



ANNUAL REPORT BOOK

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

2024



DHAMINI SACCO SOCIETY

ACK Parking Silo, Bishops Road, Opp. NSSF
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21st March 2025

ANNUAL GENERAL MEETING NOTICE

Notice is hereby given to Dhamini Regulated Non WDT Sacco Ltd Members that the 36th Annual General Meeting will be held on Saturday 5th April, 2025 at the ACK Parking Silo Grounds starting at 10.00am.

The Agenda will be:

1. Opening prayers and Welcome remarks
2. To read the notice of AGM and adoption of agenda paper
3. Chairperson's report
4. Supervisory committee report
5. 2024 Audited financial accounts
6. To consider and approve budget proposals
7. Appointment of auditors for 2025
8. To read and confirm minutes of the last AGM held on 16th March 2024
9. Matters arising from the last AGM Minutes
10. Resolutions proposed by the board
11. Remarks by the director of Co-operatives – Nairobi county
12. Elections of retiring directors and supervisory committee
13. Receive any other business
14. Vote of thanks and closing prayers

Yours Sincerely,

Idah Omolo

Idah Omolo

Hon. Secretary



DHAMINI REGULATED NON-WDT SACCO SOCIETY LTD

CHAIRMAN'S REPORT DURING THE 36TH ANNUAL GENERAL MEETING HELD ON 5TH APRIL 2025 AT ACK PARKING SILO.

Our Esteemed Members, Board of Directors, Management, and distinguished Guests,

I am pleased to present the Chairman's Report for the year 2024, outlining our SACCO's performance, progress, challenges and growth plans. This report reflects the collective effort, resilience, and commitment of our members, management, and staff in advancing the SACCO's mission *'to provide efficient and competitive financial services to our members while maintaining other stakeholders interest.'*

1. Overview of the Year

In the year 2024, our SACCO continued to build on its core mandate of empowering members through savings, credit facilities, and other financial services. Despite various challenges witnessed, including high cost of living that our members faced making it challenging to service their loans as well as monthly contributions. We experienced challenges with our umbrella union KUSCCO whom as you know underwent management challenges leading to loss of Saccos funds. The political climate was not spared and the government faced stiff rebellion from the Gen Zs who were against the punitive 2024 finance bill. Despite all these we made significant strides in achieving our goals. The year under review, saw an increase in member participation, growth in assets, and the reintroduction of the holiday loan product aimed at enhancing the value we offer to you our members.

2. Financial Performance

Our financial performance for the year has shown positive growth across key indicators:

	Kshs	Kshs	Change (Kshs.)	%
Total Assets	612,547,324.55	573,445,325.99	39,101,998.56	6.82
Members' Deposits	481,040,294.80	445,649,218.05	35,391,076.75	7.94
Loans and Advances to Members	446,725,756.40	385,060,403.29	61,665,353.11	16.01
Investments	106,082,872.16	140,359,157.40	- 34,276,285.24	-24.42
Total Revenue	73,737,318.75	61,458,041.84	12,279,276.91	19.98
Total Interest Income	53,564,707.64	40,411,226.94	13,153,480.70	32.55
Total Expenses	31,926,708.69	25,758,331.60	6,168,377.09	23.95
Core Capital	65,340,897.13	53,605,794.27	11,735,102.86	21.89
Share Capital	51,338,993.07	48,361,539.40	2,977,453.67	6.16
Institutional Capital	40,810,902.06	33,513,253.87	7,297,648.19	21.78
Statutory reserve	16,097,503.68	13,563,896.73	2,533,606.95	18.68
Interest on members' deposit	27,905,631.91	25,790,432.13	2,115,199.78	8.20

The SACCO's financial performance reflects prudent management, good governance practices, and a focus on sustainable growth.

3. Achievements

In the course of the year, we achieved several milestones:

- ◆ **Re-introduction of Products:** During the year, the mobile loan was activated and many have members patronized it. The Holiday loan was also reintroduced and the uptake has been impressive.
- ◆ **Enhanced Technology** - The new system is now stable, and the mobile loan has tremendously picked. In the coming days we will limit loans below Kshs. 50,000/- to be applied and disbursed through mobile App.
- ◆ **Member Education** - The marketer interacted with 2,972 members in addition to our annual members' education day which was hybrid i.e. physical and online reaching over 3,500 members.
- ◆ **Governance strengthening** - During the year the board engaged services of an internal auditor in line with Sacco Society Regulatory Authority requirement. This has greatly increased the level of financial surveillance and strengthening the internal controls of the Sacco.

4. Challenges

Despite our successes, we faced some challenges during the year:

i. Loan defaults

Loan default occurs when a borrower fails to meet the payment obligations outlined in a loan agreement, such as missing one or more payments or stopping payments altogether. High default rates reduce the SACCO's cash flow, increase recovery costs, and limit the funds available for lending to other members, potentially resulting in lower dividends. SACCOs may face operational difficulties due to loan defaults, including challenges in meeting financial obligations and sustaining growth, which can affect member services and benefits.

As you may have noted from the society's information, our portfolio at risk PAR which is a measure of SACCO's loan portfolio that is at risk due to overdue payments was 11.4% which is twice the regulator requirement of $\leq 5\%$. A high PAR substantially affects our performance and returns to members.

<u>Portfolio loans ageing report-2024</u>				
Classification	NO.OF	Amount (Ksh)	Rate (%)	Amount (Ksh)
Performing	2984	332,288,976	1%	3,322,890
Watch	291	42,727,267	5%	2,136,363
Sub Standard	277	45,232,130	25%	11,308,033
Doubtful	41	1,452,498	50%	726,249
Loss	992	4,892,338	100%	4,892,338
	<u>4585</u>	<u>426,593,210</u>		<u>22,385,872</u>
Restructured 2024				
Classification	NO.OF	Amount (Ksh)	Rate (%)	Amount (Ksh)
Performing	28	30,677,729	1%	306,777
Watch	1	1,662,169	5%	83,108
Sub Standard	2	92,448	25%	23,112
Doubtful	3	187,586	50%	93,752
Loss	5	404,944	100%	404,944
	<u>39</u>	<u>33,024,877</u>		<u>911,694</u>
	4,624	459,618,086	-	23,297,567

ii. Kuscco challenges

The Sacco had invested

Kshs. 13,637,00 in KUSCCO's special deposit and Kshs. 1,460,001 deposits which is now at risk of loss following the mismanagement issues at our umbrella body as you all are aware. This has

made us provide Kshs. 2,460,001 in our books besides the unrecognized interest receivable. This therefore translates to diminished performance and constrained interest. We are however hopeful that these funds will be refunded as the government is working on a turnaround of KUSCCO and once revived the funds will be treated as income in our books.

iii. KRA tax reclassification

Our Sacco passed a resolution to have members from corporate entities e.g. chamas, groups, housing operative, churches and organized groups. This meant that our Sacco is now classified as a secondary Sacco for tax purposes and liable for corporate tax at 30%. Additionally, all incomes other than interest on members loans now attracts excise duty payable to KRA at 10%. This has also reduced our earnings as you will note that the tax expense is larger as compared to previous years.

We are working closely with members and the bodies to overcome these challenges especially the defaults and taxation to ensure that we continue serving members effectively.

5. Growth and Future Plans

Looking forward, we are committed to building on our achievements and addressing the challenges faced in the past year. Some of the key focus areas for the coming year include:

- **Increasing Membership** - Sacco strength lies with numbers and accumulated deposits, this year we are committed to recruiting over 600 members. We call upon members to be good ambassadors of our Sacco and in-turn help in recruitment.
- **Enhancing Product Offerings** - We are committed to inventions that resonate to the evolving needs of our members. We will be launching different products in the course of the year and re-engineering the existing to meet the diverse needs of our members.
- **Improving Financial Stability** - We will continue to strengthen our financial base by implementing better risk management strategies and improving loan recovery processes. We have developed all the necessary policies and others have been reviewed t
- **Member Support and Education** - We will focus on increasing the frequency of financial literacy programs and other member support services. We will be having a monthly engagement of all new and other interested members in our office.
- **Strengthening Governance and Leadership** - we will ensure the SACCO is managed by a strong, capable leadership team with clear policies, accountability, and oversight. Through regular training for board members and management on financial planning, risk management, and regulatory compliance the team will be equipped for decision-making and governance.
- **Managing Operational Costs** - we will on regular basis review our operational costs expenses and identify areas where cost-saving measures can be implemented without compromising service delivery. We also optimize the use of technology in disbursement of loans.

6. Auditors for year 2025 - 2027

The board appreciates the great work our outgoing auditors have done over the last three years. As a regulatory requirement, Sacco are required to change auditors after three years. Henry Smith & Wilson CPA(K) have finished their term, and we appreciate them for great insights, advice and professionalism they have offered.

The position of external auditor was advertised and the process underwent due process. Three audit firms were selected after being interviewed and in due time members will participate in appointing one to become our auditor for the next three years. The three are;

- i. MBUTHIA KARITE & ASSOCIATES

- ii. NG'ANG'A PIUS & PARTNERS
- iii. TAX MART KENYA

The three firms have extensive experience in auditing Saccos and are approved by the regulatory body SASRA. The board recommends **Mbuthia Karite & Associates** based on their charges

7. Retiring Board Members and Election

The retiring members of the board and supervisory are;

- ❖ Mr. Samuel Omondi
- ❖ Mr. Jeremiah Kuria
- ❖ Mrs. Idah Omolo
- ❖ Mrs. Elizabeth Taama

The vetting and election committee completed the work of processing and interviewing members who had applied for the board and supervisory positions. The report will be brought by the Committee Chairman and conduct the election as required by the law.

8. Proposed Resolutions

1. Distribute interest on Deposits at a rate of 6% Ksh 27,905,632
2. Distribute dividends on Share capital at the rate of 10% Ksh 5,020,385
3. Approve 2026 budget.
4. Approve 2025 supplementary budget.
5. Appointment of auditors for the year 2025.
6. Retain the Borrowing powers at Ksh.10 Million.
7. Increase loan ceiling from 15 Million to 25 Million
8. Pay honoraria of Kshs. 350,000/= to the Board and Supervisory.

9. Appreciation and Conclusion

I would like to take this opportunity to thank all our members for their unwavering support and commitment to the SACCO. Your active participation and loyalty have been instrumental in our growth and success.

I also extend my gratitude to the management team and staff for their dedication, hard work, and professionalism. Together, we will continue to achieve our mission and ensure the long-term sustainability of our SACCO.

As I conclude, I am filled with optimism for what lies ahead for our beloved SACCO. Together, we will build a stronger, sustainable, and more prosperous future.

Thank you and God bless you.



Francis Mueke
Chairman, Dhamini Sacco

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED

SUPERVISORY COMMITTEE

Annual Report (1st January 2024 to 31st December 2024)

**For Presentation at Dhamini SACCO's Annual General Meeting on 5th
April 2025 at ACK Parking Silo, Nairobi**

Supervisory Committee Members

**Rev. Dishon Gathome
Simon Oruka
Elizabeth Taama**

**Chairperson
Secretary
Member**

1 Introduction

To the honorable members, the Board of directors, Management Team, distinguished guests, ladies and gentlemen, with the grace of God Almighty, I salute you all.

The year 2024 financial year had its fair share of up and downs that directly impacted on the operations and day-to-day running of Dhamini Sacco. However, as your trusted watchdog, the SC team faithfully carried out its mandate as outlined in the prevailing Sacco's by laws and the related governing legislations in force during the year under review and duly compiled quarterly reports that were presented to the board and commissioner of Cooperatives and SASRA as is required of us.

On behalf of the SC team, allow me to briefly share with you some highlights on our general observations and findings with regard to the overall running of the Sacco in Year 2024.

2 Key Highlights of 2024

2.1 Internal Controls – Onboarding of the Internal Auditor

The year saw the onboarding of Internal auditors. The SC noted that the Internal Audit relayed a rigorous plan for the year that covered the entire business i.e. Governance, Credit Management, Customer Services, HR, ICT, Marketing, Finance and Administration, Business external environment among others.

The internal audit quarterly reports were prepared professionally and in a timely manner. The reports had recommendations and highlighted areas of improvement that have been to reasonable extent adopted in the Sacco operations.

Revision, update, and full implementation of Sacco policies came out as a sticking point. We note that the Board has put out a plan to fast track the process. Improved policies will go a long way in enhancing Sacco operations, performance, regulatory compliance and stability.

We report that the Internal auditors performed their roles and responsibilities to our satisfaction.

2.2 General Performance Parameters

The three main performance highlights for the Year 2024 as compared with Year 2023 are summarized below:

		<u>2024</u>	<u>2023</u>	<u>Percentage Change</u>
<u>Financial Performance</u>	Net surplus before tax	13,490,993	9,909,278	+36.1%
	Net surplus after tax	12,831,685	9,242,434	+38.8%
	Investment income	9,602,976	16,057,861	- 40.2%
	Interest on loans	53,564,708	40,411,227	+32.5%
	Net interest income	25,659,071	14,620,795	+75.5%
	Total income/Turnover	42,818,263	35,667,610	+20.0%
	Active	4,999	2,457	+103%

Membership	Dormant	1,679	3,959	- 58%
	Total	6,678	6,416	+4.1%
Loan book	Loans & Advances	448,725,756.00	385,060,403.00	+16.5%
	Loans disbursed during year	335,145,263.40	279,990,029.60	+19.7%
	Loan repayment during year	322,542,758.37	256,968,095.60	+25.5%
	PAR	11.37%	15.93%	- 28.64%

- The report shows a positive growth in all the three areas except for a decline in the investment income caused by the potential loss of our investment funds held at KUSCCO.

2.3 Financial Position/Performance of Sacco in the last three years

Below is a table summarizing key parameters used to track the financial performance of the SACCO from 2022 to 2024:

		(KSHS)	(KSHS)	(KSHS)	% Change	% Change
1	ITEM	2024	2023	2022	2024/2023	2023/2022
1.1	Members Deposits	481,040,295.00	445,649,218.00	420,221,970.00	8%	6%
1.2	Share Capital	51,337,993.00	48,361,539.00	44,881,902.00	6%	8%
1.3	Loans and advances	448,725,756.00	385,060,403.00	325,344,397.00	16%	18%
1.4	Net Interest income	25,659,071.00	14,620,795.00	10,249,835.00	75%	43%
1.5	Investment income	9,602,976.00	16,057,861.00	16,202,173.00	-40%	-1%
1.6	Total Income/Turnover	42,818,263.00	35,667,610.00	32,856,993.00	20%	9%
1.7	Total Expenses	(29,327,270.00)	(25,758,332.00)	(23,252,277.00)	14%	11%
1.8	Net surplus after tax	12,831,685.00	9,242,434.00	8,802,423.00	39%	5%
1.9	Financial Investments	118,997,082.00	140,359,157.00	169,006,531.00	-15%	-17%

- There has been a stable growth in all areas of the Sacco except for the Investment income that was occasioned by the collapse of KUSSCO as you are all aware. It is recommended that the Board continuously review the Sacco Investments to determine risks and mitigation measures put in place to reduce future losses.

