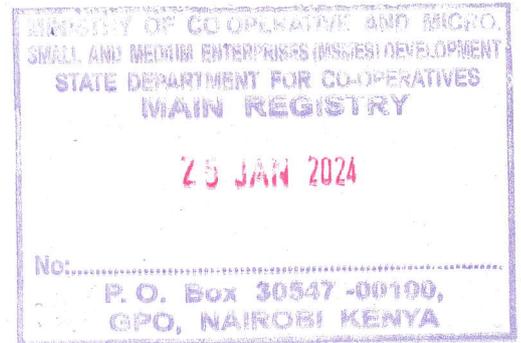


**UNISA SAVINGS AND CREDIT CO-OPERATIVE  
SOCIETY LIMITED**

**C/S 20037**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**



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

**C/S 20037**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2023**

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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 2023**

**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 Kairo
Member	John Maina Mwaniki
Member	Lydia Njambi Muigai

**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**  
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**STATISTICAL INFORMATION**

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
<b>Membership</b>		
Active	470	435
Left	(18)	(21)
Dormant	452	422
<b>Total Membership</b>	<u><b>904</b></u>	<u><b>836</b></u>
<b>Number of Branches</b>	<u><b>1</b></u>	<u><b>1</b></u>
<b>Employees of the Sacco</b>	<u><b>3</b></u>	<u><b>2</b></u>
<b>Financial</b>	<b>Kshs</b>	<b>Kshs</b>
Total Assets	120,719,229	107,085,255
Liquid Assets	4,764,650	3,183,714
Members deposits	103,021,682	91,589,364
Interest on Members Deposits	5,666,193	5,064,892
Proposed Dividend	336,175	-
Loans to Members	78,617,206	56,051,531
Investments	36,076,565	47,173,032
Core Capital	10,645,461	9,868,079
Share Capital	6,723,491	6,086,266
Institutional Capital	3,921,971	3,781,813
Total Revenue	13,285,948	11,434,402
Total Interest Income	8,401,249	6,723,838
Total expenses	6,668,993	5,366,466
<b>Key ratios</b>		
<b>Capital Adequacy Ratio</b>		
Core Capital/Total Assets	8.82%	9.22%
Core Capital/Total Deposits	10.33%	10.77%
Institutional Capital /Total Assets	3.25%	3.53%
<b>Liquidity Ratio</b>		
Liquid Assets/Total deposits & Long term liabilities	4.62%	3.48%
<b>Operating Efficiency/Loan Quality Ratios</b>		
Total Expenses/Total Revenue	50.20%	46.93%
Interest on Members Deposit/Total Revenue	42.65%	44.30%
Interest rate on Members Deposit	5.70%	5.53%
Dividend Rate	5.00%	0.00%

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
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**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 2023, 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**

	2023 Kshs	2022 Kshs
Surplus before tax	950,763	1,003,044
Income tax expense	(474,430)	(511,000)
Net surplus after tax	476,333	492,043
Retained Surplus for the year	<u>381,066</u>	<u>393,635</u>
Interest on Members Deposits	<u>5,666,193</u>	<u>5,064,892</u>

**Investment Shares**

The issued and paid up share capital of the society increased by kshs 637,225 during the year.

**Dividend and Interest**

The Board of Management are recommending a payment of interest on member deposit of 5.98% on prorata basis and a dividend of 5% on Share Capital.

**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 23/01/2024

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

**C/S 20037**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2023**

**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.

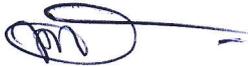
In preparing these financial statements the Board of Management have assessed the society's ability to continue as a going concern. Nothing has come to attention of the Board of Management to indicate that the Society will not remain a going concern for at least twelve months from the date of this statement.

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 23/01/2024 and signed on its behalf by



.....Chairman



.....Treasurer



..... Member

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
**C/S 20037**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2023**

**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 2023, 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 materials respects, the financial position of the Society as at 31st December 2023, 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 matter 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:

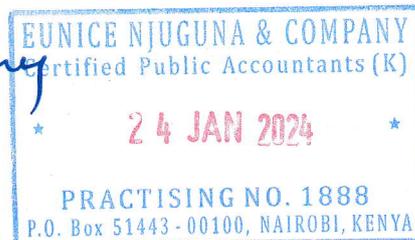
- (i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were considered necessary for the purposes of our audit;
- (ii) we have no evidence of irregularities or illegal acts that have been committed by Board of Management, employees or the Sacco Society 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

