



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

**48TH ANNUAL GENERAL MEETING**

**DATE: 16TH MARCH, 2024**

**TIME: 10:00AM**

**VENUE: KENYATTA UNIVERSITY, MAIN CAMPUS SCIENCE ZONE (SZ39) HALL.**

**ANNUAL  
REPORT & FINANCIAL  
STATEMENTS - 2023**

## **Vision**

To be an inclusive, dynamic and profitable world class Sacco

## **Mission**

To mobilize savings, provide friendly, innovative and affordable credit facilities and other financial services to our customers

## **Core Values**

Empowerment  
Integrity  
Customer centric  
Efficiency  
Innovation

## ***Slogan***

“Forward Together”

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## **KENVERSITY SACCO SOCIETY LIMITED**

### **PROGRAM FOR ANNUAL GENERAL MEETING ON 16<sup>TH</sup> MARCH, 2024**

#### **VENUE: KENYATTA UNIVERSITY SCIENCE ZONE HALL (SZ 39)**

<b>Time</b>	<b>EVENT</b>	<b>FACILITATOR</b>
9.00 A.M. – 9.50.A.M	ARRIVAL AND REGISTRATION OF MEMBERS	James Mwangi
9.50 A.M. – 10.00A.M	ARRIVAL OF GUESTS	Wallace/Lilian
	<b>MEETING PROCEEDINGS</b>	
10.00 A.M – 10.05 A.M.	Confirmation of the meeting Quorum to transact business	Board Chairman
10.05 A.M – 10.15 A.M.	Reading of the Notice convening the meeting	Hon. Secretary
10.15 A.M – 10.20 A.M.	<b>Prayers</b>	Volunteer Member
10.20 A.M – 10.40 A.M.	Introduction of Guests	Board Chairman
10.40 A.M – 11.00 A.M.	Confirmation of the previous minutes of the AGM held on 4 <sup>th</sup> March, 2023.	Hon. Secretary
11.00 A.M – 11.20 A.M.	Matters arising from the Minutes	Hon. Secretary
11.20 A.M – 11.40 A.M.	To receive Chairman's Report	Board Chairman
11.40 A.M – 12.00 NOON	Remarks from County Director of Co-operatives	County Director
12.00 NOON – 12.10 P.M.	Address by the Chief Guest, Commissioner for Co-operatives	Chief Officer
12.10 P.M – 12.20 PM	To receive report from Supervisory Committee	Chairman, Supervisory Committee
12.20 P.M – 12.40 P.M.	Presentation and adoption of the Audited Financial Statements and report for the period ending 31 <sup>st</sup> December, 2023	External Auditor
12.40 P.M – 1.00 P.M	Adoption of proposed Dividends, interests and Honoraria	Treasurer
1.00 P.M. – 1.30. P.M	<b>Questions and Answers</b>	Board Chairman
1.30 P.M. – 1.45. P.M	To consider and approve proposed resolutions	Treasurer
1.45 P.M. – 2.00. P.M	To consider and appoint External Auditors 2024	Chairperson Audit Committee
2.00 P.M. – 2.30. P.M	To consider and approve borrowing power at a maximum of Kshs. 200 Million	Treasurer
2.30 P.M. – 2.45. P.M	To consider and approve indemnity at Kshs.500,000/- for Board and Supervisory Committee	Treasurer
2.45 P.M. – 3.00. P.M	To consider issues where due notice was given in accordance with By-laws	Board Chairman
3.00 P.M. – 3.20 P.M.	To introduce candidates nominated and cleared for the Elections	Board Chairman
3.20 PM - 3.40 P.M.	Launch of ISO 9001:2015 Certification	Board Chairman
3.40 PM – 4.00 P.M.	<b>Vote of Thanks</b>	Vice Chairman

# KENVERSITY CO -OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED

## CIRCULAR NO. 3/2024

TO: ALL MEMBERS

DATE: 19<sup>th</sup> February, 2024

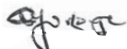
RE: NOTICE FOR THE ANNUAL GENERAL MEETING.

Notice is hereby issued for the 48<sup>th</sup> Annual General Meeting to the Members of Kenversity Co-Operative Savings and Credit Society Limited, to be held on Saturday **16<sup>th</sup> March, 2024** from 10.00 a.m. at Kenyatta University, Main Campus Science Zone (SZ39) Hall.

### **AGENDA**

1. To confirm Quorum of the meeting to transact business.
2. Reading and adoption of the Notice convening the meeting.
3. To note apologies
4. Consider and confirm the previous minutes of the 47<sup>th</sup> AGM held on 4<sup>th</sup> March, 2023
5. Matters arising from previous minutes of the 47<sup>th</sup> AGM held on 4<sup>th</sup> March, 2023
6. Consider and adopt the Chairman's report
7. Address by the Guest of Honour
8. Consider and adopt report of the Supervisory Committee
9. Presentation and adoption of the Audited financial statements and report for the period ending 31<sup>st</sup> December, 2023.
10. Consider and approve proposed resolutions
11. To consider and appoint External Auditors for the financial year ending 31<sup>st</sup> December, 2024.
12. To consider and approve borrowing power at a maximum Ksh.200 Million.
13. To consider and approve indemnity at five hundred thousand Kenya shillings for Board and Supervisory committee.
14. To consider issues where due notice was given in accordance with the Society By-Laws
15. Launching of ISO 9001:2015 Certification
16. Elections: -
  - (i) By virtue of the Society By-laws, elections of three (3) Board members and one (1) Supervisory Committee members will be held on Wednesday, **20<sup>th</sup> March, 2024 from 9.00 a.m. to 3.00 p.m**
    - Prof. George Makokha - Board Member is retiring and offers himself for re-election.
    - Mr. Patrick Kilonzo -Board Member is retiring and offers himself for re-election.
    - Dr. Priscilla Gitonga -Board Member is retiring and offers herself for re-election.
    - Mr. Arthur Owino - Supervisory committee member is retiring and offers himself for re-election.
  - (ii) Nomination of candidates for the Society elections will be done between **21<sup>st</sup> February, 2024** 8.00 am and **1<sup>st</sup> March, 2024** at 5.00 pm
  - (iii) Nomination forms can be collected from the SACCO office from 8.00 a.m. to 5.00 p.m.
  - (iv) Vetted and nominated candidates to be presented to members on **16<sup>th</sup> March, 2024**

With Co-operative regards,



**MR. STEPHEN N. KIARIE**  
**HON. SECRETARY**

- Cc.
  1. Sub County Cooperative Officer, Kasarani
  2. CEO- SASRA
  3. Vice Chancellor, Kenyatta University (for information)

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## BOARD OF DIRECTORS

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Mr. Patrick M. Kilonzo  
Vice Chairman



Prof. George L. Makokha  
Chairman



Mr. Stephen N. Kiarie  
Hon. Secretary



Dr. Ambrose Jagongo  
Treasurer



Dr. Kennedy Awuor  
Member



Dr. Priscilla Gitonga  
Member



Mrs. Jesca A. Makokha  
Member



Mr. Andrew Macharia  
Member



Mrs. Mary Ngugi  
Member

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## SUPERVISORY COMMITTEE

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Mr. Shadrack Bett  
Chairman



Mr. Arthur Owino  
Secretary



Mr. Joseph Mutata  
Member



Mr. Alfred Korir  
Chief Executive Officer

## **KENVERSITY SAVINGS AND CREDIT SOCIETY LIMITED**

### MINUTES OF THE 47TH ANNUAL GENERAL MEETING OF KENVERSITY SACCO LIMITED HELD ON SATURDAY, 4TH MARCH, 2023 AT HALL SZ39 KENYATTA UNIVERSTY, NAIROBI

#### **Present from the Board of Directors**

1. Prof. George Makokha - Chairman
2. Mr. Patrick Kilonzo - Vice Chairman
3. Mr. Stephen Kiarie - Hon. Secretary
4. Dr. Ambrose Jagongo - Treasurer
5. Mr. Julius Maitima - Board Member
6. Mr. Dunston Indimuli - Board member
7. Mrs. Jesca Makokha - Board Member
8. Dr. Kennedy Awour - Board Member
9. Dr. Priscilla Gitonga - Board Member
10. Mr. Alfred Korir - Chief Executive Officer

#### **Present from Supervisory Committee**

1. Dr. Daniel Okun - Chairman
2. Mr. Shadrack Bett - Secretary

#### **In attendance**

1. Mr. Godfrey Akumali - Chief Officer, Nairobi County Department for Co-operatives
2. Ms. Dolphine Aremo - Director of Co-operatives, Nairobi County
3. Mr. Francis Njau - Sub County Co-operative Officer, Kasarani Sub County
4. Mr. David Mbiyu Muhia - Representative from Mbiyu Muhia & Associates
5. Mr. James Ngugi - Representative from Mbiyu Muhia & Associates
6. Mr. Joshua Meru - Representative from Mbiyu Muhia & Associates
7. Ms. Florence Owili - Chairperson - Kenversity Housing Co-op. Society Ltd
8. Dr. Rachael Kang'ethe - Hon. Secretary - Kenversity Housing Co-op. Society Ltd
9. CPA. Patrick Iravo - Finance and Administration Manager
10. Mr. Silas Libogo - Business and Development Marketing Manager
11. Mr. Paul Njagatha - Internal Audit Manager
12. Ms. Lucy Karuita - Deputy Finance and Administration Manager
13. Ms. Damaris Mueni - Sign Language Interpreter
14. Ms. Faith Mutinda - Sign Language Interpreter

Members present - 3,662 (Three thousand six hundred sixty two) - Appendix 1

Apologies from members - 2 members - (Appendix 2)

MIN 1/3/AGM/2023

**QUORUM AND NOTICE OF MEETING**

The Chairman, Prof. George Makokha called the meeting to order following attainment of the mandatory quorum of 100 (one hundred) members in accordance with section 33 of Society By-Laws. The meeting started at 10.30 a.m. with a word of prayer said by Mr. Wycliffe Orina M/No.7992.

MIN 2/3/AGM/2023 **READING OF THE NOTICE CONVENING THE MEETING**

The Hon. Secretary read out the notice convening the meeting. The agenda was adopted as tabled having been proposed and seconded by Mr. Patrick Ouma (M/No.4679) and Prof. Charles Nyakiti (M/No.5459) respectively.

MIN 3/3/AGM/2023

**INTRODUCTION OF BOARD OF DIRECTORS AND SUPERVISORY COMMITTEE, CHIEF GUEST AND OTHER INVITED GUESTS**

That the Chairman introduced the Chief Guest, Board of Directors, Supervisory Committee Members, the Chief Executive Officer, Staff and the invited guests.

MIN 4/3/AGM/2023

**READING OF THE PREVIOUS MINUTES OF THE 46<sup>TH</sup> ANNUAL GENERAL MEETING OF 23<sup>RD</sup> APRIL, 2022**

The previous minutes of Annual General Meeting were adopted, having been proposed and seconded by Mr. Rodwel Mwambweni (M/No. 3583) and Dr. Stephen Nzoka (M/No. 6278) respectively.

MIN 5/3/AGM/2023

**MATTERS ARISING FROM THE MINUTES.**

**Noted:-**

1. *That members were trained during Education Day held on 28<sup>th</sup> January, 2023 on the importance and implication of delegates system.*
2. *That members requested the Board to engage debt collectors to cushion guarantors from being recovered loanee monies.*
3. *That Kenyatta University had not remitted Kshs.197 Million as at 4<sup>th</sup> March, 2023 hence making the Sacco to have liquidity problems.*
4. *That it was noted that there is need to align By-Laws with policies, guidelines, regulations, Sacco Societies Act of 2008.*
5. *That members were encouraged to be attending Society's event rather than just signing the attendance register.*

**Agreed:-**

1. *That to evaluate the best system between the delegates system and members system.*
2. *That the Board to come up with more ways of cushioning guarantors from being recovered Loanee monies including using internal debt collection mechanism.*
3. *That the Board to follow up the unremitted monies to ensure liquidity improves.*
4. *That the Board to review Society By Laws to be inline with policies and Sacco Society Act of 2008, Co-operatives Act and other guidelines and regulations.*
5. *That members were encouraged to be attending meetings and share ideas for the growth of Kenversity Sacco Ltd.*



MIN 6/3/AGM/2023 **CONSIDER AND ADOPT THE CHAIRMAN'S REPORT**

The Chairman's report for the year ended 31<sup>st</sup> December, 2022 was read by Prof. George Makokha.

**Adopted:-** The Chairman's report for the year ended 31<sup>st</sup> December, 2022 was adopted having been proposed and seconded by Dr. Zacharia Samita (M/No.3595) and Dr. Daniel Akungah (M/No.5782) respectively.