2.4 SACCO Performance against Strategic Plan 2023-2027

A review of membership, loan uptake, member deposits and investments are as follows: -

a) Membership

Growth of membership was relatively low at 4% as compared to the strategic target of 15% annually i.e. 75 new members per month.

The Sacco needs to put more effort in marketing to enhance growth in membership and also implement retention strategies to avoid losing members.

b) Loan uptake

Loans disbursed during the year stood at Ksh.335,145,263.40 against a strategic target of Ksh.207M per year in loan disbursements. The target was exceeded by 60%, a significant achievement.

The turnaround time for loan disbursements was set at 2 weeks for asset finance loans and at 2-3 days for all other loan products. The SACCO managed to achieve a better TAT of up to 5 days for Vehicle asset finance loans, 3 weeks for Land asset finance and 3 days for guarantor loans, which is commendable.

c) Deposits

The SACCO target for deposit growth is 10% annually. The deposits grew by 8% in 2024/2023 and 6% in 2023/2022 below the set target.

d) Investment Portfolio

The goal is to invest in a portfolio of financial assets with returns above 10%. The Average rate of return for investments in 2024 was 10.24%.

It is important to note that in 2025 this rate may decline due to the base lending rates that have significantly declined, hence affecting returns. The SC recommends that the Board to produce a robust strategy to ensure that optimum returns are achieved despite the projected difficult investment environment.

In summary, the Strategic plan needs to be reviewed by the Board and Management to ensure that it aligns to the current market and Dhamini Sacco performance realities.

2.5 Loans disbursements, Recovery and PAR

		Amount (KSHS)	Amount (KSHS)	% Change
1	ITEM	2024	2023	
1.1	Loans and advances	448,725,756.00	385,060,403.00	+16.5%
1.2	Loan disbursements during year	335,145,263.40	279,990,029.60	+19.7%
1.3	Loan repayments during year	322,542,758.37	256,968,095.60	+25.5%
1.4	Portfolio at Risk (PAR)	11.37%	15.93%	- 28.64%

There was a 20% increase in loan disbursements in 2024.

The Portfolio at Risk has reduced significantly as shown in the table above. The target is 5% and members are encouraged to repay loans promptly to minimize delinquencies.

The SC recommends that the Board and Management to ensure timely enforcement of recovery mechanisms to mitigate loan delinquencies.

2.6 SACCO Governance, Risk and Compliance

Good governance of any organization is essential to the achievement of its goals and objectives.

We recommend that the Board continue emphasizing the following:

Regulations and compliance – The Sacco management and Board need to review all regulatory requirements and ensure compliance to the same to avoid potential risks that could affect the capacity of the SACCO to be a going concern. Compliance with SASRA, KRA, UFAA, AML regulations and policies should be reviewed and any gaps closed.

Training and Development – Skills and knowledge improvement cannot be overemphasized in today's fast-changing business environment. The SC recommends that training schedules be developed annually to mainstream training and development as a key activity within the Sacco both for staff and the Board.

Member participation in Elections – Members should be encouraged to get involved in the election processes when vacancies arise to have a chance to contribute positively to the growth of the SACCO.

3.0 CONCLUSION

The SACCO indicators of performance are positive. The Year 2024 saw a marked improvement in loan repayments, loan book growth, deposits growth that should translate to better returns to the members.

Meanwhile, the SC recommends reinforcement of areas that require improvement and particularly the continuous monitoring and implementation of the recommendations that are regularly provided by the Internal auditor, the supervisory committee and including the external auditors for a more vibrant and stable Sacco that will be of benefit to members today and into the future.


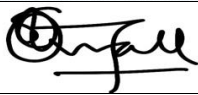

We conclude by noting that, despite the above-mentioned areas of improvement amongst others that we periodically raise with the board, our reviews revealed that the board generally carried out its mandate diligently within the confines of existing control frameworks, with reasonable fidelity to both internal and external regulatory measures in place, thereby mitigating any deliberate fraud or error.

We are therefore confident that the financial accounts and accompanying reports presented before you at this 2025 AGM reflect Dhamini Sacco achievements in 2024.

Lastly, we conclude by urging members to keep rallying our support to Dhamini Saccos Board and staff as they diligently continue stewarding the Sacco with devotion and dedication for even greater success.

Thank you all, God bless you, God bless Dhamini Sacco.

Report compiled by Dhamini SACCO Supervisory Committee comprising:

Rev. Dishon Gathome		Chairman
Simon Oruka		Secretary
Elizabeth Taama		Member

**DHAMINI REGULATED NON WDT SACCO SOCIETY
LIMITED C/S NO.4331**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024



DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

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**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

SOCIETY INFORMATION

THE BOARD AND SUPERVISORY COMMITTEE MEMBERS

BOARD COMMITTEE MEMBERS

Francis Mueke	Chairperson
Simon Oriedo	Vice-Chairperson
Idah Omollo	Hon. Secretary
Jackson Kirikiru	Treasurer
Gregory Ndiritu	Member
Jeremiah Kuria	Member
Samuel Omondi	Member
Jeff Adero	Member
Daniel Omondi	Member

SUPERVISORY COMMITTEE

Dishon Gathome	Chairperson
Simon Oruko	Secretary
Elizabeth Taama	Member

REGISTERED OFFICE

Dhamini NWDT Sacco Society Ltd
Ground Floor ACK Parking Silo
P.O Box 44749 - 00100
Nairobi.
L.R No 209/8342/2
Telephone 020-2728378
Email: customercare@dhaminisacco.com

PRINCIPAL BANKERS

Co-operative Bank of Kenya Limited
Upperhill Branch
NAIROBI.

INDEPENDENT AUDITOR

Henry Smith & Wilson
Certified Public Accountants (Kenya)
P.O. Box 9937-00100.
NAIROBI.

CHIEF EXECUTIVE OFFICER

Emily Kago
P.O. Box 44749 - 00100
0722-566386
Nairobi.

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submit their annual report together with the audited financial statements for the year ended 31st December 2024 which disclose the Society's state of affairs.

INCORPORATION

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

PRINCIPAL ACTIVITY

The principal activity of the Society is that of receiving savings and provision of loans to its members.

OPERATING RESULTS

The operating results are shown below

	2024 <u>Kshs</u>	2023 <u>Kshs</u>
Surplus Before Tax	13,904,978	9,909,278
Income Tax expense	(1,236,945)	(666,844)
Net surplus After Tax	<u>12,668,033</u>	<u>9,242,434</u>
Transfer to statutory reserve	(2,533,607)	(1,848,487)
Provision for Dividends	(5,020,385)	(4,636,781)
Provision for Honoraria	(350,000)	(350,000)
Retained surplus for the year	<u>4,764,041</u>	<u>2,407,166</u>
Interest on members' deposits	(27,905,632)	(25,790,432)

DIVIDENDS AND INTEREST

The Board of Directors are pleased to recommend to the members for approval of payment based on weighted average, deposits of 6% (2023: 6%) in rebates on active accounts and dividend of 10% (2023: 10%) on share capital.


MEMBERS OF THE BOARD OF DIRECTORS

The Members of the Board of Directors who served during the period and to the date of this report are shown on page 1. The following will retire this year on rotational basis: Samuel Omondi, Idah Omolo and Jeremiah Kuria. All of them being eligible, offer themselves for re-election. As per the Society's by laws, Elizabeth Taama of Supervisory Committee is also retiring on rotational basis and being eligible, offers himself for re-election.

INDEPENDENT AUDITOR

The term of the current auditors, Henry Smith & Wilson, Certified Public Accountants (K), has come to an end in accordance with the provisions of the Kenya Co-operatives Societies Act 1997 (Amended 2004) and the Sacco Societies Regulations 2020.

BY ORDER OF THE BOARD

Signature 

Date 19/3/2025

Hon. Secretary

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
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STATISTICAL INFORMATION AND OTHER DISCLOSURES

		<u>2024</u>	<u>2023</u>
Membership			
	Active	4,999	2,457
	Dormant	1,679	3,959
	Total	6,678	6,416
Number of Employees			
	Male	5	5
	Female	6	6
	Total	11	11
Financials			
	Kshs	Kshs	
Total Assets	612,547,325	573,445,326	
Members' Deposits	481,040,295	445,649,218	
Dividends & Interest payable	4,482,740	4,401,154	
Loans and Advances to Members	446,725,756	385,060,403	
Investments	106,082,872	140,359,157	
Total Revenue	73,737,319	61,458,042	
Total Interest Income	53,564,708	40,411,227	
Total Expenses	31,926,709	25,758,332	
Core Capital	65,340,897	53,605,794	
Share Capital	51,338,993	48,361,539	
Institutional Capital	40,810,902	33,513,254	
Statutory reserve	16,097,504	13,563,897	
Interest on members' deposit	27,905,632	25,790,432	
Key ratios:	Recommended		
Capital Adequacy Ratio	STD		
Core Capital / Total Assets	≥ 10%	10.7%	9.3%
Core Capital / Total Deposit	≥ 8%	13.6%	12.0%
Retained Earnings & disclosed reserves/Core Capital	≥ 50%	43.3%	39.2%
Institutional Capital/Total Assets	≥ 8%	6.7%	5.8%
Asset Mix & Quality			
NPL/Total loans (PAR)	< 5%	11.4%	15.9%
Non-earning Assets / Total Investment Assets	< 10%	3.9%	3.5%
Liquidity Ratio			
Liquid Assets / Short term Liabilities	≥ 10%	20.8%	23.7%
External borrowing / Total Assets	< 25%	0.0%	0.0%
Liquid Assets / Total Assets		1.3%	1.9%
Structure/Sensitivity to Risk			
Gross Loans/Total Assets	70-80%	72.9%	67.1%
Gross Loans/Total Deposits	≥ 100%	92.9%	86.4%
Gross Loans/Deposits	7 <10%	17.3%	24.5%
Operating Efficiency / Loan quality Ratios			
Total expenses / Total revenue	< 45%	43.3%	41.9%
Total expenses / Total assets	< 5%	5.2%	4.5%
Personnel expenses/Total revenue	<15%	17.4%	19.0%
Dividends+Interest on Members deposits / Total revenue		44.7%	49.5%
Interest rate on Members' Deposits		6.0%	6.0%
Dividend rate on Members' Share Capital		10.0%	10.0%

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

CORPORATE GOVERNANCE STATEMENT

Corporate governance is the process and structure used to manage business affairs of the Society towards enhancing prosperity and Corporate accounting with the ultimate objective of realizing members' long term value while taking into account the interest of other stakeholders.

The Board of Directors is responsible for the corporate governance practices of the Society. This statement sets out the main practices in operation during the year underreview, unless otherwise indicated. The Society is committed to business integrity and professionalism in all its activities.

Board of Directors

The Board has nine members and a manager as ex-official. The separate roles of chairman and the C.E.O are practised and are clearly defined in the by laws that are regularly revised to be in line with legislation and statutes. The Board meets monthly to deliberate on the Society's Financial performance and to discuss reports from each sub- committee and deal with any strategic issues and opportunities for the Society.

Board Sub- Committees

The Society had the following sub-committees in place during the year with terms of reference clearly defined in the by laws to facilitate decision making of the Board in the execution of its powers, duties and authorities.

Standing committees

1. Finance and administration	Chaired by	Jackson Kirikiru
2. Credit and Risk Committee	Chaired by	Jeff Adero
3. Education and Marketing Committee	Chaired by	Simon Oriedo
4. Supervisory Committee	Chaired by	Dishon Gathome

The above Sub-Committees meet regularly at least once a month to deliberate on issues that fall under their mandate.

Internal Controls

The Society has systems and processes to ensure that requisite controls, physical security of assets and reporting of accurate and up-to date information with a comprehensive accounting system is in place.

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

STATEMENT OF BOARD 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 financial year and of its operating results for that year in accordance with International Financial Reporting Standards (IFRS). It also requires the Board of Directors to ensure that the society keeps 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 the society's general meeting.

The Board of Directors accept responsibilities 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 (IFRS) and in the manner required by the Co-operatives 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 its operating results in accordance with the IFRS. The Board of Directors further accepts responsibility for the maintenance of accounting record which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Board of Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Co-operatives 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 its results. The Board of Directors 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 system of internal financial control.

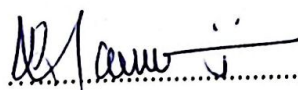
Nothing has come to the attention of the Board of Directors to indicate that the Sacco will not continue as a going concern for at least twelve months from the date of this statement.

Approved by the Board of Directors on 19.03.2025 and signed on its behalf by:

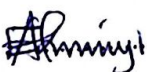
Chairman


.....

Treasurer


.....

Secretary


.....

HENRY SMITH & WILSON

CERTIFIED PUBLIC ACCOUNTANTS KENYA

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

REPORT OF INDEPENDENT AUDITOR TO MEMBERS OF DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED FOR THE YEAR ENDED DECEMBER 31ST 2024

Auditor's Report on the Financial Statements

We have audited the accompanying financial statements set out on page 8 to 28 of Dhamini Regulated Non WDT SACCO Society Limited, that comprise:-

- i. Statement of Comprehensive Income
- ii. Statement of Financial Position
- iii. Statement of Changes in Equity
- iv. Statement of Cash flows , and
- v. A summary of significant accounting policies and other explanatory information .

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

Opinion

In our opinion, the financial statements give a true and fair view of the state of financial position of the society as at 31st December 2024 and of its financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the SACCO Society Act No 14 of 2018.

Basis of opinion

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

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

Independence

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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 financial statements as a whole, and in addition to the opinion we do not provide a separate opinion on these matters.

Other Information

The directors are responsible for the other information. Other information comprises the directors' reports and other statements included within the annual report but does not include our report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the audit or otherwise appears to be materially misstated if based on the work we have performed we conclude that there is no material misstatement of this information. We are required to report that we have nothing to report on this regard.

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

REPORT OF INDEPENDENT AUDITOR TO MEMBERS OF DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED FOR THE YEAR ENDED DECEMBER 31ST 2024 (CONTINUED)

Responsibilities of Board of Directors and those Charged with Governance

As explained more fully in the Statement of Directors' responsibilities on Page 5, the Board of Directors is responsible for the preparation of the Financial statements and for being satisfied that they give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Kenyan SACCO Societies Act.

