



DUDU REGULATED NON-WDT-SACCO SOCIETY LIMITED

CS/2672

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2022



Prepared By:
Siero & Associates,
Certified Public Accountants of Kenya,
P.O Box 6314-00100,
NAIROBI.

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SOCIETY INFORMATION

Board of Directors

Chairperson	: Joel L. Bargul
Vice-Chairperson	: Gerphas Okuku
Hon Secretary	: Carolyne Akal
Treasurer	: Robertson Nyikuli
Chairperson Credit Committee	: Nelson C. Suchi
Secretary Credit Committee	: Julius O. Ochieng
Member Credit Committee	: Simprose Oyugi
Chairperson Education Committee	: Gerphas Okuku
Secretary Education Committee	: Janet Ambale
Member Education Committee	: Edgar Mutai

Supervisory Committee

Chairperson	: Eunice N. Musyoka
Secretary	: Silas Ojwang
Member	: David Mbesi

Chief Executive Officer

: Kenneth Kibunja Mudamba Adisa

Registered office

: Icipe Duduville Centre, Icipe Road
: P.O Box 30772 - 00100
: Kasarani, Nairobi, Kenya.

Independent Auditors

: Siero & Associates,
: Certified Public Accountants (K),
: The Mirage Tower
: Tower 1, 1st floor, Suite 2
: Westland Waiyaki Way/ Chirimo
: P.O. Box 6314-00502,
: NAIROBI.

Principal Bankers

: NCBA Bank of Kenya,
: Mama Ngina Street
: NAIROBI.

: Co-operative Bank of Kenya,
: Cooperative House Branch
: NAIROBI.

: Kenya Commercial Bank
: Moi Avenue Branch
: NAIROBI.

Dudu Regulated Non WDT Sacco Society Ltd
C/S 2672
Annual report and financial statements
For the year ended 31st December 2022

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submits their annual report and financial statements for the year ended 31st December 2022.

Incorporation

The society is incorporated in Kenya under the Co-operative Societies Act, and is domiciled in Kenya.

Principal activity

The principal activity of the society is to receive saving and advancing loans to its members and charge an interest rate of between 1% per month to 1.042% per month on amortisation and reducing balance methods

Results

Detailed report on income and expenditure is shown on page 6. Summary of the results is given below:

	<u>2022</u> <u>Shs</u>	<u>2021</u> <u>Shs</u>
Surplus (deficit) before tax	1,139,902	1,482,961
Tax expense	(98,647)	(140,562)
Net surplus (deficit) after tax	1,041,255	1,342,399
Retained surplus for the year	1,041,255	1,342,399
Interest on members deposits	11,800,000	11,100,000

Investment Shares

The issued and paid up share capital of the society was increased during the year from **Kshs. 7,333,059.** to **Kshs. 8,306,330**

Dividends, Interest on Members Deposits and Honoraria

The Board recommends payment of dividends of **Kshs. 415,316** at a rate of 5% (2021-10% - Ksh 733,306) and payment of interest on member's deposits of **Kshs. 11,800,000** at the rate of 7.4%(2021 - 11,100,000 at the rate of 7.10%) They also recommend a payment of Honoraria of **Ksh 300,000.**

Board of Directors

The Board of Directors members who served during the year and to the date of this report are shown on page 1.

Independent Auditors

Messrs Siero & Associates, Certified Public Accountants (K), was appointed during the year and continues in accordance with the provision of the Co-operative Societies Act.

By order of the Board of Directors

Signature.....