**Noted:-**

1. That he welcomed members for the 47<sup>th</sup> Annual General Meeting of Kenversity Sacco and applauded them on behalf of the Board of Directors and staff for the generous support and spirited efforts rendered to the Sacco over the years.
2. That he noted that Society revenue grew from Kshs.432 million in year 2021 to Kshs.457 million in year 2022 despite effects of Covid-19 pandemic.
3. That he noted follow up is being done by the Board on unremitted deductions by employer Kenyatta University which totaled to Kshs.210 million as at 31<sup>st</sup> December, 2022.
4. That he urged members to continue channeling their salaries through FOSA for improved Society liquidity and to avoid reliance on external borrowing.
5. That total assets of the Society increased from Kshs.3.3 billion in year 2021 to 3.5 billion in year 2022.
6. That due to annual capitalization of rebates Core Capital increased from Kshs.480.7 million in year 2021 to Kshs.524.2 million in year 2022.
7. That membership stood at 6993 as at 31<sup>st</sup> December, 2022 compared to 7469 as at 31<sup>st</sup> December 2021 which was attributed to membership withdrawal due to loss of employment and retirement.
8. The Society had commenced the process of ISO certification to be completed within the financial year ending 31<sup>st</sup> December, 2023. This would enable the institution adopt risk based thinking, safeguard members' funds, develop a quality management system that enhances stakeholders value and satisfaction.
9. That the organizational structure was revised to accommodate the new departments created for Finance and Administration, Business Development and Marketing and Internal Audit. Human resources policy had been revised to create Career progression structure while more effective staff supervision was being implemented.
10. An independent nomination committee headed by representatives from Commissioner of Co-operatives and prequalified lawyers had carried out nominations. Candidates were advised to have trust in the election process, exhaust appeals processes, Alternative Disputes Resolutions (ADR) and elect the best of the best from the candidates who would protect their assets and savings.
11. That he congratulated Mr. Julius Maitima who was retiring and not offering himself for re-election as a professional per excellence for the two terms he had served at the Board and wished him well on behalf of the entire Sacco membership.
12. That he noted that the Board was considering issuing shares to members to dilute the ownership in Kenversity Plaza from the current 4 percent of total assets after valuation and urged members to participate by buying shares during share drive.
13. That he encouraged members withdrawing from the Society and next of kin for deceased members to transfer share capital to existing members to avoid surrender of the same to Unclaimed Finance Assets Authority.

MIN 7/3/AGM/2023

**ADDRESS BY THE GUEST OF HONOR**

Read:- The remarks of the Chief Guest were read by the Mr. Godfrey Akumali - Chief Officer, Nairobi County Department for Co-operatives

Noted:-

1. That he congratulated Board of Directors, staff and Members for upholding the universal Principles in the Kenversity business model of like-minded persons which was addressing Socio-economic and cultural of their interests.
2. He noted membership increased due to opening of common bond like Public Universities in Kenya, tertiary colleges, private schools, Kenya school of Special Education, Mount Kenya University, Ministry of Environment and Natural resources, Commission for Higher Education, Kenya Institute of Special Education, Higher Education Loan Board, NEMA, businesses and individuals.
3. He appreciated members for having faith in their Sacco by saving and borrowing with Kenversity Sacco Ltd.
4. The County Government of Nairobi City had incorporated the Micro-Small and Medium Enterprises in the Co-operative model aimed at growing the economy through bottom up model and strengthening the Co-operative sector as a vehicle of stimulus growth.
5. He encouraged the Sacco to recruit membership from the over 7.4 Million Micro-Small and Medium Enterprises (SMMES) since relying on the check off system was no longer tenable.
6. The management was to come up with market driven products and services for SMMES to facilitate membership growth to projected 16,000 by 2025 as per strategic plan.
7. The Board of Directors were applauded for organizing education day on 28th February,2023 and members for attending meetings in large numbers. The training provided an opportunity for capacity building, empowering and creating responsible members.
8. The Board was challenged to carry out trainings, information and development programs to members continuously throughout the year. Members who understood their rights and obligations, contributed positively to the day to day running of the Sacco, provided oversight, marketing and were readily available in offering themselves for leadership positions.
9. An establishment of an independent committee similar to Kenversity Sacco model which would oversee the Nomination of Board and Supervisory committee members based on suitability and competencies was part of the proposals in the proposed bill.
10. Employers administering check off for Sacco's had not remitted more than Kshs.3.4 Billion to Sacco's as per Sacco Regulatory Authority (SASRA) Supervisory report of 2021, 38.3% of the amounts were for public Universities and colleges. Kenversity Sacco was owed Kshs.212 Million by institution administering check off by 31<sup>st</sup> December, 2022. The Presidential directives to government institutions to clear pending bills including non-remittances were not honored. The new Bill 2021 had proposed radical measures for recovery of non-remittances.
11. He noted that declaration of 20% dividends on share Capital of KES66 Million and interest of 10.8% on Savings Mobilization of Kshs.2.6 Billion was the highest at Kasarani Sub-County during the financial year.
12. The Sacco was advised to continuously invest in growth of savings, loans, income, development of members and institution itself which was defined as the real growth while Balancing the needs of members, institution and other stakeholders as dividends and interest's declarations alone were not measurement of good performance.
13. Sacco's were facing high competition from among themselves, banks and other financial institutions, the selling language of low interest rates were no longer working. Understanding the market needs which was ever changing due to globalization, high exposure, investments in products and services that exceed members' expectation, market

intelligence and analytical capabilities to understand members, products and services better were mandatory.

14. He emphasized the need to continuously improve processes which had a positive impact on employee productivity and high returns to members such as training and development, fostering open and honest communication among employees.

MIN 8/3/AGM/2023

### **SUPERVISORY COMMITTEE REPORT**

**Read:** The remarks from the Chairman Supervisory Committee were read by Dr. Daniel Okun.

**Adopted:** The Supervisory Committee report was adopted having been proposed and seconded by Mr. Duncan Owiti (M/No.MFIIND-1755) and Mr. Ronald Bukachi (M/No. 4787) respectively.

**Noted:**

1. That the Supervisory committee reported that the Society generated total income of Kshs.456 Million against the budgeted Kshs.568 Million, a variance of Kshs.112 Million.
2. The Society incurred total expenditure of Kshs.179 Million below the budgeted of Kshs.197 Million.
3. The Board was advised to put strategic plan as a point of reference and approved budget by general meetings while carrying out activities.
4. The Committee noted that non-performing was 7.9% above the industry benchmark of 5%. The Board was encouraged to mitigate the risk of loans losses.
5. The committee noted delays in settlements of insurance claims from underwriter which affected service delivery to members.
6. Members proposed the enhancement of the Risk management fund by increasing benefits and follow up on claims.
7. That Kenyatta University had not remitted Kshs.209 Million as at 31<sup>st</sup> December, 2022 due to employer deductions. The committee recommended to the Board to follow up on the money so that members could get better services.
8. The committee noted that several policies were reviewed in the Society but they were not in tandem with the bylaws. Amendments of bylaw was recommended.
9. That Mobi loan terms to be reviewed beyond 30 days, arrest teething issues and brand product for increased patronage was recommended.
10. The members recommended increase in maximum withdrawal limits through ATMs link, web portal and Safaricom M-banking plat form.
11. Rent from Kenversity plaza was not optimal because of un occupied spaces on the 3rd and 4th floor. The committee recommended continuous marketing for increase of rent.
12. The committee noted improvement in service delivery because of restructuring, introduction of three departments and employment of three managers. They recommended fast tracking of ISO certification process for continuous service delivery to members.
13. That the Board of Directors were to formulate a strategy on membership retention which has an impact on liquidity.

MIN 9/3/AGM/2023

**ANNUAL REPORTS, AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR 2022.**

**Read-** The Annual Reports, Audit Reports and Financial Statements for the year 2022 were read out to members.

**Approved:** That the annual report, audit report and financial statements, having been proposed and seconded by Mr. John Kimau (M/No.4363) and Mr. Jephiter Okemwa (M/No.7598) respectively.

**Noted:-**

1. That the total revenue increased from Kshs.432,170,974/- for the year ended 31<sup>st</sup> December, 2021 to Kshs.456,936,913/- for the year ended 31<sup>st</sup> December, 2022
2. That the total assets of the Sacco increased from Kshs.3,258,600,151/- as at 31<sup>st</sup> December, 2021 to Kshs.3,540,990,959/- as at 31<sup>st</sup> December, 2022.
3. That Society members deposits grew from Kshs.2,329,937,259/- in year 2021 to Kshs.2,550,257,351/- in year 2022.
4. That Society proposed to pay Kshs.227,069,802/- as interest on BOSA deposits to members for the year ended 31<sup>st</sup> December, 2022 which is at the rate of 10.8%.
5. That the Society proposed to pay Kshs.13,181,531/- as dividend on share capital to members for the year ended 31<sup>st</sup> December 2022 which is at a rate of 20%.
6. That the Society's equity grew from Kshs.480,710,879/- in year 2021 to Kshs.524,187,283/- in year 2022.
7. That the Society had adhered to prudential requirement regarding to Core capital ratios and liquidity.

MIN 10/3/AGM/2023

**DECLARATION OF DIVIDENDS ON SHARE CAPITAL, INTEREST ON DEPOSIT AND HONORARIA FOR BOARD & SUPERVISORY COMMITTEE MEMBERS**

**Noted:-**

1. That the interest of 10.8% be paid on deposits at the close of membership register as at 31<sup>st</sup> December, 2022.
2. That dividends of 20% be paid on the share capital at the close of business register on 31<sup>st</sup> December, 2022.
3. That Kshs.3,327,167/- be paid as Honoraria to the Board and Supervisory Committee members for the year ended 31<sup>st</sup> December, 2022

**Approved:**

1. Payment of interest at 10.8% on all deposits held by each member at the close of membership on 31<sup>st</sup> December, 2022 having been proposed and seconded by Mr. James Alai (M/No. 5954) and Ms. Loise Wangui (M/No.7222) respectively.
2. Payment of dividends at 20% for the share capital held by each member at the close of the membership register on 31<sup>st</sup> December, 2022 having been proposed and seconded by Prof. Charles Nyakiti (M/No.5459) and Dr. Gladys Ngao (M/No.10440) respectively.
3. That Kshs.3,024,698/- be paid as Honoraria to the Board of Directors and Supervisory Committee members for the year ended 31<sup>st</sup> December, 2022 having been proposed and seconded by Mr. Joseph Mungai (M/No. 9986) and Ms. Teresia Bulimo (M/No.792) respectively.

MIN 11/3/AGM/2023

**KENVERSITY PLAZA OWNERSHIP**

**Noted:-**

1. That matter was tabled in the meeting on formation of an Adhoc Kenversity Plaza Committee was proposed by Prof. Samuel Waweru M/No. 2771 and seconded by Dr. Justus Osano M/No. 7077.
2. The committee was to come up with ways on how to upload shares to members who were in the Society before 2001 and 2019 when the land was purchased and the plaza was built from loan proceeds.
3. Members of the committee were as follows: -
  - (i) Prof. Charles Nyakiti M/No.5459
  - (ii) Mr. Eugene Mutembei M/No.687
  - (iii)Mr. Andrew Macharia M/No.6569
  - (iv)Dr. Samuel Waweru M/No.2771
  - (v) Mr. Evans Anyula M/No.4355
  - (vi) Dr. Rosemarie Wanyoike M/No.10273
  - (vii) Ms. Rose Kinyanjui M/No.7149
  - (viii) Mr. Jephiter O. Okemwa M/No.7598
4. The members were mandated to come up with terms of reference and report on the finding within one month for further action.
5. A member of the Board was to be seconded to the committee.

**AGREED**

That adhoc committee constituted to come up with report as per terms of reference

MIN 12/3/AGM/2023

**APPOINTMENT OF AUDITORS**

**Noted:-** That the following firms had applied to be considered as the Society's External Auditors for the Financial year 2023:-

- |       |                          |                              |
|-------|--------------------------|------------------------------|
| (i)   | Stan & Partners          | Ksh.300,000/- VAT inclusive. |
| (ii)  | FN Mabeya & Associates   | Ksh.100,000/ VAT inclusive.  |
| (iii) | Mbiyu Muhia & Associates | Ksh.243,600/- VAT inclusive. |

**Approved:-** That Mbiyu Muhia & Associates were appointed as the Society's External Auditors for the year 2023 at a total cost of Ksh.243,600/- (Two hundred forty three thousand six hundred only) having been proposed and seconded by Mr. James Alai M/No.5954 and Ms. Alice Muhandick M/No.4575 respectively.

MIN 13/3/AGM/2023

**RESOLUTIONS**

**The Board had proposed the following resolutions:-**

1. That indemnity for the Board and Supervisory Committee members be maintained at Ksh.500,000/- (Five hundred thousand only).

**Approved:-** Indemnity for Board and Supervisory Committee members be maintained at Kshs.500,000/- after being proposed and seconded by Mr. Philip Manamba M/No.8797 and seconded by Mr. Peter Onyango M/No.5112 respectively.

2. That the borrowing power be maintained at Ksh.200,000,000/- (Two hundred million only).

**Approved:-** Borrowing power be maintained at Kshs.200,000,000/- having been proposed by Mr. Eugene Mutembei M/No. 687 and Ms. Agnes C. Siele M/No.9343 respectively.

3. That the contributions to the Risk management fund be increased from Kshs.300/- to Kshs.500 per month and benefits be improved as follows:-
- (i) Payment of Funeral Expenses be Kshs.15,000/- each on death of any 4 nominees for a list of 10 nominees from the current Kshs.10,000/-.
  - (ii) Payment of last expenses of Kshs.50,000/- on death of a member from current Kshs.30,000/-.