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

Those charged with governance are responsible for overseeing the Society's financial reporting process. The responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that included our opinion.

Reasonable assurance is a high level assurance but not a guarantee that an audit conducted in accordance with International Standard on Auditing (ISA) 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 on the basis of these financial statements.

As part of an audit in accordance with ISA we exercise professional judgement and maintain professional skepticism throughout the audit.

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

Report on other Legal Requirements

As required by the Co-operative Societies Act Cap 490, we report to you that based on our audit;

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion proper books of account have been kept by the Society so far as appears from our examination of those books.
- iii) The Society's Statement of Financial position and Statement of Comprehensive Income are in agreement with the books of account.
- iv) The Society is solvent and we have reasonable grounds to believe it will remain solvent in the foreseeable future, and
- v.) Nothing has come to our attention that causes us to believe that the business has not been conducted in accordance with the provisions of the SACCO Societies Act and the Co-operative Societies Act.

The engagement partner responsible for the audit resulting in this independent auditors' report was CPA. Simon K. Ndegwa, Practicing License No. P/1173.



Henry Smith & Wilson

Certified Public Accountants (K)

Date: 19th March 2025

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

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

STATEMENT OF COMPREHENSIVE INCOME

	<u>NOTES</u>	<u>2024</u> <u>Kshs</u>	<u>2023</u> <u>Kshs</u>
INCOME			
Interest on Loans & Advances	2 (a)	53,564,708	40,411,227
Interest Expense	2 (b)	(27,905,632)	(25,790,432)
Net Interest Income		<u>25,659,076</u>	<u>14,620,795</u>
Other Operating Income	2 (c)	7,556,217	4,988,954
Investment Income	2 (d)	12,616,394	16,057,861
Total Income		<u>45,831,687</u>	<u>35,667,610</u>
EXPENDITURE			
Governance Expenses	14 (a)	(2,619,737)	(2,587,534)
Administration Expenses	14 (b)	(2,616,140)	(3,362,872)
Personnel Expenses	14 (c)	(12,851,623)	(11,696,281)
Other Operating Expenses	14 (d)	(4,489,112)	(2,771,815)
Financial Expenses	14 (e)	(7,236,922)	(3,243,417)
Marketing Expenses	14 (f)	(606,143)	(605,249)
Depreciation and Ammortisation	14 (g)	(1,507,031)	(1,491,164)
Total Expenditure		<u>(31,926,709)</u>	<u>(25,758,332)</u>
Net Surplus before Tax		<u>13,904,978</u>	<u>9,909,278</u>
Income tax expense		(1,236,945)	(666,844)
Net Surplus for the year		12,668,033	9,242,434
Transfer to statutory reserves (20%)		(2,533,607)	(1,848,487)
Surplus for the year		<u>10,134,427</u>	<u>7,393,947</u>
Honoraria		(350,000)	(350,000)
Proposed Dividends		(5,020,385)	(4,636,781)
Retained Earnings		<u>4,764,041</u>	<u>2,407,166</u>

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2024

	<u>NOTES</u>	<u>2024</u> <u>Kshs</u>	<u>2023</u> <u>Kshs</u>
ASSETS:			
Cash and Cash equivalents	3	8,181,260	10,871,184
Receivables and Prepayments	4	47,372,907	32,183,584
Loans & Advances	6	446,725,756	385,060,403
Financial Assets	7	106,082,872	140,359,157
Property, Plant & Equipment	8(a)	1,139,245	1,158,339
Intangible Assets	8(b)	3,045,285	3,812,740
TOTAL ASSETS		<u>612,547,325</u>	<u>573,445,326</u>
LIABILITIES:			
Trade & Other Payables	9	12,328,147	22,261,255
Members Deposits	10	481,040,295	445,649,218
Interest on Members' Deposits	11 (a)	21,309,303	18,560,919
Dividends on Members' Shares	11 (b)	4,482,740	4,401,154
Tax Payable		1,236,945	697,986
TOTAL LIABILITIES		<u>520,397,429</u>	<u>491,570,532</u>
FINANCED BY:			
Share Capital	SCE	51,338,993	48,361,539
Statutory Reserves	SCE	16,097,504	13,563,897
Revaluation Reserve	SCE	12,489,270	12,489,270
Revenue Reserves	SCE	12,005,325	7,241,284
Capital Reserves	SCE	218,803	218,803
TOTAL EQUITY		<u>92,149,895</u>	<u>81,874,793</u>
TOTAL LIABILITIES AND EQUITY		<u>612,547,325</u>	<u>573,445,326</u>



The financial statements on pages 8 to 29 were approved & authorised for issue by the Board of Directors on 19/3/2025 and were signed on its behalf by:-

Chairman [Signature]
Treasurer [Signature]
Secretary [Signature]

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserves	Capital Reserves	Revaluation Reserves	Retained Earnings	Total
	<u>Kshs</u>	<u>Kshs</u>			<u>Kshs</u>	<u>Kshs</u>
Year 2024						
Balance at 01.01.2024	48,361,539	13,563,897	218,803	12,489,270	7,241,284	81,874,793
Surplus for the year	-	-	-	-	12,668,033	12,668,033
Transfer to statutory reserve	-	2,533,607	-	-	(2,533,607)	-
Proposed dividends	-	-	-	-	(5,020,385)	(5,020,385)
Proposed honoraria	-	-	-	-	(350,000)	(350,000)
Share capital contribution	2,977,454	-	-	-	-	2,977,454
Balance at 31.12.2024	<u>51,338,993</u>	<u>16,097,504</u>	<u>218,803</u>	<u>12,489,270</u>	<u>12,005,325</u>	<u>92,149,895</u>
Year 2023						
Balance at 1.1.2023	44,881,902	11,715,410	218,803	12,489,270	6,682,605	75,987,990
Surplus for the year	-	-	-	-	7,393,947	7,393,947
Transfer to statutory reserve	-	1,848,487	-	-	(1,848,487)	-
Transfer from unpaid dividend	-	-	-	-	(4,636,781)	(4,636,781)
Proposed dividends	-	-	-	-	-	-
Proposed honoraria	-	-	-	-	(350,000)	(350,000)
Contributions for the year	3,479,637	-	-	-	-	3,479,637
Balance at 31.12.2023	<u>48,361,539</u>	<u>13,563,897</u>	<u>218,803</u>	<u>12,489,270</u>	<u>7,241,284</u>	<u>81,874,793</u>

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

STATEMENT OF CASHFLOWS

	<u>NOTES</u>	2024 Kshs	2023 Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest from members loans	2(a)	53,564,708	40,411,227
Less interest paid	2(b)	(25,157,248)	(24,105,334)
Other interest income	2 c)	7,556,217	4,988,954
Dividend Paid	11(b)	(4,938,799)	(4,488,486)
Honoraria Paid	12 c)	(350,000)	(350,000)
Tax Paid		(666,845)	(789,069)
Payment to Employees and Suppliers		(23,177,826)	(21,023,751)
		<u>6,830,206</u>	<u>(5,356,459)</u>
(Increase)/Decrease in operating income			
Receivables and Prepayments	4	(15,189,323)	(1,978,747)
Loans & Advances to Members	6	(62,025,590)	(62,716,004)
Trade & other payables	9	(9,933,108)	2,908,370
Member Deposits	10	35,391,077	25,427,247
Dividends & interest payable	11	(5,991,837)	(2,892,261)
Tax payable		538,958	(117,379)
Net cash generated from/(used in) operating activities		<u>(50,379,616)</u>	<u>(44,725,232)</u>
Net cash generated from/ (used in) operating activities		<u>(50,379,616)</u>	<u>(44,725,232)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend income	2 c)	1,977,054	2,039,633
Interest received	2 d)	10,639,340	14,018,227
Purchase of Property, Plant & Equipment	8 (a)	(684,440)	(836,763)
Purchase of Intangible Assets	8 (b)	(36,000)	
Net cash used/generated from investing activities		<u>11,895,954</u>	<u>15,221,098</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share capital contribution	15	2,977,454	3,479,637
Proceeds from investments		32,816,284.24	28,647,373.80
Net cash generated from financing activities		<u>35,793,738</u>	<u>32,127,011</u>
Net cash inflows		(2,689,924)	2,622,877
Cash and cash equivalents as at start of the year		10,871,184	8,248,307
Cash and cash equivalents as at end of the year	3	<u>8,181,260</u>	<u>10,871,184</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of Significant Accounting Policies.

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

a) Statement of compliance & basis of preparation.

The financial statements are prepared in accordance with and comply (where applicable) with International Reporting Standards (IFRSs).

These financial statements are presented in the functional currency, Kenya shillings (Kshs) rounded to the nearest digit and prepared under the historical cost convention, excepts as specified below under fair value measurement in accordance with applicable IFRSs.

b) Revenue recognition

Interest on loans to members is calculated on reducing balance method. Interest income is recognized on time proportion basis by reference to the principal outstanding and the effective interest rate applicable. Income on investments is recognised when it is received.

c) Financial assets

All financial assets are recognized initially using the trade date accounting which is the date the Saco commit it self to the purchase or sale. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. All other categories of financial assets are recorded at the fair value of the consideration given plus the transaction cost.

Subsequently, held-to-maturity investments, loans and receivables are carried at amortized cost using the effective interest method, which all other financial assets are carried at their fair values, without deduction for transaction costs that may be incurred on sale.

d) Impairment of Financial Assets

The entity assess at each reporting date whether there is objective evidence that a financial asset is impaired. If any such evidence exists, an impairment loss is recognised. Impairment loss is the amount by which the carrying amount of an assets exceeds its recoverable amount. In the case of held-to-maturity investments and loans and receivables, the recoverable amount is the present value of the expected future cash flows, discounted using the asset's effective interest rate. Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss account.

Changes in fair value for available -for-sale financial assets are recognised in other comprehensive income except for impairment losses measured at the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognised in profit or loss) which are recognised in the profit and loss account. In the year of sale, the cumulative gain or loss recognised in other comprehensive income is recognised in the profit or loss account as reclassification adjustment.

e) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the company has transferred substantially all risks and rewards of ownership.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assets 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 for an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period.

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

f) Receivables

Receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest rate. A provision for impairment is recognized in the profit and loss in the year when the 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 flow, discounted at the effective interest rates. Receivables not collectable are written off against the related provisions. Subsequent recoveries of amounts previously written off are accredited to the profit and loss in the year of recovery.

g) Financial liabilities and equity instruments issued by Society

i. Classification as debt or equity

Debt and equity instrument are classified as either financial liabilities or as equity in accordance with the substance of By-laws of the Society.

ii. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Society are recorded at the proceeds received net of direct issue costs. The capital comprise primarily of minimum share capital prescribed under the By-laws of the Society.

h) Financial liabilities

All financial liabilities are recognised initially at fair value of the consideration given plus the transaction cost with the exception of financial liabilities carried at fair value through profit or loss, which are initially recognised at fair value and the transaction costs are expensed in the statement of comprehensive income. Subsequently, all financial liabilities are carried at amortised cost using the effective interest method except for financial liabilities through profit or loss which are carried at fair value. All financial liabilities are classified as non-current except financial liabilities at fair value through profit or loss, those expected to be settled in the company's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the company does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

i. Derecognition of Financial Liabilities

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

ii. Provision for liabilities and charges

Provisions are recognised when the Society has present legal or constructive obligation as a result of past events, it is probable that an out flow 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.

iii. Other financial liabilities

All other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis.

i) Impairment of non-financial assets

The carrying amounts of the society's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such condition exists the recoverable amount of the assets is estimated to determine the extent of impairment loss if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, impairment loss is recognised immediately, unless the relevant asset is carried at revalued amount in which case the impairment loss is treated as a decrease in revaluation reserve. The respective asset is reduced to its recoverable amount.

Where an impairment loss subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss recognised as income immediately, unless the relevant assets is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation reserve.

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

j) Employee entitlements & Retirement benefit obligations

The Society does not have any employees and as such no employee entitlements or retirement benefit obligations have been recognised in the books.

k) Retirement benefit obligations

The Society operates a defined contribution scheme for all employees. Defined contribution plan is a pension plan under which the society pays fixed contributions into a separate entity. The assets of these schemes are held in a separately administered fund that is funded by contribution from the society and employees.

The Society has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees the benefits relating to employee service in the current and prior period. The society's contributions to the defined contribution schemes are charged to the profit or loss in the year to which they relate.

The society does not also make contributions to a mandatory statutory defined contribution pension scheme, the National Social Security Fund (NSSF) at varying values as legislated from time to time.

l) Tax

Current tax is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

m) 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 section 47 (1&2) of the Co-operative Societies Act, Cap 490.

n) 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 net of bank overdrafts.

o) Provision for liability

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation.

p) Adoption of new and revised standards

In the current year, the society has yet to adopt all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) that are relevant to its operations and effective for annual reporting period beginning on 1 January 2009.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared on an historical cost basis, except for the measurement at revaluation amounts of certain property and equipment, marketable securities and financial instruments at fair value, impaired assets at their recoverable amounts and actuarially determined liabilities at their present value where applicable. The accounts have been prepared in accordance with and comply with International Financial Reporting Standards which allows management to use estimates, assumptions and judgements in the process of applying the Society's accounting policies.

Statement of Compliance

The financial statements have been prepared in accordance with the Kenya Co-operative Societies Act, and International Financial Reporting Standards (IFRSs) and comply in all material respects.

1.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Amendments resulting from improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Society.

Improvements to IFRSs

Between 2008 and 2010, the IASB issued amendments to some of its standards, primarily with a view to removing inconsistencies and clarifying wordings. The adoption of the following amendments where relevant, resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Society.

IAS 7, Statement of Cash Flows: Statement of Cash Flows states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment had no impact on the financial Statements of the Society.

IAS 36, Impairment of Assets: Although not necessary in the circumstances of this Society, the amendment clarifies that the largest unit permitted for allocating goodwill acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Society as all its assets were in good working condition.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Society:

IFRS 2, Share-based Payment

IAS 1, Preparation & Presentation of Financial Statements

IAS 34, Interim Financial Reporting

IAS 39 Financial Instruments: Recognition & Measurement

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments.

The following amendments were effective for annual periods on or after either 1st July 2010 or 1st January 2011.

IFRS 7, Financial Instruments: Disclosure

IAS 1, Presentation of Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Society has or will adopt the following standards on their effective dates.

