

MINISTRY OF AGRICULTURE  
LIVESTOCK, FISHERIES & CO-OPERATIVE  
*State Department for Co-operative*  
**MAIN REGISTRY**

11 FEB 2022

No:.....

P.O. No.  
G.P.O.

**UNISA SAVINGS AND CREDIT CO-OPERATIVE  
SOCIETY LIMITED**

**C/S 20037**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021**

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

**C/S 20037**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2021**

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**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

**C/S 20037**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2021**

**SOCIETY INFORMATION**

**Board of Management**

Chairman	Stephen Theuri Nderitu
Vice Chairman	Polly Gathoni Waweru
Honourable Secretary	Patrick Maingi Kibaara
Treasurer	Patrick Murugu Mbaria
Member	George Gichimu Wanjahi
Member	Lucy Wanjiru Kairu

**Supervisory Committee**

Chairman	David Karanja
Secretary	Hannah Njeri
Member	Elizabeth Wairimu Mugo

**Registered office**

S.K.Business Centre  
Ladhes Road ,2nd Floor  
P.O. Box 33745 - 00600,  
Nairobi  
Email: [unisacredit.co@gmail.com](mailto:unisacredit.co@gmail.com)

[info@unisasacco.co.ke](mailto:info@unisasacco.co.ke)

**Auditors**

Eunice Njuguna and Company  
Certified Public Accountants (K)  
P.O. Box 51443-00100,  
Nairobi.  
Tel : 0723102773

**Principal Bankers**

Co-operative Bank of Kenya Ltd  
Nacico Branch  
Nairobi

**The Manager**

James Maina Wang'ombe  
P.O.Box 33745-00200  
Nairobi

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
**C/S 20037**  
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**STATISTICAL INFORMATION**

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
<b>Membership</b>		
Active	527	528
Left	(38)	(33)
Dormant	175	137
Total Membership	<u><u>664</u></u>	<u><u>632</u></u>
<b>Number of Branches</b>	<u><u>1</u></u>	<u><u>1</u></u>
<b>Employees of the Sacco</b>	<u><u>2</u></u>	<u><u>2</u></u>
<b>Financial</b>	<b>Kshs</b>	<b>Kshs</b>
Total Assets	93,933,882	94,124,746
Liquid Assets	1,918,490	3,311,439
Members deposits	78,758,475	82,832,583
Interest on Members Deposits	4,725,509	4,141,629
Proposed Dividend	1,092,032	442,761
Loans to Members	55,925,741	56,832,410
Investments	35,266,364	33,007,758
Core Capital	8,749,930	5,229,517
Share Capital	5,460,161	2,213,805
Institutional Capital	3,289,770	3,015,712
Total Revenue	10,665,515	9,820,345
Total Interest Income	6,571,837	6,474,231
Total expenses	4,133,285	3,348,647
<b>Key ratios</b>		
<b>Capital Adequacy Ratio</b>		
Core Capital/Total Assets	9.31%	5.56%
Core Capital/Total Deposits	11.11%	6.31%
Institutional Capital /Total Assets	3.50%	3.20%
<b>Liquidity Ratio</b>		
Liquid Assets/Total deposits & Long term liabilities	2.44%	4.00%
<b>Operating Efficiency/Loan Quality Ratios</b>		
Total Expenses/Total Revenue	38.75%	34.10%
Interest on Members Deposit/Total Revenue	44.31%	42.17%
Interest rate on Members Deposit	6.00%	5.00%
Dividend Rate	20.00%	20.00%

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
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**For the Year Ended 31 December 2021**

**REPORT OF BOARD OF MANAGEMENT**

The Board of Management submit their annual report together with the audited financial statements for the year ended 31 December 2021, which disclose the state of affairs of the society.

**Incorporation**

The society is incorporated in Kenya under the Co-operative Societies Act, Cap 490 and licensed under the Kenya Sacco Societies Act No. 14 of 2008, and is domiciled in Kenya.

**Principal Activity**

The principal activity of the society continued to be receiving saving from members and provision of loans to its Members.

**Results**

	<b>2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Surplus before tax	1,806,722	2,330,069
Income tax expense	(449,791)	(333,972)
Net surplus after tax	1,356,931	1,996,097
Retained Surplus for the year	<u>1,085,545</u>	<u>1,596,877</u>
Interest on Members Deposits	<u>4,725,509</u>	<u>4,141,629</u>

**Investment Shares**

The issued and paid up share capital of the society increased during the year from Kshs 2,213,805 to Kshs 5,460,161

**Dividend and Interest**

The Board of Management are recommending a payment of interest on member deposit of 6% , and a dividend of 20 % on share Capital is declared for the year.