**Agreed:-** That Risk management fund contribution was maintained at Kshs. 300 per month and the benefits remained the same having being proposed by Mr. Pius Maganga M/No.5083 and seconded by Mr. Jephiter Okemwa M/No.7598

MIN 14/3/AGM/2023

**TO CONSIDER ISSUES WHERE DUE NOTICE WAS GIVEN  
IN ACCORDANCE WITH THE SOCIETY BY - LAWS**

**Noted:-**

1. That Mr Michael Macharia M/No. 6977 raised the following issues:-
- a) That the 2 % appraisal fees levied on few loans were options. Individuals were advised to apply for different loans products which did not attract this levy. The appraisal fees charged by financial institutions for processing external borrowings, cheques and bank charges were borne by members.
  - b) The charges levied were disclosed to members in advance and the Sacco was not levying the same for profitability but to offset of direct expenses charged by third parties. The Consumer Protection Act provision was therefore complied with.
  - c) The credit committee were to advice the Board on scrapping the 2% fee charged on top up loans and the interest charged before the end of the month.
  - d) The interest charged to Fahari loan of 16% was on a reducing balance method which was equivalent to 9.6 percent per year.
2. A motion presented by signed 50 members on eight issues were addressed.
- (i) Members leaving employment at Kenyatta University were cleared by the Sacco before being paid their dues. Further negotiations were ongoing to stop members changing pay points without clearance from the Sacco.
  - (ii) Guarantors at the time of loan application had made declaration to accept jointly and severally to be liable for any liability for the loan repayment in the event of default through offset of deposits, attachment of property or benefits.
  - (iii) Term limits for Board and Supervisory committee members were being discussion in the proposed Co-operative Societies Act 2021 bill. Members were encouraged to exercise their democratic right by electing leaders of their choice.
  - (iv) The delegate system which was being proposed had taken into consideration the representation of the interest groups.
  - (v) The Strategic plan 2021-2025 laid down elaborate plans to increase Sacco wealth to grow to Kshs.860 million by 2025. The plan was delayed by covid-19 pandemic, drought, uncertainties of annual elections, Russian and Ukraine wars, high default rates on loans, limited financial resources among other variable
  - (vi) Introducing term limits to retiring members was discriminatory, harm to Co-operative business and was not therefore acceptable.

**AGREED:-**

That Board to consider continuous review of terms & conditions of products and services to mirror the changing economic situations.

MIN 15/3/AGM/2023

**ELECTIONS**

**REPORTED:**

1. That according to the guidelines from the Ministry of Co-operative and Micro, Small and Medium Enterprises (MSME) Development three Board Members and one Supervisory Committee member retire every year on rotational basis.
2. That the following Board members were retiring and being eligible, had offered themselves for re-election:-
  - (i) Dr. Ambrose Jagongo
  - (ii) Mr. Dunston Indimuli
3. That Mr. Julius Maitima – Board Member is retiring and don't offers himself for re-election.
4. That Dr. Daniel Okun of the Supervisory Committee was retiring and being eligible, had offered himself for re-election.
5. That there is vacancy in Supervisory Committee Member due to resigning of one member in the year 2022.
6. That for Supervisory Committee elections, the highest candidate in the terms of votes cast was to serve a full three term and second candidate would serve the remainder term of one year that would end in 2024.

**Noted-**

1. That eight (8) candidates had been cleared for the Board of Directors positions.
2. That six (6) candidates had been cleared for the Supervisory Committee position.
3. That the returning officer to be Kasarani Sub-County Co-operative officer.

**Agreed-**

That the meeting be adjourned until the following week on Wednesday, 8<sup>th</sup> March, 2023 for elections to be conducted at the Graduation square, Kenyatta University campus.

**Election Results:**

1. That the results for the Board of Directors elections as read out by the Kasarani Sub County Co-operative Officer were as follows:-

No.	Name	Membership number	Number of votes	Position
1	Mrs. Mary Ngugi	4186	909	3
2	Mr. Dunston Indimuli	3262	794	4
3	Dr. Ambrose Jagongo	4197	1235	1
4	Mr. Andrew Macharia	6569	1049	2
5	Mr. James Kamwenji	7077	620	5
6	Mr. Alphonse Sila	6616	436	8
7	Dr. Justus Osero	4355	602	6
8	Mr. Evans Anyula	7008	550	7

2. That the results for Supervisory Committee elections as read out by the Kasarani Sub-County Co-operative officer were as follows:-

No.	Name	Membership number	Number of votes	Position
1.	Michael Macharia	6977	686	5
2.	Dr. Daniel Okun	6038	817	3
3.	Arthur O. Owino	7147	869	2
4.	Joseph M. Mutata	4647	933	1
5.	Lilian Musyoka	4773	692	4
6.	James M. Wambua	4141	109	6

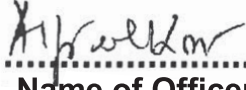
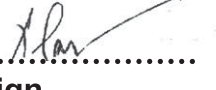
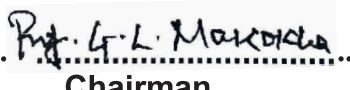

Agreed:-

1. That the following be declared the elected members of the Board of Directors:-
  - (i) Dr. Ambrose Jagongo
  - (ii) Mr. Andrew Macharia
  - (iii) Mrs. Mary Ngugi
2. That the following be declared as elected members of the Supervisory Committee member.
  - (i) Mr. Joseph Mutata - to serve 3 years term
  - (ii) Mr. Arthur Owino - to serve 1 year term.

MIN 16/3/AGM/2023 **VOTE OF THANKS**

Noted:- That the Vice Chairman, Mr. Patrick Kilonzo thanked Chief Officer-Nairobi County Department for Co-operatives, Director of Co-operatives - Nairobi County, Kasarani Sub-County Co-operative Officer, Kenyatta University Management, External Auditor, the Board, the Supervisory Committee, Chief Executive Officer, Staff and members for their support in making the Annual General Meeting successful.

There being no other business, the meeting ended at 5.40 p.m. with a word of prayer said by Jane Momanyi (M/No.2978).

<b>Prepared by:</b>	 ..... <b>Name of Officer</b>	 ..... <b>Sign</b>	<b>9/2/2024</b> ..... <b>Date</b>
<b>Approved by:...</b>	 ..... <b>Chairman</b>	 ..... <b>Sign</b>	<b>9/2/2024</b> ..... <b>Date</b>
<b>Confirmed by:</b>	..... <b>Chairman</b>	..... <b>Sign</b>	..... <b>Date</b>



## **CHAIRMAN'S REPORT TO THE 48<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 16<sup>TH</sup> MARCH, 2024 AT KENYATTA UNIVERSITY.**

### **INTRODUCTION**

It is my pleasure to welcome you all to the 48<sup>th</sup> Annual General Meeting (AGM). This annual meeting unites us together as Co-operators, provide an opportunity to promote our identity, and creates an environment of SACCO growth and development in the spirit of self-help envisaged in the International Co-operative Alliance (ICA).

Global inflation experienced during the financial year 2023 stood at an average rate of 6.5% and is projected to decline to 4.3% in 2024. The Monetary policies stayed the course of restoring price stability while fiscal policies alleviated the cost of living together with structural reforms and multi - lateral Co-operation. Locally, inflation increased to 6.9% in the month of January 2024 from 6.6% experienced in the last financial year 2023 as a result of fuel, food prices and taxes. The Central Bank Base rate increased from 12.5% in December 2023 to 13% in February 2024 increasing Bank lending rates from 17.96% to 18.24%. Interest rates on borrowing in the Co-operative Sector will remain constant because of the distinguished Co-operative business model.

### **PERFORMANCE**

Membership growth increased by 13% to 7906 as at 31<sup>st</sup> December, 2023 from 6,993 registered during the similar period in 2022, above the recommended 5% for growing SACCOs by World Credit Union Federation. The ratio of male to female was 52:48, 57.3% of whom were above 35 years but below 59, 32% below 35 and 11% above 60 years respectively. Youth membership who control 75% of the total population in Kenya is still low. The 3% of the 301 dormant members reported in 2022 re- activated their accounts during the financial period. Our current strategic plan aims to increase membership patronizing services at 20% per year and reduce withdrawal at the same rate in compliance with the principle of voluntary membership joining and withdrawal. 3% of the members withdrew from the SACCO during the period under review or 373 as compared to 265 in 2022. The reasons for withdrawal were retirement, financial distress and death. We lost 15 members during the financial year and we ask God to rest their Souls in internal peace. While still on membership, I would like to inform the AGM that a big section of our members have complained that they are not represented in the Board decision making of the Sacco because they are not allowed to contest for the Directorship and Supervisory Committee positions. I therefore would like to make a passionate appeal to the AGM to reconsider our earlier recommendation to have a delegates system of representation so as to equitably incorporate all members in the decision making process of the Sacco.

The total assets increased by 5 percent to Kshs 3.7 Billion as at 31<sup>st</sup> December 2023. The loan portfolio of Kshs. 2.7 Billion constituted 72% of the asset base. Kenyatta University paid Kshs.44,010,600.85 during year 2023 and unremitted monies for the same employer as at 31<sup>st</sup> December 2023 totaled to Kshs.170,155,972. Despite the hash economic performance in the Country, non-performing loans decreased to Kshs. 227 Million representing 7.7% below the average of 8.3% of the DT Business SACCOS' and 15.3% for Banking Sector but above 5% industry requirements envisioned by 2025. The extended repayment period of long term loans,

enhanced appraisal and recoveries contributed to the decline. Efficiency in loans management contributed to 85% of total the Kshs. 517 Million in revenue generation and turnaround time to an average of 24 hours. This was a growth of 13% in comparison to Kshs.457 Million raised in a similar period ending 31<sup>st</sup> December, 2022. Investments in shares generated 9% and 6% was generated by the Front Office Activities (FOSA).

The Society mobilize Savings through members' accounts, and as at 31<sup>st</sup> December 2023, 20,756 accounts were operational with a sum of Kshs. 2.7 Billion. 75% of the Deposits were patronized by members with savings below Kshs.50,000 contributing to 3.4% of total savings, 5.4% with savings below Ksh.100,000 contributed 2.9%, 8.2% with savings below Kshs. 300,000 contributed 11.3% while 8.% with savings below Kshs. 1,000,000 contributed 33% and 3.2% above Kshs. 1,000,000 savings accounts contributed 49.40% of the total savings. These analysis reveals that the risk profile was confined to 11% of the members with accounts holding 86% of the total Savings. The Board is challenging the almost 89% of the total members with accounts below Kshs. 300,000 to save more so that the risk is spread evenly. This will increase liquidity above 19.5% and realize strategic objective of mobilizing Kshs.4.5 Billion by 2025. 48% of the total revenue raised will be paid to interest on members' deposits as a motivational reward while 39% will be expensed to human resources, administration, governance, marketing, maintenance of assets and taxes to Government. Corporate taxes increased by 66% to Kshs.13 Million due to increased investment and third party income from the FOSA. Insurance for loans and risk increased by 66% to Kshs.29 Million. The growth is attributed to increased loans disbursement. The risk fund contributed by members of Kshs.300 each was not enough to observe the expense risk. Given that the Risk Management Fund cannot sustainably meet its obligations, the Board wishes to make the following proposals for the AGM to consider:

- a. We increase the Risk Management Fund from Kshs. 300 to Kshs. 500 monthly contribution for it to take care of loan insurance, Deposit refund x2, death of a member at Kshs.50,000/= and death of any 4 nominees out of the 10 nominees at Kshs.20,000/=
- b. Maintain the Risk Management Fund at the current rate of Kshs.300 monthly for it to only cover Deposit refund x2, death of a member at Kshs.50,000/= and death of any 4 nominees out of the 10 nominees at Kshs.20,000/=. For the loan, the loanee takes care of the insurance cover at the time of taking the loan. The current rate in most financial institutions is 2% of the amount of the loan given. However, this can be negotiated downwards between the Sacco and the insurance provider.

#### Shares Capital

of shillings 20 each increased by 55 percent to Kshs. 102 Million, 1246 members or 16% of total membership had paid up the minimum shareholding of Kshs. 10,000 each while the rest were still at Kshs. Kshs.3,000. The three years' grace period for purchase of minimum shares to minimum Kshs. 10,000 is long overdue.

Institutional capital increased by 13 percent to Kshs.489 Million and Core capital to Kshs.591 Million still far away from the projected growth of Kshs.1 Billion by 2025.

## **GOVERNANCE**

Members were taught on the delegate system of governance, products and services and subsequently given an opportunity to make a decision on whether they were ready for a delegate system to be entrenched into the by-laws. Further regional trainings were conducted in Kilifi, Mombasa, Machakos, Kitui and Murang'a at different intervals. The Board of Directors and Supervisory Committee members were also trained on governance and emerging issues in the Sacco Sector as per the strategic objectives.

The 7<sup>th</sup> Principle of Co-operatives mandates the Co-operatives to be concerned for the communities in which they operate businesses. The SACCO engaged in tree growing exercise at the Kenya Institute of Special Education (KISE) during the Environmental Public Holiday for sustainable climate change and painting of Ruiru market aimed at fulfilling this principle. The Society is today launching ISO 9001:2015 certification series. Adoption of Quality Management System is a strategic decision aimed at improving overall performance and providing sustainable development services in the SACCO. We shall consistently provide products and services that meet the requirements of statutory obligations, stakeholders' satisfaction, address risk and continuously improve the quality systems and processes.

