



P.C.E.A
KINOO
PARISH
SACCO



ANNUAL REPORT & FINANCIAL STATEMENTS

2024



OUR MISSION

A God Led Harmonious Sacco of Choice

OUR VISION

To promote the welfare and economic interests of its members

COMMUNITY

To contribute to the fight against poverty and promote equity.

OBJECTIVE

The fund will encourage members to have discipline saving & capital formation.

Members will utilize the funds for an enterprising and productive purpose

7TH ANNUAL GENERAL MEETING, HELD ON 12TH APRIL 2025 At PCEA MILELE HOTEL

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PROGRAM

- 1) 09.00 am- 09.30am ARRIVAL AND BREAKFAST.
- 2) 09.30 am- 09.35 am OPENING PRAYER.
- 3) 09.35 am - 09.45 am INTRODUCTIONS.
- 4) 09.45 am – 09.55 am READING AND CONFIRMATION OF THE PREVIOUS AGM MEETING MINUTES.
- 5) 09.55am – 10.05 amMATTERS ARISING FROM THE MINUTES
- 6) 10.05 am- 10.15 am READING THE NOTICE CONVENING THE MEETING.
- 7) 10.15 am- 10.25 am CHAIRMAN'S ADDRESS AND REPORT.
- 8) 10.25 am- 10.30 am REACTIONS TO THE CHAIRMAN'S ADDRESS AND REPORT.
- 9) 10.30 am – 10.45 am SUPERVISORY COMMITTEE REPORT
- 10) 10.45 am – 10.55 am REACTIONS TO THE SUPERVISORY COMMITTEE REPORT
- 11) 10.55 am – 11.35 am PRESENTATION OF THE AUDITED ACCOUNTS & STATEMENT OF FINANCIAL POSITION YEAR 2024.
- 12) 11.35 am- 11.50 am REACTIONS TO THE AUDITED ACCOUNTS & STATEMENT OF FINANCIAL POSITION.
- 13) 11.50 am – 11.55 am CONSIDER & APPROVE THE DISPOSAL OF SURPLUS FOR THE YEAR 2024.
- 14) 11.55 am – 12.05 am APPOINTMENT OF AUDITORS TO AUDIT THE YEAR 2025 BOOKS OF ACCOUNTS
- 15) 12.05 – 12.25pm APPROVED 2026 BUDGET AND REVISE 2025 BUDGET
- 16) 12.25 am – 12.40 pm FIXING OF THE BORROWING POWERS.
- 17) 12.40 pm - 12.55 pm MANSAX TALK
- 18) 12.55 pm – 1.05 pm CIC MEDICAL COVER TALK
- 19) 1.05 pm – 1.20 pm MEMBER MENTOR TALK
- 20) 1.20pm – 1.35 pm AWARDS FOR BEST MALE/FEMALE SAVER.
- 21) 1.35 pm-1.40 pm PRESENTATION OF A. O. B.
- 22) 1.40 pm-1.45 pm CLOSING PRAYERS.
- 23) 1.45 pm-2.30 p.m..... LUNCH

*PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
Company information
For the year ended 31st December 2024*

Management committee

George Kinyanjui Njoroge - ***Chairman***
Charles Ng'ang'a Kang'ara - ***Vice Chairman***
Florence Wambui Mbugua - ***Secretary***
Geoffrey Ngatia - ***Treasurer***
Felix Wamagata Kairu - ***Member***
James Kio Njeri - ***Member***
Esther Wanjiru Mwangi - ***Member***
Catherine Njeri Gikumba - ***Member***
Humphrey Njiriri Mang'urio - ***Member***

Supervisory committee

Benson Ndung'u Thiong'o - ***Chairman***
Yvonne Njoki Maina - ***Secretary***
Francis Chege Mwai - ***Member***

Registered office

PCEA Kinoo Parish
P.O. Box 35 - 0065
Uthiru,
Kenya.

Independent auditor

Kariuki Thuo & Company
Certified Public Accountants
4th Floor, Equity Plaza, Thika
P.O. Box 2130 - 01000
Thika,
Kenya.

Principal banker

Equity Bank Limited
Kangemi Branch
Nairobi,
Kenya.

AGM NOTICE 2025

Notice is hereby given for PCEA KINOO PARISH SACCO 2024 AGM.

It will be held on 12th April, 2025 – 9am at

PCEA MILELE- SOUTH C.

ALL ARE WELCOME.

The Agenda of the day will be:-

AGENDA

1. Reading of notice and adoption of the Agenda
2. Reading and confirmation of the previous AGM's minutes
3. Matters arising from the minutes
4. Management report and reactions
5. Supervisory report and reactions
6. Presentation of year 2024 audited accounts
7. Approve 2026 budget and revise 2025 budget
8. Approve distribution of surplus
9. Approval of borrowing powers
10. By-laws review and amendment
11. Pass resolutions proposed by the board
12. Nomination of Auditor
13. Speeches from:-
 - i) Sub-County Co-operative Officer
 - ii) CIC Insurance Officer
 - iii) Standard Investment Bank Officer
14. Elections
15. A.O.B.



**P.C.E.A KINOO PARISH SACCO 6th ANNUAL GENERAL MEETING HELD ON
20/04/2024 AT LAY TRAINING - ZAMBEZI.**

The 6th Annual General meeting for P.C.E.A. Kinoo Parish Sacco was held on 20/04/2024 at LAY TRAINING - ZAMBEZI from 10.00am.

MIN. 1/20/04/2024 : ATTENDANCE

Members present

1. Elder George Kinyanjui
2. Elder Felix Wamagata Kairu
3. Geoffrey Ngatia
4. Grace Nyokabi Kimani
5. Charles Nganga Kangara
6. James Kio Njeri
7. Catherine Njeri Gikumba
8. Esther Wanjiru Mwangi
9. Humphrey Njiriri Mang'urio
10. Elder Benson Thiongo Ndungu
11. Francis Mwai Chege
12. Alice Njeri Ngethe
13. Amos Mureithi Muiruri
14. Ann Karwitha Rimberia
15. Anthony Njoroge Nduta
16. Beth Muthoni Nganga
17. Caroline Nyagthii Kibugi
18. Catherine Ndavwa Kung'u
19. Eddah Muthoni Njoki
20. Florence Wambui Mbugua
21. Godfrey Kinyanjui Wamagata
22. Elder Hannah W. Kihuha
23. Hannah Nduta Karigo
24. James Thuo Karugi
25. Jane Wanjiru Kariuki
26. Jane Njeri Chege
27. Jane Wangui Mugunu
28. Joseph Muchiri Kihu
29. Livingstone Kinyanjui Ngugi
30. Paul Muthui Mwariri
31. Paul Njama Njoroge
32. Elder Samuel Njenga Kiniiya
33. Tabitha Kariuki Nunga
34. Elder William N. Gichanga
35. Winfred R. Wambui Ngugi
36. Yvonne Njoki Maina
37. James Gathu Njenga
38. Anthony Kariuki Kiarii
39. Melvin Kamiri Nganga
40. Lauretia Waithera Mwangi
41. James Gitau Githinji
42. Alex Mwangi Munyua
43. Monica Wanjiru Njicha
44. Simon Chege Mwangi
45. Sybila Salome Warui
46. Jane Wangari Karanja
47. Esther Nyokabi Ndungu
48. Jane Njoki Mbugua

