those matters that were most significant in the audit of the financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless the law or regulation precludes public disclosures 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. There wasn't any matter in this case.

Report on other Legal Requirements

As required by the Sacco Societies Act No 14 of 2008 and the Co-operative societies Act CAP 490, we report to you that based on our audit;

- i.* We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii.* In our opinion, the Society has maintained proper books of accounts, so far as appears from our examination of those books;
- iii.* The Society's Statements of Financial Position and Comprehensive Income are in agreement with the books of account;
- iv.* Nothing has come to our attention that causes us to believe that the business has not been conducted in accordance with the provisions of the Co-operative Societies Act.

The engagement partner responsible for the audit resulting in this independent auditors' report was CPA. Wilson Mutero Practicing License No P/1442.

Henry Smith & Wilson

.....
Certified Public Accountants
Nairobi

10th March 2023

HENRY SMITH & WILSON
CPA (K)
P. O. Box 9937 - 00100
NAIROBI

CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD. CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

STATEMENT OF COMPREHENSIVE INCOME

		2022	2021
REVENUE	NOTE	Kshs.	Kshs.
Interest on Loans	2(a)(i)	54,425,887	63,441,698
Other Interest Income	2(a)(ii)	1,731,035	4,285,259
		56,156,921	67,726,957
Interest Expense	11	(21,327,362)	(32,293,496)
Net Interest Income		34,829,560	35,433,461
Other Operating Income	2(b)	1,887,799	2,031,315
Net Revenue		36,717,358	37,464,777
EXPENDITURE			
Provision for Loans	3(a)	(6,480,165)	(11,029,383)
Administrative Expenses	3(b)	(5,651,540)	(6,430,205)
Personnel Costs	3(c)	(14,600,341)	(13,069,237)
Depreciation & Amortization	3(d)	(542,014)	(548,021)
Governance Expenses	3(e)	(4,121,661)	(2,120,857)
Financial Expenses (Bank Charges)	3(f)	(582,656)	(529,221)
		(31,978,378)	(33,726,924)
Net Surplus before Income Tax		4,738,981	3,737,852
Tax expense		(288,906)	(438,403)
Net Surplus after Tax		4,450,075	3,299,449
20% Transfer to Statutory Reserve		(890,015)	(659,890)
Surplus for the year available for distribution		3,560,060	2,639,560
Provision for Dividends	10	(1,168,767)	(1,921,294)
Provision for Honorarium	10	(1,454,909)	-
Provision for Staff Bonus	10	(839,925)	-
Surplus to Retained Earnings		96,459	718,266

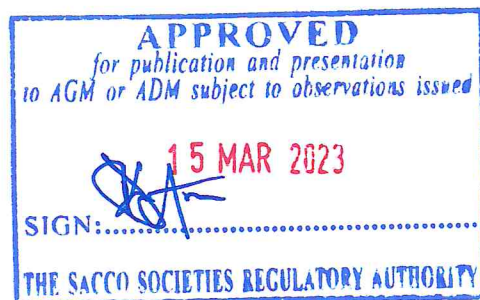
CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD. CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

ASSETS	NOTE	2022	2021
		Kshs.	Kshs.
Cash and Cash Equivalents	4	54,623,174	25,172,490
Trade and Other Receivables	5	100,583,244	99,020,361
Prepayments & Sundry Receivables	6	1,786,716	1,418,919
Stock of T-Shirts	7	23,584	57,383
Other Financial Assets	8	5,421,801	5,357,247
Loans to Members	9(b)	333,389,092	411,417,389
Property, Plant & Equipment	1(b)	2,001,059	2,010,602
TOTAL ASSETS		497,828,670	544,454,392
LIABILITIES			
Members' Deposits	9(a)	391,924,026	426,253,957
Trade and Other Payables	10	20,962,829	25,118,289
Interest on Members Deposits	11	21,327,362	32,293,496
Other Creditors	12	900,281	981,281
TOTAL LIABILITIES		435,114,498	484,647,024
SHAREHOLDERS' FUNDS			
Share Capital	1(a)	33,877,303	32,021,528
Reserves	1(a)	28,836,869	27,785,840
TOTAL SHAREHOLDERS' FUNDS		62,714,172	59,807,368
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		497,828,670	544,454,392

The financial statements on pages 6 to 13 were authorised for issue by the board of directors on:

Date..... 11th March 2023
Chairman..... 
Secretary..... 
Treasurer..... 



CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD CS/3061
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2022

NOTE 1(a)

	SHARE CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	STATUTORY RESERVES	TOTAL EQUITY
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
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)
Changes in Fair Value	-	-	-	-	-
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	12,954,706	11,330,174	59,807,367
As at 01.01.2022	32,021,528	3,500,959	12,954,706	11,330,174	59,807,367
Total Recognized Surplus	-	-	4,738,981	-	4,738,981
Provision for tax	-	-	(288,906)	-	(288,906)
Changes in Fair Value	-	64,556	-	-	64,556
Transfer to Statutory Reserve	-	-	(890,015)	890,015	-
Provision for Honorarium	-	-	(1,454,909)	-	(1,454,909)
Provision for staff bonus	-	-	(839,925)	-	(839,925)
Issue of Share Capital	1,855,775	-	-	-	1,855,775
Provision for Dividends	-	-	(1,168,767)	-	(1,168,767)
At the end of the Year 2022	33,877,303	3,565,515	13,051,165	12,220,189	62,714,172

CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022

		2022	2021
	NOTE	Kshs.	Kshs.
CASH FLOW FROM OPERATING ACTIVITIES			
Interest receipts	2(a)(i)	54,425,887	63,441,698
Other operating income	2(b)	1,887,799	2,031,315
Payment to Employees & Suppliers	16	(42,996,834)	(45,643,929)
Interest paid on Members Deposits	11	(32,293,496)	(46,265,397)
		(18,976,645)	(26,436,313)
Increase /Decrease in Operating Assets			
Loans to members	9(b)	78,028,297	100,422,464
Trade and Other Receivables	5	(1,562,883)	(13,272,205)
Prepayments & Sundry Receivables	6	(367,797)	(332,680)
Stock	7	33,799	59,617
		76,131,416	86,877,196
Increase /Decrease in Operating Liabilities			
Deposits from members	9(a)	(34,329,931)	(124,610,246)
Trade and Other Payables	10	4,155,461	(933,034)
Sundry creditors	12	(81,000)	(3,308)
Tax Paid		(438,403)	(579,656)
		(30,693,873)	(126,126,244)
NET CASH FLOW FROM OPERATIONS		26,460,899	(65,685,361)
CASHFLOW FROM INVESTING ACTIVITIES			
Interest income	2(a)(ii)	1,731,035	4,285,259
Purchase of equipments	1(b)	(532,470)	(335,000)
Increase/Decrease in Investments	8	(64,554)	22,299,153
NET CASH FLOW FROM INVESTING ACTIVITIES		1,134,011	26,249,412
CASHFLOW FROM FINANCING ACTIVITIES			
Share Capital Contributions	1(a)	1,855,775	4,168,231
NET CASHFLOW FROM FINANCING ACTIVITIES		1,855,775	4,168,231
NET INCREASE/DECREASE IN CASH &CASH EQUIVALENTS		29,450,685	(35,267,718)
CASH & CASH EQUIVALENT BEGINNING OF THE YEAR		25,172,490	60,440,207
REPRESENTED BY			
CASH & CASH EQUIVALENT AT THE END OF THE YEAR		54,623,174	25,172,490

NOTES TO THE FINANCIAL STATEMENTS

1 A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are reported in Kenya Shillings.

b) Basis of preparation

The financial statements are prepared under the historical cost basis of accounting except as specified under fair value measurement in accordance with applicable IFRS.

Income recognition

Interest on loans to members is calculated on a reducing balance method. Interest income is recognized on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

- i. Interest on loans is recognized when received.
- ii. Interest on bank deposits is recognized when received.
- iii. Investment income is recognized in the period it is earned.
- iv. Other income is recognized when received.

c) Property, plant and equipment

Property and equipment are initially recorded at cost. All items of property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these assets. Costs incurred in the process of acquiring or constructing an item of property and equipment are recognized as capital work in progress. Once acquisition or construction is complete and the item is ready for use, the carrying amount is transferred to the relevant property and equipment category. Depreciation commences when the item of property or equipment is put into use.