Good corporate governance practices and by-laws require that members seeking for elections retire after serving for one term of the years and presents themselves to members for re-election. Three members from the Board of Directors and One Supervisory committee are retiring today and offering themselves for re-election. We appreciate them for their exemplary performance during their tenure and wish them well in their endeavors. I wish to urge members to scrutinize the candidates vying for the various position diligently and only elect those who will add value to our Sacco and move it to the next level.

## **FUTURE OUTLOOK**

The Society is in the process of fully integrating its services to the National payment system and upgrading the Core Banking Information Systems. We commit ourselves to full digitalization of the SACCO operations for improvement of Members' experience, convenience and attract youthful members working and living within and outside Kenya. The upgraded technology will run together with physical outlets in strategic regions and strategic partnerships.

Lastly, I would wish to appreciate the invited guests, governance team, staff, members and our stakeholders for their different contribution to the SACCO growth.

May God bless you abundantly.

Forward together”



**PROF. GEORGE LUKOYE MAKOKHA**  
**CHAIRMAN - BOARD OF DIRECTORS**

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

**SUPERVISORY COMMITTEE CHAIRMAN'S REMARKS DURING  
ANNUAL GENERAL MEETING HELD ON SATURDAY, 16TH  
MARCH, 2024**

**Chief Guest,  
Invited guests  
Fellow Co-operators,  
Ladies and Gentlemen,**

It gives me great pleasure to speak to you in this 48<sup>th</sup> Annual General Meeting which reflect enormous collective effort which began in 1976 with key agenda of uplifting members standards through mobilization of savings and giving loans to members. In year 2023 the Government of Kenya effected monetary and fiscal policies which affected cost of living and cost of doing business. This include implementation of NSSF Act 2013, affordable housing levy, amendments of petroleum products VAT rates through Finance Bill 2023 and increased borrowing of Government from domestic market.

As an oversight committee, the Supervisory Committee continues to play its oversight role with diligence and commitment to ensure that members are not disenfranchised by certain decisions of the board and that their savings are not exposed to avoidable risks. The Supervisory Committee prepare report to the Board on quarterly basis itemizing the areas which need improvement and internal control. The quarterly reports are also copied to Commissioner of Co-operatives. However, we note some areas that need to be attended to for improved performance of our Sacco.

**FINANCIAL PERFORMANCE**

Members, the financial Statements to be tabled in this meeting reflects the performance of the Sacco which is guided by Strategic Plan 2021 – 2025 and the approved budget. That in year 2023 the Sacco generated income of Kshs.517 million against budgeted amount Kshs.573 Million hence a negative variance of Kshs.56 million. In regards to expenditure, the actual for the year 2023 (net of interest on member deposit) was Kshs.201 Million against budgeted amount Kshs.188 Million hence a negative variance of Kshs.13 million. The Society asset grew from Kshs.3.5 billion in year 2022 to Kshs.3.7 billion in year 2023. Liquidity of the Sacco was affected negatively due to monies which is still held by employers to the tune Kshs.173 million as per audited books as at 31<sup>st</sup> December 2023. It should be noted delay in remittance affects interest income and enhance non adherence to prudential requirements of non earning assets of not more than 10%.

## **LOAN PORTFOLIO**

Management of loan portfolio is a key determinant of liquidity and performance of the Society. That as at 31<sup>st</sup> December, 2023 the loans delinquency ratio was 7.7% against the prudential regulation requirement of 5%. The Supervisory Committee noted that there was delay in communication of loan status to members and recovery of member's deposit to clear loan variance in December 2023. This exercise did not follow the Credit Policy and effectiveness of both internal and external debt collection procedures. It also did not cushion adequately guarantors of the said loans. Effectiveness of both internal and external debt collections are put in doubt as it has not cushioned guarantors. It is important for the Sacco to share both negative and positive credit information through credit reference bureau to encourage proper screening of loans during disbursement.

## **DEPOSIT AND LOANS INSURANCE**

Members, considering loan portfolio and deposit are the highest assets and liabilities respectively there is need to ensure they are always insured at all the times. Financing of insurance is done through risk management fund whereby every member contributes Kshs.300 per month. The Supervisory Committee noted that there was delay in settlement of claims from underwriters which affected service delivery to members during the year. Claims totaling to Kshs.7,652,437.42/- for year 2022 are yet to be settled. We request that the Board to make follow up on pending claims and facilitate deposit refunds to the next of kin for deceased members.

## **STRATEGIC PLAN 2021-2025**

That Strategic Plan for the period 2021 to 2025 was approved by Board and launched during Special General Meeting of 25<sup>th</sup> September, 2021 as a guide to ensure Kenversity Sacco moves to Tier 1 Sacco (Kshs. 5 Billion asset base) by the year 2025. Membership for instance is expected to grow by 20% annually to 16,000 by the year 2025. The Board therefore should put in place vertical and horizontal integration strategies including opening of branches, enhance publicity and advertisement to realise this vision. There is need to monitor and evaluate the realization of strategic plan pillars and share progress with the general membership on the status report of implementation exercise. The Supervisory Committee has noted that there is need for a mid term review of the Strategic Plan implementation exercise and we call upon the Board to make conscious reference of strategic plan and the budget while implementing its decision.

## **COMMUNICATION**

That procurement of modern call center was approved in year 2023 and procurement process was done. We wish to report that to date that implementation of this exercise has not being completed hindering good communication with members and customers. The Supervisory Committee expects the Board to enhance the use of technology including implementation of modern call center which is integrated with accounting system (Navision), EDMS and other software for effective service delivery.

## **SERVICE DELIVERY TO MEMBERS**

We have noted that there is poor communication in regards to guarantors confirmation and notification on loans not approved. As a result members are forced to keep calling the office or Sacco officials to address the loaning process and refund monies recovered erroneously. There was a change to compute interest on loan on daily basis instead of end of every month from June 2023 to October 2023. This change was not communicated to members and proved costly for those members who don't channel their contributions through check off system with their salaries at the end of every month. Although this was reverted to compute interest at the end of every month in November 2023 it is prudent for the Board to communicate drastic changes in computation of interest to members to avoid complaints and low customer satisfaction. In addition the Board should be clear in communicating every issue to avoid incidences of risk and poor internal control system. As an oversight committee we call upon the Board to reconcile and refund excess interest charged on loans due change of interest computation policy.

## **EVALUATION OF SACCO THROUGH PEER REVIEW**

Kenversity Sacco is a deposit taking Sacco and competes with other Sacco within the Sacco industry in terms of improved service delivery and performance. We wish to report that the Sacco was not awarded any trophy for exemplarily performance in various evaluation classes during Ushirika Day Celebrations in 2023. We call upon the Board to enhance their performance on various indicators such as good governance, mobilization of savings and deposits, membership growth, horizontal and vertical expansion including opening of branches among others.

## **BRANDING AND RELATIONSHIP BUILDING**

Kenversity Sacco has several stakeholders and customers including membership. During the year various corporate social responsibility activities were undertaken within Kiambu and Nairobi Counties in an effort to brand and increase our relationship with other partners to increase our presence and market reach. We call upon the Board to continue developing strategies and building relationship

with key stakeholders to enhance competitive advantage and enhancement of value propositions.

Thank you and God bless us all.

Forward together.

A handwritten signature in blue ink, appearing to read 'Shadrack Bett', with a stylized flourish above the name.

**MR. SHADRACK BETT**  
**CHAIRMAN , SUPERVISORY COMMITTEE**



**CS/2483**

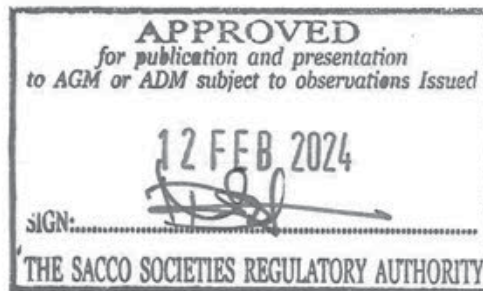
**KENVERSITY CO-OPERATIVE SAVINGS AND  
CREDIT SOCIETY LIMITED**



**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**



**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

**AUDITED BY:**  
**MBIYU MUHIA & ASSOCIATES**  
**CERTIFIED PUBLIC ACCOUNTANTS OF KENYA,**  
**P.O BOX 3975-01002 THIKA, KENYA**

[mbiyumuhiassociates@yahoo.com](mailto:mbiyumuhiassociates@yahoo.com)

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**KENVERSITY SACCO LIMITED**

**SOCIETY INFORMATION**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

**The Board and Supervisory Committee**

BOARD MEMBERS

Prof. George Makokha	Chairman
Mr. Patrick Kilonzo	Vice Chairman
Mr. Stephen Kiarie	Hon. Secretary
Dr. Ambrose Jagongo	Treasurer
Mrs. Jesca Makokha	Member
Dr. Kennedy Awour	Member
Dr. Priscillah Gitonga	Member
Mr. Andrew Macharia	Member - From March 2023
Mrs. Mary Ngugi	Member - From March 2023
Mr. Julius Maitima	Member - Upto February 2023
Mr. Dunston Indimuli	Member - Upto February 2023

SUPERVISORY COMMITTEE MEMBERS

Mr. Shadrack Bett	Chairman
Mr. Arthur Owino	Secretary - From March 2023
Mr. Joseph Mutata	Member - From March 2023
Dr. Daniel Okun	Chairman - Upto February 2023

MANAGEMENT STAFF

Mr. Alfred C. Korir	Chief Executive Officer
---------------------	-------------------------

**Registered Office**

Kenversity Sacco Society Ltd  
P.O. BOX 10263 - 00100 Nairobi  
Kenversity Plaza Lr. No RUIRU /KIU BLOCK 3/2656  
Tel: 020 812782, 020 8002371/2  
Email: kenversitysacco@gmail.com  
info@kenversitysacco.co.ke  
Website: www.kenversitysacco.co.ke

**Principal Bankers**

Co-operative Bank of Kenya Ltd - Githurai Branch  
National Bank - Kenyatta University Branch  
Kenya Commercial Bank - Ruiru Branch

**Auditors**

Mbiyu Muhia & Associates  
Certified Public Accountants of Kenya  
Po Box 3975-01002  
Thika

**Contact Person**

The Chief Executive Officer  
Kenversity Sacco Ltd  
Po Box 10263-00100  
Nairobi

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**KENVERSITY SACCO LIMITED**

**STATISTICAL INFORMATION**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	2023	2022	% change
<b><u>Membership</u></b>			
Active	7,613	6,692	14%
Dormant	293	301	-3%
	7,906	6,993	13%
<b><u>Financial</u></b>			
Total Assets	3,735,655,549	3,540,990,959	5%
BOSA Members' Deposits	2,278,889,923	2,123,480,568	7%
FOSA Withdrawable Deposits	444,618,818	426,776,783	4%
Total Members' Deposits	2,723,508,741	2,550,257,351	7%
External Borrowings	-	65,000,000	-100%
Loans to Members	2,722,819,864	2,418,757,058	13%
Investments	261,107,130	301,299,586	-13%
Core Capital	590,907,914	524,187,283	13%
Share Capital	102,430,501	65,907,654	55%
Institutional Capital	488,477,413	458,279,628	7%
Total Revenue	517,042,996	456,936,913	13%
Total Interest Income	484,380,337	430,234,202	13%
Total Expenses	446,834,765	406,461,414	10%
<b>Employees during the year</b>			
Female	22	23	
Male	26	30	
<b>Total</b>	<b>48</b>	<b>53</b>	
<b>Key Ratios:</b>			
<b>Capital Adequacy Ratio</b>			
Core Capital/Total Assets (Min. 10%)	15.82%	14.80%	
Core Capital/Total Deposits (Min. 8%)	25.9%	24.7%	
Institutional Capital/Total Assets (Min. 8%)	13.1%	12.9%	
<b>Liquidity Ratio</b>			
Liquid Assets/Total deposits & Short Term Liabilities (Min. 15%)	19.9%	23.8%	
<b>Operating Efficiency/Loan Quality Ratios</b>			
Total Expenses/Total Revenue	39%	39%	
Interest on Members' Deposits/Total Revenue	48%	49.7%	
Interest Rate on Members' Deposits	10.9%	10.8%	
Dividend Rate on Members' Share Capital	20%	20%	
Total Delinquency Loans/Gross loan portfolio	7.7%	7.9%	

CS/2483

**KENVERSITY SACCO LIMITED**

**REPORT OF THE BOARD OF DIRECTORS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

The members of the Board of Directors submit their annual report together with the audited financial statements for the year ended 31st December 2023.

**Incorporation**

The society is incorporated in Kenya under the Cooperative Societies Act, Cap 490 and licenced under the Sacco Societies Act No. 14 of 2008, and is domiciled in Kenya.

**Principle Activity**

The principle activity of the society continued to be receiving savings from and provision of loans to its members.