Date: 7th March 2023

HON SECRETARY

STATISTICAL INFORMATION AS AT 31 DECEMBER 2022

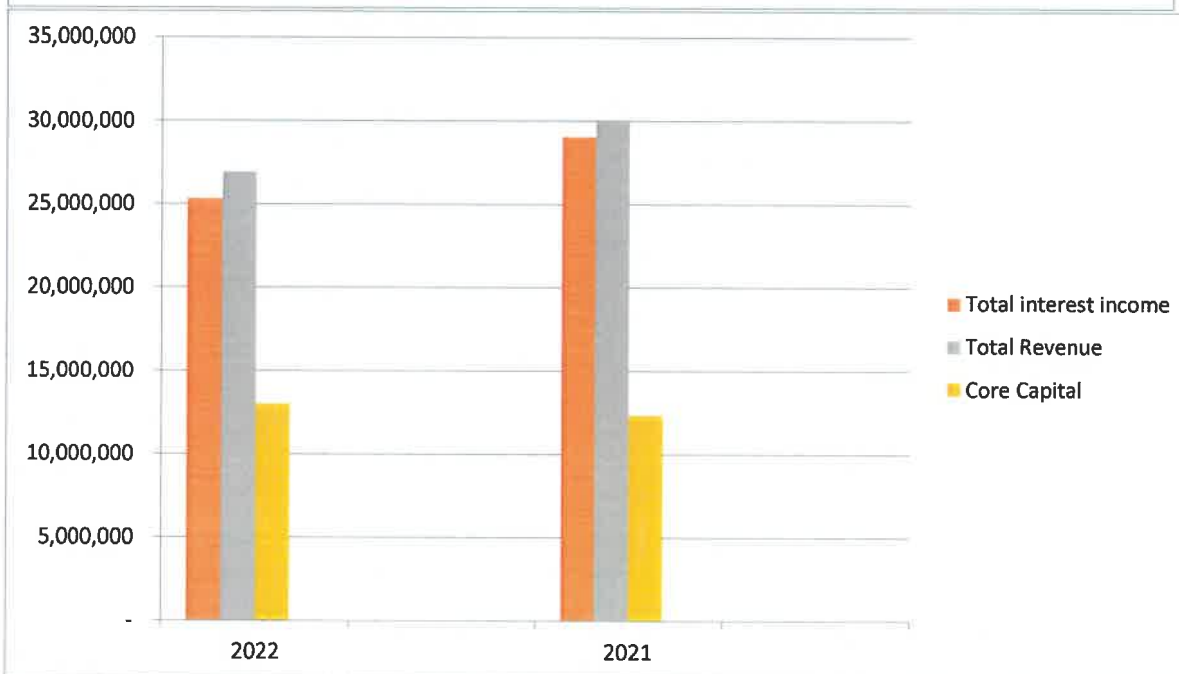
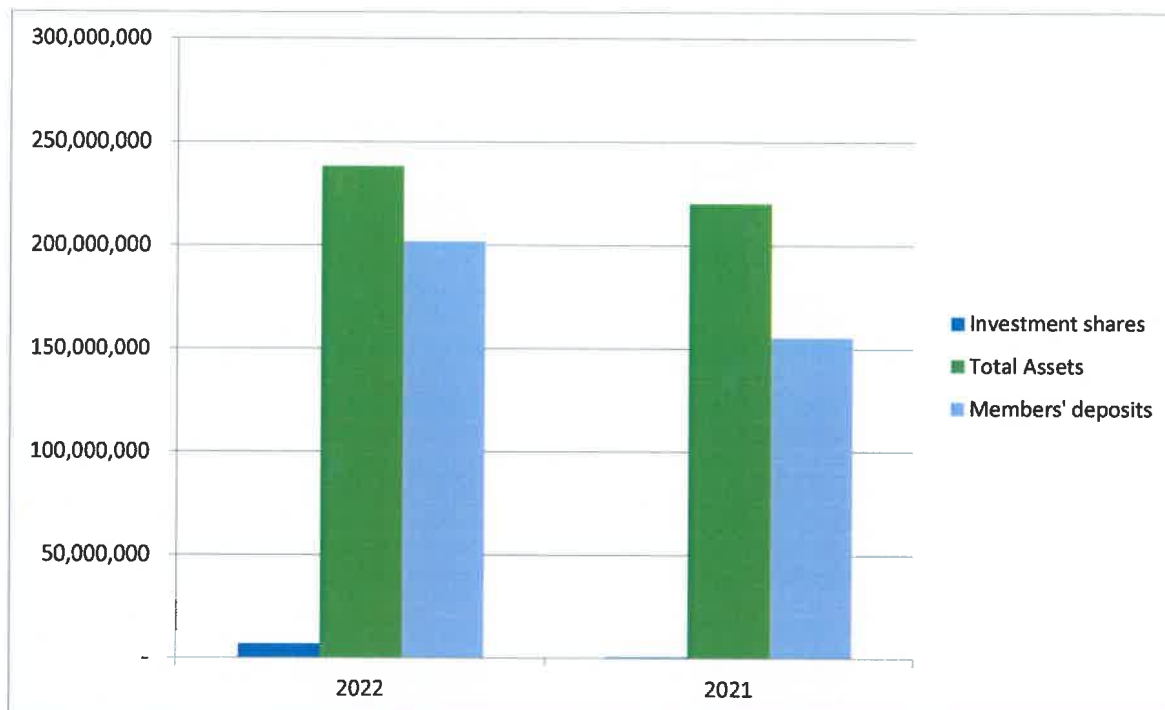
		<u>2022</u>	<u>2021</u>
Membership			
	-Active	436	445
	-Dormant	52	45
Total		<u>488</u>	<u>490</u>
No of employee	Male	2	1
	Female	-	1
		<u>2</u>	<u>2</u>