50. Margaret Nyambura Njambi
51. Caroline Wanjiku Ndugire
52. Mary Wakarima Njiri
53. Evanson Warui Gichanga
54. Carmichael Njoroge Kinyanjui
55. Kenneth Mutwiri Murungi
56. Lucy Wanjiku Kamaru
57. Caroline Wangechi Mugo
58. Rahab Njeri Gitau
59. Margaret Njeri Kairu
60. Beatrice Wanja Maina
61. Susan Mwiaki Thuo
62. Jacinta Waithera Mbugua
63. Samuel Ndungu Gatama
64. Haroun Mbuthia Njogu
65. Boniface Machira Maru
66. David Njenga Kioi
67. Stephsny Wanjiku Guchu
68. Benson Karoki Kingori
69. Mary Wanyora Mbugua
70. Samuel Kabiru Muchene
71. Joyful ladies Muthiga CBO
72. Rachael Njeri Nganga
73. Daniel; Muria Ngigi
74. Shawn Kimeu Steven
75. Samuel Nganga Ndungu
76. Lilian Nyauca Wamagata
77. Anne Wanjiru Ndungu
78. Patrick Mwai Kangethe
79. Susan Ng'endo Kamau
80. Elizabeth Muthina Mutua
81. Mercy Wanjiru Ngigi
82. Sisiliah Wanjiru Njenga
83. Moses Thuo Ngaruya
84. Hannah Njoki Kamiri

Absent with Apology

1. Elder Grace Njoki Kinyanjui

MIN. 2/20/04/2024 : DEVOTION

The meeting started with devotion by Rev. Harrison Murunga

- He encouraged us as Sacco members to be risk takers and be very courageous.
- To make sure whatever we do is right with God.
- Commit to the Lord whatever we do.
- God knows what we need and will be with us when we are committed to Him.
- We should adopt qualities of successful people.
- Work together so that we can encourage one another.
- Successful people borrow confidently.
- Obstacles of success are ego, fear, lack of planning, procrastination.

MIN. 3/20/04/2024 : READING OF NOTICE, AGENDA AND PREVIOUS MINUTES

The chairman welcomed members and the secretary read the AGM NOTICE and the Agenda of the day. This was proposed by Winnie Ngugi and seconded by Elder Njenga Kiniiya. Minutes

MIN. 3/20/04/2024 : READING OF NOTICE, AGENDA AND PREVIOUS MINUTES

The chairman welcomed members and the secretary read the AGM NOTICE and the Agenda of the day. This was proposed by Winnie Ngugi and seconded by Elder Njenga Kiniiya. Minutes for the previous AGM were read; they were proposed by Florence Mbugua and seconded by Catherine Kung'u.

MIN.4/20/04/2024 : MATTERS ARISING

- Digital emergency loans not yet rolled out but this will be effected soonest.
- Credit/finance/audit committee has been very active in 2023.
- Bad loans have been actively reported and handled effectively.
- Kariuki Thuo & Company Auditors were appointed by the board.

MIN.5/20/04/2024 : MANAGEMENT REPORT

The chairman read the management report and noted that there has been a tremendous growth. member registration to 311 members, member deposits by 54.86%, loan portfolio to 26M 65.9% and share capital 1,063,500. He urged members to save consistently and continue borrowing as this is where we earn our interest. It was proposed by Mary Mbugua and seconded by Elder William Ng'ethe.

MIN.6/20/04/2024 : SUPERVISORY REPORT

Supervisory report was read by Elder Benson Thiong'o and it highlighted the following:-

Recommendations

- Board and member training is happening
- The supervisory committee has access to the server
- Regular announcements/communication

Proposals

- Investments to be reviewed regularly
- Financial reporting to be done quarterly
- Nominee forms to be upto date

It was proposed by Elder Samuel Kiniiya and seconded by Livingstone Kinyanjui.

MIN.7/20/04/2024 : PRESENTATION OF AUDITED REPORT

The representative of Kariuki Thuo Company presented an independent opinion about the Sacco Books of Accounts. He made a comparison between 2022 and 2023 audited accounts and noted the tremendous growth in income and loan portfolio. Dividend was proposed at 6%. It was proposed by Simon Chege and seconded by Paul Muthui.

MIN.8/20/04/2024 : BY-LAWS REVIEW.

There were no changes made to the by-laws.

MIN.9/20/04/2024 : APPOINTMENT OF THE AUDITOR

Kariuki Thuo Company will be retained. This was proposed by Elder William Ng'ethe and seconded by Anthony Kariuki.

MIN.10/20/04/2024 : APPOINTMENT OF BANKERS

Members agreed that we can remain in Equity Bank. This was proposed by Jane Wanjiru and seconded by Elder Samuel Kiniiya.

MIN.11/20/04/2024 : BUDGET

The budget, income and expenditure for 2025 and revision of 2024 were presented by the treasurer Mr. Geoffrey Ngatia. It was proposed by Boniface Maru and seconded by Elder William Ngethe.

- Salary budget increased as we bring in a more qualified employee.
- Member training to be incorporated in the calendar of events.

MIN.12/20/04/2024: APPROVAL OF BORROWING POWERS

The chairman requested members to give the management committee borrowing powers. Members agreed we can borrow five million Kenya shillings. This was proposed by Paul Muthui and seconded by Elder Hannah Kihuha.

MIN.13/20/04/2024 : ELECTIONS

1/3 rotation Board

1. Grace Kimani
2. Charles Kang'ara
3. Elder Felix Wamagata

The following members applied to rejoin the board:-

Charles Kang'ara

Proposer - Paul Muthui
Seconder - Samuel Chege

Elder Felix Wamagata

Proposer - Elder Samuel Kiniya
Seconder - Jane Kariuki

One member applied to join the board:-

Florence Mbugua

Proposer - Susan Thuo
Seconder - Yvonne Maina

1/3 rotation Supervisory

1. Tabitha Mwangi

The following members were proposed to join supervisory:-

1. Paul Muthui
2. Yvonne Maina
3. Alice Ng'ethe

After voting Yvonne Maina emerged the winner.