24/01/2024



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

**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2023**

**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2023 Kshs	2022 Kshs
Interest Income	2	8,401,249 ✓	6,723,838 ✓
Investment Income	3	3,162,866 ✓	3,406,668 ✓
Interest Expense	4	(5,666,193) ✓	(5,064,892) ✓
Other Operating Income	5	<u>1,721,833 ✓</u>	<u>1,303,895 ✓</u>
		<u>7,619,756</u>	<u>6,369,510</u>
Governance Expenses	6	1,691,098 ✓	1,585,256 ✓
Administrative Expenses	7	4,923,989 ✓	3,727,749 ✓
Financial Expenses	8	53,906 ✓	53,461 ✓
<b>Total expenses</b>		<u>6,668,993</u>	<u>5,366,466</u>
<b>Net Operating surplus before income tax</b>		<u>950,763</u>	<u>1,003,044</u>
Income tax expense	9	<u>474,430 ✓</u>	<u>511,000 ✓</u>
<b>Net surplus for the year</b>		<u>476,333</u>	<u>492,043</u>
20% transfer to statutory reserve		(95,267) ✓	(98,409) ✓
<b>Surplus for the year</b>		<u><u>381,066</u></u>	<u><u>393,635</u></u>

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
**C/S 20037**  
**Annual Report and Financial Statements**  
**As at 31st December 2023**

**STATEMENT OF FINANCIAL POSITION**

	Notes	2023 Kshs	2022 Kshs
<b>ASSETS</b>			
Cash and cash equivalents	10	4,764,650	3,183,714
Investments	11	36,076,565	47,173,032
Trade and other receivables	12	762,687	128,195
Loan with members	13	78,617,206	56,051,531
Property, plant and equipments	14	498,120	548,783
<b>Total Assets</b>		<b>120,719,229</b>	<b>107,085,255</b>
<b>LIABILITIES</b>			
Members deposits	15	103,021,682	91,589,364
Trade and other payables	16	1,047,896	546,693
Tax Payable	9	1,823	16,228
Proposed dividend		336,175	-
Proposed interest on Members Deposit	4	5,666,193	5,064,892
<b>Total Liabilities</b>		<b>110,073,768</b>	<b>97,217,177</b>
<b>EQUITY</b>			
Share capital	17	6,723,491	6,086,266
Retaining Reserves	18	2,694,048	2,649,156
Statutory reserves	19	1,227,924	1,132,657
<b>Total Equity</b>		<b>10,645,461</b>	<b>9,868,079</b>
<b>Total Liabilities and Equity</b>		<b>120,719,229</b>	<b>107,085,255</b>

The financial statements set out on pages 7-16 were approved by the Board of Management on 23/01/2024 and signed on its behalf by:

.....Chairman  
 .....Treasurer  
 .....Board member



**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Statutory Reserves</b>	<b>Total</b>
<b>YEAR 2022</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
At 1st January 2022	5,460,161	2,255,521	1,034,248	8,749,931
Issue of share capital	626,106	-	-	626,106
Surplus/(Deficit) for the year	-	492,043	-	492,043
Transfer to statutory reserve	-	(98,409)	98,409	-
Over Provision for loan loss	-	-	-	-
Proposed Dividend	-	-	-	-
<b>At 31 December 2022</b>	<b>6,086,266</b>	<b>2,649,156</b>	<b>1,132,657</b>	<b>9,868,080</b>
<b>YEAR 2023</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
At 1st January 2023	6,086,266	2,649,156	1,132,657	9,868,080
Issue of share capital	637,225	-	-	637,225
Surplus/(Deficit) for the year	-	476,333	-	476,333
Transfer to statutory reserve	-	(95,267)	95,267	-
Over Provision for loan loss	-	-	-	-
Proposed Dividend	-	(336,175)	-	(336,175)
<b>At 31 December 2023</b>	<b>6,723,491</b>	<b>2,694,048</b>	<b>1,227,924</b>	<b>10,645,462</b>

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
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**STATEMENT OF CASH FLOWS**

	Note	2023 Kshs	2022 Kshs
<b>Cash flows from operating activities</b>			
Interest receipts	2	8,401,249	6,723,838
Other interest income	3	3,162,866	3,406,668
Other operating income	5	1,721,833	1,303,895
Payments to employees and suppliers		<u>(6,472,879)</u>	<u>(5,163,140)</u>
Decrease / (increase) in:		<b>6,813,069</b>	<b>6,271,262</b>
Trade and other receivables		(634,492)	61,534
(Increase) /decrease in:Stock items-Jiko koa		0	22,950
Increase / (decrease) ir Net loans to members		(22,565,675)	(127,060)
Trade and other payables		501,202	21,176
Payment of interest on members deposit		(5,064,892)	(4,724,233)
Members deposits		<u>11,432,318</u>	<u>12,830,889</u>
<b>Net cash from operating activities before tax</b>		<b><u>(9,518,470)</u></b>	<b><u>14,356,518</u></b>
Income tax paid		<u>(488,835)</u>	<u>(577,196)</u>
<b>Net cash from operating activities after tax</b>		<b><u>(10,007,305)</u></b>	<b><u>13,779,322</u></b>
<b>Cash flow from investing activities</b>			
Purchase of property and equipment		(145,450)	(141,500)
Purchase of investment securities		<u>11,096,467</u>	<u>(11,906,668)</u>
<b>Net cash from investing activities</b>		<b><u>10,951,017</u></b>	<b><u>(12,048,168)</u></b>
<b>Cash flows from financing activities</b>			
Share capital contributions		637,225	626,106
Dividends paid/Capitalized		<u>-</u>	<u>(1,092,032)</u>
<b>Net cash generated from financing activities</b>		<b><u>637,225</u></b>	<b><u>(465,927)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b><u>1,580,936</u></b>	<b><u>1,265,224</u></b>
<b>Cash and cash equivalents at 1st January</b>	10	<u>3,183,714</u>	<u>1,918,490</u>
<b>Cash and cash equivalents at 31st December</b>	10	<b><u>4,764,650</u></b>	<b><u>3,183,714</u></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.