Financials	<u>Shs</u>	<u>Shs</u>
	2022	2021
Total Assets	238,208,973	220,341,926
Members' deposits	201,902,390	155,351,148
Loans and advances to members	186,934,114	193,147,380
Provision for impairment of loans and advances	1,232,156	1,860,658
Financial assets	24,294,109	6,076,463
Total Revenue	26,932,572	30,089,745
Total interest income	25,335,422	29,048,652
Total expenses	25,792,670	28,606,784
Investment shares	7,003,075	619,352
Statutory Reserves	4,271,267	4,098,196
Core Capital	13,018,490	12,338,632
General Reserve Account	574,097	554,097
Interest on members deposits	11,800,000	11,100,000

Key Ratios	2022	2021
core capital/total assets.	5.47%	5.60%
minimum requirement.	>8%	>8%
core capital/total deposits	6.45%	7.94%
minimum requirement.	>5%	>5%
Retained earnings& disclosed reserves/Core capital	41.0%	4.5%
minimum requirement.	>50%	>50%

Liquid ratio		
Liquid asset/shortterm liabilities	278.6%	10.2%
minimum requirement.	>10%	>10%
Operating Efficiency/ Loan quality ratios		
External borrowing/total assets	0.0%	0.0%
Total expenses/total revenue	96%	95%
Interest on member deposits/total revenue	44%	37%
Interest rate on member deposits	7.4%	7.1%
Dividend rate on member share capital	5%	10%
Total non-performing loans/Gross loan portfolio	0%	0%

STATISTICAL GRAPHS



STATEMENT OF THE BAORD OF DIRECTORS RESPONSIBILITIES

The Co-operative Societies Act, requires the board of directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the society as at the end of the financial year and of its operating results for that year. It also requires the board of directors to ensure that the society maintains proper accounting records which disclose with reasonable accuracy at any time 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 society's general meeting.

The board of directors accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Co-operative Societies Act. The board of directors 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 IFRS.

The board of directors further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Approved by the board of directors on 7th March 2023 and signed on its behalf by:

Chairman

Signature:

Treasurer

Signature:

Member

Signature:



Siero & Associates

Certified Public Accountants of Kenya

The Mirage, Westlands Waiyaki Way,
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Website: www.sieroassociates.co.ke

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF DUDU REGULATED NON WDT SACCO SOCIETY LIMITED

Opinion

We have audited the accompanying financial statements of **Dudu Regulated Non WDT Sacco Society Limited**, set out on pages 6 to 17 which comprise statement of financial position as at 31st December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Sacco as at 31st December 2022, and its financial performance and the cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirement of the Kenyan Sacco Societies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Sacco Society within the meaning of the International Ethics Standards Boards for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the Ethical requirements that are relevant to our audit of financial statements in Kenya and have fulfilled our other responsibilities under those ethical requirements.

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

Key Audit Matters:

Key audit matters are those that, in our professional judgement, 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 Sacco's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Summary on Key Audit Matters

No.	Key Audit Matter	How audit addressed the Key Audit Matters
1	Expected Credit Losses (ECLs) on loans and advances to members is a crucial element in the SACCO business model as required by IFRS 9 – Financial Instruments and SASRA Regulations. We therefore focused on the loans advanced due to the materiality of the loan balances, Ksh. 186,934,114 and the associated provisioning for the possible loan losses in the books of accounts, and to establish the overall quality of loan assets.	We considered increased sample sizes for tests of control and substantive testing; we tested the key controls over the administration of the expected credit loss model by SASRA; we tested the design and operating effectiveness of key controls related to the credit approval process, post approval credit management, loan grading system, collateral monitoring, and loan impairment assessment.
2	The Sacco Society migrated its Management Information System from CMIS to Navision ERP Dynamic in the course of the financial year under audit, hence it was important that we satisfy ourselves on the integrity, completeness and accuracy of data migration process.	We expanded the scope of statutory audit to include a detailed systems audit review of the MIS from the legacy system to the new ERP System. This included tests to confirm and compare the closing ledger balances from the legacy system with the exported opening balances in the new system.

