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39TH ANNUAL GENERAL MEETING HELD ON 30TH APRIL 2022

TREASURERS' REPORT

Good morning my fellow co-operators,

Ladies and gentlemen, it gives me great pleasure in welcoming you all to this 38th Annual General Meeting of ActionAid Sacco.

I am pleased to present to you the financial report of the Actionaid SACCO for the period ended 31st December 2021. This time once again we enjoy the physical presence and meeting owing to the relaxation of some of the stringent measures that the Government put in place to contain the spread and effects of COVID-19. This notwithstanding, we shall remain cautious of the potential recurrence of the virus.

The SACCO continues to play its role of empowering the members with opportunities to save and access credit services for wealth creation and investment. During the year under review, the members patronized various products and services towards uplifting their socio-economic well-being and indeed took advantage of the interest rate review for some loan products. At this juncture, I wish to highlight the key financial results posted during the year 2021 under review.

As you all know; it is a requirement in our bylaws, I present to you, the treasurer report summarizing our financial performance for the year ending 2021 and also present to the members the revised budget for the year 2022 and subsequent year 2023 in line with our traditions. This gives us a foresight of what to expect in 2023 & 2023 in line with the current trends and therefore informs members how much income we expect, our expected expenses and how much surplus we expect to make.

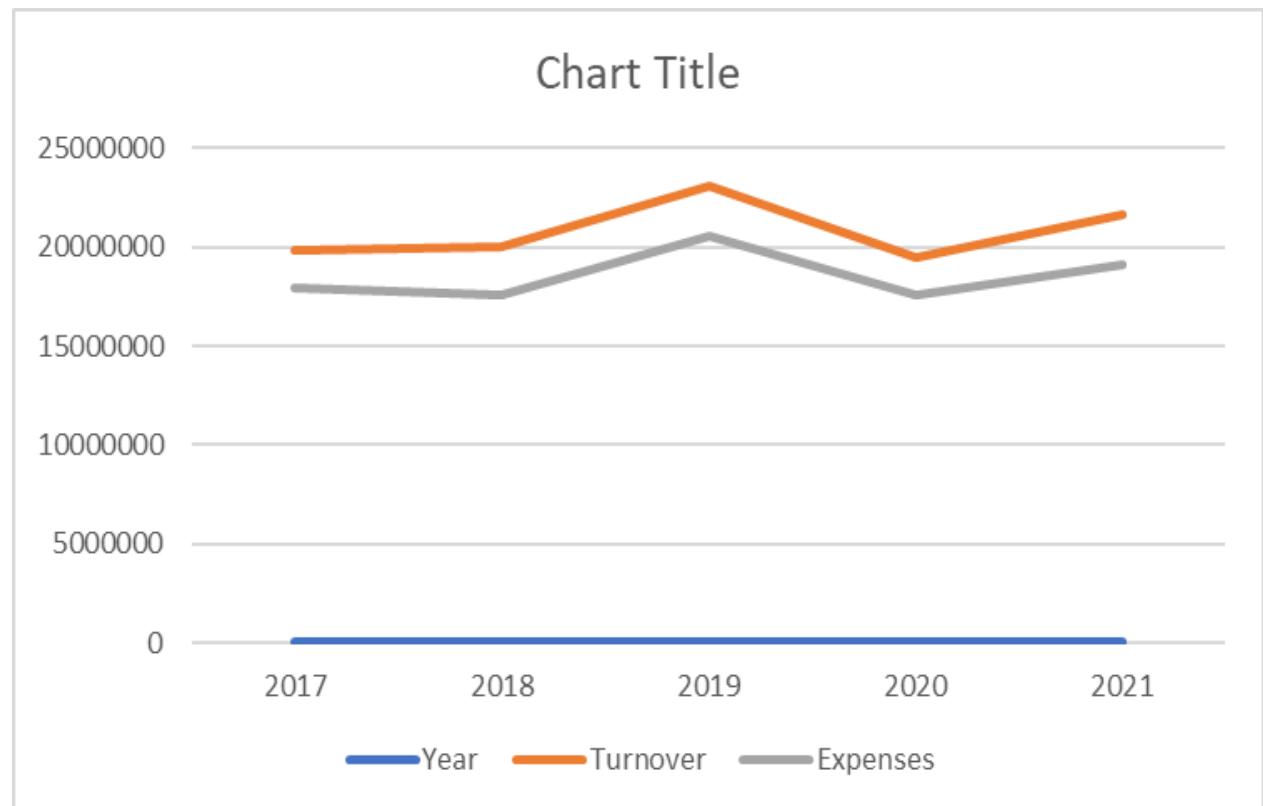
We received a clean and unqualified opinion from the auditors Waweru Mwangi & Associates, and, as per requirements, the accounts were approved by the Commissioner of Cooperatives as required by Sacco Act.