1.3 i IAS 24, Related Part Disclosures(Amendment)

Effective date, on or after 1st January 2011. It clarifies and simplifies the definition of a related party and its identification as to remove any inconsistencies in its application. The Society is currently assessing the impact of adopting the amendment.

ii IFRS 9, Financial Instruments: Classification and Measurement

This standard will be adopted in phases the first phase being classification and measurement of the Society's financial assets. The Society is currently assessing the impact of adopting IFRS 9, however, the impact of adoption depends on the assets held by the Society at the date of adoption, and it is not practical to quantify the effect.

iii IFRIC 14, Prepayment of a Minimum Funding Requirement

Effective date after 1st January 2011 with retrospective application. The amendment corrects an unintended consequence of IFRIC 14, IAS 19. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. These amendments provide guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment has no impact on this financial statements of the Society.

iv IAS 12, Income Taxes

Effective 1st January, 2011. The amendment introduces a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale. The standard is not application in the operations of the Society.

v IFRS 13, Fair Value Measurement

Effective 1st January 2012. This new standard provides guidance on how to measure fair value of financial and non-financial assets and liabilities when fair value measurement is required or permitted by IFRS. Because of its effective date, the Society is not intending to adopt the amendment on its financial position or performance.

vi ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

vii Pension and Other Post Employment Benefits

The cost of defined benefit pension plans and other post employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability was nil as all liabilities were settled by 31st Dec 2016.

viii Fair Value of Unquoted Equity Instruments (Note 7 a)

The unquoted equity instruments have been quoted based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Society to make estimates about expected future cash flows and discount rates, and hence they are subject to uncertainty. Further details are given in Note 7a.

ix Use of Estimates in the Preparation of the Financial Statements & Assumptions Made

In preparing the financial statements, the directors are required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosures of contingent assets and liabilities. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in future could differ from these estimates which may be material to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.4 a) Property and Equipment

Depreciation is charged on a straight line basis aimed at writing off the assets over their useful life. The actual lives of the assets and residual values are assessed at the reporting date and may vary depending on technological innovations, asset life cycle, maintenance costs, future market conditions, the remaining life of the asset and projected disposal values

b) Pensions

The Society other than NSSF, does not run a pension scheme. Actual assumptions are made in valuing future defined benefit obligation and are updated periodically. The principal assumptions relate to the discount rate of 5%

c) Provision for Doubtful Debts

The estimated provision for doubtful debts is based on the period for which the debt was outstanding combined with some knowledge of the financial position of the debtors and/ or the circumstances surrounding the underlying transaction.

This policy is to ensure that the Society regularly evaluates debts and their recoverability, maintain timely and appropriate provision account in order to accurately reflect the condition of the statement of financial position. It is also intended to promote well-reasoned, effective work plans for problem debts and effective internal controls to manage the level of such debts.

Specific provisions are established where full recovery of principal is considered doubtful. Specific provision are made against finalised customer accounts net of deposits. Provisions are determined primarily by reference to historical ratios of write-offs to balances in default.

General provisions for bad and doubtful debts are maintained to cover non identified probable losses and latent risks inherent in the overall debt portfolio. The provisions are determined having regard to the general risk profile of the credit portfolio, historical loss experience and economic conditions.

The amounts required to bring the provisions for impairment to new assessed levels are charged to statement of comprehensive income.

1.5 Summary of Significant Accounting Policies

a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. Revenue is recognised at fair value of consideration received or receivable taking into account contractually defined terms of payment (mostly monthly) and recognised net of taxes. The following specific recognition criteria must be met before revenue is recognised:-

i) Interest from loans to members

Interest on loans to members is calculated on a reducing balance method at a monthly rates ranging between 1% to 1.5% per month. Interest income is recognised on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

New members to the society are required to pay an entrance fee. The fees is recognised in the income statement in accordance with ISA 1.

ii) Finance Revenue

Finance revenue comprises interest receivable from bank deposits and investment in securities. It is recognised as it accrues in profit or loss, using the effective interest rate method.

iii) Dividends

Dividend income is recognised when the Society's right to receive the amount is established.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.6a Depreciation on Fixed Assets is computed on straight line basis at the rates stated here below:-

Computers & Accessories	25%
Furniture & Office Equipments	10.0%
Office Equipments	12.5%

- b** Financial assets and liabilities are recognized on the balance sheet when the entity has become a party to the contractual provisions of the instrument.
- c** Trade receivables are carried at anticipated realizable values. An estimate is made for doubtful receivables based on the review of all outstanding amounts at year end.
- d** Bad debts are written off when all reasonable steps to recover them have failed.
- e** Interest bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period they arise.
- f** Trade payables are stated at their nominal value.
- g** Loans and advances are carried at amortized cost using the effective interest method.
- h** Investment in equities are initially recorded at cost and subsequently adjusted to their fair values. Gains or losses arising from changes in fair value are recognized in the statement of comprehensive income in the period in which they arise.
- i** **Current Income Tax**
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax laws & rates used to compute the amounts are those enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Comprehensive Income.

Deferred Income Tax

Where applicable, is provided using liability method on temporary differences at the reporting date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

- j** These are non interest bearing liabilities and are carried at amortised cost, which is measured at the fair value of the consideration to be paid in future in respect of goods and services supplied by the supplier, whether billed or not, less any payments already made.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

k The accounts are stated in Kenya shillings rounded off to the nearest one shilling. Previous years comparatives have also been restated by rounding them off to the nearest shilling.

l The financial risk management objectives and policies are outlined below:

Credit risk

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

- (1) Ensuring that granting of loans is completely vetted by the credit committee
- (2) No member is granted loans exceeding three times the shares held and/or amounts stipulated in the by-laws.
- (3) All loans advanced are co-guaranteed by members.
- (4) An insurance policy cover is established against deceased members loans balances.
- (5) Members of the sponsoring employee who change employment are promptly followed-up

Unearned Interest Income risk

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

Interest risk

The Society is not exposed to interest risk, since the interest rate on loans is standardized at between 1% and 1.5% per month

Liquidity risk

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

- (1) The society has an aggressive policy of increasing members deposits.
- (2) The society does not invest members share savings in fixed properties.
- (3) The society may use bank loans and overdraft facilities to meet short term liquidity requirements.
- (4) Approval of loans is subject to availability of funds as indicated in the cash flow reports.

m For the purpose of the Statement of Cash Flows, Cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2024	2023
	<u>Kshs</u>	<u>Kshs</u>
2 Income		
a) Interest Income		
Interest from member loans	53,564,708	40,411,227
Total interest income	<u>53,564,708</u>	<u>40,411,227</u>
b) Interest Expenses		
Interest on Member Deposits	27,905,632	25,790,432
Total Interest Expenses	<u>27,905,632</u>	<u>25,790,432</u>
Net Interest Income	<u>25,659,076</u>	<u>14,620,795</u>
c) Other operating income		
Income from core operating activities		
Other Income (Insurance, penalties,	7,416,842	4,833,395
Commission Income	139,375	155,560
	<u>7,556,217</u>	<u>4,988,954</u>
d) Investment Income		
Interest from CCK Fixed Deposits	4,932,870	5,339,534
Interest from CCK Investment	3,013,419	4,419,443
Interest on KUSCCO SACCO special fixed deposits	-	2,465,000
Dividends from Co-operative	1,884,026	1,946,605
CIC Money Market Interest	987,439	963,604
Interest from Madison	1,493,636	809,649
Dividends on CIC shares	93,028	93,028
Interest from Call Deposit	32,055	17,103
Interest from CCK Current A/c	179,923	3,895
Total	<u>12,616,394</u>	<u>16,057,861</u>
c) Other Income comprises		
Penalties on loans paid	475,736	
Loan Transfer Charge	8,477	
Share Capital Transfer charge	14,000	
Statement Charge		
Registration Income	561,226	
Tender Charge	4,000	
Admin Charge		
Loan Transfer charges	656,834	
Photocopying/Ecitizen	3,843,661	
Insurance Income Recognised	1,399,587	
Administration Charge	12,265	
Convenience Charge	4,750	
Sale of Promotional Materials	40,000	
Early Release	140,211	
Refinancing Charge		
Valuation Charge	99,400	
Legal Charge	156,695	
Boosting Charge	<u>7,416,842</u>	
Commission Income	120,690	
M_pesa Commissions	14,400	
Agency Commission	4,285	
Equity Agency comm	<u>139,375</u>	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2024	2023
	<u>Kshs</u>	<u>Kshs</u>
3 Cash & Cash Equivalents		
CCK PDA Current A/c	258,023	6,746,644
Paybill A/c (375900)	2,572,070	1,691,419
Co-operative Current A/c	4,315,309	1,456,508
M-Pesa Float	340,351	304,168
Equity Agency A/c	282,853	278,568
Co-op Kwa Jirani Agency	247,990	249,000
KCB Agency	144,828	144,828
Petty Cash	19,836	50
	<u>8,181,260</u>	<u>10,871,184</u>

The carrying amounts of the Society's cash & cash equivalents are denominated in Kenya Shillings (Kshs)

4 Receivables & Prepayments

PRD Receivables(Check-off) Employers	28,686,946	28,851,405
Accrued Income	2,832,965	2,712,275
Control account	2,523,705	619,904
Prepayments and Sundry Receivables	692,291	-
KUssco Special Deposits	12,637,000	-
	<u>47,372,907</u>	<u>32,183,584</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2024 Kshs	2023 Kshs
6 Loans and Advances		
At the start of the year - As previously stated	397,592,496	334,876,490.00
Disbursements during the year	341,041,390.61	279,049,606.56
Repayments during the year	(279,015,801)	(216,333,600.27)
Total	459,618,086	397,592,496

Movement in allowance for loss on loan impairment

Balance at the beginning of the year	12,532,093	9,532,093.00
Bad debts written off	(4,639,763)	3,000,000
Allowance for loss on loan impairment for the year	5,000,000	12,532,093
	12,892,330	

Net Loans and Advances	446,725,756	385,060,403
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Portfolio loans ageing report-

Portfolio loans ageing report-2023

Classification	NO.OF A/C's	Amount (Ksh)	Rate (%)	Amount (Ksh)	Classification	Amount (Ksh)	Rate (%)	Amount (Ksh)
Performing	2984	332,288,976	1%	3,322,890	Performing	328,093,218	1%	3,280,932
Watch	291	42,727,267	5%	2,136,363	Watch	25,100,856	5%	1,255,043
Sub Standard	277	45,232,130	25%	11,308,033	Sub Standard	2,932,283	25%	733,071
Doubtful	41	1,452,498	50%	726,249	Doubtful	20,000	50%	10,000
Loss	992	4,892,338	100%	4,892,338	Loss	9,327,174	100%	9,327,174
	4585	426,593,210		22,385,872		365,473,531		14,606,220

Restructured 2024

Classification	NO.OF A/C's	Amount (Ksh)	Rate (%)	Amount (Ksh)	Classification	Amount (Ksh)	Rate (%)	Amount (Ksh)
Performing	28	30,677,729	1%	306,777	Performing	9,475,156	1%	94,752
Watch	1	1,662,169	5%	83,108	Watch	4,719,830	5%	235,992
Sub Standard	2	92,448	25%	23,112	Sub Standard	17,627,420	25%	4,406,855
Doubtful	3	187,586	50%	93,752	Doubtful	289,032	50%	144,516
Loss	5	404,944	100%	404,944	Loss	7,445	100%	7,445
	39	33,024,877		911,694		32,118,883		4,889,559
	4,624	459,618,086		23,297,567		397,592,415		19,495,779

Restructured 2023

7 A) Financial Assets

Investment	773,737	773,737
CIC Shares	10,947,619	10,947,619
Coop Bank Shares		1,460,001
Kuscco Shares(MPS =0)	2,598,372	2,598,372
Co-operative Insurance soc shares		
Other Investments	41,525,576	58,828,209
The Church Commissioners for Kenya Fixed Deposit A/c	25,661,464	34,950,930
The Church Commissioners for Kenya Investment		13,637,000
Kuscco special Fixed Dep	11,735,025	10,809,649
Madison Investment	12,841,079	6,353,640
CIC Money Market Inv.		
Government Investment		
	106,082,872	140,359,157

Total Investments

7 B) PROVISION FOR KUSCCO SPECIAL FIXED DEPOSITS

Opening bal c/f	1,000,000	-
Provision for the Year	1,000,000	-
Net Provision c/d		
	13,637,000	
Opening bal c/f Kuscco Special Fixed Deposits	1,000,000	
Less Provision for the year	12,637,000	
Net KUSCCO SPECIAL FIXED DEPOSITS		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 (a) Property, Plant and Equipment