Other Information

The directors are responsible for the other information. The other information comprises the budget, supervisory, committee report and the chairman's report included in the annual report but does not include the financial statement and our audit report thereon. Our opinion on the financial statements doesn't 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 identified above 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 on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Sacco Societies Act, and for such internal control as the Management Committee determines 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 Management Committee Members are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless the management either intend to liquidate the Society or to cease operations, or have no realistic alternative to do so.

The Management Committee Members are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

As required by the Kenyan Sacco Societies Act, we report to you, based on our audit, that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account have been kept by the Sacco, so far as appears from our examination of those books ; and
- iii) The Sacco's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account and in our opinion the Sacco Society Management practices and procedures are sufficient to safeguard members' assets and enhance its financial stability.

The engagement partner responsible for the audit resulting in this independent auditor's report is **FCPA Bernard Siero, Practicing Certificate 1409.**



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For and on behalf of Siero and Associates,

Certified Public Accountants of Kenya,

NAIROBI

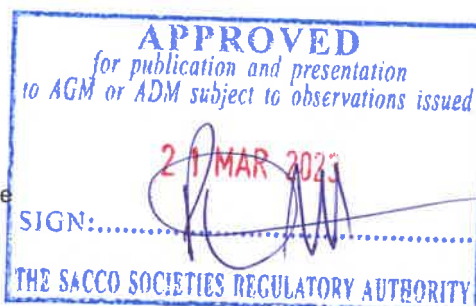
Date: 14th March / / 2023

STATEMENT OF COMPREHENSIVE INCOME

	Notes	<u>2022</u> <u>Shs</u>	<u>2021</u> <u>Shs</u>
Revenue:			
Interest on loans and advances	1 (a)	25,335,422	29,048,652
Interest Expenses	2	(14,401,707)	(14,110,891)
Net Interest Income		<u>10,933,715</u>	<u>14,937,761</u>
Other Operating Income	1 (b)	1,597,150	1,041,093
Administrative Expenses	3	2,445,896	3,303,317
Finance Cost	4a	66,747	14,432
Personnel Expenses	4b	4,411,109	6,610,304
Depreciation and Amortization	4c	314,466	214,289
Governance Expenses(Members related Cost)	4d	3,828,645	3,077,825
Strategic Plan/ Marketing Expenses	4e	324,100	1,178,926
		<u>8,945,067</u>	<u>11,192,576</u>
Net Operating surplus before tax		1,139,902	1,482,961
Income Tax	5	(98,647)	(140,562)
Net Surplus for the year		<u>1,041,255</u>	<u>1,342,400</u>
Appropriation Account			
Surplus/(loss) for the year		1,041,255	1,342,400
Transfer to statutory Reserve-20%		208,251	268,480
Surplus for the year carried forward.		<u>833,004</u>	<u>1,073,920</u>

STATEMENT OF FINANCIAL POSITION

	Notes	<u>2022</u> <u>Shs</u>	<u>2021</u> <u>Shs</u>
Assets			
Cash and Cash Equivalents	6	10,596,352	15,574,876
Prepayment and Receivables	7	3,472,623	4,056,999
Loans to Members	8a	186,934,114	193,147,380
Investments	9	31,297,184	6,695,815
Computer Software	13	5,539,172	703,358
Property, Plant and Equipment	14	369,527	163,499
Total Assets		238,208,973	220,341,926
LIABILITIES			
Members' Deposits	10	201,902,390	193,410,911
Current Income Tax Payable	11	98,647	171,296
Trade Payables and Accruals	12	16,186,371	52,480,850
Total Liabilities		218,187,407	246,063,057
Equity			
Share Capital	15	8,306,330	7,333,058
Reserves	16	4,880,544	4,652,293
Retained Earnings		450,969	353,281
Revaluation Reserve		6,383,723	-
Total Equity		20,021,566	12,338,632
Total Liabilities Equity, and Fund		238,208,973	220,341,926