**Board of Directors**

The Board of Management who served during the year to the date of this report are shown on page

**AUDITORS**

The Society's Auditors, Eunice Njuguna and Company, has indicated willingness to continue in office in accordance with Sacco Societies Act No. 14 of 2008

**By Order of the Board of Management**

.....  
Hon. Secretary

Date 9/02/2022

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

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**Annual Report and Financial Statements**

**For the Year Ended 31 December 2021**

**STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITY**

The Sacco Societies Act No.14 of 2008 requires the Board of Management 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 surplus or deficit in accordance with the IFRS. It also requires the Board of Management to ensure that the Society keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Society. The Board of Management is also responsible for safeguarding the assets of the Society.

The Board of management accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Sacco Societies Act No.14 of 2008.

The Board of Management accept responsibility for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Sacco Societies Act No. 14 of 2008. They also accept responsibility for:

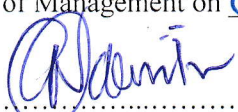
- i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
- ii) Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances.


The Board of Management is of the opinion that these financial statements give a true and fair view of the state of the financial affairs of the Society and of its operations results. The Board of Management further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.


In preparing these financial statements the Board of Management have assessed the society's ability to continue as a going concern.Nothing has come to attention of the Board of Mangement to indicate that the Society will not remain a going concern for at least twelve months from the date of this statement.

The Board of Management acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities

Approved by the board of Management on 09/02/2022 2022 and signed on its behalf by

  
.....Chairman

  
.....Treasurer

 09/02/2022..... Member

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

C/S 20037

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2021**

**INDEPENDENT AUDITORS'S REPORT TO THE MEMBERS OF UNISA SACCO LIMITED**

**Opinion.**

We have audited the accompanying financial statements of Unisa Savings and Credit Cooperative Society Ltd, 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 information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31st December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis for Opinion.**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 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 informing our opinion thereon, and we do not provide a separate opinion on these matters.

**Board of Management responsibility for the Financial Statements**

The Board of Management are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and for such internal control as the Board of Management 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 Sacco'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 Board of Management either intend to liquidate the Sacco or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Sacco'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 misstatements, 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.

**Report on Other Legal Requirements**

The Kenyan Sacco Societies Act of 2008 requires that we report the following matters in accordance with the Co-operative Act. We report that:

- (i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were considered necessary for the purposes of our audit;
- (ii) we have no evidence of irregularities or illegal acts that have been committed by Board of Management, employees or the Sacco Society itself; and,
- (iii) we have no grounds to believe that the Sacco Society is insolvent or that there is a significant risk that it may become insolvent.

The engagement partners responsible for the audit resulting in this independent auditor's report is CPA Eunice W. Njuguna-P/NO. 1888

*Eunice Njuguna & Company*  
Certified Public Accountants  
Nairobi.

Date

10/02/2022



**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

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**Annual Report and Financial Statements****For the Year Ended 31 December 2021****STATEMENT OF COMPREHENSIVE INCOME**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>Kshs</b>	<b>Kshs</b>
Interest Income	2	6,571,837 ✓	6,474,231 ✓
Investment Income	3	2,998,606 ✓	2,226,480 ✓
Interest Expense	4	(4,725,509) ✓	(4,141,629) ✓
Other Operating Income	5	<u>1,095,072 ✓</u>	<u>1,119,634 ✓</u>
		<u>5,940,007</u>	<u>5,678,715 ✓</u>
Governance Expenses	6	1,153,886 ✓	867,985 ✓
Administrative Expenses	7	2,920,935 ✓	2,432,507 ✓
Financial Expenses	8	58,464 ✓	48,155 ✓
<b>Total expenses</b>		<u><b>4,133,285 ✓</b></u>	<u><b>3,348,647 ✓</b></u>
<b>Net Operating surplus before income tax</b>		<u><b>1,806,722 ✓</b></u>	<u><b>2,330,069 ✓</b></u>
Income tax expense	9	<u>449,791 ✓</u>	<u>333,972 ✓</u>
<b>Net surplus for the year</b>		<u><b>1,356,931 ✓</b></u>	<u><b>1,996,097 ✓</b></u>
20% transfer to statutory reserve		(271,386) ✓	(399,219) ✓
<b>Surplus for the year</b>		<u><u><b>1,085,545 ✓</b></u></u>	<u><u><b>1,596,877 ✓</b></u></u>