**I) 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**

C/S 20037

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2023**

**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>
Office equipment	12.50
Fixtures and Fittings	12.50
Computer & Accessories	30.00

**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**  
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**For the Year Ended 31 December 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>2 Interest on Loans and advances</b>		
Interest on Loans	8,401,249	6,723,838
	<u>8,401,249</u>	<u>6,723,838</u>
<b>3 Other Interest Income</b>		
CIC Interest Income	2,528,373	3,406,668
Treasury Bills Interest	634,492	-
	<u>3,162,866</u>	<u>3,406,668</u>
<b>4 Interest on Members Expense</b>		
Proposed Interest on Members Deposit	<u>5,666,193</u>	<u>5,064,892</u>
<b>5 Other Operating Income</b>		
Activation fee	139,344	158,230
Penalties	49,951	1,500
Entrance fees	104,400	87,600
Bridging Charges	182,341	171,515
Sundry Income	3,000	-
Share Capital tranfer commission	14,500	9,500
Insurance fee charges	1,228,297	855,550
Grant Income	-	20,000
	<u>1,721,833</u>	<u>1,303,895</u>
<b>6 Governance expenses</b>		
AGM expenses	230,510	305,462
Committee meeting expenses	93,414	57,173
Committee Sitting allowances	671,354	473,104
Honararia	300,000	300,000
Members Education	288,256	330,794
Committee Training	107,564	118,724
	<u>1,691,098</u>	<u>1,585,256</u>

**UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**  
**C/S 20037**  
**Annual Report and Financial Statements**  
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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>7 Administration expenses</b>		
Staff training	10,005	55,614
Licences	69,700	129,500
Staff Bonus	69,222	90,000
Office Expenses	139,468	134,037
Printing and stationeries	34,080	31,009
Rent and service charge	538,483	491,760
Repair and Maintenance	27,200	125,930
Salaries and wages	1,277,993	1,406,006
Bulk SMS and Internet	85,942	87,438
Strategic Policy formulation expenses	354,433	-
USSD Formulation	100,000	-
Telephone	36,000	36,300
Transport and travelling expenses	86,150	33,955
Marketing expenses	32,545	139,971
Audit Fees	60,000	55,000
Supervision fees	6,200	5,700
Electricity	36,314	26,050
Software Maintenance	173,860	141,848
Professional /Consultancy fees	76,164	15,000
Kuscco Subscriptions	5,000	5,000
Insurance	474,252	513,033
Depreciation and Amortization	196,114	203,326
Provision for Loan loss	1,034,864	1,271
	<u><b>4,923,989</b></u>	<u><b>3,727,749</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>8 Financial Expenses</b>		
Bank charges	53,906	53,461
	<u>53,906</u>	<u>53,461</u>
<b>9 a) Taxation</b>		
Non-members income	3,162,866	3,406,668
Taxable amount(50%)	1,581,433	1,703,334
Tax (30%)	474,430	511,000
Less: Tax paid during the year	(472,607)	(494,772)
Tax Payable	<u>1,823</u>	<u>16,228</u>
<b>b) Current Tax</b>		
Tax b/f	16,228	82,423
Charge for the year	474,430	511,000
Paid during the year	(488,835)	(577,196)
<b>Tax payable</b>	<u>1,823</u>	<u>16,228</u>
<b>10 Cash and cash Equivalent</b>		
Co-operative Bank Current account	4,218,212	1,746,130
Cash in Hand	15,034	13,332
B2C Safaricom Account	377,700	215,190
Paybill Account	153,704	1,209,062
	<u>4,764,650</u>	<u>3,183,714</u>
<b>11 Investments</b>		
KUSCCO ( Shares)	10,000	10,000
CIC Investments	26,891,405	47,163,032
Treasury Bills	9,175,160	-
	<u>36,076,565</u>	<u>47,173,032</u>
<b>12 Trade and Other receivables</b>		
Deposits and prepayments	128,195	128,195
Interest Income receivable-T -Bills	634,492	-
	<u>762,687</u>	<u>128,195</u>