The Financial Statements were authorized for issue by the Board of directors on 7th March 2023 and signed on its behalf by:

Chairman:  Treasurer:  Board Member: 

STATEMENT OF CHANGES IN EQUITY

	Share Capital Shs	Statutory Reserve Shs	Revaluation Reserve Shs	General Reserve Shs	Retained Earning Shs	Total Shs
Bal as at 1st January 2022	7,333,058	4,098,196		554,097	353,281	12,338,632
Issue of Share Capital	973,272					973,272
Shares revaluation			6,383,723			6,383,723
Surplus for the year					1,041,255	1,041,255
Statutory Reserve		208,251			(208,251)	-
Transfer to General reserve				20,000	(20,000)	-
Proposed Dividends					(415,316)	(415,316)
Proposed Honoraria					(300,000)	(300,000)
As at 31st December 2022	8,306,330	4,306,447	6,383,723	574,097	450,969	20,021,565

	Share Capital Shs	Statutory Reserve Shs	Revaluation Reserve Shs	General Reserve Shs	Retained Earning Shs	Total Shs
Bal as at 1st January 2021	6,746,490	3,829,716		534,097	332,667	11,442,971
Issue of Share Capital	586,568					586,568
Surplus for the year					1,342,400	1,342,400
Statutory Reserve		268,480			(268,480)	-
Transfer to General reserve				20,000	(20,000)	-
Proposed Dividends					(733,306)	(733,306)
Proposed Honoraria					(300,000)	(300,000)
As at 31st December 2021	7,333,058	4,098,196		554,097	353,281	12,338,632

CASH FLOW STATEMENT

		<u>2022</u> <u>Shs</u>	<u>2021</u> <u>Shs</u>
Cash flows from Operating Activities			
Interest Income on Loans and Advances	1a	25,335,422	29,048,652
Interest paid on savings - 2022	2	(2,477,803)	(2,905,411)
Interest paid to ISA - 2022	2	(123,904)	(105,480)
Interest paid on deposits - 2021	2	(11,100,000)	(10,115,325)
Payment to employees and suppliers	3,4 a-e	<u>(11,582,364)</u>	<u>(12,258,277)</u>
		51,351	3,664,159
Increase/(decrease) in operating assets			
Net Loans to members granted	8	6,213,265	(123,432)
Trade and other receivables	7	1,369,026	(1,346,523)
Decrease/(increase) in operating liabilities			
Net Members Savings and Deposits	10	8,491,479	6,452,620
Creditors and accruals paid	12	1,340,541	6,373,485
Honararia	12	(300,000)	(240,000)
Dividends paid	12	<u>(733,306)</u>	<u>(674,649)</u>
Net cash from operating activities before income taxes		16,432,357	14,105,659
Income Tax	11	<u>(171,296)</u>	<u>(372,044)</u>
Net cash generated from/(used in) operating activities		<u>16,261,061</u>	<u>13,733,615</u>
Investing Activities			
Sale(Purchase) of investments	9	(17,665,293)	(6,076,463)
Other receipts/ Dividends received	1b	808,746	1,041,093
Additional Investments		<u>(5,356,308)</u>	<u>(1,920)</u>
Net cash generated from/(used in) investing activities		<u>(22,212,856)</u>	<u>(5,035,370)</u>
Financing Activities			
Share Capital Contributions	15	<u>973,272</u>	<u>586,568</u>
Net cash generated from/(used in) financing activities		<u>973,272</u>	<u>586,568</u>
Increase/(decrease) in cash and cash equivalents		(4,978,523)	9,284,814
Movement in cash and cash equivalents			
At start of year		15,574,875	6,290,061
Increase/(decrease) in cash and cash equivalents			
At end of year		<u>10,596,352</u>	<u>15,574,875</u>

SIGNIFICANT ACCOUNTING POLICIES

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

1 a) Basis of Preparation

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).

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires boardt to exercise its judgment in the process of applying the accounting policies adopted by the company. Although such estimates and assumptions are based on the Board od Directors' best knowledge of the information available, actual results may differ from those estimates .

b) Revenue recognition

Revenue comprises the fair value of the interest received or receivable from the members in the ordinary course of business and is stated net of Value Added Tax.