	Computer & Accessories	Furniture & Fittings	Office Partitions	Total
	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>
Rate	25%	10.0%	12.5%	
Year ended 31st December 2024				
Cost				
As at 1.1.2024	2,783,303	1,185,724	1,794,702	5,763,729
Additions	<u>630,000</u>	<u>54,440</u>	<u>-</u>	<u>684,440</u>
As at 31.12.2024	<u>3,413,303</u>	<u>1,240,164</u>	<u>1,794,702</u>	<u>6,448,169</u>
Depreciation				
As at 1.1.2024	2,575,773	739,848	1,289,727	4,605,348
Charge for the year	<u>463,356</u>	<u>91,783</u>	<u>148,437</u>	<u>703,576</u>
As at 31.12.2024	<u>3,039,129</u>	<u>831,631</u>	<u>1,438,164</u>	<u>5,308,924</u>
Net Book Value 31.12.2024	<u>374,174</u>	<u>408,533</u>	<u>356,538</u>	<u>1,139,245</u>
Year ended 31st December 2023				
Cost				
As at 1.1.2023	<u>2,783,303</u>	<u>1,185,724</u>	<u>1,794,702</u>	<u>5,763,729</u>
As at 31.12.2023	<u>2,783,303</u>	<u>1,185,724</u>	<u>1,794,702</u>	<u>5,763,729</u>
Depreciation				
As at 1.1.2023	2,035,955	621,481	1,124,797	3,782,233
Charge for the year	<u>539,818</u>	<u>118,367</u>	<u>164,930</u>	<u>823,114</u>
As at 31.12.2023	<u>2,575,773</u>	<u>739,848</u>	<u>1,289,727</u>	<u>4,605,348</u>
Net Book Value 31.12.2023	<u>207,530</u>	<u>445,876</u>	<u>504,975</u>	<u>1,158,339</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2024	2023
	<u>Kshs</u>	<u>Kshs</u>
8 (b) Property & Equipment (continued)		
Rate	20%	20%
Intangible assets		
Cost		
At start of year	8,531,707	7,593,045
Additions	36,000	938,662
At end of the year	<u>8,567,707</u>	<u>8,531,707</u>
Amortisation		
At start of year	4,718,967	4,050,918
Charge for the year	803,455	668,049
At end of the year	<u>5,522,422</u>	<u>4,718,967</u>
Net book value	<u>3,045,285</u>	<u>3,812,740</u>
9 Trade & other Payables		
Overdeductions by Employer	8,609,274	10,903,611
Insurance Fund	2,435,556	2,435,556
Rent	-	1,144,726
System Support Payable		946,560
Trade Creditors/Suppliers	69,006	301,893
CRB Fee Payable	255,958	150,177.95
Dividend & Interest payable		5,991,837
Audit Fees	104,400	104,400
Junior account	85,766	91,317
Sasra Levy Payable	-	-
Debt collector commission payable	6,523	-
Provision for Legal Fee	75,800	75,800
Personnel Liabilities	309,002	62,409
Corporate tax payable	189	26,296
Members Deposits Account	26,673	26,673
Honoraria	350,000	-
	<u>12,328,147</u>	<u>22,261,255</u>
10 Members' Deposits		
At the start of the year	445,649,218	420,221,971
Deposits during the year	87,270,703	78,220,471
Refunds during the year	(51,879,626.44)	(52,793,224)
At end of year	<u>481,040,295</u>	<u>445,649,218</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11	Dividends and Interest	2024	2023
11(a)	Interest on Member Deposits	<u>Kshs</u>	<u>Kshs</u>
	Movement		
	Bal b/f	18,560,919	16,875,821
	Paid during the year	(25,157,248)	(24,105,334)
	Provision for the year	27,905,632	25,790,432
	Bal c/f	<u>21,309,303</u>	<u>18,560,919</u>
11 (b)	Dividends on Member Shares		
	Bal b/f	4,401,154	4,252,859
	Paid during the year	(4,938,799)	(4,488,486)
	Provision for the year	5,020,385	4,636,781
	Bal c/f	<u>4,482,740</u>	<u>4,401,154</u>
Interest on Deposits is charged at 6% (2023: 6%) and Dividends 10% (2023: 10%)			
12	Reserves		
	Included in the members' balances are the following reserves which are as a result of statutory requirements:-		
a)	Statutory Reserves		
	The total transfer to statutory reserve for the year is 20% of net surplus for the year after tax.		
	At start of year - as previously stated	13,563,897	11,715,410
	20% transfer	2,533,607	1,848,487
		<u>16,097,503</u>	<u>13,563,897</u>
b)	Dividends Account		
	Proposed dividends	5,020,385	4,636,781
		<u>5,020,385</u>	<u>4,636,781</u>
c)	Honoraria		
	Bal b/f	350,000	350,000
	Paid during the year	(350,000)	(350,000)
	Proposed honoraria to committee members	350,000	350,000
		<u>350,000</u>	<u>350,000</u>

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	2024	2023
	<u>Ksh</u>	<u>Ksh</u>
d) Revenue Reserves		
At start of year - as previously stated	6,923,697	4,516,531
Surplus for the year	12,668,033	9,242,434
Transfer to statutory reserve	(2,533,607)	(1,848,487)
Proposed dividends	(5,020,385)	(4,636,781)
Proposed Honoraria	(350,000)	(350,000)
At end of year	<u>11,687,738</u>	<u>6,923,697</u>
13 Share Capital		
At start of year	48,361,539	44,881,902
Contributions during the year	2,977,454	3,479,637
At the end of the year	<u>51,337,993</u>	<u>48,361,539</u>
14(a) Governance Expenses		
Committee Sitting Allowances	828,271	966,428
AGM Expenses	446,116	455,670
Board Training and Seminars	329,277	404,185
Honoraria	350,000	350,000
Members Education Expenses	253,631	259,000
Board Travel Allowances	412,441	152,251
Strategic Plan Expenses	-	-
Total Governance Expenses	<u>2,619,737</u>	<u>2,587,534</u>
14 (b) Administrative Expenses	2024	2023
Printing & Stationery	239,603	480,763
Telephone & Postage	359,074	608,788
Office Expenses	499,989	294,100
Software Support & Maintenance	248,691	946,560
Internet Access & Connections	180,480	381,514
Travelling & Subsistence	386,294	187,500
Computer Repairs & Maintenance	98,041	
Website Expenses	14,360	12,986
Newspapers and Periodicals	44,083	47,861
Suscriptions and Publications	240,525	208,800
Audit fees	103,000	
Supervision Fees and Recoverable	202,000	194,000
End year Party	<u>2,616,140</u>	<u>3,362,872</u>
Total Administrative Expenses		

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ANNUAL REPORT AND FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2024	2023
	<u>Ksh</u>	<u>Ksh</u>
14(c) Personnel Expenses		
Salaries & Wages (Net pay)	3,952,510	5,041,403
House Allowances	2,903,655	2,736,630
Other Allowances	1,300,260	1,030,175
Staff Medical Cover/Insurance	941,305	911,552
Other Personnel Costs	866,146	562,298
Commuter Allowances	465,000	438,000
NSSF	22,744	197,598
PAYE	2,020,167	250,352
Staff Training & Seminars	-	240,950
Employee Leave Allowances	307,836	221,322
Responsibility Allowances	72,000	66,000
Overtime Pay	-	-
Acting Allowances	-	-
Total Personnel Expenses	<u>12,851,623</u>	<u>11,696,281</u>
14(d) Operating Expenses		
Rent and Rates	2,480,236	2,098,665
Repair and Maintenance	104,530	324,110
Security Expenses	308,096	254,040
Staff training & Seminars	143,839	
Licences and Permits	1,244,412	95,000
Professional/legal Expense	207,999	-
Total Operating Expenses	<u>4,489,112</u>	<u>2,771,815</u>
14(e) Financial Expenses		
Bank Charges	(223,079)	243,417
Loan Provisioning	5,000,000	3,000,000
Kuscco Provisioning on Special Fixed Deposits	1,000,000	
Kuscco Shares Impairment	1,460,001	
Total Financial Expenses	<u>7,236,922</u>	<u>3,243,417</u>
Marketing Expenses		
14(f) Marketing & Branding	606,143	529,749
Publication & Subscription		75,500
Total Marketing Expenses	<u>606,143</u>	<u>605,249</u>
Depreciation And Amortisation		
14(g) Depreciation	703,576	823,114
Ammortisation	803,455	668,049
Total depreciation & amortization	<u>1,507,031</u>	<u>1,491,164</u>

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

14

f) Tax Computation

	2024	2023
	<u>Ksh</u>	<u>Ksh</u>
Interest Income from Investment		
Interest from The Church Commissioners for Kenya Fixed Dep	4,932,870	5,339,534
Interest from The Church Commissioners for Kenya Investment	3,013,419	4,419,443
Interest on KUSCCO SACCO special fixed deposits	-	2,465,000
Dividends from Co-op	1,884,026	1,946,605
CIC Money Market Int.	987,439	963,604
Interest from Treasury Bill	1,493,636	809,649
Dividends on KUSCCO shares	93,028	93,028
Interest from call deposit	32,055	17,103
Interest from The Church Commissioners for Kenya Current A/c	179,923	3,895
	<u>12,616,394</u>	<u>16,057,861</u>
Operating Revenues (100%)		
Other income	7,416,842	4,833,395
Commision Income	139,375	155,560
	<u>7,556,217</u>	<u>4,988,954</u>
Total Taxable Income	<u>7,556,217</u>	<u>4,988,954</u>
Adjustments for Expenses		
Total expenses	30,419,677	24,267,168
Less back provision other assets	(7,460,001)	(3,000,000)
Less back depreciation & amortization	(1,507,031)	(1,491,164)
Add wear and tear	-	-
	<u>21,452,645</u>	<u>19,776,004</u>
Expenses Atributed to the Revenues	3,536,873	2,766,139
Taxable Revenues	4,019,344	2,222,815
Tax Payable @ 30%	1,205,803	666,844
Tax payable B/F	697,986	815,365
Tax charge for the year	1,205,803	666,844
Penalties	-	4,846
	<u>(666,845)</u>	<u>(789,069)</u>
Less tax paid during the year	<u>1,236,945</u>	<u>697,986</u>
Tax Payable C/F		

DHAMINI SACCO SOCIETY LIMITED					
PROPOSED BUDGET REVISION FOR YEAR 2025 AND PROPOSED BUDGET FOR YEAR 2026					
	A		B	B	
	REVISED	ACTUALS 2024	APPROVED	REVISED	PROPOSED
	BUDGET 2024		BUDGET 2025	BUDGET 2025	BUDGET 2026
INCOME	KES.		KES.	KES.	
Interest on members loans	53,482,412.00	53,564,707.64	56,630,653.00	63,178,962.75	69,496,859.03
Interest From Investment	17,419,808.00	12,616,394.18	18,639,194.00	16,618,296.54	18,280,126.20
Incomes on Loans Issued	6,368,152.00	7,023,614.01	7,004,968.00	8,077,156.11	8,884,871.72
Registration Income	456,000.00	561,226.00	501,600.00	750,000.00	825,000.00
Commission from CIC, Mpesa,Agency	393,003.00	139,375.10	406,403.00	278,750.20	306,625.22
Sale of Promotion Materials	108,900.00	4,750.00	119,790.00	60,000.00	66,000.00
Printing/Ecitizen/Photocopy	960,000.00	656,833.72	1,245,042.00	960,000.00	1,056,000.00
TOTAL INCOME	79,188,275.00	74,566,900.65	84,547,650.00	89,923,165.61	98,915,482.17
EXPENDITURE					
FINANCIAL EXPENSES					
Bank Charges	620,500.00	467,128.05	620,500.00	620,500.00	682,550.00
Provision for KUSCCO Deposits				2,500,000.00	2,500,000.00
Provision for KRA Tax Liability				2,000,000.00	
Provision for Loans	3,000,000.00	6,146,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Sub-Total	3,620,500.00	6,613,128.05	3,620,500.00	8,120,500.00	6,182,550.00
STAFF EXPENSES					
Salaries & Wages	12,734,760.00	11,910,317.83	13,568,236.00	13,101,349.61	14,411,484.57
Medical for Staff	1,125,949.00	941,305.00	1,238,544.00	1,035,435.50	1,138,979.05
Staff Training	865,000.00	143,839.00	951,500.00	951,500.00	1,046,650.00
Sub-Total	14,725,709.00	12,995,461.83	15,758,280.00	15,088,285.11	16,597,113.62
GENERAL ADMINISTRATION					
Audit & Supervision Fees (External)	350,000.00	240,525.00	350,000.00	350,000.00	385,000.00
Depreciation & Amortisation	1,640,280.00	1,507,031.20	1,804,308.00	1,804,308.00	1,984,738.80
Printing & Stationery	528,839.00	239,603.00	676,878.00	676,878.00	744,565.80
Telephone, Postage, Email and Internet	618,883.00	539,554.00	1,106,558.00	1,106,558.00	1,217,213.80
Marketing, Advertising & Publicity	1,052,000.00	606,143.00	1,157,200.00	1,052,000.00	1,157,200.00
Office Insurance	129,192.00	160,057.38	142,111.00	176,063.12	193,669.43
General office expenses	323,510.00	324,932.00	355,861.00	355,861.00	391,447.10
Professional Services	200,000.00	104,400.00	220,000.00	220,000.00	242,000.00
Legal fees	300,000.00	103,599.04	330,000.00	330,000.00	363,000.00
Office Repairs & Maintenance	356,521.00	202,571.00	392,173.00	392,173.00	431,390.30
SP Evaluation & Monitoring	250,000.00	-	500,000.00	500,000.00	550,000.00
Subscriptions and publications	52,647.00	44,083.00	57,912.00	57,912.00	63,703.20
Staff Travelling and subsistence	206,250.00	386,294.00	226,875.00	424,923.40	467,415.74
Rent and service charges	2,308,532.00	2,480,236.00	2,308,532.00	2,308,532.00	2,539,385.20
External Back-up services	200,000.00	-	301,600.00	301,600.00	331,760.00
System Audit/Pen test services	174,000.00	-	191,400.00	191,400.00	210,540.00
Software licences and Maintenance	765,600.00	318,240.00	1,512,640.00	1,512,640.00	1,663,904.00
Sub-Total	9,776,254.00	7,565,364.62	11,994,048.00	11,760,848.52	12,936,933.37
Regulatory and Licencing Expenses					
SASSRA Authorisation fee	30,000.00	30,000.00	30,000.00	30,000.00	33,000.00
SASSRA Annual levy (0.13% on deposit)	445,649.00	445,649.00	490,214.00	628,017.00	690,818.70

County Council licences	112,000.00	112,000.00	112,000.00	112,000.00	123,200.00
Sub-Total	587,649.00	587,649.00	632,214.00	770,017.00	847,018.70
MEMBERS EXPENSES					
Training and Development	468,717.00	253,631.00	515,588.00	567,146.80	623,861.48
Annual General Meeting	444,587.00	446,116.00	533,504.00	654,587.20	720,045.92
Sub-Total	913,304.00	699,747.00	1,049,092.00	1,221,734.00	1,343,907.40
BOARD MEETING EXPENSES					
Statutory Committee Expenses	1,156,820.00	1,240,712.82	1,353,602.00	2,047,176.15	2,251,893.77
Training and Development	444,604.00	329,276.95	489,064.00	489,064.00	537,970.40
Vetting Expenses	125,000.00	103,000.00	137,500.00	137,500.00	151,250.00
Sub-Total	1,726,424.00	1,672,989.77	1,980,166.00	2,673,740.15	2,941,114.17
TOTAL EXPENSES	31,349,840.00	30,134,340.27	35,034,300.00	39,635,124.78	40,848,637.26
Surplus/(Deficit) before tax	47,838,435.00	44,432,560.38	49,513,350.00	50,288,040.82	58,066,844.90
	79,188,275.00	74,566,900.65	84,547,650.00	89,923,165.61	98,915,482.17
APPROPRIATION					
Surplus/(Deficit) before tax	47,838,435.00	44,432,560.38	49,513,350.00	50,288,040.82	58,066,844.90
30% Tax	806,881.00	1,236,944.75	887,569.00	1,360,639.23	1,768,831.00
Net After Tax	47,031,554.00	43,195,615.63	48,625,781.00	48,927,401.59	56,298,013.91
Interest on deposits	34,314,990.00	27,905,631.91	37,746,489.00	37,746,489.00	41,521,137.90
Provision for Dividends	5,100,459.00	5,020,385.34	5,610,505.00	5,610,505.00	6,732,606.00
Statutory Reserve	4,908,522.00	2,533,606.68	2,947,560.00	2,947,560.00	3,537,072.00
Staff Bonus	489,808.00	489,808.00	538,789.00	538,789.00	592,667.90
Honoraria	350,000.00	350,000.00	385,000.00	385,000.00	462,000.00
Net Surplus	1,867,775.00	4,764,041.38	1,397,438.00	1,699,058.59	3,452,530.11
CAPITAL EXPENDITURE					
Partitions and furniture			410,000.00	410,000.00	
Computer Hardware & Accessories	650,000.00		3,222,400.00	3,222,400.00	
	650,000.00		3,632,400.00	3,632,400.00	
Capital Expenditure	650,000.00		3,632,400.00	3,632,400.00	

**DHAMINI SACCO 35th ANNUAL GENERAL MEETING HELD AT ACK PARKING SILO ON SATURDAY, 16TH
MARCH, 2024**

Members present Registered ...267.