MIN.14/20/04/2024 : COOPERATIVE OFFICER

The D.C.O. Kikuyu Susan Njoroge was in attendance. She highlighted the following:-

- She educated members on the necessity for giving allowances to the board so that they can meet regularly for the smooth running of the sacco.
- She appreciated the members for helping the Sacco grow through borrowing and repaying their loans.
- She noted the tremendous growth in share capital, deposits and loan portfolio.
- She said the Sacco is at a good standing and has been recognized by Kiambu County Cooperative as most improved in the medium category

MIN.15/20/04/2024 : RESOLUTIONS

Dividend was approved at 6%. This was proposed by Simon Chege and seconded by Paul Muthui.

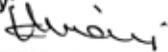
MIN.16/20/04/2024 : A.O.B

- Dividend will be given on share capital and interest on deposits in the 2024 accounts.
- Share capital is capped at 20k and minimum is 5k.

The chairman Elder George Kinyanjui thanked the management committee for their great input in bringing the Sacco this far. He thanked members for their attendance.

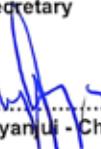
The AGM was closed with a word of prayer by Elder Carol Ndung'u.

Prepared by:



Grace Kimani - Secretary

Checked by:



Elder George Kinyanjui - Chairman

CHAIRMAN'S ADDRESS AND REPORT TO THE 7TH ANNUAL GENERAL MEETING HELD ON 12th APRIL 2025 AT P.C.E.A. HEAD OFFICE HALL

It is with great pleasure that I welcome you to the P.C.E.A. Kinoo Sacco's Annual Delegates Meeting. Today, as we gather to mark 7 years of our SACCO's existence, we reflect on our journey and the remarkable achievements we have made over the years. From humble beginnings, we have grown into a strong and reputable financial institution, serving the needs of our members and contributing to the socio-economic development of our community. I want to thank all the members for patronizing the Sacco services. Throughout the years, our SACCO has faced numerous challenges and triumphs. We have weathered economic downturns, technological advancements, and changing regulatory landscapes. Through it all, we have remained resilient and adaptable, always putting our members' interests at the forefront of our operations. As we celebrate this significant milestone, it is important for us to reflect on our achievements and set our sights on the future. The financial landscape is evolving rapidly, and we must adapt and remain innovative to meet the changing needs of our members. Allow me to take you through Sacco's performance for the financial year ended 31st December 2024.

1. FINANCIAL PERFORMANCE

The Sacco has made significant progress in various areas, reflecting our commitment to providing better financial services to our members. Here are the key highlights of our performance:

- i) Loans to Members and Portfolio Growth Through affordable Sacco loans, members have built their asset portfolio over time, thus impacting their economic and social wellbeing, as well as contributing to the national economy. This has, in turn, built Sacco's core assets in terms of loans. Our loan uptake grew significantly, registering a loan disbursement of Kshs. **28,891,294** in the year under review, compared to the year 2023, which stood at Kshs. **24,680,752**. By 31st December 2024, our loan portfolio stood at Kshs. **31,066,385** compared to the previous year's Kshs. **26,081,863**. thus, reflecting a growth of **19%**.
- ii) Profitability We are pleased to report that the Sacco achieved commendable performance in the year under review. Our gross revenue increased from Kshs. **3,311,672** in the year 2023 to Kshs. **5,599,758** in the year 2024, which translates to 69% growth. This growth was attributed to the diligent efforts of the management team and the unwavering support of our members.

2. MEMBERSHIP

The Sacco membership has continued to grow. The active membership at the end of the year was 357 compared to 311 during the same period in the previous year. This is a growth of 46% or 15%. I urge all of you to be Sacco ambassadors and educate people within the Kinoo church and beyond on the importance of being Sacco members.

We also take special recognition of the corporate membership that has grown within the SACCO. Such members include the P.C.E.A. Kinoo Parish, church groups, and other groups outside the church.

In the year under review, members' share capital increased from Kshs 1,063,500 by 31 December 2023 to Kshs. 1,567,369 in December 2024. This is a growth of Kshs. **503,869** or 47%. I would like to let you know that starting this year, dividends

on share capital will be higher than that of deposits. This is to encourage all members to grow their share capital for better returns. On the other hand, members' deposits grew from Kshs. **27,059,315** in 2023 to Kshs. **38,554,766** in 2024. This is a growth of Kshs. **11,495,451** or 42 %. Let us continue saving for a better future. The returns at the end of the year and loan eligibility depend on one's savings.

3. COMPLIANCE WITH THE REGULATORY FRAMEWORK

The Sacco continued to comply with the regulatory framework set out in the Sacco Societies Act 2010. We are committed to making prudent business decisions that will ensure we operate our business within the framework. The Sacco fairly complied with the prudential ratios of capital and liquidity. Our revenue reserves increased through the retention of part of the surplus. This has contributed to the growth of the Society's Institutional Capital.

4. ACHIEVEMENTS

In the year under review, our Sacco achieved several milestones. Some notable achievements include;

i) Cell Group operationsFellow member, our strength for SACCO operations and member recruitment has been done through the cell groups. To date, we have a total of 14 cell groups.

Membership in cells ranges from between 12 to 30 members. The Key function for these cell groups has been:

- o Offer monthly meetings for members for familiarity and common growth
- o Loans monitoring and recovery for members in the cell groups
- o Guarantorship for members within cell groups

The board is reviewing the cell operations policy with inputs coming from cell groups through the cell leadership. It is our wish to address any gaps being realized in the cell groups and make their operations very effective.

(ii) Loan recovery: Ensuring the sustainability of our loan portfolio is crucial for the long-term success of our Sacco. I am pleased to report that our efforts in improving loan recovery have yielded positive results. We have implemented proactive measures, including strengthened credit risk assessment, enhanced follow-up mechanisms, continuous loan reconciliation, and the building of a good rapport with the mother department

(iii) Governance

Sound governance is the cornerstone of any successful organization. We have made significant strides in strengthening governance practices. This has been done through enhanced transparency, accountability, and compliance with regulatory requirements. The Board of Directors has actively engaged in strategic decision-making, ensuring that our Sacco Society operates in the best interest of our members. These governance improvements have fostered trust and confidence among our members, reinforcing their belief in our commitment to their financial well-being.

(iv) Office operations

To ensure that member needs are addressed, our office is fully open throughout the week and on Sundays. Additionally, we have set a desk on Sundays both at Imani and S.G.M. to ensure we have direct contact with our members.