The Co-operative Society recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for the Co-operative Society's activity as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the interest have been resolved. The Co-operative Society bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

Interest is recognized upon signing of loan agreement and expiry of the month in which it is payable.

c) Translation of foreign currency

Transaction in foreign currency during the year are converted into functional currency, Kenya shilling, using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from settlement of such transactions and from the transactions at the year - end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

d) Property, Plant & Equipment

All property and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation (except as stated below). Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the society and the cost can be reliably measured.

All other expenses and maintenance are classified to the profit and loss account in the financial year in which they are incurred.

Depreciation is calculated on the reducing balance basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Office Equipment	12.5
Computer and Accessories	30
Loose Tools	50

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Computer software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (b) which are estimated to be 5 years.

Rate %

Computer Software	10
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f) Provision for liabilities and charges

Provisions are recognized 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.

g) Receivables

Receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

A provision for impairment is recognized in the Statement of Comprehensive Income in the year when recovery of the amount due as per the original terms is considered 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 collectable are written off against the related provisions. Subsequent recoveries of amounts previously written off are credited to the Statement of Comprehensive Income in the year of recovery.

h) Taxation

Current tax is provided on the results for the year, adjusted in accordance with tax legislation. Deferred tax is not provided or considered.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, term and call deposits with banking institutions and other short-term highly liquid investments in money market instruments with maturities of three months or less from the date of acquisition net of bank overdrafts. In the balance sheet, bank overdrafts are included as borrowings under current liabilities.

j) Share capital

Ordinary shares are classified as equity.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Comparatives

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

l) Financial Risk Management objectives and policies

The Society's activities expose it to a variety of financial risks including credit liquidity and interest rates risks and changes in market prices of the company's products. The society's overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Society does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit history.

m) Critical accounting estimates and judgments

The Society makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Dudu Regulated Non WDT Sacco Society Ltd
C/S 2672
Annual report and financial statements
For the year ended 31st December 2022
NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	Shs	Shs
1 Income		
a) Interest on loans and advances	25,335,422	29,048,652
	25,335,422	29,048,652
b) Other operating Income		
Investment Income		
Coop Bank Shares	829,686	856,614
CIC Money Market	552,353	80,463
NCBA Money Market - Dollar	28,801	-
NCBA Money Market - Kes	76,492	-
Entrance Fees	33,080	34,240
Dusco Pesa Income	76,738	69,776
	1,597,150	1,041,093
2 Interest Expense		
Interest on Savings A/C	2,477,803	2,905,411
Proposed Interest on members Deposits	11,800,000	11,100,000
Interest on Deposits (Icipe Staff Association)	123,904	105,480
	14,401,707	14,110,891
3 Administrative Expenses		
Statutory Audit fee	113,332	113,332
Telephone & Postage	1,525	90,505
Casual Labour and Sundry Expenses	87,029	81,804
Printing and Stationery	98,590	157,845
Public Relations	8,180	28,965
Group Life Insurance	35,981	34,565
Group Loan cover balance	259,403	221,274
Software Maintainance	156,600	156,600
Internet(ICipe Expenses)	413,100	572,400
CAK Affiliation Fees	10,000	-
Legal Fees	-	8,000
SASRA expenses	30,000	88,800
Repair & Maintenance	-	4,000
Provision for bad debts	1,232,156	1,860,658
	2,445,896	3,418,749
4 Other Operating Expenses		
a) Finance Cost		
Bank Charges	66,747	14,432
	66,747	14,432
b) Personnel Expenses		
Salaries and Wages	3,079,078	4,680,294
Staff Medical	360,377	908,854
Education Allowances	116,671	200,015
Leave Allowances	24,000	30,000
NSSF	4,000	6,200
Pension Contribution	409,583	474,941
Staff Training	417,400	310,000
	4,411,109	6,610,304
c) Depreciation and Amortization		
Depreciation	131,975	38,449
Amortisation	182,491	175,839
	314,466	214,289