Depreciation is calculated using the reducing balance method so as 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 and accessories	30.00%
Fixtures and fittings	12.50%
Furniture & equipment	12.50%

d) Intangible assets

The costs incurred to acquire and bring to use specific computer software licenses are capitalized. The costs are amortized on a straight line basis over the useful lives, from the date it is available for use, not exceeding five years. Costs associated with maintaining the software are recognized as an expense as incurred while major software upgrades are capitalized.

Amortization is charged on the assets on a straight line basis to allocate the cost of each to its residual value over their estimated useful lives. The amortization rate is based on the estimated useful lives of the assets.

e) Financial instruments

Financial assets and liabilities are initially recognized on the Sacco's balance sheet at cost using settlement date accounting, when the Sacco has become a party to the contractual provisions of the instrument.

f) Held to maturity investments

Financial assets with fixed or determinable payments and fixed maturity where the Sacco has the positive intent and ability to hold other than staff loans and other receivables originated by the Sacco are measured as amortized cost.

NOTES TO THE FINANCIAL STATEMENTS

(g) Financial assets at fair value through the profit and loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains and losses arising from changes in fair value are recognized in the income statement.

(h) Available-for-sale financial assets

Financial assets that are not (a) loans and receivables originated from the Sacco, (b) held to maturity investments, or (c) financial assets held for trading are measured at their fair values, gains and losses arising from changes in their value are recognized in equity.

(i) Impairment and un-collectability of financial assets

At each balance sheet date, all financial assets are subject to review for impairment. In the instance that the Sacco will not be able to collect all amounts due (principal and interest) according to the contractual terms of the staff loans, other receivables, or held to maturity investments carried at amortized cost an impairment or bad loss has occurred. The carrying amount of the asset is reduced to its estimated recoverable amount either directly or through use of an allowance account. The amount of loss incurred is included in the income statement for the period.

(j) Financial liabilities

After initial recognition, the Sacco measures all financial liabilities other than liabilities held for, trading at amortized cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

(k) Taxation

Taxation is provided for at the rate of 30% on net surplus after adjusting for non-allowable expenses under the Income tax Act.

(l) Operating leases

Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease. Any payment required to be made to the lessor by way of penalty for termination of the lease before expiry of the lease period is recognized in the period in which the termination takes place.

B. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING THE SACCO'S POLICIES

In the process of applying the Sacco's accounting policies, the Board of Directors is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

Key sources of estimation uncertainty

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the balance sheet date that has a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year:

Property, equipment and intangible assets

Critical estimates are made by the Board of Directors in determining depreciation and amortization rates of property equipment and intangible assets.

Impairment

At each balance sheet date, the Sacco reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Sacco estimates the recoverable amount of the cash generating unit to which the asset belongs.

C. FINANCIAL RISK MANAGEMENT

The Board of Directors monitors and manages financial risk relating to the operations of the Sacco funds. These risks include market risk (including interest and price risks), credit risk and liquidity risk.

Market risk

- **Foreign exchange risk**
The Sacco is not faced with significant foreign exchange risk.
- **Price risk**

The Sacco does not hold investments that would be subject to price risk: hence this risk is not relevant.

Credit risk

The society is exposed to the risk that some members may not repay loans when due and in full. Exposure to credit risk is managed by among others:

- Ensuring that granting of loans is completely vetted by the credit Board
- No member is granted loans exceeding three time the shares/deposits held, and/or amounts stipulated in the bye-laws
- All loans advanced are co-guaranteed by members
- An insurance policy cover is established against deceased members loan balances
- Members of the sponsoring employee who change employment are promptly followed up

Unearned interest income risk

The society is exposed to the risk that unearned interest income may be accrued but not received. Exposure to unearned interest income is managed by only recognizing the interest income received.

Interest risk

The society is not exposed to interest risk since the interest rate on loans is standardized at 1% per month.

Liquidity risk

The society is exposed to the risk that it may have difficulties in meeting members' loan obligations. Liquidity risk is addressed through:

- The society has an aggressive policy of increasing members' deposits.
- The society does not invest members' shares/deposits savings in fixed properties.
- Approval of loans is subject to availability of funds as indicated in the cash flow report.