**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
**C/S 20037**  
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**As at 31st December 2021**

**STATEMENT OF FINANCIAL**

	Notes	2021 Kshs	2020 Kshs
<b>ASSETS</b>			
Cash and cash equivalents	10	1,918,490	3,311,439
Investments	11	35,266,364	33,007,758
Trade and other receivables	12	189,729	230,616
Loan with members	13	55,925,741	56,832,410
Property, plant and equipments	14	610,609	717,022
Jiko Koa		22,950	25,500
<b>Total Assets</b>		<b>93,933,882</b>	<b>94,124,746</b>
<b>LIABILITIES</b>			
Members deposits	15	78,758,475	82,832,583
Trade and other payables	16	525,517	1,144,287
Tax Payable		82,423	333,972
Proposed dividend		1,092,032	442,761
Proposed interest on Members Deposit	4	4,725,505	4,141,625
<b>Total Liabilities</b>		<b>85,183,952</b>	<b>88,895,228</b>
<b>EQUITY</b>			
Share capital	17	5,460,161	2,213,805
Retaining Reserves	18	2,255,521	2,252,850
Statutory reserves	19	1,034,248	762,862
<b>Total Equity</b>		<b>8,749,930</b>	<b>5,229,517</b>
<b>Total Liabilities and Equity</b>		<b>93,933,882</b>	<b>94,124,746</b>

**REGISTERED**  
 SEC. 25(7) Co-operative Societies  
 ACT CAP 490 (Amended 2004)  
  
**11 FEB 2022**  
 Sign.....  
**JAVEL M. MURIRA**  
 FOR: COMMISSIONER OF CO-OPERATIVES

The financial statements set out on pages 7-16 were approved by the Board of Management  
 09/02/22 2022 and signed on its behalf by:

*[Signature]*.....Chairman

*[Signature]*.....Treasurer

*[Signature]* 09/02/22.....Board member



**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

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**STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Retained Earnings	Statutory Reserves	Total
YEAR 2020	Kshs	Kshs	Kshs	Kshs
At 1st January 2020	1,578,000/	1,098,734/	363,643/	3,040,377/
Issue of share capital	635,805/	-	-	635,805/
Surplus/(Deficit) for the year	-	1,996,097/	-	1,996,097/
Transfer to statutory reserve	-	(399,219)	399,219	-
Over Provision for loan loss	-	-	-	-
Proposed Dividend-2020	-	(442,761)	-	(442,761)
<b>At 31 December 2020</b>	<b>2,213,805</b>	<b>2,252,850</b>	<b>762,862</b>	<b>5,229,517</b>

YEAR 2021	Kshs	Kshs	Kshs	Kshs
At 1st January 2021	2,213,805/	2,252,850/	762,862/	5,229,517/
Issue of share capital	3,246,356/	-	-	3,246,356/
Surplus/(Deficit) for the year	-	1,356,931	-	1,356,931/
Transfer to statutory reserve	-	(271,386)	271,386	-
Over Provision for loan loss	-	9,158	-	-
Proposed Dividend	-	(1,092,032)	-	(1,092,032)
<b>At 31 December 2021</b>	<b>5,460,161</b>	<b>2,255,521</b>	<b>1,034,248</b>	<b>8,749,931</b>

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

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**Annual Report and Financial Statements**