	<b>2023</b>	<b>2022</b>
<b>Results</b>	<b>Ksh</b>	<b>Ksh</b>
Profit before tax	70,051,964	50,475,499
Income Tax Expense	(13,065,381)	(7,909,783)
Profit after tax	<u>56,986,583</u>	<u>85,131,432</u>
Interest on members' deposits	<u>245,682,250</u>	<u>227,069,802</u>

**Dividend and Interest on Members deposit**

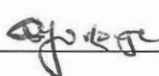
The Board of Directors has recommended payment of 20% (**2022: 20%**) as dividend on share capital and payment of 10.90% (**2022: 10.80%**) as interest on members' deposit.

**The Board of Directors**

The members of the Board of Directors who served during the year and to the date of this report is as listed on page 26.

*By order of the Board.*

Signature



Date

9/2/2024

**HON. SECRETARY**

CS/2483

**KENVERSITY SACCO LIMITED**

**STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES  
FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

The SACCOs Act, No 14 of 2008 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 the end of the financial year, and of its operating results for that year in accordance with 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 financial statements, which have been prepared using appropriate accounting policies supported by responsible and prudent judgements and estimates, in conformity with International Financial Reporting standards and in the manner required by the SACCO Societies Act No. 14 of 2008.

The Board of Directors is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results in accordance with the IFRS.

The Board of Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls.

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

Approved by the Board of Directors on .9/2, 2024 and signed on its behalf by:

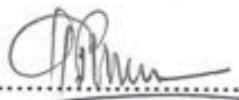
**Chairman**




**Hon. Secretary**



**Treasurer**



**Board Member**



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**KENVERSITY SACCO LIMITED**

**REPORT OF THE INDEPENDENT AUDITOR**

**TO THE MEMBERS OF KENVERSITY SAVINGS AND CREDIT SOCIETY LIMITED**

### **Opinion**

We have audited the financial statements of Kenversity Savings and Credit Society Limited (the society) set out on pages 33 to 48, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the of the society's financial position as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Sacco Societies Act No. 14 of 2008.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### **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 statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Debtors Employer**

There exists a cumulative debtors employers balance of kes 173,830,607 (Kenyatta University Remittances and other Institutions ). The Amount has not been remitted to the Sacco by the employer for the past several months. The balance comprises of loan repayments and savings which have already been deducted but cash has not been received. The recoveries of the said amount is in ongoing

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**KENVERSITY SACCO LIMITED**

**REPORT OF THE INDEPENDENT AUDITOR**

**TO THE MEMBERS OF KENVERSITY SAVINGS AND CREDIT SOCIETY LIMITED(Continuation)**

**Other information**

The directors are responsible for the other information. The other information comprises the report of the directors and financial and statistical information which we obtained prior to the date of this auditor's report, and the chairman's report, supervisory committee report, sustainability report and corporate social investment report which are expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

If, based on the work we have performed on the other information that we obtained prior to the date of this report of the independent auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other reports expected to be made to us after date of report of the independent auditor, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of directors for the financial statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Sacco Societies Act No. 14 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the society or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for audit of financial statements**

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 a report of independent auditor that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 decision of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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**KENVERSITY SACCO LIMITED**

**REPORT OF THE INDEPENDENT AUDITOR**

**TO THE MEMBERS OF KENVERSITY SAVINGS AND CREDIT SOCIETY LIMITED(Continuation)**

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the society's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

iv. Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the independent auditor to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the independent auditor. However, future events or conditions may cause the society to cease to continue as a going concern.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

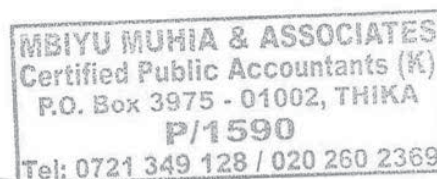
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our report of the independent auditor unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal requirements**

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of account have been kept by the Sacco, so far as appears from our examination of those books; and
- iii) The Sacco's statement of financial position and the statement of comprehensive income are in agreement with the books of account.

*Mbiyu Muhia & Associates*  
Mbiyu Muhia & Associates  
Certified Public Accountants  
Thika  
CPA David Mbiyu Muhia, Practicing Certificate No P/1590  
Signing partner responsible for the independent audit



Date: 09/02/2024

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**KENVERSITY SACCO SOCIETY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

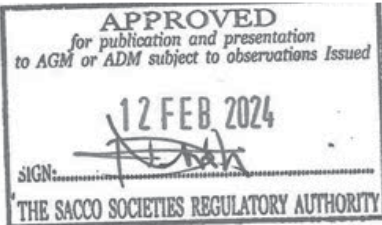
	<u>Notes</u>	<u>2023</u> <u>Ksh</u>	<u>2022</u> <u>Ksh</u>
<b><u>Revenue</u></b>			
Interest on loans	22a	439,551,649	406,908,299
Other Interest income	22b	44,828,689	23,325,903
Total Interest		484,380,337	430,234,202
Interest expenses	22d	(266,227,367)	(244,943,225)
<b>Net Interest Income</b>		<b>218,152,970</b>	<b>185,290,978</b>
Other operating Income	22c	32,662,659	26,702,711
		<b>250,815,629</b>	<b>211,993,688</b>
Financial Expenses	22e	(36,033,879)	(45,939,537)
Personnel Expenses	21f	(70,317,068)	(51,134,476)
Administrative Expenses	21g	(26,070,905)	(23,288,187)
Governance Expenses	21h	(39,235,128)	(31,440,639)
Depreciation & Amortisation	23	(5,432,534)	(5,554,697)
Marketing Expenses	21i	(3,674,152)	(4,160,654)
<b>Total expenses</b>		<b>(180,763,665)</b>	<b>(161,518,189)</b>
<b>Net operating surplus before tax</b>		<b>70,051,964</b>	<b>50,475,499</b>
Income tax expenses	13	(13,065,381)	(7,909,783)
<b>Net surplus for the year</b>		<b>56,986,583</b>	<b>42,565,716</b>

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**KENVERSITY SACCO LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31ST DECEMBER 2023.**

<u>ASSETS</u>	<u>Notes</u>	<u>2023</u> <u>Ksh</u>	<u>2022</u> <u>Ksh</u>
Cash & Cash Equivalents	3	427,135,189	459,268,860
Financial Assets	7	145,042,531	153,515,420
Debtors & Prepayments	6	190,290,606	213,045,491
Net Loans to Members	4.a	2,722,819,864	2,418,757,058
Other Assets	5	-	12,231,919
Stocks	8	726,447	760,430
Short term Investments	9	116,064,599	147,784,166
Property and Equipment	2	133,154,073	135,474,496
Intangible Assets	15	422,240	153,120
<b>Total Assets</b>		<b>3,735,655,549</b>	<b>3,540,990,959</b>
			
<b>LIABILITIES</b>			
Members' Deposits	10	2,723,508,741	2,550,257,351
Trade and other payables	11	3,214,300	3,132,892
Dividends on Members Deposits	12a	20,486,100	13,181,531
Interest on Members Deposits	12b	245,682,250	227,069,802
Taxation	13	5,100,227	2,933,213
		<b>2,997,991,617</b>	<b>2,796,574,789</b>
<b>Interest Bearing Liabilities</b>			
Co-operative Bank Loans	20 (a)	-	65,000,000
		-	<b>65,000,000</b>
<b>EQUITY</b>			
Share Capital	14	102,430,501	65,907,654
Institutional Capital Reserves	17	353,830,475	335,030,475
Statutory Reserves		124,960,007	113,562,690
Revenue Reserves		3,081,764	3,081,296
Proposed Honorarium		3,327,167	3,327,167
Proposed Staff Bonus		3,278,000	3,278,000
		<b>590,907,914</b>	<b>524,187,283</b>
<b>Other Reserves</b>			
Revaluation Reserve	19	146,756,018	155,228,888
		<b>146,756,018</b>	<b>155,228,888</b>
<b>Total Equity and Liabilities</b>		<b>3,735,655,549</b>	<b>3,540,990,959</b>

The financial statements on pages 33 to 48 were approved by the Board of Directors on

9/2, 2024 and signed on its behalf by:

CHAIRMAN 

HON. SECRETARY 

TREASURER 

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**KENVERSITY SACCO LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	Share Capital	Statutory Reserves	Revaluation Reserves	Institutional Capital Reserves	Retained Earnings	Proposed Honorarium	Proposed Bonus	Total
	Ksh	Ksh	Ksh	Ksh	Ksh			Ksh
As at 1.1.2022	38,515,954	105,049,547	158,994,608	320,768,475	3,077,421			<b>636,680,790</b>
Share Capital	27,391,700				-			<b>27,391,700</b>
Retained Surplus for the year					42,565,716			<b>42,565,716</b>
Transfer to statutory reserves		8,513,143			(8,513,143)			-
Transfer to Institutional Capital Reserve				14,262,000	(14,262,000)			-
Fair Value gain on Assets-Co-op Bank Shares			(3,765,720)		-			<b>(3,765,720)</b>
Transfer to Rebates Reserves					-			<b>(10,274,784)</b>
Proposed Dividends					(13,181,531)			<b>(13,181,531)</b>
Proposed Honorarium					(3,327,167)	3,327,167		-
Proposed Staff Bonus					(3,278,000)		3,278,000	-
As at 31.12.2022	<b>65,907,654</b>	<b>113,562,690</b>	<b>155,228,888</b>	<b>335,030,475</b>	<b>3,081,296</b>	<b>3,327,167</b>	<b>3,278,000</b>	<b>679,416,171</b>
As at 1.1.2023	65,907,654	113,562,690	155,228,888	335,030,475	3,081,295.69			<b>672,811,003</b>
Share Capital	36,522,847							<b>36,522,847</b>
Surplus for the year after tax					56,986,583			<b>56,986,583</b>
Transfer to statutory reserves		11,397,317			(11,397,317)			-
Transfer to Institutional Capital Reserve				18,800,000	(18,800,000)			-
Fair Value gain on Assets-Co-op Bank Shares			(8,472,870)					<b>(8,472,870)</b>
Proposed Dividends					(20,486,100)			<b>(20,486,100)</b>
Proposed Honorarium					(3,327,167)	3,327,167		-
Proposed Staff Bonus					(3,278,000)		3,278,000	-
Prior year adjustment-Honorarium					302,469			<b>302,469</b>
As at 31.12.2023	<b>102,430,501</b>	<b>124,960,007</b>	<b>146,756,018</b>	<b>353,830,475</b>	<b>3,081,764</b>	<b>3,327,167</b>	<b>3,278,000</b>	<b>737,663,932</b>

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**KENVERSITY SACCO LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

		2023	2022
	<i>Notes</i>	<b>Ksh</b>	<b>Ksh</b>
<b><i>Cash flows from operating activities</i></b>			
Interest income on loans and advances	20a	439,551,649	406,908,299
Other interest income	22b	44,828,689	23,325,903
Interest paid on member deposit	22d	(247,614,919)	(17,873,423)
Interest paid on borrowings	22d	(3,804,131)	(7,282,524)
Net fee and commission income	22c	32,662,659	26,702,711
Staff Bonuses & Honorarium		(6,302,698)	(3,024,698)
Dividends & Interest Paid	12a	(13,181,531)	(202,924,091)
Payment to employees and suppliers	21	(141,407,379)	(110,585,121)
		<b>104,732,338</b>	<b>115,247,057</b>
<b>Increase/(decrease) in operating assets</b>			
Loans to Members	4.a	(324,669,274)	(156,105,779)
Debtors & Prepayments	6	25,473,668	15,484,600
Stocks	8	33,983	109,371
		<b>(299,161,623)</b>	<b>(140,511,808)</b>
<b>Increase/(decrease) in operating liabilities</b>			
Members Deposits	10	173,251,390	220,320,092
Share Capital	14	36,522,847	17,116,916
Trade and other payables	11	81,408	(4,002,118)
		<b>209,855,645</b>	<b>233,434,889</b>
<b>Net cash from operating activities before taxes</b>		15,426,360	208,170,138
Income Tax Paid	13	(10,898,367)	(6,208,207)
<b>Net cash generated from/(used in) operating activities</b>		<b>4,527,993</b>	<b>201,961,931</b>
<b>Investing activities</b>			
Cash paid for purchase of property, plant and equipment	2	(3,381,231)	(4,742,699)
Proceeds from Investments	14	31,719,567	(147,136,835)
<b>Net cash generated from/(used in) investing activities</b>		<b>28,338,335</b>	<b>(151,879,534)</b>
<b>Financing activities</b>			
Proceeds from borrowings	20 (a)	-	65,000,000
Repayments of borrowings	20 (a)	(65,000,000)	(77,666,667)
<b>Net cash generated from/(used in) financing activities</b>		<b>(65,000,000)</b>	<b>(12,666,667)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(32,133,672)</b>	<b>37,415,729</b>
<b>Movements in cash and cash equivalents</b>			
At start of Year	3	459,268,860	421,853,131
Increase/(decrease) in cash and cash equivalents		(32,133,672)	37,415,729
<b>At end of year</b>		<b>427,135,189</b>	<b>459,268,860</b>

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**KENVERSITY SACCO LIMITED**

**REVENUE RESERVES**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	<b>2023</b>	<b>2022</b>
	<b>Ksh</b>	<b>Ksh</b>
	<hr/>	<hr/>
Surplus for the year	70,051,964	50,475,499
Taxation	(13,065,381)	(7,909,783)
	<hr/> <b>56,986,583</b>	<hr/> <b>42,565,716</b>

**APPROPRIATION ACCOUNT**

Transfer to Statutory Reserves	(11,397,317)	(8,513,143)
	<hr/> 45,589,266	<hr/> 34,052,573
Retained Surplus for the year	<b>45,589,266</b>	<b>34,052,573</b>
Balance brought forward	<b>3,081,296</b>	<b>3,077,421</b>
	<hr/> <b>48,670,562</b>	<hr/> <b>37,129,994</b>

**Less:**

Proposed Dividends	(20,486,100)	(13,181,531)
Proposed Honorarium	(3,327,167)	(3,327,167)
Proposed Staff Bonus	(3,278,000)	(3,278,000)
Institutional capital reserves	(18,800,000)	(14,262,000)
Prior year adjustments - Committee Honorarium	302,469	-
Balance carried forward	<hr/> <b>3,081,764</b>	<hr/> <b>3,081,296</b>
	<hr/> <hr/> <b>3,081,764</b>	<hr/> <hr/> <b>3,081,296</b>

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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

**1. ACCOUNTING POLICIES**

(a) **Accounting period**

The society prepares its accounts for a period of twelve months ending 31st December every year.