Minute: 1/AGM 16/03/2024 OPENING Prayer

The meeting was called to order at 10:40 a.m. by the Chairman. Rev Dishon Gathome opened the meeting with prayers.

Preamble,

The Vice Chairman welcomed all the members to the AGM and recognizing the online participants. He notified the members on the Sacco Merchandize that were on sale. He also shared briefly from the bible Ecc11:1-3 to encourage members on saving with the Sacco.

The chairman also welcomed the members and introduced the board members, the external Auditors and the Ministry Official. He advised members to keenly follow the proceedings as they unfold.

The Chairman introduced the CEO who took the opportunity to introduce the staff of Dhamini Sacco.

MINUTE. 2/AGM 16/03/2024 INTRODUCTION OF THE BOARD & OTHER OFFICERS

1. Francis Mueke	Chairman
2. Idah Omolo	Secretary
3. Rev.Dr S Oriedo -	Vice-Chairman
4. Jackson Kirikiru -	Treasurer
5. Rev. Dr. S Oriedo	Member
6. Jeremiah Kuria -	Member
7. Jeff Omondi -	Member
8. Gregory Waikwa	Member
9. Emily Kago	CEO

SUPERVISORY COMMITTEE

1. Rev Dishon Gathome	-	Chairperson
2. Simon Oruka	-	Secretary
3. Elizabeth Taama	-	Member

ABSENT WITH APOLOGIES

1. Samuel Omondi	-	Board member
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INATTENDANCE

MINISTRY OF CO-OPERATIVE OFFICER.

- Gladys Ndegwa

AUDITORS

Henry & Smith certified Auditor

- Daniel Ndambuki-CPA
- Michael Kisyula-CPA

MINUTE. 3/AGM /16/03/2024

The Notice of the meeting was read by the Hon Secretary.

Adoption - Proposed by Daniel Omondi – M_01336

- Seconded by Leonard Macharia- M_01837

Agenda for the day was as follows:

1. Opening prayers and Welcome remarks
2. To read the notice of AGM and adoption of agenda paper

3. To read and confirm minutes of the last AGM held on 1st April 2023
4. Matters arising from the last AGM Minutes
5. Supervisory committee report
6. Chairperson's report
7. Consider and approve 2023 audited financial accounts.
8. To consider and approve budget proposals.
9. Appointment of auditors for 2024
10. Resolutions proposed by the board.
11. Remarks by the director of Co-operatives – Nairobi County
12. Elections of retiring directors and supervisory committee
13. Receive any other business.
14. Vote of thanks and closing prayers

MINUTE. 4/AGM/16/03/2024 READING AND CONFIRMATION OF PREVIOUS MINUTES.

The Hon. Secretary read the minutes of the last AGM meeting. The minutes were confirmed as a true record of the proceedings and were proposed by Jacob Wesonga- MNO- 2326 and seconded by Henry Kombo MNO- 02846.

MINUTE. 5/AGM/16/03/2024 MATTERS ARISING FROM PREVIOUS MINUTES

The Matters arising from previous minutes were as follows.

1. Sacco acquisition of own premises. Sospeter Karani – M-02843 asked the board to invest in acquiring Sacco premises so as save on paying rent every month.

MINUTE. 6/AGM/16/03/2024 SUPERVISORY REPORT

The Supervisory report was read by all the Supervisory Committee members in sections and the report was as below:

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED

SUPERVISORY COMMITTEE

Annual Report (1st January 2023 to 31st December 2023)

**For Presentation at Dhamini SACCO's Annual General Meeting on 16th March 2024 at ACK Parking
Silo, Nairobi**

Supervisory Committee Members

**Rev. Dishon Gathome
Simon Oruka
Elizabeth Taama**

**Chairperson
Secretary
Member**

1.0 Introduction

The Supervisory Committee (SC) is grateful to the honorable members of the Dhamini Sacco for the privilege that has been accorded us to serve as your oversight committee in the year 2023. We also wish to commend our honorable members for their continued commitment to the mission of the Sacco for the period and into the future.

The SC also commends the Board for their commitment in directing the business of Dhamini Sacco professionally during the year 2023, and we also recognize the efforts of the Dhamini Sacco Management and Staff and commend them for their hard work.

More than anything else, we convey our sincere gratitude to the Lord Almighty who has been with us this far and by whose ability we present the Supervisory Committee report for the year under review 2023.

1.1 Mandate

The supervisory committee draws its mandate from Rule 28 of the Cooperative Societies Act Cap 490 and the By Laws of Dhamini Sacco. These provisions require that the Supervisory Committee (SC) verifies Society's transactions, monitors the implementation of policies, and make periodic reports on its findings to the Board and the Commissioner of Cooperatives. To achieve this the SC has been conducting quarterly meetings save for joint meetings between its members and those of the Board. These have culminated in preparation of reports that were tabled at joint board meetings and submission of the same to the SACCO oversight body (SASRA).

2.0 Key Highlights of 2023

Below are the 2023 highlights that the SC wishes to share with members in our annual report:

2.1 Internal Audit Engagement

In our prior year report, the SC had strongly proposed the need for urgent engagement of the Internal Audit function. We would like to thank the SACCO Board and management for the formal engagement of an internal auditor that was done towards the end of 2023. This function greatly reinforces the work we do as a Supervisory Committee while at the same time enhancing the internal controls of the Sacco. It will go a long way in supporting both the governance and management functions with the ultimate goal of streamlining operations and systems.

The Sacco has continued to grow and hence there was an urgent need to put measures in place that will guarantee the protection and safeguarding of member assets.

2.2 Systems and Channels Enhancement

The SC had highlighted the need for optimization of our customer service delivery channels as a mode of ensuring efficient and effective services are provided to our members. Dhamini SACCO app went live in quarter three and we are pleased to report that the system go-live issues were addressed as the Application is continuously debugged. Utilization of the application by members has enhanced customer service as members are now able to track their transactions on the platform. We recommend member awareness campaign drives to be done as this will ensure the application is being utilized by members. The Committee would also encourage the enhancement of the application to allow for automation of small lending facilities which will further improve the turn-around time for these loans without the need for paperwork moving around.

2.3 Strategic plan Launch

The *Strategic Plan 2023-2027* was launched and adopted during the year with the aim of guiding SACCO performance and operations in the next five years. The 2023 staff performance appraisals were done as of 30th November 2023, and we are pleased to report that the objectives and KPIs for the staff were aligned to the SACCO implementation matrix as referenced in the *Strategic Plan 2023-2027*. The SACCO needs to closely monitor implementation of the document by periodically checking actual performance against the plan and quickly adopting measures to correct any deviations from the plan.

3.0 Key Performance Indicators (KPIs)

KPIs are measures of performance used to evaluate the success of an organization in meeting business goals and objectives. Dhamini SACCO Performance objectives are clearly stipulated in the *Strategic Plan 2023-2027*.

The SC utilized a balanced scorecard approach which is a business analysis tool that analyzes business performance from four key perspectives namely; financial perspective, customer perspective, Internal business processes and improvement & innovation (learning & growth) perspective. This tool gives a balanced perspective of the performance of the SACCO by incorporating both financial and non-financial metrics that encompass the entire organization.

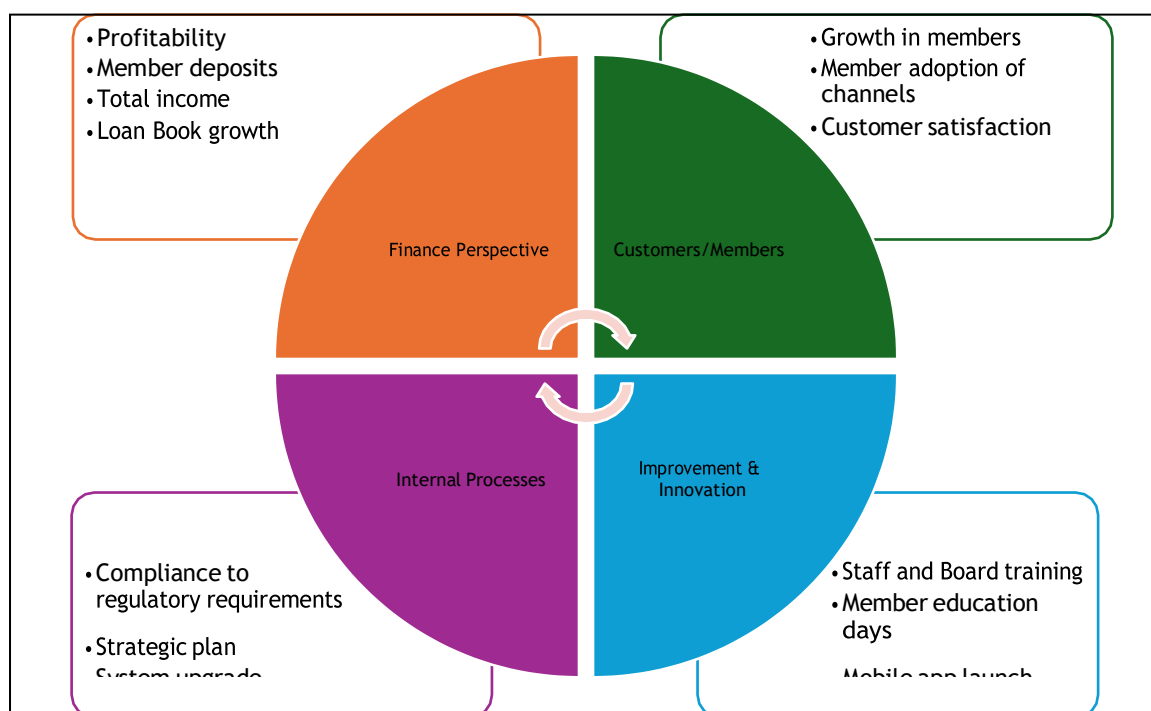


Figure 1 Dhamini SACCO Balanced Scorecard

3.1 Financial Performance

Below is a dashboard summarizing the financial performance for the SACCO for 2023 in comparison to 2022:

		Amount (KSHS)	Amount (KSHS)	% Change
1	ITEM	2023	2022	
1.1	Members Deposits	445,649,218.00	420,221,970.00	6%
1.2	Share Capital	48,361,539.00	44,881,902.00	8%
1.3	Loans and advances	385,060,403.00	325,344,397.00	18%
1.4	Net Interest income	14,620,795.00	10,249,835.00	14%
1.5	Investment income	16,057,861.00	16,202,173.00	-1%
1.6	Total Income/Turnover	35,667,610.00	32,856,993.00	9%
1.7	Total Expenses	(25,758,332.00)	(23,252,277.00)	11%
1.8	Net surplus after tax	9,242,434.00	8,802,423.00	5%
1.9	Financial Assets/Investments	140,359,157.00	169,006,531.00	-17%

The SC would like to share with members the following observations and recommendations from the assessment of the above metrics:

- The growth in member deposits of 6% signifies that members need to consider increasing their monthly deposits to the SACCO.
- The 8% growth in share capital depicts a small growth in membership that have met the minimum share capital threshold of KShs. 10,000.00; hence members who have not complied need to fast track the same.
- There was a drop of KShs.28,647,374.00 in investments. This shows the increased uptake of loans by members thus reducing the hitherto high liquidity and hence amounts available for investments.

3.2 SACCO Expenditure against the Budget

The expenditure was within the budget. The operational expenses for the year were below the budgeted expenditure amount at about 87% (Budget; KShs. 29,602,422, Actuals; KShs. 25,758,332).

We noted that a few expenditure items, for instance professional fees, legal fees, strategic plan review were not expended during the year 2023. However, there was a provision for the same in year 2023 budget.

3.3 Growth and Profitability

It is worth noting that the Sacco's profitability remained nearly the same as the year before with the surplus attained increasing marginally from KShs. 8,802,423.00 in 2022 to KShs. 9,242,434 in 2023.

This calls for a review of the performance measures to establish areas that need improvement and appropriate strategies implemented to set the Sacco in a path of increased profitability and financial performance.

Of particular interest is on how members will not only patronize the Sacco products but also ensure loan repayments are made promptly and hence reducing loan delinquencies that eat into the Sacco revenues.

Together with the already laid governance structures and the continuous improvement in the Sacco operations and systems, members can only hope for a better future for Dhamini Sacco.

3.4 Loans disbursements, Recovery and PAR

		Amount (KSHS)	Amount (KSHS)	% Change
1	ITEM	2023	2022	
1.1	Loans and advances	397,592,496.00	334,876,491.00	19%
1.2	Loan disbursements during year	279,049,606.00	261,076,560.00	7%
1.3	Loan repayments during year	216,333,601.00	214,344,810.00	1%
1.4	Portfolio at Risk (PAR)	15.9%	29.5%	46.1%

There was a 7% increase in loan disbursements in 2023 compared to 2022. We note that the disbursements for the two years were way above the strategic plan target of Ksh.207,000,000 per annum. There is therefore a need to review the target to foster growth in income and return to the SACCO.

The PAR reduced significantly as shown in the table above. This reduction can be attributed to the automation of loan repayment reminders via SMS meaning a considerable number of members are now paying their loans on time. However, despite this improvement, the PAR is still below the target of 5%.

Portfolio loans ageing report - 2023				
Classification	Amount (KShs.)	% of loan book	Rate (%)	Provision Amount (KShs.)
Performing (0-30 days)	257,247,110	70%	1%	2,572,471
Watch (31-60 days)	65,575,275	18%	5%	3,278,764
Sub Standard (61-180 days)	32,857,353	9%	25%	8,214,338
Doubtful (181-360 days)	466,619	0%	50%	233,310
Loss >360 days	9,327,174	3%	100%	9,327,174
Totals	365,473,531	100%		23,626,057.00
Restructured loans ageing report - 2023				
Classification	Amount (KShs.)	% of loan book	Rate (%)	Provision Amount (KShs.)
Performing (0-30 days)	6,346,581	20%	1%	63,466
Watch (31-60 days)	5,074,964	16%	5%	253,748
Substandard (61-180 days)	20,400,862	64%	25%	5,100,216
Doubtful (181-360 days)	289,032	1%	50%	144,516
Loss >360 days	7,445	0%	100%	7,445
Totals	32,118,883	100%		5,569,391

The loans risk classification has significantly improved in 2023 compared to 2022 with 66% of the loan book being classified as performing which significantly improved from 2022 where only 37% of the loan book was classified as performing.