5. CHALLENGES

While we celebrate our successes, it is important to acknowledge the challenges we faced during the year under review as they shape our journey and provide opportunities for growth and improvement. Despite the following challenges, we have remained resilient and proactive in finding solutions to mitigate their impact.

(i) Poor saving culture:

Most of our members do not fully comprehend the long-term benefits and financial security that saving provides. In addition, many members are currently facing financial constraints due to overburden from other financial providers' loans and have limited income, making it challenging to save. We acknowledge that addressing the poor saving culture within the Sacco requires a collective effort. We will continue to prioritize member education, raise awareness, and provide incentives to encourage saving.

(ii) Technological Advancements:

While technology presents opportunities for growth and efficiency, it also poses challenges. Adapting to new technologies and integrating them into our operations can be complex and costly. However, we recognize the importance of embracing technological advancements to enhance member experience, improve operational efficiency, and remain competitive in the market. We hope to make significant progress in this area, including the launch of our Member Web Portal

(iii) Member Education and Awareness:

Despite our efforts to provide financial education and raise awareness among our members, there is still a need for increased participation and understanding. Some members may not fully grasp the benefits and opportunities available to them through our Sacco. We are committed to addressing this challenge by expanding our educational programs, conducting targeted outreach initiatives, and leveraging various communication channels to ensure our members are well-informed

6. FUTURE PLANS

As we look towards the future, we are aware of the challenges and opportunities that lie ahead. The financial landscape is constantly evolving, and it is crucial for us to adapt and innovate to meet the changing needs of our members. With this in mind, I am pleased to share with you some of our key plans for the coming years.

(i) Strengthen our office operations to meet the needs of our members. We recognize the importance of providing efficient and reliable customer service to our members. To enhance prompt attention to our members, we plan to employ another person in the office to provide support in the week and on weekends to grow our Imanicongregation.

(ii) Digitalization: We live in an increasingly digital world, and it is essential for us to keep pace with technological advancements. We intend to invest in digital solutions that will streamline our operations and improve our service delivery. As our Sacco grows, it is crucial for us to have effective record management systems in place. The SACCO is launching a new software ERP (Enterprise Resource Planning) is an integrated Sacco and Microfinance Management System with a number of modules which enable a Sacco to manage its operations from loans applications to disbursement,

Savings accounts functionality, financial accounting and Reporting, shares/Deposits. Additionally, our mobile App has been enhanced to also manage mobile loans.

(iii) Empowerment and Financial Education: We strongly believe in the importance of empowering our members with financial knowledge and skills. We will continue to organize training programs on personal finance management.

(iv) Strengthening Governance and Risk Management: It is imperative that we maintain robust governance and risk management practices. We will continue to enhance our internal control systems, compliance frameworks, and risk assessment processes. This will ensure that the Sacco is mitigated against risk exposure and losses

(v) In terms of building wealth for the future, the SACCO has tailor made a children and savings account for members who would like to set aside some amount of money to enable them take build wealth for their children and also save money that is not tied to the deposits. I would urge our members to open these accounts so that they can easily manage to accumulate savings that they can spend in the future.

Conclusion

Our guests, Ladies and Gentlemen, to maintain steady progress of this society, our commitment as the board of directors to ensure achievement on all fronts cannot be overemphasized. I encourage each and every one of us to play their roles effectively, to ensure we place P.C.E.A Kinoo Sacco in the financial limelight. In the coming years, we will continue to focus on our core values of integrity, teamwork, and professionalism.

We will strive to provide innovative financial solutions that empower our members and contribute to their financial well-being Long live P.C.E.A. Kinoo Sacco,

Long live the Co-operative movement. GOD BLESS US ALL.

George Kinyanjui



CHAIRMAN BOARD OF DIRECTORS

SUPERVISORY COMMITTEE ANNUAL REPORT 2025.

The Supervisory Committee is pleased to present this report to the members during this Annual General Meeting (AGM). We take this opportunity to extend our sincere appreciation to the SACCO Board for their exemplary leadership in steering the SACCO to a remarkable performance in the year 2024. We also acknowledge the unwavering support from the Board in facilitating our role as the SACCO's internal watchdog, ensuring adherence to financial discipline, governance, and prudent management of members' funds.

Performance Review

The year 2024 has been a tremendous success, marked by outstanding financial growth and stability. The SACCO achieved the following key milestones:

- **Loan Book Growth:** A remarkable increase of over 70%, reflecting increased member trust and access to credit facilities.
- **Savings Growth:** A commendable growth of 60%, demonstrating increased member confidence and financial stability.
- **Profitability:** A double-digit percentage growth, reinforcing the SACCO's ability to generate sustainable returns for members.

These results underscore the Board and management's commitment to sound financial strategies and prudent risk management.

The Supervisory Committee wishes to specially commend the Board for its prompt and decisive action in withdrawing all SACCO funds from KUSCO. This timely intervention safeguarded members' hard-earned savings from potential losses associated with the mismanagement at KUSCO, a SACCO umbrella that has been embroiled in financial misappropriation. This swift action has reinforced the SACCO's credibility and strengthened member trust.

Key Observations and Recommendations

While the SACCO has made significant strides, there remain critical areas that require strategic focus to sustain and improve performance:

1. Acquisition and Deployment of New SACCO Software

- The management must expedite efforts to acquire and implement a new SACCO management system.
- This system should enhance internal operations and ensure members have access to seamless mobile banking services, improving efficiency and user experience.

2. Aggressive Marketing for Membership Growth

The SACCO must embark on an aggressive marketing strategy to increase membership, thereby expanding the capital base and ensuring sustained growth.

3. Enhanced Debt Collection and Credit Management

The Board must adopt and implement a robust debt collection system, including:

- Engaging debt collectors to recover outstanding amounts.
- Considering the use of collateral for large loans to minimize risk.
- Implementing a comprehensive credit review policy, ensuring lending decisions incorporate historical data on member borrowing behavior.

Many non-performing loans exhibit common traits such as share boosting and previous defaults. A strong review process must be instituted to mitigate such risks.

4. Strengthening Internal Controls on Lending and Investment

- The SACCO must develop and enforce strict lending criteria to ensure only credible borrowers access credit.
- Investment plans should be subjected to thorough risk assessment before implementation to safeguard members' funds.
- Cash flow management strategies must be put in place to ensure balanced SACCO liquidity and avoid financial strain.
- Proactive Loan Default Management
 - The Board should ensure timely follow-up on all defaulted loans and implement early intervention measures to prevent further defaults.

5. Retention of a Contingency Fund

- A portion of SACCO profits should be retained from dividend issuance to establish a contingency fund.
- This fund will serve as a financial cushion against unforeseen losses.
- The reserves should be secured with a credible financial institution, rather than solely relying on the SACCO's primary bank, to mitigate potential risks.