**For the Year Ended 31 December 2021**

**STATEMENT OF CASH FLOWS**

	Note	2021 Kshs	2020 Kshs
<b>Cash flows from operating activities</b>			
Interest receipts	2	6,571,837 ✓	6,474,231 ✓
Other interest income	3	2,998,606 ✓	2,226,480 ✓
Other operating income	5	1,095,072 ✓	1,119,634 ✓
Payments to employees and suppliers		(3,961,872) ✓	(3,073,737) ✓
Decrease / (increase) in:		<b>6,703,644</b> ✓	<b>6,746,608</b> ✓
Trade and other receivables		40,887 ✓	64,448 ✓
(Increase) /decrease in:Stock items-Jiko koa		2,550 ✓	5,100 ✓
Increase / (decrease) in Net loans to members		915,827 ✓	(2,074,194) ✓
Trade and other payables		(618,770) ✓	551,204 ✓
Payment of interest on members deposit		(4,141,625) ✓	(3,640,542) ✓
Members deposits		(4,074,108) ✓	10,016,168 ✓
<b>Net cash from operating activities before tax</b>		<b>(1,171,595)</b>	<b>11,668,792</b> ✓
Income tax paid		(701,340) ✓	(177,343) ✓
<b>Net cash from operating activities after tax</b>		<b>(1,872,935)</b>	<b>11,491,449</b> ✓
<b>Cash flow from investing activities</b>			
Purchase of property and equipment		(65,000) ✓	(123,110) ✓
Purchase of investment securities		(2,258,606) ✓	(11,486,480) ✓
<b>Net cash from investing activities</b>		<b>(2,323,606)</b>	<b>(11,609,590)</b> ✓
<b>Cash flows from financing activities</b>			
Share capital contributions		3,246,356 ✓	635,805 ✓
Dividends paid/Capitalized		(442,761) ✓	(303,000) ✓
<b>Net cash generated from financing activities</b>		<b>2,803,595</b>	<b>332,805</b> ✓
<b>Net increase in cash and cash equivalents</b>		<b>(1,392,949)</b> ✓	<b>214,664</b> ✓
<b>Cash and cash equivalents at 1st January</b>	10	<b>3,311,439</b> ✓	<b>3,096,775</b> ✓
<b>Cash and cash equivalents at 31st December</b>	10	<b>1,918,490</b> ✓	<b>3,311,439</b> ✓

NOTES TO THE FINANCIAL STATEMENTS

**1. Accounting policies**

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

**a) Statement of compliance**

The financial statements are prepared in compliance with International Financial Reporting Standards under the historical cost convention, and are presented in the functional currency, Kenya Shillings (Shs)

**b) Revenue recognition**

Interest on loans to members is calculated on a Flat rate method at the monthly rate of 1.0%. Interest income is recognized on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

**c) Provision for liabilities and charges**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

**d) Loans and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**e) Effective interest method**

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

**f) Statutory reserves**

Transfers are made to the statutory reserve fund at a rate of 20% of net operating surplus after tax in compliance with the provision of the Co-operative Societies Act .

**g) Receivables**

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate. A provision for impairment is recognized in the profit and loss account in the year when the recovery of the amount due as per the original terms is doubtful. The provision is based on the difference between the carrying amount and the present value of the expected cash flows, discounted at the effective interest rate.

Receivables not collectible are written off against the related provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account in the year of recovery

**h) Trade and other Payables**

Finance charges, including premiums payable on the settlement or redemption, are accounted for on accrual basis and added to the carrying amount of the instruments to the extent that they are not settled in the period in which they arise. Trade payables are stated at their amortized cost.

**l) Cash and cash equivalents**

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

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**

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**For the Year Ended 31 December 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**j) Income taxes**

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**k) Property, plant and equipment**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

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 using the following annual rates:

	<u>Rate - %</u>
Freehold land	Nil
Office equipment	10.00
Fixtures and Fittings	10.00
Motor Bike	25.00
Computer & Accessories	25.00

**l) Intangible assets**

Software licence costs are stated at historical cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to write down the cost of the software to its residual value over the estimated useful life using an annual rate of 20%.

**m) Retirement benefit obligations**

The Society and the employees contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the profit and loss account in the year to which they relate.

**n) Employee entitlements**

Employee entitlements to long service awards are recognised as a liability based on the service rendered by the employees up to the balance sheet date. The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

**o) Borrowing costs**

Borrowing costs are recognised as an expense in the year in which they are incurred.

**p) Taxation**

Tax expense in the profit and loss account is the aggregate of the current income tax and deferred income tax.

**q) Significant changes during the year**

During the year, the Board of Management approved a waiver of the penalty charged on late loan repayment to mitigate the effects of Covid-19 on businesses. Most of our members are in small and Medium businesses and we witnessed major loans offset with members deposits due to uncertainty created by the pandemic. There was no major disruption that could impair the going concern of the society.