	2023	2022
Classification	% of loan book	% of loan book
Performing (0-30 days)	66%	37%
Watch (31-60 days)	18%	33%
Substandard (61-180 days)	13%	26%
Doubtful (181-360 days)	0%	1%
Loss >360 days	2%	3%
Totals	100%	100%
Loan provisioning recommended	KShs. 29,195,448	KShs. 38,994,651
Actual loan provisioning	KShs. 3,000,000	KShs. 3,000,000

Despite the improvement in risk classification, members should note that full provisioning was not effected and has in the past been capped at KShs.3,000,000 bringing the total cumulative provisioning in 2023 to KShs. 12,532,093 whereas with full provisioning, it would have been KShs. 29,195,448.

Members should note that when they default on paying their loans, these loans are transferred to the guarantors, and others regrettably are categorized as bad debts. The Supervisory committee wishes to call upon members to exhibit an elevated level of integrity in their dealings and show respect to guarantors, and the entire Sacco membership. It is a member's obligation to service loans and honour relationships.

The high arrears levels increase the Saccos PAR, and this negatively affects interest on deposits and dividends available for distribution to members.

3.5 Membership

Below is a summary of the membership classification numbers for the past 3 years:

Category of Membership	2021	2022	2023
Active Members	3,985	3,038	2,457
Dormant Members	2,029	3,128	3,959
Total Members	6,014	6,166	6,416

It was noted that the number of dormant members is quite substantial, and this requires that effective strategies be put in place to reverse the trend.

The SACCO recruited 285 new members in the period under review while thirty-five members left, a net increase of 250 members that is 55% of the targeted number of 456 members annually.

Recommendations proposed by the supervisory committee to the board included the following:

- The Sacco should consider introducing new incentives for members to enhance the Sacco's attractiveness.
- Organize Member visits to stimulate members engagement.

- Review the performance targets of the marketing officer to establish the productivity of the office, the challenges and areas that may require improvement.
- Member retention mechanisms need to be continually enhanced to forestall members leaving.
- Create and implement a robust marketing strategy to win new members and at the same time retain the existing membership.

3.5.1 Deposits

During the period under review, a sizable number of members were not remitting monthly deposits as has been depicted by the dormancy levels. We wish to emphasize that; one can only be a bona fide member of a Sacco upon fulfilling the following conditions: -

- Share Capital - KShs. 10,000.00
- Monthly Deposits - KShs. 1,000.00 (Minimum)
- Loan Repayment

All members must therefore subscribe to the rules and regulations governing Sacco operations.

4.0 Member participation in Sacco activities

4.1 SACCO AGM

We encourage members to attend the AGM meetings since it is during this crucial yearly meeting when resolutions are passed, and members also get the updates on the general Sacco performance.

AGM attendance has been dwindling over the years with only about 8.2% of the active members attending the 2023 AGM.

AGM attendance

	2023	2022
AGM attendance	202	302
Total Active Members	2,457	3,038

4.2 Education Day

We also in the same vein encourage members to attend the Education Day. Learning never stops as new knowledge and ideas are churned out every single day, and it is only in acquiring this new knowledge that we grow and adapt to the changing demands of the world.

The areas of personal finance, saving, investments and prudent use of the finances at our disposal are very paramount and must not be ignored. It is in activities like Education Day that we not only gain this wealth of knowledge but also learn more about our Sacco and the service offers.

Education Day attendance is as below: -

	2023	2022
Education day attendance	894 – Physical (146) Virtual (748)	122
Total Active Members	2,457	3,038

5.0 Governance, Risk and Compliance

The good governance of any organization is essential to the achievement of its goals and objectives. The Supervisory committee wishes to recognize efforts by the board/management to conduct the business of Sacco within the rules and regulations of the Co-operative Act, the the Sacco by-laws and the provisions of the Sacco Regulatory Authority.

The SC reviewed the SACCO's compliance to regulatory guidelines i.e., Anti money laundering (AML), Data Protection Act, Unclaimed Financial Assets Authority (UFAA). The Society complied with all pertinent statutory requirements for the year 2023.

There has been a positive harmonious interaction between the board/Management and SC guided by objective of upholding the mission of the SACCO and this has been observed by the Board's adoption of the SC recommendations as highlighted in our reports.

However, it is a concern that few members apply to be considered for the Sacco leadership positions when they fall vacant both at the Supervisory and Board Level making the process less competitive. The leadership and governance of the Sacco is critical, and the importance of new blood and ideas to the SACCO cannot be overemphasized. We therefore encourage more members to get involved in the election processes when vacancies arise to have a chance to contribute positively to the growth of the SACCO.

6.0 SACCO Future Outlook

The outlook of the SACCO is positive. A collaborative effort is needed from the members, staff, management, and the Board to ensure that the SACCO fosters a growth trajectory.

We reiterate that the automation of loans on the online portal and *Dhamini SACCO App* is a big win for the SACCO that all members should take advantage of. It redefines how members do business with the Sacco as it enhances efficiency, especially for short term loans where members will access loans without the need to visit the SACCO offices. This will improve loans uptake and repayment, hence positively expanding the overall revenues.

7.0 CONCLUSION

The Year 2023 saw a satisfactory performance looking at the key performance indicators of the SACCO. We, however, would wish to call upon the Board and Management to go out of their way to reinforce areas that require improvement for better performance and returns in future.

We also encourage members and especially those without loans to take up loans as loan uptake immensely contributes to the revenue of the SACCO hence better returns to members. For those with loans, remember to pay up your loans on time to avoid loan delinquencies that adversely affect member returns.

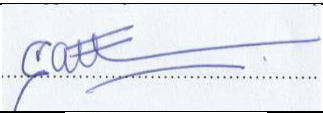

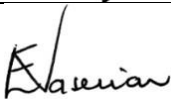
The dormant members must consider reactivating their accounts so that full Sacco membership pulls together for the success and benefit of the SACCO.

We must all strive to build trust amongst ourselves as members of Dhamini Sacco. The success of Dhamini Sacco is dependent on upholding transparency and accountability through constant engagement between the members, the Sacco Management, and the Board.

Everyone must do their part with diligence and without any reservations.

Thank you all, God bless you, God bless Dhamini Sacco.

Report compiled by Dhamini SACCO Supervisory Committee comprising:

Rev. Dishon Gathome		Chairman
Simon Oruka		Secretary
Elizabeth Taama		Member

MINUTE. 7/AGM/16/3/2024 CHAIRMAN'S REPORT.

The Chairman read his report to the members as follows:

DHAMINI REGULATED NON-WDT SACCO SOCIETY LTD

CHAIRMAN'S REPORT TO THE 35TH ANNUAL GENERAL MEETING ON THE 16TH of MARCH, 2024 AT ACK PARKING SILO.

Our distinguished members, invited guests, ladies, and gentlemen, on behalf of the Board, Supervisory and management, I take this opportunity to welcome all of us to our 35th AGM.

Operating Environment

The year begun well despite a spell of demonstrations in the first quarter of the year, introduction of new taxes, increase in fuel prices, devaluation of our currency which greatly impacted negatively on the economy subsequently reducing members' disposable income. Nonetheless, the Sacco business continued its spiritedly operation and we greatly appreciate all members who have continuously patronised the Sacco products and faithfully honoured their obligations whenever they fall due. The recent increase in base lending rate by the central bank and subsequent review of bank interest rates upward has continued to give Saccos a competitive edge.

1. Performance

i) Membership

Dormant members continue to be a great challenge and have now taken a large membership space in our Sacco. The trend as said in our previous meetings is not encouraging. The marketer is working hard to ensure that a large number of dormant accounts are activated. Most of the member accounts which fell dormant in the year under review were due to netting off their deposits against outstanding loans which were in default. We encourage members to try their level best and service their loans and avoid netting off their deposits. During the year 285 members were recruited and 24 members exited the Sacco.

ii) Key financial ratios

The regulator requires that Saccos meet and adhere to certain minimum threshold on certain ratios for stability and balanced the operations, capital adequacy, liquidity, and financial risk exposures. Adherence to these

regulations is critical as it gives confidence to the membership and the society in general that the Sacco is solid and headed to the right direction.

We are glad to report that most of the requirements have been attained, the few which are remaining requires active participation of all members.

a) Capital adequacy ratios – (Core capital/Total Assets)

This ratio is important because it ensures that the Sacco maintains sufficient capital that can protect member's deposits and protect creditors against losses that are as a result of business risks. Core capital is made up of share capital, retained earnings and reserves. Total assets are made up of Cash and cash equivalent, receivables and prepayments, loans and advances, investments and other assets for us to ensure that this ratio is maintained we must progressively increase our share capital and retain more of our funds as we distribute interests and dividends, currently we are slightly below the regulator's requirements by 0.7%

b) Asset Mix & Quality – (Non-Performing Loans/Total loans)

This is the Portfolio at Risk which measures how the members have efficiently made their loan repayments or the riskiness of loans being unpaid. The regulator requires that the ratio to be <5%, in our case we are at 15.9% which is three times worse than we should be. For us to make this ratio better all loans must be paid without fail. In future if this AGM allows, we may be forced to only pay dividend to members who are up to date with their loans, or their loans are not delinquent to certain levels.

c) Structure/Sensitivity to Risk – Gross loans/Deposits.

For the Sacco to optimally generate revenue, the total loans to deposits should $\geq 100\%$. In our scenario loans issued as at the yearend was 86.4% of members deposit meaning that 13.4% of deposits contributed amounting to Kshs. 60.6 million were invested in low interest rate sectors other than being granted to members where interest on loan is better.

In our analysis close to 700 members with deposit amounting to 27.3 million did not patronise any loan product for the whole year 2023. We urge members to take this great advantage and be financed by your Sacco and enjoy the friendly interest rates offered. The office through the Marketing and ICT departments will be running a survey to understand the reasons such members did not take any facility and come up with mitigating measures where possible so that we can be able to reach every member and have all of us patronise our products.

NB All other ratios are clearly analysed in our audited financial statements pg 3

iii) Financial performance

We have continued to see an improved performance especially after the Covid-19. In 2023 total assets increased from Kshs. 537.5 million to Kshs. 573.4 million which is 6.7% increase. Members deposits increased from Kshs. 420.2 million to Kshs 445.6 million a 6% increase as compared to 2022. The loans and advances to members increased by 18.4% from 325.3 million in 2022 to 385.1 million in 2023. Investment decreased from 169.0 million to Kshs 140.4 million, we had to reduce our investment to finance the growing need for loans.

The analysis below shows how we have performed in the last four years.

	2023	2022	2021	2020	2019
Total Assets	573,445,326	537,506,891	502,251,415	489,277,898	477,467,609
Members' Deposits	445,649,218	420,221,970	389,383,217	367,642,607	344,891,104
Loans Members	385,060,403	325,344,397	281,612,648	249,761,856	261,474,068
Investments	140,359,157	169,006,531	158,640,605	15,335,902	18,886,481
Total Revenue	61,458,042	57,372,262	52,869,394	43,290,856	49,290,856
Total Interest Income	40,411,227	34,765,104	31,188,946	24,614,486	29,342,028
Total Expenses	25,758,332	23,252,277	17,486,657	16,207,438	17,582,779
Core Capital	53,605,794	60,208,262	66,743,452		
Share Capital	48,361,539	44,881,902	42,003,002	40,191,566	38,734,069
Institutional Capital	33,513,253	18,398,016	12,032,377		
Statutory reserve	13,463,897	11,715,410	9,954,925	8,691,469	7,118,024
Interest on members deposits	25,790,432	24,515,269	27,256,825	21,509,820	24,749,542

iv) Defaults

Loan defaults continue to be the greatest hindrance to our Sacco performance especially in respect to distribution of interest and dividend. As we are all aware, we do not accrue interest on loans as this will mean distributing unrealized income. Through the years we have continued to make provisions for doubtful debts. It must be noted that this provision is a requirement from the regulator and best practise. However as mentioned earlier in the ratios, this provision is charged to our profit and loss account as an expenditure. In this year we have provided Kshs. 3 million with the total accumulated provision being Kshs. 12.5 million against the required amount of Kshs. 29.2 million.

Details	Amount	No.	%	Arrears	
Performing	263,593,661		1422	66.30	0 days
Watch	70,650,239	331	17.77		1 – 30 days
Sub-standard	53,258,215	174	13.40		31 – 180 days
Doubtful	755,651	4		0.19	181 – 360 days
Loss	9,334,619	336	2.35		over 1 year
Total	397,592,415		2267	100%	

We call upon each one of us to take responsibility of their loan obligation and service them accordingly to reverse the above trend. The historical loans of Kshs 9.3 million which are on loss category are greatest reason why our portfolio a risk (PAR) is very high. We request this AGM to allow us to write them off over the next 2 years (2024 & 2025) as we cannot trace the defaulters. This will not affect our financials as our provision is now 15.2 million in any case it will lower our PAR going forward.

2. Strategic Plan

The strategic plan 2023 – 2027 was launched in our last education day, implementation of the same is ongoing and key milestone achieved so far. The board and management are keen to see that the implementation is done as per the plan.

3. Medical insurance

Our medical arrangement with CIC and PACIS insurance is still available any group or individual member who may be interested kindly get in touch with any member of staff.

4. Loan guard benefit.

We have renewed loan guard with the Old Mutual insurance, the policy has a rider for all members and their immediate family in case of death amounting to Kshs. 100,000/- (principal member) and 50,000 (nuclear)

respectively. Kindly ensure that you cooperate with the staff and update any necessary document needed. Those who are dormant or defaulters cannot benefit from this plan.

5. Staff

During the year 2023 we were joined by Mr. Boniface Maina who came to take up the position of a marketer. We hope you have interacted with him and going forward you accord him the necessary support as he markets the Sacco and helps in activation of dormant accounts as indicated.






6. Dhamini App

We thank the management and the ICT team for keeping us up to date with technology. Recently the mobile App was launched and now we can check our statements, make payments of deposits, share capital, loans and check on the guarantor's status. Additionally, the mobile loan is now running and since it was opened for uptake on 6th March 2024 close to 1 million has been disbursed through the App.