The Supervisory Committee remains steadfast in its mission to ensure accountability, transparency, and prudent financial management within the SACCO. We appreciate the collective efforts of the Board, management, and members in driving the SACCO's success. As we look ahead to 2025, we urge all shareholders to remain committed to best practices, ensuring sustained growth and prosperity for all members.

Prepared by:

Yvonne Maina - Secretary



Benson Thiong'o - Chairman



Francis Mwai - Member



PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
Statistical information
For the year ended 31st December 2024

	2024 Shs	2023 Shs	
Membership			
Active	357	311	
Dormant	59	38	
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	
	416	349	
Financial			
Total assets	45,397,680	31,909,230	
Members' deposit	38,554,766	27,059,315	
Loan and advance to members	31,066,385	26,081,863	
Core capital	3,486,044	2,684,402	
Share capital	1,567,369	1,063,500	
Institutional capital	376,682	317,127	
Total revenue	5,599,758	3,311,672	
Total interest income	3,871,310	2,777,847	
Total expenses	2,394,918	1,465,481	
Employees of the Sacco	Members	Members	
	1	0	
Key ratios		Minimum ratio	
Capital adequacy ratios			
Core capital	\geq Shs 10 million	3,486,044	2,684,402
Core capital / Total assets	\geq 10%	8%	8%
Core capital / Total deposits	\geq 8%	9%	10%
Institutional capital / Total assets	\geq 10%	1%	1%
External borrowing ratio			
External borrowing / Total assets	\leq 25%	0%	0%
Liquidity ratio			
Liquid assets / Total deposit and long term liabilities	\geq 15%	30%	15%
Operating efficiency ratios			
Total expenses / Total revenue	43%	44%	
Interest on member deposits / Total revenue	48%	49%	
Interest rate on member deposits	7%	6%	
Dividend rate on member share capital	10%	0%	

*P.C.E.A Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
Report of the management committee
For the year ended 31st December 2024*

The directors submit their report together with the audited financial statements for the year ended 31st December 2024, which disclose the state of affairs of the society.

Incorporation

The society was incorporated in Kenya under the Co-operative Society Act, Cap 490 and licensed under the Sacco Societies Act No. 14 of 2008, and is domiciled in Kenya. The address of the registered office is set out on page 1.

Principal activities

The principal activities of the company is that of receiving savings from and provision of loans to its members.

Results	2024 Shs	2023 Shs
Surplus before tax	332,117	227,767
Tax charge	114,344	21,353
Surplus for the year	217,773	206,414
Interest on members' deposit	2,698,834	1,618,424

Interest on member's deposit

The management have recommended payment of 10% (2023: nil) as dividend on members' share capital and pay 7% (2023: 6%) interest on members' deposits.

Management

The management committee who held office during the year and to the date of this report are set out on page 1.

George Kinyanjui Njoroge, Geoffrey Ngatia and James Kio Njeri retire by rotation in accordance with Section 37.3 of the Society's By-Laws and being eligible, offer themselves for re-election.

Supervisory

The supervisory committee who held office during the year and to the date of this report are set out on page 1.

Francis Chege Mwai retire by rotation in accordance with the Society's By-Laws Section 57(a).

Independent auditor

During the year, Kariuki Thuo & Company was appointed in office in accordance with the provision of the Sacco Societies Act No. 14 of 2008.

By order of the management


Secretary

15th MARCH 2025

*PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
Statement of management committee's responsibilities
For the year ended 31st December 2024*

STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

The Sacco Societies Act No. 14 of 2008 requires the management committee to prepare financial statements for each financial year that give a true and fair view of the financial position of the society as at the end of the financial year and the operating results for that year. It also requires the management committee to ensure that the society maintains proper accounting records that are sufficient to show and explain the transactions of the society and disclose, with reasonable accuracy, the financial position of the society. The management committee are also responsible for safeguarding the assets of the society, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The management committee accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and the requirements of the Sacco Societies Act No. 14 of 2008. They also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

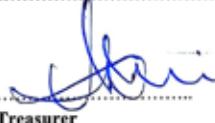
Having made an assessment of the society's ability to continue as a going concern, the management committee are not aware of any material uncertainties related to events or conditions that may cast doubt upon the society's ability to continue as a going concern.

The management committee acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the management committee on ..15TH MARCH..... 2025 and signed on its behalf by:

.....

Chairman

.....

Treasurer

.....

Secretary



**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PCEA KINOO PARISH SAVINGS AND CREDITS CO-OPERATIVE SOCIETY
LIMITED**

4th Flr, Equity Plaza Building, Commercial Street, Thika
1st Floor, Kemia House, office B16, Mombasa Road Next To Guru Nanak Hospital Nairobi
E: info@kariukithuocompany.co.ke W: www.kariukithuocompany.co.ke

Opinion

We have audited the accompanying financial statements of PCEA Kinoo Parish Savings and Credit Co-operative Society Limited (the society), set out on pages 7 to 15, which comprise the statement of financial statements as at 31st December 2024, statement of profit or loss and other comprehensive income, statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the society as at 31st December 2024 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Sacco Societies Act No. 14 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company 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 ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management committee are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

management committee' responsibility for the financial statements

The management committee are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the requirements of the Sacco Societies Act No.14 2008, and for such internal control as the management committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management committee are responsible for assessing the company'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 management committee either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402

Report of the independent auditor to the members of PCEA Kinoo Parish Savings and Credits Co-operative Society Limited (continued)

For the year ended 31st December 2024

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

We communicate with 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.

Report on other legal requirements

As required by the Sacco Societies Act No. 14 2008, we report to you, based on our audit, that:

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

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA John Kariuki, Practising Certificate No. 2233.