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
**C/S 20037**  
**Annual Report and Financial Statements**  
**For the Year Ended 31-December 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>2 Interest on Loans and advances</b>		
Interest on Loans	6,571,837 ✓	6,474,231 ✓
	<u>6,571,837</u>	<u>6,474,231</u>
<b>3 Other Interest Income</b>		
CIC Interest Income	2,798,606	1,986,480 ✓
KUSCCO interest income	200,000	240,000 ✓
	<u>2,998,606</u> ✓	<u>2,226,480</u> ✓
<b>4 Interest on Members Expense</b>		
Proposed Interest on Members Deposit	<u>4,725,509</u> ✓	<u>4,141,629</u> ✓
<b>5 Other Operating Income</b>		
Activation fee	9,846	31,480 ✓
Penalties	292	141,608 ✓
Entrance fees	85,200	78,000 ✓
Bridging Charges	136,481	103,657 ✓
Jiko Koa	950	1,900 ✓
Share Capital tranfer commission	4,500	-
Insurance fee charges	857,803	762,989 ✓
	<u>1,095,072</u> ✓	<u>1,119,634</u> ✓
<b>6 Governance expenses</b>		
AGM expenses	118,356	20,000 ✓
Committee meeting expenses	58,845	71,410 ✓
Committee Sitting allowances	302,099	348,375 ✓
Honararia	350,000	300,000 ✓
Members Education	246,362	-
Committee Training	78,224	128,200 ✓
	<u>1,153,886</u> ✓	<u>867,985</u> ✓

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
**C/S 20037**  
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**For the Year Ended 31 December 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>7 Administration expenses</b>		
Staff training	13,300	20,000 ✓
Licences	69,500	89,800 ✓
Staff Bonus	90,000	-
Office Expenses	118,307	113,584 ✓
Printing and stationeries	30,490	23,980 ✓
Rent and service charge	485,678	480,315 ✓
Computer Repair and Maintenance	36,500	32,950 ✓
Salaries and wages	1,103,622	879,552 ✓
Bulk SMS and Internet	70,395	27,500 ✓
Telephone	44,721	51,530 ✓
Transport and travelling expenses	38,530	2,000 ✓
Marketing expenses	43,867	7,952 ✓
Audit Fees	55,000	50,000 ✓
Supervision fees	5,700	5,200 ✓
Electricity	23,548	9,000 ✓
Software Maintenance	91,860	87,860 ✓
Professional fees	4,000	-
Kuscco Subscriptions	5,000	-
Insurance	419,503	349,586 ✓
Depreciation and Amortization	171,413	180,956 ✓
Provision for Loan loss	-	20,742 ✓
	<u>2,920,935</u> ✓	<u>2,432,507</u> ✓

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	2021 Kshs	2020 Kshs
<b>8 Financial Expenses</b>		
Bank charges	58,464	48,155
	<u>58,464</u>	<u>48,155</u>
<b>9 a) Taxation</b>		
Non-members income	2,998,606	2,226,480
Taxable amount(50%)	1,499,303	1,113,240
Tax (30%)	449,791	333,972
Less: Tax paid during the year	(367,368)	-
Tax Payable	<u>82,423</u>	<u>333,972</u>
<b>b) Current Tax</b>		
Tax b/f	333,973	134,295
Charge for the year	449,791	333,973
Paid during the year	(701,340)	(134,295)
Tax payable	<u>82,423</u>	<u>333,973</u>
<b>10 Cash and cash Equivalent</b>		
Co-operative Bank Current account	1,524,049	2,872,620
Co-operative Bank Haba na Haba	-	267,204
Cash in Hand	237	8,715
B2C Safaricom Account	121,894	105,420
Paybill Account	272,310	57,480
	<u>1,918,490</u>	<u>3,311,439</u>
<b>11 Investments</b>		
KUSCCO ( Shares)	10,000	10,000
CIC Investments	35,256,364	29,957,758
KUSCCO Central Finance Fund	-	3,040,000
	<u>35,266,364</u>	<u>33,007,758</u>
<b>12 Trade and Other receivables</b>		
Deposits and prepayments	128,195	128,195
Interest on Loans receivable	61,534	102,421
	<u>189,729</u>	<u>230,616</u>



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	<b>2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>13 Loans with Members</b>		
Normal loan	52,104,704	51,302,034 ✓
School fees loans	506,103	818,056 ✓
Emergency loans	574,991	658,118 ✓
Quick fix loans	56,980	29,709 ✓
Asset finance Loan	3,247,870	4,598,558 ✓
Less: Provision for Loan Loss	(564,906)	(574,065) ✓
	<u><b>55,925,741</b></u> ✓	<u><b>56,832,410</b></u> ✓
<b>a) Movement in provision for loan loss</b>		
At 1 January	574,065	553,323 ✓
Increase/ (decrease) in provision for loan	(9,158)	20,742 ✓
At 31 December	<u><b>564,906</b></u> ✓	<u><b>574,065</b></u> ✓
<b>Ageing of Loan</b>		
Performing Loans	56,490,648	57,406,475 ✓
1-30 days (Watch-5%)	-	-
	<u><b>56,490,648</b></u> ✓	<u><b>57,406,475</b></u> ✓
<b>Ageing of past due impaired</b>		
Performing Loans(1%)	564,906	574,065 ✓
1-30 days (Watch-5%)	-	-
	<u><b>564,906</b></u> ✓	<u><b>574,065</b></u> ✓

The board of Management agreed to make a provision of 1% of all the loans since all the loans are performing and appropriate recoveries measures have been put in place incase of default.