7. Election

The board advertised the slots for the members who were retiring in good time as per the stipulated regulations in our bylaws which requires one third of the board members and supervisory to retire every year by rotation. Those wishing to be elected to the board are required to apply to the election committee for vetting to ascertain their suitability and presented to the AGM for elections.

The retiring members are.

-  Mr. Francis Mueke
-  Rev. Dr. Simon Oriedo
-  Mr. Jeff Omondi
-  Vacant position -
-  Mr. Simon Oruka - Supervisory

8. Proposed Resolutions

The board is proposing the following resolutions for adoption:

1. Distribute interest on Deposits at the rate of 6%.
2. Distribute dividends on Share capital at the rate of 10%.
3. Approve 2025 budget.
4. Approve supplementary budget 2024.
5. Appointment of auditors for the year 2024.
6. Retain the Borrowing powers at Ksh.10 million.
7. Pay honoraria of Kshs. 350,000/= to the Board and Supervisory.
8. Increase our loan ceiling to Kshs 15 million.
9. Write off the long outstanding debts of Kshs.9.334,619M for the next two years.

Finally, I take this opportunity to thank you all for your support during the year and most importantly patronising Dhamini products. We greatly appreciate your attendance to this year's AGM.

God bless you, God bless Dhamini.

Francis Mueke.

Chairman Board of Directors

Adoption of the report.

1. Distribution of interest on deposits at 6%- Proposed by.... Seconded by...
2. Distribution of dividend at 10% - Proposed by M2256 Evans Sitoko Seconded by M5306 Jacob Agade
3. 2025 budget approval- proposed by M-02846 Henry Kombo and seconded by M-00621 Wycliffe Muluka.
4. Appointment of auditors for year 2024- proposed by M-05402 Patrick Mmbasu and seconded by M-00935 Musa Agesa.
5. Approval of supplementary budget- proposed by M-01755 Naomi Mania Henry and seconded by M-03937 Matilda Achieng.
6. Retaining borrowing powers at 10 million- proposed by M-03922 Ruth Omondi and seconded by M-1837 Leonard Macharia.
7. Pay honoraria of KES 350,000/= proposed by M-04150 Stephen Mutua and seconded by M-02326 Jacob Wesonga.
8. Increase our loan ceiling from 10million to 15million- proposed by M-1542 Rossina Kamene and seconded by M-01768 Rev Lilian Munyiri.
9. Write off the historical debt of KES 9.3million for next 2 years- proposed by M-00814 Julius Nzele and seconded by M-02352 Josek Simiyu,

MINUTE.8/AGM/16/03/2024 -SUMMARY OF THE 2023 AUDITED AACOUNTS.

The accounts for year 2023 were presented by the Auditors Henry & Smith. to the members.

The accounts were proposed by Wycliffe Muluka Mno-00612 and seconded by Julius Namale Mno 01482.

Key highlights from the Audit report:

- The Auditors gave credit to the supervisory team for their detailed report which was very educative.
- The audit report indicated that the SACCO's PAR is very worrying.

The following were reactions and questions raised by members on the accounts.

1. Joseph Okidi - Mno 02255. Concerned why the Sacco maintained a low dividend trend for the past three years and if they can be disbursed on time. The CEO intervened and assured that the members will be paid through MPESA by Monday 18th March 2024.
2. Walter Omudokolo- M- 06798- asked then board to think of adding additional workforce for staff,
3. **M-02352** Josek Kituyi- Proposed that the Sacco can purchase an office space for their own, look for other avenues of getting funds by venturing into new areas of business and trade and the SACCO to involve members when purchasing land.

MINUTE. 9/AGM/16/03/2024- 2024 /2025-BUDGET APPROVAL.

- ✓ The 2024 -2025 budget was presented by the treasurer Mr. Jackson Kirikiru.
- ✓ The accounts were proposed by Sospeter Karani Mno-02843 and seconded by Johannes Wandera Mno 04502.

DHAMINI SACCO SOCIETY LIMITED			
PROPOSED BUDGET REVISION FOR YEAR			

2024 AND PROPOSED BUDGET FOR YEAR 2025			
	APPROVED	REVISED	PROPOSED
INCOME	BUDGET 2024	BUDGET 2024	BUDGET 2025
Interest on members loans	55,497,255.72	53,482,411.64	56,630,652.80
Interest From Investment	17,419,807.79	17,419,807.79	18,639,194.33
Penalties and other fees	6,368,152.37	6,368,152.37	7,004,967.60
Entrance Fees	1,035,000.00	456,000.00	501,600.00
Commission from CIC, Mpesa,Agency	393,002.84	393,002.84	406,402.92
Sale of Promotion Materials	108,900.00	108,900.00	119,790.00
Other Income/Ecitizen/Photocopy	960,000.00	960,000.00	1,245,042.14
TOTAL INCOME	81,782,118.71	79,188,274.64	84,547,649.80
EXPENDITURE			
FINANCIAL EXPENSES			
Bank Charges	620,500.00	620,500.00	620,500.00
Provision for Bad Debts	10,000,000.00	3,000,000.00	3,000,000.00
Sub-Total	10,620,500.00	3,620,500.00	3,620,500.00
STAFF EXPENSES			

Salaries & Wages	14,151,240.95	12,734,759.7 1	13,568,235.68
Medical for Staff	1,125,949.44	1,125,949.44	1,238,544.38
Staff Training	990,000.00	865,000.00	951,500.00
Sub-Total	16,267,190.39	14,325,709.1 5	15,758,280.06
GENERAL ADMINISTRATION			
Audit & Supervision Fees (External)	350,000.00	350,000.00	350,000.00
Depreciation & Amortisation	1,617,101.64	1,640,280.21	1,804,308.23
Printing & Stationery	780,500.00	528,839.30	676,877.63
Telephone, Postage, Email and Internet	618,882.55	618,882.55	1,106,558.40
Marketing, Advertising & Publicity	618,048.00	1,052,000.00	1,157,200.00
Office Insurance	250,000.00	129,191.70	142,110.87
General office expenses	406,073.58	323,510.00	355,861.00
Professional Services	400,000.00	200,000.00	220,000.00
Legal fees	334,059.91	300,000.00	330,000.00
Security	320,000.00	320,000.00	360,000.00
Office Repairs & Maintenance	300,000.00	356,521.00	392,173.10
SP Evaluation & Monitoring	553,455.66	250,000.00	500,000.00

Subscriptions and publications	385,000.00	52,647.10	57,911.81
Staff Travelling and subsistence	350,000.00	206,250.00	226,875.00
Rent and service charges	2,600,329.00	2,308,531.50	2,308,531.50
External Back-up services	200,000.00	200,000.00	301,600.00
System Audit/Pen test services	520,000.00	174,000.00	191,400.00
Software licences and Maintenance	765,600.00	765,600.00	1,512,640.00
Sub-Total	11,369,050.34	9,776,253.36	11,994,047.54
Regulatory and Licencing Expenses			
SASSRA Authorisation fee	30,000.00	30,000.00	30,000.00
SASSRA Annual levy (0.1% on deposits)	880,773.30	445,649.22	490,214.14
County Council licences	95,000.00	112,000.00	112,000.00
Sub-Total	975,773.30	587,649.22	632,214.14
MEMBERS EXPENSES			
Training and Development	515,588.26	468,716.60	515,588.26
Annual General Meeting	395,657.90	444,587.00	533,504.40
Sub-Total	20,911,246.16	3,913,303.60	4,004,633.96
BOARD MEETING EXPENSES			

Statutory Committee Expenses	1,734,230.22	1,156,819.81	1,272,501.79
Sub committe Expenses	241,188.45	73,727.50	81,100.25
Training and Development	426,280.80	444,603.50	489,063.85
Vetting Expenses	142,500.00	125,000.00	137,500.00
Sub-Total	2,544,199.47	2,994,199.47	2,422,062.04
TOTAL EXPENSES	62,687,959.66	35,217,614.80	38,431,737.74
Surplus/(Deficit) before tax	19,094,159.05	43,970,659.84	46,115,912.05
30%Tax	733,528.40	806,881.24	887,569.36
Net After Tax	18,360,630.65	43,163,778.60	45,228,342.69
Statutory Reserve	3,672,126.13	2,908,521.67	947,560.07
Staff Bonus	489,808.01	489,808.01	538,788.81
Honoraria	450,000.00	350,000.00	385,000.00
interest on deposits	29,121,382.50	34,314,989.79	37,746,488.76
Provision for Dividends	5,183,859.45	5,100,459.13	5,610,505.05
Net Surplus	-	0.00	0.00

<i>CAPITAL EXPENDITURE</i>			
<i>Partitions and furniture</i>	-		410,000.00
<i>Computer Hardware & Accessories</i>	650,000.00	650,000.00	3,222,400.00
<i>Total Capital Expenditure</i>	650,000.00	650,000.00	3,632,400.00

Member's reactions to the Budget report:

M-02352- Josek Simiyu challenged the marketing officer to do more marketing since there is potential for growth and a budget in place.

M_02084 Rosalia Kangethe also asked if the marketing team promotes the Housing products.

MINUTE. 10/AGM/16/03/2024 Dhamini Housing Chairman Report.

- The Chairman for Dhamini Housing Mr Daniel Omondi took the members for a summary of the current status quo of the Housing affairs.
- He made it clear that both projects on Phases 1 & 2 are doing well and members should not be worried and there is no course of alarm.
- He also brought to the attention of the members that despite the challenges and the bad experiences with the land surveyor, housing is doing well and vibrant.
- The Chairman also notified the members that on 20th April 2024 there will be a stakeholder's meeting to address the burning issues and chart on the next course of action.
- He ended his report by calling members with urgent issues to make a point of meeting him right after the AGM.
- The CEO also made it clear that the SACCO does not lend to the Housing but rather give loans to members to buy land.

MINUTE. 11/AGM/16/03/2024 Ministry Official Speech.

The AGM was graced by Madam Gladys Ndegwa from the ministry of Industrialization, Cooperatives, and marketing development.

She applauded the board and management of the SACCO for positive growth.

She also commended that all the reports were clear and well taken.

She further told members that the main objective of Saccos is savings and credit, In this regard she urged members to develop interest to increase the interest on loans hence this will translate to increased dividends.

MINUTE. 12/AGM/16/03/2024- ELECTION OF RETIRING BOARD & SUPERVISORY COMMITTEE

The notice declaring the vacant positions was read to the members by the ministry official. Elections were done and the outcome was as follows:

1. Francis Mueke- ACK representative – was proposed by David Otieno- MNo-03663 and seconded by Rev Lillian Munyiri – M-01768
2. Rev Dr Simon Oriedo- ACK affiliate-was proposed by Patrick Mmbasu Mno 05402 and seconded by Jacob Agade- Mno 05306
3. Mr Jeff Omondi- Corporate - was porposed by Erick Mbeya M- 00069 and seconded by Musa Agesa M_00935.
4. Mr. Daniel Omondi- Private- Proposed by Charles Olando- M_ 04831 and seconded by Robert Omwenga- M_01164.
5. Mr Simon Oruka- Supervisory- Proposed by Rose Khayobia-M-01556 and seconded by Joseph Okidi- M_02255.

The ministry told the meeting that the members have a right to vote and be voted, she then gave the elected leaders a chance to appreciate and address the members.

- Francis Mueke -thanked the members for appointing him. He promised to deliver, give his best to the members, and safeguard their interests.
- Rev Dr S Oriedo- He thanked and appreciated the members and promised to assist in the growth of assets and returns.
- Jeff Omondi thanked all members for giving him an opportunity to serve. He promised to deliver also.
- Simon Oruka- He pointed out deviations in accounts and promised to audit the Sacco. He thanked all members and promised to deliver, urging members to also participate in the building of the Sacco. Being in the supervisory he urged the board to work to realize a positive transformation in the Sacco.
- Daniel Omondi- He really thanked the members for give him another opportunity to serve, He promised to work closely with the entire team to revamp the Sacco to new heights.

MINUTE. 13/AGM/16/03/2024 APPOINTMENT OF AUDITORS.

The members at the AGM resolved that the current external auditors Henry & Simth be retained to serve for another year 2024 to audit the books.

Proposed by -
Seconded by -

MINUTE. 14/AGM/16/03/2024 AOB

1. Philip Ngali _Mno 05938 was concern about the turn around time for emergency loans. The credit chairman responded that the mobile loan app is already in place to sort expediate the process and a service charter for the Sacco is available to outline the timelines.
2. Kennedy Situma MNO_ 04681- appreciated Emily Njoki, Boaz Omari & B Ndalo staff who have been of assistance to the members and asked the board to support the where necessary.
3. Josek Simiyu MNO- 02352 noted that the staff have done their work and they are doing a good job and asked the board to appreciate them. He also called upon the marketing team to put more effort into recruiting new members.
4. Martin Odhiambo Mno 07081 was concerned that the APP was not consistent in giving real time updated information to members.
5. Joshua Onchiri MNO -04033 asked whether the Staff are allowed to assist members on personal basis, The chairman responded that this is at the discretion of the member and staff.
6. Rose Khayobia – MNO 01556 asked whether one can be given an unsecured loan without guarantors.

7. Leonard Macharia- MNO 01837- wanted to know if loan repayment due date can be extended because of fluctuations in cash flows for private members.
8. Bonface Maina the business development officer was asked to share his personal number 0712 239 934 for easy communication with the members.

MINUTE. 15/AGM/16/03/2024 -VOTE OF THANKS.

- Mr. Jeremiah Kuria being in the Education and Marketing team challenged the members to gain knowledge and education in Sacco policies and guidelines.
- He thanked the members of the SACCO for their participation in the AGM both physically and virtually and for their patience and staying to the end.
- He had special recognition to the Staff for the growth of the Sacco and their tireless dedication to service.
- He gave gratitude to the board members and prayed for wisdom and favour from God for the times that they sit to deliberate on Sacco matters.
- He recognized the supervisory for their invigilation to SACCO and hard work.
- He also acknowledged and recognized the presence and wisdom of the ministry official Madam Gladys Ndegwa.
- He mentioned that the board will continue to uphold the values of the SACCO and will consider every response received from the members.
- He prayed for a prosperous 2024 favoured by God.
- With launch of the APP, he encouraged the new generation to join the Sacco in numbers. He also encouraged members to take more loans during the rainy season for development purposes.

MINUTE. 16/AGM/16/03/2024 Closing Prayers

The closing prayers were done by Rev Lilian Munyiri at 15.40pm

Signed by;

Chairman...

Date: 16 April 2024.

Secretary...

Date: 16 April 2024

DHAMINI SACCO SOCIETY

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