Kariuki Thuo & Company
Certified Public Accountants
Kenya



Date:16/11/2025..... 2025

PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
 Annual report and financial statements
 For the year ended 31st December 2024

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	2024 Shs	2023 Shs
Revenue			
Interest on loans and advances	3	3,871,310	2,777,847
Less : Interest expense	4	(2,698,834)	(1,618,424)
Net interest income		1,172,476	1,159,423
Other operating income	5	1,728,448	533,825
Total revenue		2,900,924	1,693,248
Administrative expenses		957,262	791,537
Governance expenses		933,270	343,976
Establishment expenses		504,386	329,968
Provision for loan impairments		93,889	-
Total expenses		2,488,807	1,465,481
Operating surplus before tax		412,117	227,767
Tax expenses	6	(114,344)	(21,353)
Net surplus for the year		297,773	206,414
Dividend:			
Proposed dividend for the year	16	156,737	-

PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
Annual report and financial statements
For the year ended 31st December 2024

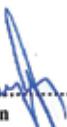
STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2024

	Note	2024 Shs	2023 Shs
Assets			
Cash and cash equivalent	7	13,534,662	4,845,060
Loans and advances	8	31,066,385	26,081,863
Other financial assets	9	70,270	866,456
Property, plant and equipment	10	726,363	115,851
Intangible assets	11	-	-
Total assets		45,397,680	31,909,230
Liabilities			
Payables	12	96,680	84,300
Interest due to members	13	3,151,718	2,059,860
Tax payable	6	108,472	21,353
Members' deposits	14	38,554,766	27,059,315
Total liabilities		41,911,636	29,224,828
SHAREHOLDERS' EQUITY			
Share capital	15	1,567,369	1,063,500
Statutory reserves	16	376,682	317,127
Appropriation reserve	16	1,385,256	1,303,775
Proposed dividend	16	156,737	-
Total equity and reserves		3,486,044	2,684,402
Total liabilities and equity		45,397,680	31,909,230

The financial statements on pages 7 to 15 were approved for issue by the board of directors on

15 March 2025

2025 and were signed on its behalf by:


 Chairman


 Treasurer


 Secretary

PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
 Annual report and financial statements
 For the year ended 31st December 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	Share capital Shs	Statutory reserve Shs	Appropriation reserve Shs	Proposed dividend Shs	Total Shs
At 1st January 2023		272,950	275,844	1,138,644	-	1,687,438
Shares issued for cash	15	790,550	-	-	-	790,550
Surplus for the year		-	-	206,414	-	206,414
Transfer to statutory reserve	16	-	41,283	(41,283)	-	-
At 31st December 2023		1,063,500	317,127	1,303,775	-	2,684,402
At 1st January 2024		1,063,500	317,127	1,303,775	-	2,684,402
Shares issued for cash	15	503,869	-	-	-	503,869
Surplus for the year		-	-	297,773	-	297,773
Transfer to statutory reserve	16	-	59,555	(59,555)	-	-
Proposed dividend	16	-	-	(156,737)	156,737	-
At 31st December 2024		1,567,369	376,682	1,385,256	156,737	3,486,044

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2024

		2024	2023
	Note	Shs	Shs
Cash flows from operating activities			
Interest receipts	3	3,871,310	2,777,847
Interest paid	13	(1,606,976)	(1,098,225)
Other operating income	5	1,728,448	533,825
Payment to employee and suppliers	17	(2,355,260)	(1,453,395)
Tax paid	6	(27,225)	-
Changes in operating assets and liabilities:			
Net loans to members		(4,984,522)	(10,361,827)
Deposit from members		11,495,451	9,586,003
<i>Cash generated from/(used in) operating activities</i>		8,121,226	(15,772)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(731,679)	(4,000)
Investments liquidated		796,186	497,975
<i>Net cash generated from investing activities</i>		64,507	493,975
Cash flows from financing activities			
Members shares contributions	15	503,869	790,550
<i>Net cash flow generated from financing activities</i>		503,869	790,550
Net increase in cash and cash equivalents		8,689,602	1,268,753
Cash and cash equivalents at 1st January		4,845,060	3,576,307
Cash and cash equivalents at 31st December	7	13,534,662	4,845,060

*PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
Annual report and financial statements
For the year ended 31st December 2024*

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation and summary of significant accounting policies

The financial statement have been prepared in accordance with International Financial Reporting Standard (IFRS) and IFRS Interpretations Committee (IFRIC) applicable to societies reporting under IFRS.

The financial statements comprise a profit and loss account (income statement), statement of other comprehensive income, balance sheet (statement of financial position), statement of changes in equity, statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income are recognised in the statement of comprehensive income and comprises items of income and expense, (including reclassification adjustments) that are not recognised in the profit and loss account as required or permitted by IFRS. Reclassification adjustments are amounts reclassified to the profit and loss account in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the company in their capacity as owners are recognised in the statement of changes in equity.

Going concern

The financial performance of the society is set out in the management committee's report and in the statement of profit or loss and the other comprehensive income. The financial position of the society is set out in the statement of financial position.

Based on the financial performance and position of the society and its risk management policies, the management committee are of the opinion that the society is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Sacco Societies Act No. 14 of 2008. The statement of profit or loss and statement of comprehensive income represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

Revenue recognition

Interest income and expense

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the society estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year, determined in accordance with the Kenyan Income Tax Act.

Financial assets

Loans and receivables financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. All assets with maturities greater than 12 months after the reporting date are classified as non-current assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method. Changes in the carrying amount are recognised in profit or loss.

NOTES (CONTINUED)

2. Basis of preparation and summary of significant accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful life, using the reducing balance method. The following annual rates are used for the depreciation of property, plant and equipment:

Furniture, fittings and equipment	12.5%
Computer, copiers and faxes	30%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in profit or loss.

Intangible assets

Intangible assets comprise purchased computer software and are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their estimated life of five years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Impairment of non-financial assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial liabilities

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

2. Key sources of estimation uncertainty

The are no significant judgements made by the board in the process of applying the society's accounting policies on the amounts recognised in the financial statements.

PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
 Annual report and financial statements
 For the year ended 31st December 2024

NOTES (CONTINUED)	2024 Shs	2023 Shs
3. Interest income		
Interest charged on members loan	<u>3,871,310</u>	<u>2,777,847</u>
4. Interest expense		
Interest on members deposits 7% (2023: 6%)	<u>2,698,834</u>	<u>1,618,424</u>
5. Other operating income		
Entrance fees	78,000	68,000
Insurance	841,150	144,499
Loan processing fees	314,381	232,900
By Laws booklet sale	9,000	1,200
Withdrawal & reactivation fee	21,868	9,700
Interest on investments	381,147	71,178
Interest on income	3,268	5,025
Withholding tax refunds	59,034	-
Other income	<u>20,600</u>	<u>1,323</u>
	<u>1,728,448</u>	<u>533,825</u>
6. Tax expense		
Balance carried forward	21,353	-
Current income tax	114,344	21,353
Tax paid during the year	<u>(27,225)</u>	<u>-</u>
Tax payable	<u>108,472</u>	<u>21,353</u>
The tax on the Sacco's surplus before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:		
Profit before tax	412,117	227,767
Tax calculated at a tax rate of 30% (2023: 30%)	123,635	68,330
Tax effect of:		
Income not subject to tax	(1,565,584)	(972,149)
Expenses not deductible for tax purposes	1,556,292	925,172
Tax paid during the year	<u>(5,872)</u>	<u>-</u>
15th March, 2025		
Tax payable	<u>108,471</u>	<u>21,353</u>
7. Cash and cash equivalents		
Cash at bank - current account 1	2,202,268	1,225,105
Cash at bank - current account 2	292,650	-
Cash at bank - fixed deposit	11,000,000	3,500,000
Paybill	-	20,000
Mpesa account	5,000	24,000
Petty cash	<u>34,744</u>	<u>75,955</u>
	<u>13,534,662</u>	<u>4,845,060</u>
8. Loans and advances		
As at start of year	26,081,863	15,720,036
Issued during the year	28,891,294	24,680,752
Repayments during the year	<u>(23,812,883)</u>	<u>(14,318,925)</u>
Gross total loans	31,160,274	26,081,863
Provisions	<u>(93,889)</u>	<u>-</u>
At the end of year	<u>31,066,385</u>	<u>26,081,863</u>

PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
 Annual report and financial statements
 For the year ended 31st December 2024

NOTES (CONTINUED)

	2024 Shs	2023 Shs	
9. Other financial assets			
Kuscco Ltd shares	10,000	10,000	
Kuscco Ltd savings	3,000	806,456	
Kuscco Housing Co-operative Society Ltd	57,270	50,000	
	70,270	866,456	
10. Property, plant and equipment			
	Computers and accessories Shs	Equipment, furniture and fittings Shs	Total Shs
Cost			
At start of year	174,000	69,700	243,700
Additions	17,000	714,679	731,679
At end of year	191,000	784,379	975,379
Accumulated depreciation			
At start of year	103,997	23,852	127,849
Annual depreciation	26,101	95,066	121,167
At end of year	130,098	118,918	249,016
Carrying amount			
At 31/12/2024	60,902	665,461	726,363
At 31/12/2023	70,003	45,848	115,851
11. Intangible assets			
	2024 Shs	2023 Shs	
Cost			
At start of year	180,000	180,000	
Additions	-	-	
At end of year	180,000	180,000	
Accumulated depreciation			
At start of year	180,000	144,000	
Annual amortisation	-	36,000	
At end of year	180,000	180,000	
Carrying amount			
At end of year	-	-	
12. Payables			
	2024 Shs	2023 Shs	
Accrued audit fees & CCD supervision fees	44,300	44,300	
Accrued reimbursable fees	5,000	5,000	
Celcom Africa	-	9,000	
Fineset	-	30,000	
Milele Guest House	-	(4,000)	
Accrued statutory deductions	12,380	-	
Accrued management fees	35,000	-	
	96,680	84,300	

P.C.E.A Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
*Annual report and financial statements
For the year ended 31st December 2024*

NOTES (CONTINUED)	2024	2023
	Shs	Shs
13. Interest due to members		
As at start of year	2,059,860	1,539,661
Payment during the year	(1,606,976)	(1,098,225)
Provision for the year	2,698,834	1,618,424
At the end of year	<u><u>3,151,718</u></u>	<u><u>2,059,860</u></u>
14. Members' deposit		
As at start of year	27,059,315	17,473,312
Withdrawals/Setoff during the year	(932,394)	(285,600)
Contributed during the year	12,427,845	9,871,603
At the end of year	<u><u>38,554,766</u></u>	<u><u>27,059,315</u></u>
15. Share capital		
As at start of year	1,063,500	272,950
Contributions during the year	503,869	790,550
At the end of year	<u><u>1,567,369</u></u>	<u><u>1,063,500</u></u>
This relates to non-refundable amounts paid by members upon joining the Sacco for purchase of shares		
16. Reserves	2024	2023
	Shs	Shs
i) Statutory reserve		
As at start of year	317,127	275,844
Transfer in the year	59,555	41,283
At the end of year	<u><u>376,682</u></u>	<u><u>317,127</u></u>
These are statutory transfers made from appropriation reserve at a rate of 20% of net operating surplus after tax in compliance with the provision of section 47 (a and 2) of the Co-operative Societies Act, Cap490. This reserve is not distributable.		
ii) Appropriation reserve	2024	2023
	Shs	Shs
As at start of year	1,303,776	1,138,645
Surplus for the year	297,773	206,414
Transfer to statutory reserve	(59,555)	(41,283)
Proposed dividends	(156,737)	-
	<u><u>1,385,257</u></u>	<u><u>1,303,776</u></u>
iii) Dividends account		
As at start of year	-	-
Payment during the year	-	-
Proposed during the year	<u><u>156,737</u></u>	<u><u>-</u></u>
	<u><u>156,737</u></u>	<u><u>-</u></u>
Dividend is recognised as a liability by transferring from appropriation reserve to dividend account. This reserve is distributable.		
17. Payments to suppliers	2024	2023
	Shs	Shs
Total expenses	2,488,807	1,465,481
Less: Depreciation and amortization	(121,167)	(72,552)
Accrued expenses - current year	(91,680)	(75,300)
Add: Accrued expenses paid - Prior year	79,300	135,766
	<u><u>2,355,260</u></u>	<u><u>1,453,395</u></u>

PCEA Kinoo Parish Savings and Credit Co-operative Society Limited - CS/No: 19402
 Supplementary information
 For the year ended 31st December 2024

SCHEDULE OF OPERATING EXPENDITURE

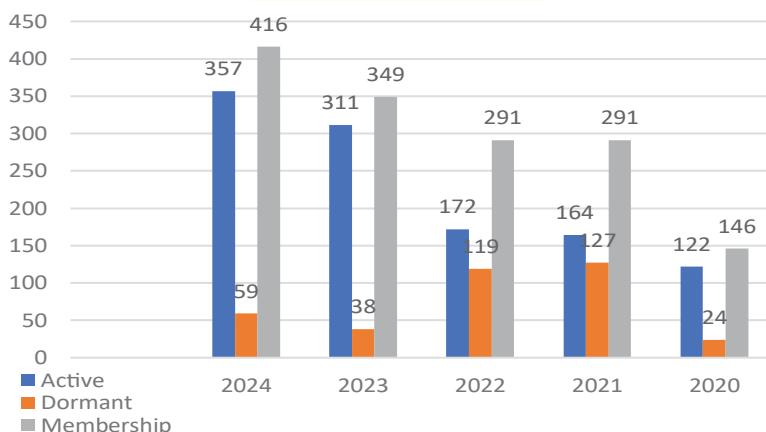
	2024 Shs	2023 Shs
1. ADMINISTRATIVE EXPENSES		
Employment:		
Salaries and wages	431,583	182,000
Staff welfare	13,240	-
Total employment costs	444,823	182,000
Other administration expenses:		
Telephones, internet and postages	40,130	82,660
Printing and stationery	50,266	4,210
Office expenses	5,739	-
AGM expenses	160,700	154,600
Marketing	47,921	167,800
Accountancy fees	-	8,200
Management fee	70,000	65,000
Sacco system maintenance	19,800	19,800
Online web hosting	20,000	20,000
Audit fees	35,000	35,000
CCD supervision fees and audit VAT	9,300	9,300
Consultancy fees and reimbursements	19,600	5,000
Bank charges and commissions	33,983	37,967
Total other administrative expenses	512,439	609,537
Total administrative expenses	957,262	791,537
2. GOVERNANCE EXPENSES		
Board members allowances	685,200	200,000
Board meeting expenses	46,870	28,721
Board travel expenses	7,660	13,755
Training and seminar expenses	193,540	101,500
	933,270	343,976
3. ESTABLISHMENT EXPENSES		
Office rent	72,000	48,000
Repairs and maintenance	9,160	2,884
Insurance	302,059	206,532
Amortisation of intangible assets	-	36,000
Depreciation on property, plant and equipment	121,167	36,552
Total establishment expenses	504,386	329,968