(b) **Accounting convention**

The financial statements are prepared under historical concept convention.

(c) **Statutory reserves**

Transfers are made to the statutory reserve fund at the rate of 20% of net operating surplus after taxation.

(d) **Interest on Loans to Members**

This is charged on monthly basis at different rates depending on the type of loan.

(e) **Depreciation**

Depreciation is calculated on a reducing balance method at annual rates estimated to write off each asset over the term of its useful life. The basis and rate at which depreciation has been provided is given below.

Computers	30%
Office Equipment	12.5%
Motor Vehicles	25%
Furniture & Fittings	12.5%
Amortization	20%
Building	2.5%

\* The computer software is amortized at 20% for a period of five years.

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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

**2 PROPERTY PLANT AND EQUIPMENT**

	Land	Building	Furniture & Fittings	Office Equipments	Computers	Motor Vehicle	TOTAL
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>							
As at 1/1/2022	20,000,000	109,481,510	3,155,456	9,898,043	14,874,709	4,312,566	161,722,285
Additions	-	-	2,549,139	-	2,193,560	-	4,742,699
Revaluation	-						
<b>As at 31/12/2022</b>	<b>20,000,000</b>	<b>109,481,510</b>	<b>5,704,595</b>	<b>9,898,043</b>	<b>17,068,269</b>	<b>4,312,566</b>	<b>166,464,984</b>
As at 1/1/2023	20,000,000	109,481,510	5,704,595	9,898,043	17,068,269	4,312,566	166,464,984
Additions	-	-	1,697,939	450,892	800,300	-	2,949,131
Revaluation	-	-					
Disposal	-	-	-	-	-	-	-
<b>As at 31/12/2023</b>	<b>20,000,000</b>	<b>109,481,510</b>	<b>7,402,535</b>	<b>10,348,935</b>	<b>17,868,569</b>	<b>4,312,566</b>	<b>169,414,115</b>
<b>Accumulated Depreciation</b>							
As at 01/01/2022	-	2,737,038	2,349,303.59	5,439,176.33	12,383,170.39	2,603,663	25,512,351
Charge for the period	-	2,668,612	419,411	557,358	1,405,530	427,226	5,478,137
<b>As at 31/12/2022</b>	<b>-</b>	<b>5,405,650</b>	<b>2,768,715</b>	<b>5,996,535</b>	<b>13,788,700</b>	<b>3,030,889</b>	<b>30,990,488</b>
As at 1/1/2023	-	5,405,650	2,768,714.79	5,996,534.66	13,788,700.06	3,030,889	30,990,488
Charge for the period	-	2,601,897	579,228	544,050	1,223,960.75	320,419	5,269,554
<b>As at 31/12/2023</b>	<b>-</b>	<b>8,007,546</b>	<b>3,347,942</b>	<b>6,540,585</b>	<b>15,012,660.81</b>	<b>3,351,308</b>	<b>36,260,042</b>
<b>Net book value</b>							
<b>As at 31/12/2023</b>	<b>20,000,000</b>	<b>101,473,964</b>	<b>4,054,593</b>	<b>3,808,350</b>	<b>2,855,908.43</b>	<b>961,258</b>	<b>133,154,073</b>
<b>As at 31/12/2022</b>	<b>20,000,000</b>	<b>104,075,860</b>	<b>2,935,881</b>	<b>3,901,508</b>	<b>3,279,569</b>	<b>1,281,677</b>	<b>135,474,496</b>



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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	2023	2022
	Ksh	Ksh
<b>3 Cash &amp; Bank Balances</b>		
Fosa Savings Account Co-op Bank	-	27,613,423
Bosa Savings Account Co-op Bank	-	21,405,395
Co-op Bank Education Savings Scheme	95,037,266	81,837,266
Current Account Co-op Bank	60,860,224	164,903,711
Current Account NBK Bank	54,679,968	60,515,083
Current Account KCB Bank Ltd	23,889,228	27,381,715
Cash at Hand	4,413,108	3,649,923
M-pesa Paybill	2,338,079	56,447
Co-op ATM Clearing Account	(785,747)	(308,680)
M - Pesa Agent Account	1,242,138	1,103,241
Safaricom M-Banking Account	14,611,024	8,733,225
Co-op Bank Call Deposit Account	129,713,684	62,378,111
KCB Bank Call Deposit Account	41,136,218	-
	<b>427,135,189</b>	<b>459,268,860</b>
<b>4.a Loan to members</b>		
Gross loans B/F	2,625,228,046	2,469,122,270
Loans Granted	2,407,404,290	1,901,336,492
Repayments	(2,082,735,016)	(1,745,230,716)
<b>Total Gross Loans C/F</b>	<b>2,949,897,320</b>	<b>2,625,228,046</b>
Accumulated Provision for bad debts	(227,077,456)	(206,470,989)
<b>Total Net Loans</b>	<b>2,722,819,864</b>	<b>2,418,757,058</b>
<b>4.b Balance as per Ledger</b>	2,949,897,320	2,625,228,046
Balance as per Listing	(2,949,897,320)	(2,625,228,046)
Difference	-	-

4.c LOANS PROVISION PER CATEGORY	No. of Accounts	Loan Balance	Rate	Loans Provision
<b>Year 2022</b>				
0 days (Performing loans - 1%)	3,559	1,980,200,388	1%	19,802,003.88
1-30 days( Watch - 5%)	778	386,096,044	5%	19,304,802.22
31-180 days (Substandard - 25%)	324	98,695,196	25%	24,673,799.09
181- 360 days (Doubtful -50%)	53	35,092,069	50%	17,546,034.41
>360 days or 12 instalments overdue(Loss - 100%)	1,847	125,144,349	100%	125,144,349.10
<b>TOTAL</b>	<b>6,561</b>	<b>2,625,228,046</b>		<b>206,470,989</b>
<b>Year 2023</b>				
0 days (Performing loans - 1%)	4,401	2,469,953,656	1%	24,699,536.56
1-30 days( Watch - 5%)	489	200,154,559	5%	10,007,727.94
31-180 days (Substandard - 25%)	143	98,766,551	25%	24,691,637.81
181- 360 days (Doubtful -50%)	47	26,688,001	50%	13,344,000.48
>360 days or 12 instalments overdue(Loss - 100%)	1,634	154,334,553	100%	154,334,553.04
<b>TOTAL</b>	<b>6,714</b>	<b>2,949,897,320</b>		<b>227,077,456</b>

**4.d LOANS PROVISION SUMMARY**

Balance B/f	206,470,989	178,375,141
Provision for the year	20,606,467	28,095,847
<b>Balance C/F</b>	<b>227,077,456</b>	<b>206,470,989</b>

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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	<u>2023</u>	<u>2022</u>
	<u>Ksh</u>	<u>Ksh</u>
<b>5 Other Assets</b>		
<b>Unreconciled Difference in the Books</b>		
Balance b/f	12,231,919	4,633,967
Reconciliation Debit	2,580,001	18,109,502
Reconciliation Credit	<u>(5,298,765)</u>	<u>(511,551)</u>
<b>Net Reconciliation</b>	<b>9,513,154</b>	<b>22,231,919</b>
Provision for the year	<u>(9,513,154)</u>	<u>(10,000,000)</u>
<b>Balance c/f</b>	<b>-</b>	<b>12,231,919</b>
The AGM of 2015 approved that other assets be written off over 8 years starting financial year 2016		
<b>6 Debtors Deposits &amp; Prepayments</b>		
Kenyatta University Remittances	170,155,972	209,548,423
Other Institutions Remittances	3,674,635	2,495,394
Electricity Deposits	22,000	22,000
Prepayment-Navision Software	2,667,840	-
Prepaid Insurance	13,573,559	759,824
Sundry Debtors	143,600	216,850
Prepaid Licence - SASRA	53,000	3,000
	<u><b>190,290,606</b></u>	<u><b>213,045,491</b></u>
<b>7 Financial Assets</b>		
<b>Unquoted shares af fair value</b>		
Co-operative Bank (18,828,600 shares @1/- each)	18,828,600	18,828,600
CIS(4,800,000 Shares @ 1/- each)	4,800,000	4,800,000
Kuscco (11,495 Shares @ 100/- each)	1,149,500	1,149,500
	<u><b>24,778,100</b></u>	<u><b>24,778,100</b></u>
<b>Unquoted shares af market value</b>		
Shares in Co - operative bank (18,828,600 shares @6.75/- each)	127,093,050	135,565,920
Shares in CIS(4,800,000 Shares @ 3.50/- each)	16,800,000	16,800,000
Kuscco Shares (11,495 Shares @ 100/- each)	1,149,481	1,149,500
	<u><b>145,042,531</b></u>	<u><b>153,515,420</b></u>
<b>Movement in Financial Assets</b>		
Value as at 1st January	153,515,420	157,281,140
Gain/loss	<u>(8,472,870)</u>	<u>(3,765,720)</u>
Value as at 31st December	<u><b>145,042,550</b></u>	<u><b>153,515,420</b></u>
<b>8 Items of Stock</b>		
Consumable printing and stationery	726,447	760,430
	<u><b>726,447</b></u>	<u><b>760,430</b></u>
<b>9 Short Term Investments</b>		
CIC Money Market	116,064,599	147,784,166
	<u><b>116,064,599</b></u>	<u><b>147,784,166</b></u>
<b>10 Members Deposits</b>		
<b>FOSA Withdrawable Savings</b>		
Balance b/f	242,558,381	202,462,369
Deposit During the year	3,745,066,017	3,377,253,528
Withdrawals/Refunds	<u>(3,722,907,889)</u>	<u>(3,337,157,516)</u>
Sub Totals	<u><b>264,716,509</b></u>	<u><b>242,558,381</b></u>
<b>FOSA Term/Fixed Deposits</b>		
Balance b/f	184,218,401	187,092,257
Deposit During the year	258,448,891	459,462,644
Withdrawals/Refunds	<u>(262,764,983)</u>	<u>(462,336,500)</u>
Sub Totals	<u><b>179,902,309</b></u>	<u><b>184,218,401</b></u>
<b>BOSA Members' Non Withdrawable Deposits</b>		
Balance b/f	2,123,480,568	1,940,382,633
Deposit during the year	448,516,193	369,917,962
Withdrawals/Refunds	<u>(293,106,839)</u>	<u>(186,820,027)</u>
Sub Totals	<u><b>2,278,889,923</b></u>	<u><b>2,123,480,568</b></u>
<b>Total</b>	<u><b>2,723,508,741</b></u>	<u><b>2,550,257,351</b></u>

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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	2023	2022
	Ksh	Ksh
<b>11 Trade and other payables</b>		
Trade Payables	315,732	597,690
Safaricom M-banking Commission payable	78,892	43,898
Staff Salary Control Account	1,293,354	1,172,009
Audit fees	243,600	243,600
Withholding Tax	368,981	217,360
Stamp Duty	89,451	97,491
Excise Duty	375,639	420,643
Rent Deposit	448,650	340,200
<b>Total</b>	<b>3,214,300</b>	<b>3,132,892</b>
<b>12a Dividends on share capital</b>		
Balance b/f	13,181,531	7,703,191
Provision for the year - Dividends	20,486,100	13,181,531
Paid during the year	(13,181,531)	(7,703,191)
<b>Balance c/f</b>	<b>20,486,100</b>	<b>13,181,531</b>
<b>12b Interest on members deposits</b>		
Balance b/f	227,069,802	195,220,900
Provision for the year - Interest	245,682,250	227,069,802
Paid during the year	(227,069,802)	(195,220,900)
<b>Balance c/f</b>	<b>245,682,250</b>	<b>227,069,802</b>
<b>13 Taxation</b>		
Balance b/f	2,933,213	1,231,637
Provision for the year	13,065,381	7,909,783
Withholding & Advance Tax	(2,761,754)	(16,530)
Paid during the year	(8,136,613)	(6,191,677)
<b>Balance c/f</b>	<b>5,100,227</b>	<b>2,933,213</b>
<b>14 Share Capital</b>		
Balance b/f	65,907,654	38,515,954
Contributions	36,522,847	27,391,700
	<b>102,430,501</b>	<b>65,907,654</b>
<b>15 Intangible Assets - Computer Software</b>		
<b>Cost</b>		
Opening Balance	14,992,726	14,992,726
Additions	432,100	-
Disposal	-	-
<b>Closing Balance</b>	<b>15,424,826</b>	<b>14,992,726</b>
<b>Accumulated Amortisation</b>		
Opening Balance	14,686,486	14,763,046
Charge for the period	162,980	76,560
<b>Closing Balance</b>	<b>14,523,506</b>	<b>14,686,486</b>
<b>Net Carrying Values</b>	<b>901,320</b>	<b>306,240</b>
<b>16 Risk Management Fund</b>		
Balance b/f	-	-
Additions	27,621,149	21,155,979
	27,621,149	21,155,979
Insurance and Risk Payments	(29,247,992)	(17,585,033)
<b>Net fund to Comprehensive Income</b>	<b>(1,626,843)</b>	<b>3,570,947</b>
<b>Balance c/d</b>	<b>—</b>	<b>—</b>