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	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>13 Loans with Members</b>		
At the start of the year	56,051,531	55,925,741
Granted during the year	80,876,382	41,407,460
Interest charged	8,401,249	6,723,838
Repayment during the year	(65,110,915)	(47,439,331)
Provisions	(1,601,041)	(566,177)
<b>At year end</b>	<b>78,617,206</b>	<b>56,051,531</b>
<b>a) Movement in provision for loan loss</b>		
At 1 January	566,177	564,906
Increase/ (decrease) in provision for loan during the year	1,034,864	1,271
At 31 December	<b>1,601,041</b>	<b>566,177</b>
<b>Ageing of Loan</b>		
Performing Loans	77,761,674	56,617,708
1-30 days (Watch-5%)	1,115,289	-
31-180 days (Substandard-25%)	396,846	-
181-360 days(Doubful-50%)	551,972	-
>360Day (Loss Account -100%)	392,463	-
	<b>80,218,244</b>	<b>56,617,708</b>
<b>Ageing of past due impaired</b>		
Performing Loans(1%)	777,617	566,177
1-30 days (Watch-5%)	55,764	-
31-180 days (Substandard-25%)	99,212	-
181-360 days(Doubful-50%)	275,986	-
>360Day (Loss Account -100%)	392,463	-
	<b>1,601,041</b>	<b>566,177</b>
	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>b) Insider Loans</b>		
Management Committee members	13,453,957	10,143,206
Employee	-	272,900
	<b>13,453,957</b>	<b>10,416,106</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**14 Property, plant and equipment**

	Fittings & Equipments Kshs	Computer & Accessories Kshs	Total Kshs
<b>COST</b>			
Balance as at 1st January 2023	538,928	319,500	858,428
Additions	48,000	97,450	145,450
Disposals			
<b>Balance as at 31 December 2023</b>	<u>586,928</u>	<u>416,950</u>	<u>1,003,878</u>
<b>DEPRECIATION</b>			
Balance as at 1st January 2023	263,569	190,539	454,108
Disposals	-	-	-
Charge for the year	47,773	39,735	87,508
<b>Balance as at 31 December 2023</b>	<u>311,342</u>	<u>230,274</u>	<u>541,616</u>
<b>CARRYING AMOUNT</b>			
As at 31 December 2023	<u>275,586</u>	<u>186,676</u>	<u>462,262</u>
As at 31 December 2022	<u>275,359</u>	<u>128,961</u>	<u>404,320</u>

**14b) Amortization of Intangible assets**

	Cost	Amortization	Balance
As at 31 December 2023	543,600	(507,742)	35,858
At at 31 December 2022	543,600	(399,137)	144,463

	2023 Ksh	2021 Ksh
<b>15 Members' Deposits</b>		
At the start of the year	91,589,364	78,758,475
Deposits during the year	27,058,286	25,355,766
Withdrawal/Loan Recoveries during the year	(15,625,967)	-12,524,877
	<u>103,021,682</u>	<u>91,589,364</u>

Members deposits/savings increased by 11,432,318 during the year.

**16 Trade and other payables**

Audit fees	60,000	55,000
Supervision fees	6,200	5,700
Interest on deposit and Dividend Payable	5,098	5,069
Savings Refunds	537,043	19,075
Proposed Honararia	350,000	350,000
Proposed Staff Bonus	69,222	90,000
Payroll Liabilities	20,333	21,849
	<u>1,047,896</u>	<u>546,693</u>

The proposed honoraria for the year is Kshs 300,000. The 50,000 is balance due from 2021 provision to retired Board members whose payments have not been made to date.

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**Annual Report and Financial Statements****For the Year Ended 31 December 2023****NOTES****2023****2022****Kshs****Kshs****17 Share Capital**

Balance brought forward	6,086,266	5,460,161
Contribution during the year	637,225	626,106
	<u>6,723,491</u>	<u>6,086,266</u>

During the year the Share Capital increased by Kshs 637,225. The new members share Capital has been gradual and top up to Kshs 10,000 per person will be effected when their savings are sufficient.

**18 Retained Reserves**

Prior year retained earnings	2,649,156	2,255,521
Current year's surplus/(deficit)	476,333	492,043
Statutory reserve	(95,267)	(98,409)
Proposed Dividend	(336,175)	-
	<u>2,694,047</u>	<u>2,649,156</u>

**19 Statutory reserves**

Balance brought Forward	1,132,657	1,034,248
Statutory reserve for the year	95,267	98,409
	<u>1,227,923</u>	<u>1,132,657</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.