Comparatives/Presentation

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES TO THE 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 IFRS.

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 as per 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 01.01.2021	3,028,005	2,214,527	3,276,719	8,519,251
Additions/(Disposals)	16,000	-	319,000	335,000
Balance as at 31.12.2021	3,044,005	2,214,527	3,595,719	8,854,251
As at 01.01.2022	3,044,005	2,214,527	3,595,719	8,854,251
Additions/(Disposals)	164,500	367,970	-	532,470
Balance as at 31.12.2022	3,208,505	2,582,497	3,595,719	9,386,721
ACCUMULATED DEPRECIATION				
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
As at 1.1.2022	1,946,174	1,871,297	3,026,177	6,843,648
Charge for the year	157,791	213,360	170,863	542,014
As at 31.12.2022	2,103,965	2,084,657	3,197,040	7,385,662
NBV 31.12.2021	1,097,831	343,230	569,542	2,010,603
NBV 31.12.2022	1,104,540	497,840	398,679	2,001,059

CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
Note 2(a)	Kshs.	Kshs.
(i) Interest On Loans	54,425,887	63,441,698
(ii) Other Interest Income		
Interest from Special Deposits (Kuscco)	-	877,780
C.I.C. Investment	1,731,035	1,604,538
Britam CMS	-	1,778,875
SBM Holdings Ltd.	-	240,183
Withholding tax	-	(216,116)
	1,731,035	4,285,259
Note 2 (b)		
Other Operating Income		
Entrance Fees	166,750	100,600
MPESA Transactions Income	219,264	257,378
Sale of Sacco branded T-Shirts	1,200	17,200
Administration Fees from Loans Offset	439,321	573,737
Loans Processing Fees	497,135	474,539
Membership card fees	34,300	11,050
Withdrawal Income	52,149	114,369
Dividend Income (Kuscco)	24,568	54,050
Dividend Income (Co-op Bank)	277,879	285,263
Miscellaneous Income	175,233	143,130
	1,887,799	2,031,315
Note 3: Expenses		
(a) Provision for loan loss	6,480,165	11,029,383
	6,480,165	11,029,383
(b) Administrative Expenses		
Printing & Stationery	246,339	110,089
Telephone & Postage	271,367	189,557
Internet Services & Bulk SMS	230,790	248,640
Domain Renewal & Web Hosting	-	14,100
Office Expenses	521,533	408,500
Commutation Allowances	409,290	191,422
Office Rent & Services	2,717,832	2,601,698
Office Equipment Insurance	27,824	27,824
Annual Subscription	61,200	50,000
Bad Debts	-	53,916
Legal Fees	452,033	960,834
Consultancy Fees	150,001	740,600
Supervision Fees (SASRA)	30,000	50,000
Audit Fees	150,000	300,817
Disbursements	20,000	8,690
Members' Last Expense	200,000	50,000
Repairs & Maintenance	163,330	196,268
MFS Concorde flash charges	-	227,250
	5,651,540	6,430,205
(c) Personnel Costs		
Staff Salaries, House, Transport & Leave Allowances	11,258,171	10,425,225
Medical Insurance Cover for staff	2,412,891	2,099,853
NSSF	26,000	19,800
Pension	751,698	495,359
Staff Training & Other Personnel Costs	30,400	29,000
NITA Levy	500	-
Interns' Wages	120,681	-
	14,600,341	13,069,237

CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

Note 3: Continued	2022	2021
	Kshs.	Kshs.
(d) Depreciation & Amortization		
Intangible Asset (Computer Software) Amortized	170,863	244,089
Furniture & Equipment	157,791	156,833
Computers & Accessories	213,360	147,099
	<u>542,014</u>	<u>548,021</u>
(e) Governance Expenses		
SGM Expenses	-	188,465
AGM Expenses	562,940	-
Education to Members	466,850	-
Committee Sitting Allowance	1,953,482	983,620
Nomination Committee Sitting Allowance	10,000	-
Travelling & Subsistence Allowance	453,771	527,786
Strategic Plan Development	130,611	336,556
Marketing Expenses	377,580	84,430
Corporate Social Responsibility	150,927	-
Education to Committee	15,500	-
	<u>4,121,661</u>	<u>2,120,857</u>
(f) Financial Expenses		
Bank Charges	582,656	529,221
	<u>582,656</u>	<u>529,221</u>
Note 4		
Cash and cash Equivalents		
Co-operative Bank Current Account	6,675,688	9,292,080
MPESA Paybill Account	5,308,550	1,952,206
Petty Cash	4,206	24,509
CIC Unit Trust	42,634,730	13,903,695
	<u>54,623,174</u>	<u>25,172,491</u>
Note 5		
Trade and Other Receivables		
Employees Debtors	-	17,224
Chase Bank Ltd. (IR)FDR	2,701,313	2,701,313
Interest Receivable	90,735,959	88,968,602
Insurance Receivable	7,141,035	7,333,222
Sundry Debtors (Codic Ltd. - Unclaimed Dividends)	4,937	-
	<u>100,583,244</u>	<u>99,020,361</u>
Note 6		
Prepayments and Sundry Receivables		
Strategic Plan Development (2022 - 2026)	372,389	-
Concorde Multipurpose Account	-	2,000
Rent Deposit	686,868	686,868
Office Telephone Deposit (Fixed Line)	10,784	10,784
Staff Medical & Personal Accident Cover	716,675	719,267
	<u>1,786,716</u>	<u>1,418,919</u>
Note 7		
Stock of Corporate Shirts		
Trading Account		
Sale of T-Shirts	34,999	49,117
Opening Stock	57,383	117,000
Add: Purchases	-	-
Less: Obsolete Stock	-	(27,700)
Less: Closing Stock	(23,584)	(57,383)
Cost of Sales	<u>33,799</u>	<u>31,917</u>
Profit	<u>1,200</u>	<u>17,200</u>
Note 8		
Other Financial Assets		
225,288 shares with Co-op Holdings Society Ltd @ 7.10	1,622,074	1,599,545
84,000 shares Co-operative Bank Ltd@11.80	1,033,200	991,200
600,000 shares with CIC Ltd @3.5.	2,100,000	2,100,000
Kuscco - 6,465 shares @100.00	646,527	646,500
CODIC Ltd - 20 shares @1000.00	20,000	20,000
	<u>5,421,801</u>	<u>5,357,246</u>

CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

Note 9:

Loans & Deposits	2022	2021
	Kshs.	Kshs.
(a) Movement of Members' Deposits		
At the Start of the Year	426,253,957	550,864,203
Contribution During the Year	76,113,525	56,897,533
Refunds During the Year	(110,443,456)	(181,507,779)
At the End of the Year	391,924,026	426,253,957
(b) Movement of Loans to Members		
At the Start of the Year	411,417,389	511,839,852
Granted During the Year	194,063,841	179,086,691
Repayment During the Year	(242,024,891)	(255,922,103)
At the End of the Year	363,456,339	435,004,441
Accumulated Provision For Loan Loss	(30,067,247)	(23,587,052)
	333,389,092	411,417,389
(c) Movement of Provision for Loan Loss		
At the Start of the Year	23,587,082	12,557,699
Provision for the Year	6,480,165	11,029,383
At the End of the Year	30,067,247	23,587,082
(d) Classification of Loan Loss	Amount	Required Provision
Performing (0 days) - 1% - 1,013 Accounts	250,606,130	2,506,061
Watch (1 - 30 days) - 5% - 57 Accounts	5,134,588	256,729
Substandard (31 - 180 days) - 25% - 70 Accounts	8,068,461	2,017,115
Doubtful (181 - 360 days) - 50% - 91 Accounts	23,712,522	11,856,261
Loss (361 days and above) - 100% 141 Accounts	75,934,637	75,934,637
	363,456,339	92,570,804

The Society has made a total provision of Kshs.30,067,247 (Kshs.23,587,082 in 2022) against the required provision of Kshs. 92,570,804 (Kshs.162,467,273 in 2022). The Society expects to attain full provision in the year 2024.