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		<u>2022</u> <u>Shs</u>	<u>2021</u> <u>Shs</u>
d	Governance Expenses(Members related Cost)		
	Committee Education	315,900	164,900
	Travelling and Subsistence	1,276,705	928,718
	Sitting Allowance	748,340	531,657
	Members Education	413,700	475,850
	Annual General Meeting(AGM)	1,074,000	976,700
		<u>3,828,645</u>	<u>3,077,825</u>
	Sitting & subsistence expense Breakdown		
		<u>2022</u> <u>Shs</u>	<u>2022</u> <u>Shs</u>
	NAME	Sitting Allowance	Subsistence
	Chairperson Joel Bargul	82,000	112,000
	Treasurer Robertson Nyikuli	92,800	159,600
	Vice-Chairperson Gerphas Okuku	44,000	123,200
	Hon Secretary Carolyne Akal	56,800	145,600
	Member Education Committee Edgar Mutai	32,400	75,600
	Secretary Education Committee Janet Mbale	31,200	72,800
	Chairperson supervisory Committee Eunice Musyoka	61,200	72,800
	Supervisory Committee Member David Mbesi	32,400	70,000
	Supervisory Committee Secretary Silas Owiti	32,400	70,000
	Chairperson Credit Committee Nelson Suchi	86,400	137,200
	Secretary Credit Committee Julius Obonyo	43,200	100,800
	Member Credit Committee Simprose Oyugi	34,800	81,200
	Taxes	118,740	-
	TOTALS	<u>748,340</u>	<u>1,220,800</u>
e	Strategic Plan/ Marketing Expenses	<u>324,100</u>	<u>1,178,926</u>
		<u>324,100</u>	<u>1,178,926</u>
5	Current Income Tax		
	Investment Income	657,646	937,077
	Total Income	<u>657,646</u>	<u>937,077</u>
	50% Taxable	328,823	468,539
	Total Taxable Income	328,823	468,539
	Tax there on (30%)	<u>98,647</u>	<u>140,562</u>
6	Cash and Bank Balances		
	The following cash balances have been confirmed.		
	Petty Cash balance	-	(1,005)
	Paybill	224,050	924,989
	Co-operative Bank of Kenya Ltd:Current A/C	1,119,148	2,620,766
	NCBA Bank of Kenya :Current A/C - KES	6,181,559	4,344,243
	:Dollar Current A/C	1,967,163	6,581,451
	Kenya Commercial Bank :Current A/C	1,104,432	1,104,432
		<u>10,596,352</u>	<u>15,574,876</u>

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	2022	2021
	Shs	Shs
7 Prepayment and Receivables		
Account Receivables	1,072,482	41,667
Prepaid Insurance	1,025,620	877,088
Dusco Pesa Settlement A/C	33,831	197,263
Dividends Advance	1,340,689	1,273,118
Computers & Software Purchase Deposit	-	1,667,864
	3,472,623	4,056,999
8a Loan to Members		
Balance Brought Forward	197,975,823	197,852,391
Disbursement During the Year	191,554,047	154,704,624
Repayment During the Year	(196,535,156)	(154,581,192)
	192,994,714	197,975,823
Provision for Bad debts		
Provision for bad debts B/f	(4,828,444)	(2,967,786)
Provision for the Year	(1,232,156)	(1,860,658)
	(6,060,600)	(4,828,444)
Balance Carried Down	186,934,114	193,147,380

8b					
No	Classification	No of A/c's	Portfolio Kshs	Percentage	Required Provision
1	Performing	1,212	178,731,049	1%	1,787,310
2	Watch	13	3,245,393	5%	162,270
3	Substandard	9	5,592,461	25%	1,398,115
4	Doubtful	4	5,425,809	50%	2,712,904
5	Loss	-	-	100%	-
	Total	1,238	192,994,712		6,060,600