Financial Performance Highlights

Revenue and Expenses,

During the year under review, the society's total income marginally increased to Kshs. 21,670,624 from Kshs. 19,488,407 in the previous year. This is because there was an increase in loan disbursement. To finance this growth, the total expense for the year 2021 stood at 19,140,522 which is slightly more than the 17,973,863 spend in 2017. The SACCO will continue increase control of borrowing to lend so as to finance reduce costs

Year	2017	2018	2019	2020	2021
Turnover	19,788,685	19,985,754	23,085,332	19,488,407	21,670,624
Expenses	17,973,863	17,592,519	20,524,464	17,546,419	19,140,522



Membership, Deposits and share Capital

a. Membership

The focus has been on retaining existing members, activation of dormant members and recruiting quality members, there was marginal growth of membership to close the members register with 668, up from 637 members in 2021, of which 423 are active while 245 are dormant.

b. Share Capital.

The share capital grew by 2.2% to close the year at Kshs. 19.2 million up from Ksh 18.8 million the previous year. This is however way below the Ksh. 30 million targets set in our 2016 – 2021 strategic plan. We, therefore, urge all members to consider investing in Sacco shares to grow our Sacco

c. Member Deposits.

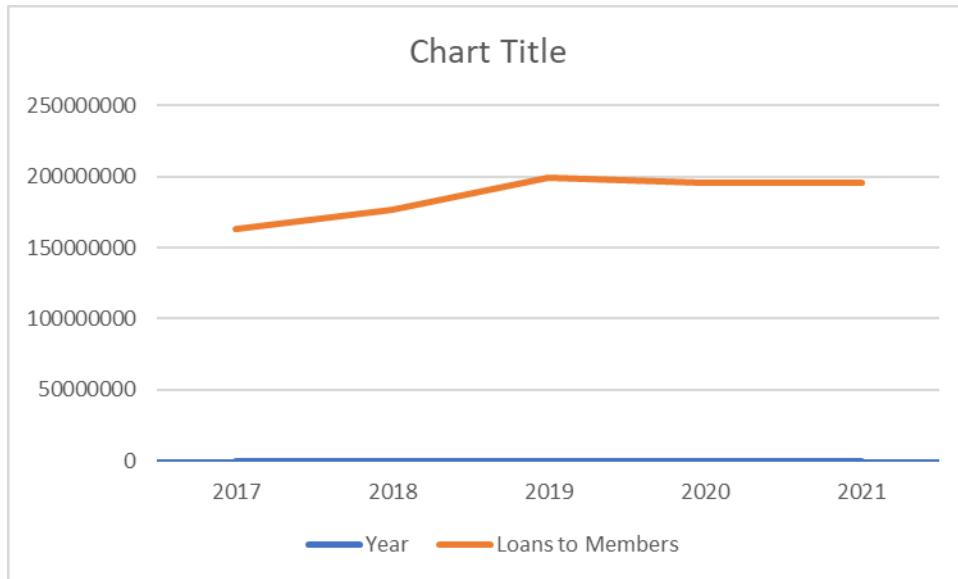
The year 2021 showed impressive growth in deposits by 1.96%, closing at Ksh 155.8 million up from Ksh 152.8 million at the end of 2020. We wish to encourage members to increase their savings into the Sacco.

Loans to members

The total loans with members decreased by 1% in the year under review to close at Kshs. 195,724,246 compared to Kshs. 195,726,439 in the previous year. In the year under review, the society granted members loans amounting to Kshs. 39,053,457 and the society received a total of Kshs. 39,091,650 from loan principal repayments.

5-year loans balance trend:

Year	2017	2018	2019	2020	2021
Loans to Members	162,619,162	176,714,311	199,476,852	195,726,439	195,724,246



Members Rebates, Dividends and Honoraria

This year, the proposed interest on members' deposit is Kshs.7.45Million up from 5.45Million in 2020. This represents 36.3% of the total revenue and likewise, the proposed dividend on shares is Kshs. 1.5Million up from Kshs.1.3Million in 2020. In conclusion, • the board proposes dividend on share capital at 7%. • The Board also proposes interest on weighted deposits at the rate of 6%. • In recognition of the board's contribution, the treasurer humbly requests members to approve an honorarium of Ksh 320 ,000 to be shared by members of the Board and Supervisory Committee.

Regulatory Financial Soundness

The SACCO has ensured adherence that the regulatory requirement is adhered to as much as possible. Over the last 3 years, we have made tremendous strides in achieving key regulatory ratios as per Sacco rules. However, one key ratio “Institutional Capital”- has remained a big gaping risk. We are currently at 4% while the statutory minimum is 8%. The management is putting all effort to achieve the said

ratio, this ratio is based on deposit and as the Sacco grows the amount required grows as well. We are still short of share capital target and this remains an important avenue for growth. Consequently, we propose that members consider a capitalization of all divided declared.

Borrowing Powers.

Members had approved the maximum borrowing power of Kshs 30 Million. We wish to maintain the same level of borrowing power in the financial year 2022.

Budget Approvals

At this juncture Madam Chairperson and dear members, before concluding this report, please allow me to make a presentation of the budget proposals for your consideration and approval as follows:

- a) Year 2020 & 2021 budget for ratification on over-spent items,
- b) Year 2022 budget review for adjustment to trend and emerging issues,
- c) Year 2023 operational budget approval

Conclusion:

Lastly, I wish to express my gratitude to the management team and the members for the commitment and co-operation in making the year 2021 a success.

Isaiah Gichana.

Treasurer