	<b>2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>b) Insider Loans</b>		
Management Committee members	6,787,045	8,834,947 ✓
Employee	334,665	75,054 ✓
	<u><b>7,121,710</b></u> ✓	<u><b>8,910,001</b></u> ✓

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**14 Property, plant and equipment**

	Fittings & Equipments Kshs	Computer & Accessories Kshs	Total Kshs
<b>COST</b>			
Balance as at 1st January 2021	463,928	188,000	651,928
Additions	65,000	-	65,000
Disposals			
<b>Balance as at 31 December 2021</b>	<b>528,928</b>	<b>188,000</b>	<b>716,928</b>
<b>DEPRECIATION</b>			
Balance as at 1st January 2021	184,266	112,671	296,937
Disposals	-	-	-
Charge for the year	39,966	22,599	62,565
<b>Balance as at 31 December 2021</b>	<b>224,232</b>	<b>135,270</b>	<b>359,502</b>
<b>CARRYING AMOUNT</b>			
As at 31 December 2021	<b>304,696</b>	<b>52,730</b>	<b>357,426</b>
As at 31 December 2020	<b>279,662</b>	<b>75,329</b>	<b>354,991</b>

**14b) Amortization of Intangible assets**

	Cost	Amortization	Balance
As at 31 December 2021	543,600	(290,417)	253,183
At at 31 December 2020	543,600	(181,569)	362,031

**15 Members' Deposits**

	2021 Ksh	2020 Ksh
At the start of the year	82,832,583	72,816,415
Deposits during the year	24,743,541	21,081,412
Withdrawal/Loan Recoveries during the year	(28,817,649)	(11,065,244)
	<b>78,758,475</b>	<b>82,832,583</b>

Members deposits/savings reduced by Kshs 4,074,108 due to savings refunds, Loan recoveries and also share capital boost deducted from savings.

**16 Trade and other payables**

Audit fees	55,000	50,000
Supervision fees	5,700	5,200
Interest on deposit and Dividend Payable	7,115	43,775
Kuscco Insurance	-	161,347
Withholding tax payable	-	275,409
Proposed Honararia	350,000	600,000
Proposed Staff Bonus	90,000	-
Payroll Liabilities	17,702	8,556
	<b>525,517</b>	<b>1,144,287</b>

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**NOTES**

**2021**

**2020**

**Kshs**

**Kshs**

**17 Share Capital**

Balance brought forward	2,213,805	1,578,000✓
Contribution during the year	3,246,356	635,805✓
	<u>5,460,161</u> ✓	<u>2,213,805</u> ✓

During the year the members resolved to boost their share Capital to Kshs 10,000 per person which was recovered from the Member savings. Only Kshs 49,325 was from Share capital transfer.

**18 Retained Reserves**

Prior year retained earnings	2,252,850	1,098,733✓
Current year's surplus/(deficit)	1,356,931	1,996,097✓
Statutory reserve	(271,386)	(399,219)✓
Proposed Dividend	(1,092,032)	(442,761)✓
Loan Overprovision	9,158	-
	<u>2,255,521</u> ✓	<u>2,252,850</u> ✓

**19 Statutory reserves**

Balance brought Forward	762,862	363,643✓
Statutory reserve for the year	271,386	399,219✓
	<u>1,034,248</u> ✓	<u>762,862</u> ✓

**20 Financial risk management objectives**

The sacco operations are exposed to financial risk due to the changing marketing conditions. These risk include market risks, credit risk, liquidity risk and cash flow interest rate risk. The sacco's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effect on the Sacco's financial performance.

**i) Credit risk management**

Credit risk refers to the risk that counterparty will default on its contractual resulting in financial loss to the Sacco and arises principally from the sacco's loan and advances to its members. The Sacco policy is to deal with creditworthy counterparties and obtain sufficient collateral, undertakes by placing limits on amount of risk accepted in relation to one borrower or group of borrowers. The Sacco does not have any significant credit risk exposure to any counterparty as all its loans to members are fully guaranteed.

**ii) Liquity risk management**

The Sacco manages liquidity risk by maintaining adequate reserves, banking facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.