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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	<u>2023</u>	<u>2022</u>
	<u>Ksh</u>	<u>Ksh</u>
<b>17 Institutional Capital Reserves</b>		
Balance b/f	335,030,475	320,768,475
Retained reserves For the year	18,800,000	14,262,000
	<b>353,830,475</b>	<b>335,030,475</b>
<b>18a Related Party Transactions</b>		
<b>Loans to directors and Supervisory Committee</b>		
At the start of the year	28,597,692	28,898,165
Granted during the period	19,673,288	8,811,200
Interest charged	4,998,249	5,275,748
Repayment	(22,414,502)	(14,387,421)
Total	<b>30,854,726</b>	<b>28,597,692</b>
<b>18b Related Party Transactions</b>		
<b>Loans to Sacco Staff</b>		
At the start of the year	69,305,494	62,881,515
Granted during the period	76,355,341	29,920,924
Interest charged	8,138,912	9,525,353
Repayment	(69,617,571)	(33,022,298)
Total	<b>84,182,177</b>	<b>69,305,494</b>

**18c LOANS TO DIRECTORS AND SUPERVISORY COMMITTEE AS CATEGORY**

Loans Category	No. of	Loan Balance	No. of	Loan Balance
	Accounts	2023	Accounts	2022
0 days (Performing loans - 1%)	27	30,854,726	21	26,351,921
1-30 days( Watch - 5%)	-	-	2	1,919,437
31-180 days (Substandard - 25%)	-	-	-	-
181- 360 days (Doubtful -50%)	-	-	-	-
>360 days or 12 instalments overdue(Loss - 100%)	-	-	3	326,334
TOTAL	27	<b>30,854,726</b>	26	<b>28,597,692</b>

**18d LOANS TO SACCO STAFF AS CATEGORY**

Loans Category	No. of	Loan Balance	No. of	Loan Balance
	Accounts	2023	Accounts	2022
0 days (Performing loans - 1%)	90	84,182,177	86	69,305,494
1-30 days( Watch - 5%)	-	-	-	-
31-180 days (Substandard - 25%)	-	-	-	-
181- 360 days (Doubtful -50%)	-	-	-	-
>360 days or 12 instalments overdue(Loss - 100%)	-	-	-	-
TOTAL	90	<b>84,182,177</b>	86	<b>69,305,494</b>

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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	<u>2023</u>	<u>2022</u>
	<u>Ksh</u>	<u>Ksh</u>
<b>19 Revaluation Reserves</b>		
(a) The Par Value per share of the Sacco's investment in Co-operative Holdings Ltd (Class A Shares) was revalued.		
Total number of shares held as at 31st December ,2023	18,828,600	18,828,600
Par Value of each share(Kshs)	6.75	7.20
Total value of Shares(Kshs) as at 31st December,2023	127,093,050	135,565,920
Balance as at 1st January 2023	135,565,920	139,331,640
Transfer to Revaluation Reserve	(8,472,870)	(3,765,720)
Revaluation Reserve b/f	124,343,888	128,109,608
Revaluation Reserve c/f	<u>115,871,018</u>	<u>124,343,888</u>
(b) The Par Value per share of the Sacco's investment in CIS (Class A Shares) was revalued.		
Total number of shares held as at 31st December ,2023	4,800,000	4,800,000
Par Value of each share(Kshs)	3.50	3.50
Total value of Shares(Kshs) as at 31st December,2023	16,800,000	16,800,000
Balance as at 1st January	16,800,000	16,800,000
Transfer to Revaluation Reserve	-	-
Revaluation Reserve b/f	12,000,000	12,000,000
Revaluation Reserve c/f	<u>12,000,000</u>	<u>12,000,000</u>
(b) Kenversity Sacco Plot was revalued		
Cost Value of Plot	1,115,000	1,115,000
Revaluation Reserve b/f	18,885,000	18,885,000
Transfer to Revaluation Reserve	-	-
<b>Total Value as at 31st December</b>	<u>20,000,000</u>	<u>20,000,000</u>
Revaluation Reserve c/f	<u>18,885,000</u>	<u>18,885,000</u>
<b>20 (a) Interest Bearing Liabilities</b>		
Co-operative Bank - Education Loan (Kshs.65m granted in Dec 2022)	-	65,000,000
	<u>-</u>	<u>65,000,000</u>
<b>21 Payment to employees and suppliers</b>		
Total expenses	446,991,033	406,461,414
<b>Less:</b>		
Depreciation & Amortization	5,432,534	5,554,697
Interest expenses	266,227,367	252,225,749
Interest on Borrowing	3,804,131	-
Provision for bad debts	20,606,467	28,095,847
Provision for write off of Other assets	9,513,154	10,000,000
Total Expenses	<u>141,407,379</u>	<u>110,585,121</u>

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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	<u>2023</u>	<u>2022</u>
	<u>Ksh</u>	<u>Ksh</u>
<b>21f Personnel Expenses</b>		
Salaries & Wages	31,583,782	24,381,417
House Allowances	13,911,000	9,240,000
Annual Leave Allowances	248,040	256,620
Busfare Allowances	5,157,000	4,830,000
Staff Welfare/ Responsibility Allowances	4,834,798	2,738,183
NSSF Contributions	538,443	118,400
Provident Funds	4,260,092	3,308,897
Provident Fund Expense	735,540	729,314
Staff Medical Insurance	8,657,703	5,531,645
	<u><b>69,926,398</b></u>	<u><b>51,134,476</b></u>
<b>21g Administrative Expenses</b>		
Travelling & Subsistence	1,721,925	2,388,312
Insurances	1,435,237	1,408,949
Printing & Stationery	779,873	917,953
Repairs & Maintenance	1,142,441	1,099,224
ERP Maintenance and support	2,008,120	1,906,385
Postage & Telephones	1,908,133	1,203,373
Office Rent & Rates	15,810	15,750
Security	2,745,777	2,692,029
Office Expenses	818,837	857,987
Electricity & Water	1,265,683	904,652
Subscriptions	4,561,940	4,092,416
Generator Expenses	113,240	149,748
Entertainment	1,223,450	668,494
Audit fees	243,600	243,600
Consultancy fees	4,964,048	3,012,507
Legal fees	-	480,050
Statutory Records	13,500	13,940
M/v Fuels & Oils	501,750	533,369
Bank Charges	607,542	699,450
	<u><b>26,070,905</b></u>	<u><b>23,288,187</b></u>
<b>21h Governance Expenses</b>		
General Meeting Expenses	12,754,921	8,477,090
Education, courses and seminars	15,348,644	12,582,194
Committee sitting Allowances	4,486,590	4,110,440
Committee Other Expenses	6,644,974	6,270,915
	<u><b>39,235,128</b></u>	<u><b>31,440,639</b></u>
<b>21i Marketing Expenses</b>		
Public Relations & Advertising	3,674,152	4,160,654
	<u><b>3,674,152</b></u>	<u><b>4,160,654</b></u>

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**KENVERSITY SACCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST DECEMBER, 2023**

	<b>2023</b>	<b>2022</b>
	<b>Ksh</b>	<b>Ksh</b>
<b>22a Interest on Loans</b>		
Normal, Super, Fahari, Boresha, School & Emergency Loans	398,152,858	368,403,360
Fosa Loans	41,398,790	38,504,938
	<b>439,551,649</b>	<b>406,908,299</b>
<b>22b Other Interest Income</b>		
Interest from money market	8,460,096	2,915,120
Interest on Co-op Call Deposit	8,239,696	3,812,527
CIC Dividends	601,482	-
Co-op Bank Dividends	27,527,414	16,554,576
KUSCCO Dividends	-	43,680
	<b>44,828,689</b>	<b>23,325,903</b>
<b>22c Other Operating Income</b>		
Sundry Income	392,638	401,029
Cheque leaf Charges	6,600	18,000
Entrance Fee	942,000	74,500
Account Closure fees	115,714	33,700
Risk Management Fund	-	3,570,947
Sale of Loan forms	116,976	144,336
Pass Books	600	1,000
Bankers CHQs Commission	7,910	7,500
Loan Processing fees	21,530,220	13,778,711
Salary Processing fees	2,626,200	2,494,200
Kensa Withdrawal Charges	961,086	918,064
Safaricom M-banking Commission	2,593,815	1,702,847
ATM Commission	1,098,163	1,238,512
Sundry Income/ Other Kensa Charges	1,302,487	3,042,923
Rent Income	968,250	979,290
	<b>32,662,659</b>	<b>28,405,558</b>
<b>22d Interest Expenses</b>		
Interest on BOSA Members Deposits	245,682,250	227,069,802
Interest on FOSA Savings Account-Kenhol	5,917	7,629
Interest on FOSA Fixed Deposit (Kenfix) Account	19,332,705	16,827,623
Interest on FOSA Savings Account - Kened	9,747	10,454
Interest on FOSA Savings Account - Kensa/Kenjunoir Account	1,196,748	1,027,717
	<b>266,227,367</b>	<b>244,943,225</b>
<b>22e Financial Expenses</b>		
Interest on Bank Loans	3,804,131	7,282,524
ATM Connection charges	483,284	561,166
Provision for Bad debts	20,606,467	28,095,847
Provision for write off of Other assets	9,513,154	10,000,000
Risk Management Fund	1,626,843	-
	<b>36,033,879</b>	<b>45,939,537</b>

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KENVERSITY SACCO LIMITED

23 STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31ST DECEMBER, 2023

<u>Notes</u>	<u>2023</u> <u>Ksh</u>	<u>2022</u> <u>Ksh</u>
<b><u>INCOME</u></b>		
<b><u>Interest Income</u></b>		
Interest on Members Loans	439,551,649	406,908,299
	<b>439,551,649</b>	<b>406,908,299</b>
<b><u>Other Interest Income</u></b>		
Interest from money market	8,460,096	2,915,120
Interest on Co-op Call Deposit	8,239,696	3,812,527
Co-op Bank Dividends	27,527,414	16,554,576
KUSCCO Dividends	-	43,680
	<b>44,828,689</b>	<b>23,325,903</b>
<b><u>Other operating Income</u></b>		
Sundry Income/ Other Kensa Charges	1,695,125	1,741,104
Cheque leaf Charges	6,600	18,000
Entrance Fee	942,000	74,500
Account Closure fees	115,714	33,700
Sale of O/D, SPA Advance Loan forms	116,976	144,336
Pass Books	600	1,000
Bankers CHQs Commission	7,910	7,500
Loan Processing fees	21,530,220	13,778,711
Salary Processing fees	2,626,200	2,494,200
Kensa Withdrawal Charges	961,086	918,064
Safaricom M-banking Commission	2,593,815	1,702,847
ATM Commission	1,098,163	1,238,512
Risk Management Fund	-	3,570,947
Rent Income	968,250	979,290
	<b>32,662,659</b>	<b>26,702,711</b>
<b>Total Income</b>	<b>517,042,996</b>	<b>456,936,913</b>
<b><u>OPERATING EXPENSES</u></b>		
<b><u>Interest expenses on deposits</u></b>		
Interest on Members Deposits	245,682,250	227,069,802
Interest on Kenhol	5,917	7,629
Interest on Kenfix	19,332,705	16,827,623
Interest on Kened	9,747	10,454
Interest on Kensa/Kenjunoir	1,196,748	1,027,717
	<b>266,227,367</b>	<b>244,943,225</b>
<b><u>Financial Expenses</u></b>		
Interest on Bank Loans	3,804,131	7,282,524
ATM Connection charges	483,284	561,166
Provision for Bad debts	4.d	28,095,847
Provision for write off of Other assets	5	10,000,000
Risk Management Fund	16	-
	<b>36,033,879</b>	<b>45,939,537</b>