(e) Share Capital Movement		
At the Start of the Year	32,021,528	27,853,297
Contribution During the Year	1,855,776	4,168,231
At the End of the Year	33,877,304	32,021,528

Note 10:

Trade and Other Payables

Accrued Audit Fees	-	4,510
Accrued Audit Fees, W/Tax & Disbursements	170,000	309,507
Provision for Honorarium	1,454,909	-
Provision for staff Bonus	839,925	-
Honorarium not Paid 2019 & 2020	-	4,523,011
Staff Bonus not Paid 2019 & 2020	-	1,719,386
Proposed Dividends	1,168,767	1,921,294
Junior Savings Scheme	948,611	837,825
Withdrawable Deposits	59,850	6,850
Sacco Insurance Fund	12,967,658	12,164,263
Interest On Deposits/Dividends Payable	938,684	962,622
Unpaid Medical Insurance Premium FY 2020	1,474,889	1,474,889
Withholding Tax Payable	288,906	438,403
Accrued Committee Sitting Allowance	118,348	-
CSR	504	-
Corporate Image & Social Responsibility	-	70,713
Members' Funds held in E-Wallet Account	167,820	128,974
Lanstar Technologies (Mobile Banking Solution)	-	319,000
Accrued Staff Pension	-	42,662
Accrued Telephone Bill December 2022	4,310	-
Accrued NSSF (Employer)	2,000	-
Accrued NSSF (Employee)	2,000	2,000
Accrued NHIF (December 2022)	14,300	13,950
Accrued PAYE (December 2022)	168,621	178,429
Novelty Experiential Consultants Ltd.	134,915	-
Bries Ltd.	37,813	-
	20,962,829	25,118,289

NOTE:

The Society undertook 3 CSR activities in the year 2022.

CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	Kshs.	Kshs.
Note 11: Interest on Members' Deposits		
Balance b/f	32,293,496	46,265,397
Paid during the Year	(32,293,496)	(46,265,397)
Provision for the Year	21,327,362	32,293,496
Balance c/f	21,327,362	32,293,496

The Board of Directors proposes to pay interest on members deposits at the rate of 6.25% subject to AGM approval.

Provision for Loan Loss

Balance b/f	23,587,082	12,557,699
Provision for the Year	6,480,165	11,029,383
Balance c/f	30,067,247	23,587,082

Note 12: Other Creditors

Sundry Creditors	900,281	981,281
	900,281	981,281

Note 13: Taxation

Gross Dividends - Co-op Bank shares	292,504	300,277
Gross Interest from Special Deposits (Kuscco)	-	877,780
Gross C.I.C. Investment	1,731,035	1,604,538
Gross Interest from SBM Ltd.	-	240,183
	2,023,539	3,022,777
Tax (30%X50% of Gross)	303,531	453,417
Less: W/Tax deducted	(14,625)	(15,014)
W/Tax Liability	288,906	438,403

Note 13: Movement of the Sacco Insurance Fund

At the Start of the Year	12,164,263	10,132,005
Paid during the Year	4,582,940	5,731,716
Insurance Premium Paid	(3,472,812)	(3,699,458)
Deceased Members (MNO.2456 & MNO.3059)	(306,733)	-
At the End of the Year	12,967,658	12,164,263

CONCORDE REGULATED NON-WDT SACCO SOCIETY LTD CS/3061
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	Kshs.	Kshs.
Note 14: Related Party Transactions		
Management Committee Loans	11,573,852	17,210,980
Supervisory Committee loans	3,620,763	2,838,316
Staff loans	3,393,441	4,504,624
Total Insider lending	18,588,056	24,553,920

Total Defaulted	0	368,823
------------------------	----------	----------------

Note 15: Payments to Employees & Suppliers (Notes 3(a) to 3(f))

Total Expenditure	(31,978,378)	(33,726,924)
Committee Sitting Allowances (FY 2021 paid in FY 2022)	(343,770)	(505,821)
Non-cash items of FY 2021 paid in FY 2022	(546,548)	-
Staff NSSF	-	(2,000)
Less: Non Cash Items		
Accrued Audit Fees	170,000	309,507
Provision for Loan Loss	(11,029,383)	(12,557,669)
Depreciation	542,014	548,021
Bad Debts	-	53,916
Staff Pension	-	42,662
Accrued Telephone Bill December 2022	4,310	-
Staff NSSF	2,000	2,000
NHIF	14,300	13,950
Pay As You Earn	168,621	178,429
	(42,996,834)	(45,643,929)