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		<u>2022</u> <u>Shs</u>	<u>2021</u> <u>Shs</u>
9	Investments		
	Coop Bank Shares 943,656 @ Kes 7.2	6,794,323	561,700
	C.I.C Shares 54,984 @ Kes 3.5	192,444	45,820
	KUSCCO Shares 163 @ kes 100	16,308	11,832
	CIC Money Market	6,628,816	6,076,463
	NCBA Money Market - Dollar	7,588,801	-
	NCBA Money Market - Kes	10,076,492	-
		<u>31,297,184</u>	<u>6,695,815</u>
10	Members Deposits		
	Opening General Ledger balances	155,351,148	148,898,528
	Net Deposit During the Year	3,593,330	6,452,620
	Total General Ledger balances	158,944,477	155,351,148
	Balance as per Control Account	<u>158,944,477</u>	<u>155,351,148</u>
		<u>-</u>	<u>-</u>
	Member Term Deposits	4,686,823	4,523,332
	Members Fixed Deposits	33,330,426	29,823,304
	Members Children Accounts	2,643,007	1,539,373
	Icipe Staff Association Investment A/C	2,297,658	2,173,754
		<u>42,957,913</u>	<u>38,059,763</u>
		<u>201,902,390</u>	<u>193,410,911</u>
11	Current Income Tax Payable		
	Balance Brought Forward	171,296	402,778
	Charge For The Year	98,647	140,562
	Paid During The Year	(171,296)	(372,044)
	Balance Carried Forward	<u>98,647</u>	<u>171,296</u>
12	Trade Payable and Accrued Expenses		
	Members Savings Withholding tax	123,737	294,455
	Unidentified Banking	35,100	51,100
	Members Dusco Pesa	1,924,012	1,777,835
	DynamicNav Systems Ltd	1,217,371	-
	Statutory Audit fee	113,332	113,332
	Sundry Creditors	257,502	-
	Sundry Creditors Payroll	-	69,690
		<u>3,671,054</u>	<u>2,306,413</u>
	Proposed Interest on Members Deposit	11,800,000	11,100,000
	Proposed Honoraria	300,000	300,000
	Proposed Dividends	415,316	733,306
		<u>12,515,316</u>	<u>12,133,306</u>
13	Computer Software		
	Year ended 31 December		
	Cost		
	At start of year	3,750,000	3,750,000
	Additions	5,018,305	-
	At end of year	<u>8,768,305</u>	<u>3,750,000</u>
	Accumulated Amortisation		
	At start of year	3,046,642	2,870,803
	Charge for the year	182,491	175,839
	At end of year	<u>3,229,133</u>	<u>3,046,642</u>
	Net book value	<u>5,539,172</u>	<u>703,358</u>

NOTES TO THE FINANCIAL STATEMENTS

14 Property, Plant and Equipment

<u>2022</u>	<u>Furniture's & Fitting</u> 12.50%	<u>Computer & Accessories</u> 30.00%	<u>Loose Tools</u> 50.00%	<u>TOTAL</u>
Cost				
As at 01/01/2022	462,085	1,177,470	27,360	1,666,915
Additions		338,004		338,004
Total at Cost (Ksh)	462,085	1,515,474	27,360	2,004,919
Depreciation				
As at 01/01/2022	346,309	1,132,297	24,810	1,503,416
Charge for the year	14,472	114,953	2,550	131,975
Total Depreciation	360,781	1,247,250	27,360	1,635,391
Net Book Value (Ksh)	101,304	268,223	-	369,527

<u>2021</u>	<u>Furniture's & Fitting</u> 12.50%	<u>Computer & Accessories</u> 30.00%	<u>Loose Tools</u> 50.00%	<u>TOTAL</u>
As at 01/01/2021	462,085	1,177,470	25,440	1,664,995
Additions			1,920	1,920
Total at Cost (Ksh)	462,085	1,177,470	27,360	1,666,915
Depreciation				
As at 01/01/2021	329,770	1,112,937	22,260	1,415,228
Charge for the year	16,539	19,360	2,550	49,739
Total Depreciation	346,309	1,132,297	24,810	1,464,967
Net Book Value (Ksh)	115,776	45,173	2,550	201,948

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		<u>2022</u> <u>Shs</u>	<u>2021</u> <u>Shs</u>
15	Share Capital		
	Balance Brought Forward	7,333,058	6,746,490
	Additions	973,272	586,569
	Balance Carried Down	8,306,330	7,333,058
16	Reserves		
	Statutory Reserve		
	Balance Brought Forward	4,098,196	3,829,716
	Provided During the Period	173,071	268,480
	Balance Carried Down	4,271,267	4,098,196
	General Reserve		
	Balance Brought Forward	554,097	534,097
	Provided During the Period	20,000	20,000
	Shares revaluation	6,383,723	-
	Retained Earnings Carried Forward	6,957,820	554,097
	Total Reserves	11,229,087	4,659,327
17	Insurance Fund		
	Balance Brought Forward	-	-
	Receipts During the Year	1,657,695	1,605,738
	Group Insurance Payments	(1,917,098)	(1,827,012)
	Balance Expensed	259,403	221,274
		-	-
18	Related party information		
	Loans To:		
	Staff	3,006,449	5,330,000
	Directors/Officials	21,413,153	21,813,000
		24,419,602	27,143,000