	<u>2023</u>	<u>2022</u>
	<u>Ksh</u>	<u>Ksh</u>
<b><u>Operating/Administrative Expenses</u></b>		
<b><u>Personnel Expenses</u></b>		
Salaries & Wages	31,583,782	24,381,417
House Allowances	13,911,000	9,240,000
Annual Leave Allowances	248,040	256,620
Busfare Allowances	5,157,000	4,830,000
Staff Welfare/ Responsibility Allowances	4,834,798	2,738,183
NSSF Contributions	538,443	118,400
Provident Funds	4,260,092	3,308,897
Provident Fund Expense	735,540	729,314
Staff Medical Insurance	8,657,703	5,531,645
Affordable Housing Levy	390,670	-
	<b><u>70,317,068</u></b>	<b><u>51,134,476</u></b>
<b><u>Administrative Expenses</u></b>		
Travelling & Subsistence	1,721,925	2,388,312
Insurances	1,435,237	1,408,949
Printing & Stationery	779,873	917,953
Repairs & Maintenance	1,142,441	1,099,224
ERP Maintenance and support	2,008,120	1,906,385
Internet, Telephone and & Postage	1,908,133	1,203,373
Land Rates	15,810	15,750
Security	2,745,777	2,692,029
Office Expenses	818,837	857,987
Electricity & Water	1,265,683	904,652
Subscriptions	4,561,940	4,092,416
Generator Expenses	113,240	149,748
Entertainment, Donations & CSR	1,223,450	668,494
Audit fees	243,600	243,600
Consultancy fees	4,964,048	3,012,507
Legal fees	-	480,050
Statutory Records	13,500	13,940
M/v Fuels & Oils	501,750	533,369
Bank Charges	607,542	699,450
	<b><u>26,070,905</u></b>	<b><u>23,288,187</u></b>
<b><u>Governance Expenses</u></b>		
General Meeting Expenses	12,754,921	8,477,090
Education, courses and seminars	15,348,644	12,582,194
Committee sitting Allowances	4,486,590	4,110,440
Committee Other Expenses	6,644,974	6,270,915
	<b><u>39,235,128</u></b>	<b><u>31,440,639</u></b>
<b><u>Depreciation &amp; Amortisation Expenses</u></b>		
Amortisation	15      162,980	76,560
Depreciation	2      5,269,554	5,478,137
	<b><u>5,432,534</u></b>	<b><u>5,554,697</u></b>
<b><u>Marketing Expenses</u></b>		
Public Relations & Advertising	3,674,152	4,160,654
	<b><u>3,674,152</u></b>	<b><u>4,160,654</u></b>
<b>Total Expenses</b>	<b>446,991,033</b>	<b>406,461,414</b>
<b>Surplus for the year</b>	<b><u>70,051,964</u></b>	<b><u>50,475,499</u></b>

## **KENVERSITY SACCO SOCIETY LTD**

### **PROPOSED RESOLUTIONS**

The Board proposes the following resolutions:-

#### **1.Board and Supervisory Committee Indemnity**

That indemnity for the Board and Supervisory Committees members be maintained at Ksh.500,000/- (Five hundred thousand only).

#### **2.Borrowing Power**

That the borrowing power be maintained at Kshs.200,000,000/- (Two hundred million only).

### M-PESA PAYMENT

1. **Go to Mpesa Menu**
2. **Select Lipa na Mpesa**
3. **Select Paybill**
4. **Enter Pay bill no: - 577820**
5. **Enter account number that is ENTER the respective CODE first e.g. ADV, DEP**
6. **Enter your MEMBERSHIP NUMBER exactly as it appears in the system NEXT to the CODE entered e.g.**
  - a. **MFIIND-0000 (For micro-credit members)**
  - b. **1234 (For other salaried members e.g. KU, Sukari, Jetlak)**
7. **There should be NO SPACE between the CODE and MEMBERSHIP NUMBER.**
8. **All digits MUST be in CAPITAL letters.**
9. **To demonstrate: -**
  - a. **Paying for shares: -**
    1. **DEP1234**
    2. **MDPMFIIND-0000 (For microcredit members)**
  - b. **Paying for loan: -**
    1. **ADV1234 (Paying advance loan)**
    2. **TUIMFIIND-0000 (Paying Microcredit tujijenge tuinuke loan)**
10. **Enter amount followed by M-Pesa PIN**
11. **You will receive a confirmation shortly that the payment has been received.**

### NORMAL LOAN

- Granted up to 3 times a member's deposits
- Repayable within 60 months
- Granted within 1-3 days of application
- Top up can only be done after 6 months of application
- Applicable interest is 1% p.m. on reducing balance

### SUPER LOAN

- Granted up to 3 times a member's deposits
- Repayable within 72 months
- Granted within 1-3 days of application
- Top up can only be done after 6 months of application
- Applicable interest is 1.25% p.m on reducing balance

### EMERGENCY LOAN

- The loan is repayable within 12 months
- The loan is granted within 8 hours of application
- This loan is granted up to 3 times your deposits
- Applicable interest is 1.5% p.m on reducing balance

### SCHOOL FEES LOAN

- Granted to members for school fees purposes.
- Repayable within 12 months calendar year
- Granted 3 times member deposits.
- Circular for school fees applications comes out in the month of November every year for the requirements
- Applicable interest is 1% p.m on reducing balance

### FAHARI LOAN

- Granted up to 10 times a member's deposits but up to 5 million.
- 5 guarantors needed.
- Monthly deposits contribution is ksh. 3,000
- Repayable within 96 months
- Salary must pass through kenversity
- Processing fees of 2% of the loan amount balance
- Applicable interest is 1.33% p.m on reducing balance

### ASSET FINANCING LOAN

#### a) Land and Building

- Guaranteed up to 5 times a member's deposits but upto 5 million.
- 5 guarantors needed.
- Monthly deposits is ksh. 3,000.
- Land and building to be secured upto 70%
- Repayable within 72 months
- Salary must pass through kenversity
- Charges 2% of the applied amount as processing fees
- Applicable interest is 1.33% p.m on reducing balance
- Repaid within 24 months / 2 years
- Cars be secured at 50%. Down payment of 1 /3 of the cost price for motor vehicle.

- Motor vehicle not more than 8 years old.
- Log book to be used to secure loan up to a maximum of 2 million
- Applicable interest is 1.33% p.m on reducing balance

#### b) Motor Vehicle

- Repaid within 24 months / 2 years
- Cars be secured at 50%. Down payment of 1 /3 of the cost price
- Motor vehicle not more than 8 years old.
- Log book to be used to secure loan up to a maximum of 2 million
- Applicable interest is 1.33% p.m on reducing balance

### MAENDELEO LOAN

- Monthly deposits of Kshs. 3000,
- Repayment period of 36 months
- No top up for this loan
- At least 5 guarantors.
- Granted 5 times member deposit
- Applicable interest is 1.33% p.m. Reducing balance
- Processing fee 2%

### DIAMOND LOAN

- Granted upto 4 times member deposit
- Repaid within 24 months
- To be guaranteed by 2 members who are on permanent and pensionable terms of employment
- Applicable interest is 1.125% p.m on reducing balance

### BORESHA LOAN

- Granted 4 times member deposit
- Repaid within 60 months
- Processing fee of 2% of the loan amount
- Applicable interest is 1.125% p.m flat rate

**These are long term loans for check off and salaried members:-**

- **Platinum A**
- **Platinum B**
- **Part of Diamond members**

### FOSA SERVICES

- Salary Processing
- Mobile Banking Services
- ATM services
- Fixed Deposit Account
- M-Pesa Agent Services including paybill services
- Member portal
- Paybill Services

### FOSA LOANS & ADVANCES

- A member needs to contribute for only three months to access these loans.

### OVERDRAFT

- Granted within a members deposits
- Interest rate is 6% per month
- Repayable within 10 months
- Two guarantors needed
- Offered to members on platinum A and B

### ADVANCE LOANS

- Granted up to kshs. 300,000
- Offered to Platinum A and B Members
- Granted within 6 hours of application
- Repayable within 5 months
- Two guarantors needed for this loan
- Applicable interest is 6% per month

### SHORT PERIOD- ADVANCE

- Granted up to kshs. 60,000
- Offered to Platinum A and B members
- Repayable within 3 month
- Applicable interest is 6% per month

### KARIBU LOAN

- Granted up to kshs. 100,000.
- Offered to Platinum A and B members
- This product is specific to welcome our new members.
- You need to have paid Kshs. 3,000 as share capital and risk management fund of at least ksh. 300.
- The Loan is repaid within 6 months
- Applicable interest is 5% per month

### JINJUE LOAN

- The product was designed for Diamond members though its open to all Members.
- Member can apply for a maximum of kshs. 100,000
- Repayable within 6 months
- Applicable interest is 5% per month

### UTILITY LOAN

- Open to all members
- Repayable within one year.
- Products available are: Mobile phones. Roofing material, electronic and electrical appliances, Driving lessons in partnership with AA Kenya, water tanks and Car insurance services in partnership with CIC

- Applicable interest is 2% per month reducing balance Top- Ups.
- Members can apply for top-up on all FOSA loans, Emergency, Super, Normal, Fahari and Maendeleo loans and will be charged a clearance fee of 2 % on the outstanding balance.
- Members can also apply for Kenversity loan to clear external loans e.g Bank loans. A clearance fee at 4% will be charged.

### SHARE BOOSTER LOAN

- This loan helps members to bridge the gap in their Deposit so as to qualify for a BOSA Loan of a specific amount. The booster amount is recoverable once with an interest of 10%. Member qualifies for 100% of his/her deposits.

### SELF GUARANTEED LOANS

- Self-guarantee loan will be applicable to members who wish to apply for BOSA and FOSA loans without guarantors subject to the following:-

  1. That the members will be eligible for the loan up to 75% of their total deposits.
  2. That the member should not have guaranteed any other member.
  3. All other terms and conditions for Bosa and Fosa loans shall apply

### RISK MANAGEMENT FUND

A member will contribute Kshs.300 / month under risk management to cater for on the following:-

1. Payment of Kshs.30,000 to the beneficiary in the event of death of the principal member.
2. Payment of Kshs.10,000 upon loss of a nominee.
3. Clearance of all loans upon a member's death.
4. Payment to beneficiary a double amount of the deceased member's deposits.

### MICRO CREDIT LOAN PRODUCTS

#### a) Tujijenge Tuinuke

- Granted up to Kshs.100,000,
- Repayable in 12 months at an interest rate of 1.5% per month.

#### b) Tujijenge Tuendeleo Loan

- Granted for amounts over Kshs.100,000, up to kshs. 300,000, repayable in sixteen (24) months at an interest rate of 1.25% p.m on reducing balance.

#### c) Tujijenge Super Loan

- Granted for amounts over Kshs. 300,000 up to kshs. 500,000, repayable in twenty-four (36) months at an interest rate of 1.25% p.m on reducing balance.

#### d) Tujijenge Premier

- Granted above Kshs 500,000 and the repayment period is 60 months at an interest rate of 1.33% p.m on reducing balance.



## PAYBILL INSTRUCTIONS

**ENTER PAYBILL NO**

**577820**

### PAYBILL INSTRUCTIONS

1. Enter Paybill no: -PAYBILLENTER PAYBILL NO 577820INSTRUCTIONS
2. Enter account number that is ENTER the respective CODE first e.g. ADV, DEP
3. Enter your MEMBERSHIP NUMBER exactly as it appears in the system NEXT to the CODE entered e.g. d) MFIIND-0000 (For micro-credit members)
- e) 234 (For other salaried members e.g. KU, Sukari, Jetlak)
4. There should be NO SPACE between the CODE and MEMBERSHIP NUMBER
5. All digits MUST be in CAPITAL letters.
6. To demonstrate: -
  - a) Paying for shares for Mno. 1234: -
    - i. DEP1234
    - ii. MDPMFIIND-0000 (Paying for shares for MFIIND-0000)
  - b) Paying for loan for Mno. 1234: -
    - i. ADV1234 (Paying advance loan)
    - ii. TUIMFIIND-0000 (Paying Tuinuke loan for MFIIND-0000)
    - iii. Enter amount followed by M-Pesa PIN

# **KENVERSITY SACCO SOCIETY LIMITED**

## **PAYBILL KEY CODES**

<b>PRODUCT</b>	<b>CODE</b>
ADVANCE	ADV
OVERDRAFT	OVD
SHORT PERIOD ADVANCE	SPA
KARIBU	KRB
JIINUE	JNE
KENSA	KNS
KENHOL	KNH
KENED	KND
KENJUNIOR	KJR
MOBILE LOAN	MOB
TANK LOAN	TNK
DRIVING	DRV
CAR INSURANCE	CAR
OTHER UTILITY	UTY
DEPOSIT	DEP
RISK	RSK
NORMAL LOAN	NOR
SUPER LOAN	SUP
FAHARI LOAN	FRI
MAENDELEO LOAN	MAE
EMERGENCY LOAN	EME
SCHOOL LOAN	SCH
DIAMOND LOAN	DIA
ASSET FINANCING	ASF
STAFF PREMIER	STP
DEFAULTER	DEF
MFI SAVINGS	MFS
GROUP SAVINGS	GPS
GROUP DEPOSITS	GPD
DEPOSITS	MDP
TUJIJENGE TUINUKE	TUI
TUJIJENGE TUENDELEE	TUE
TUJIJENGE SUPER	TUS
TUJIJENGE PREMIER	TUP











**KENVERSITY CO-OPERATIVE SAVINGS AND  
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**NAIROBI - KENYA**