REVISED BUDGET 2025 AND PROPOSED BUDGET 2026

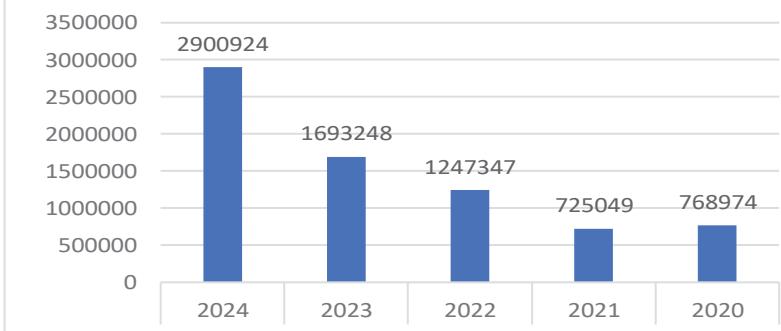
	2024 REVISED BUDGET	2024 ACTUAL	APPROVED 2025 BUDGET	REVISED 2025 BUDGET	PROPOSED 2026 BUDGET
INCOME					
Interest on loans	3,000,000	3,871,310	4,000,000	5,500,000	8,000,000
Registration fee	200,000	78,000	250,000	150,000	200,000
Insurance	1,020,000	841,150	1,360,000	1,200,000	1,450,000
Loan appraisal fee	324,000	314,381	400,000	350,000	500,000
Loan restructure fee	-	56,897	-	120,000	150,000
Bylaws sales	40,000	9,000	30,000	30,000	40,000
Withdrawal fee	2,200	21,868	2,200	10,000	10,000
Other income	22,000	26,005	22,000	100,000	150,000
Interest income	300,000	381,147	300,000	1,000,000	1,500,000
TOTAL	4,908,200	5,599,758	6,364,200	8,460,000	12,000,000
EXPENSES					
Office rent	120,000	72,000	120,000	200,000	200,000
Audit fee	35,000	35,000	35,000	50,000	50,000
Supervision fee	9,300	9,300	9,300	50,000	50,000
Legal compliances	-	-	-	100,000	100,000
Recoverable expenses	-	-	-	100,000	100,000
Consultancy fee and reimbursements	5,000	19,600	5,000	100,000	100,000
Telephone internet and postage	90,000	40,130	90,000	50,000	100,000
Depreciation	80,000	121,167	80,000	150,000	200,000
Amortization of software	36,000	-	36,000	40,000	40,000
Office refreshments and supplies	-	5,739	-	90,000	100,000
Marketing fee	200,000	47,921	250,000	135,000	200,000
Printing and stationary	55,000	50,266	60,000	60,000	700,000
Online web hosting	20,000	20,000	20,000	10,000	20,000
Sacco system maintenance	19,800	19,800	19,800	20,000	20,000
Repairs and maintenance	45,000	1,500	45,000	150,000	150,000
Loan Insurance	210,000	302,059	250,000	500,000	600,000
Equipment insurance	25,000	-	25,000	25,000	25,000
Management fee	60,000	70,000	60,000	-	-
Employee salaries and wages	600,000	444,823	600,000	720,000	900,000
Bulk sms	-	-	-	20,000	30,000
Transport	-	7,660	-	15,000	20,000
Membership Recruitment Commission	-	-	-	50,000	60,000
TOTAL	1,610,100	1,266,965	1,705,100	2,635,000	3,765,000

Board Members allowances	466,000	765,200	466,000	700,000	800,000
Board meetings expenses	125,000	46,870	125,000	45,000	60,000
Board travel expenses	120,000	7,660	120,000	30,000	30,000
Board Training expenses	150,000	66,200	150,000	70,000	100,000
TOTAL	861,000	885,930	861,000	845,000	
Members training and development	200,000	127,340	300,000	260,000	400,000
AGM Expenses	200,000	160,700	250,000	200,000	300,000
Bank charges & commissions	40,000	33,983	45,000	70,000	100,000
TOTAL	440,000	322,023	595,000	530,000	800,000
TOTAL EXPENSES	2,911,100	2,474,918	3,161,100	4,010,000	4,565,000
NET SURPLUS	1,997,100	3,124,840	3,203,100	4,450,000	7,435,000
CAPITAL EXPENDITURE					
Computer UPS2	20,000				
Computer/laptop			100,000	100,000	
Tablet	18,000			50,000	
Phone	10,000	17,000	10,000		
Projector				60,000	
Conference table				100,000	
Chairs		30,000		40,000	
Calculator				5,000	
Sacco App Development	100,000		100,000	200,000	
Screen 80x80				25,000	
Signages/Advertisement	18,000				
WIFI Gadget					
Secretarial set	20,000				
Reinforced Cabinet				50,000	
Office Expansion	750,000	693,034	100,000		
TOTAL	936,000	740,034	385,000	555,000	-

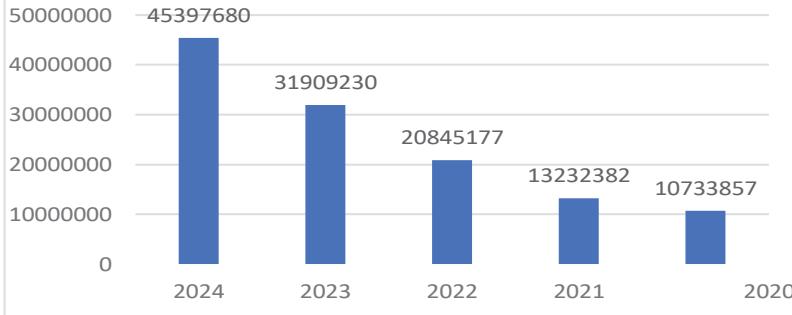
MEMBERSHIP



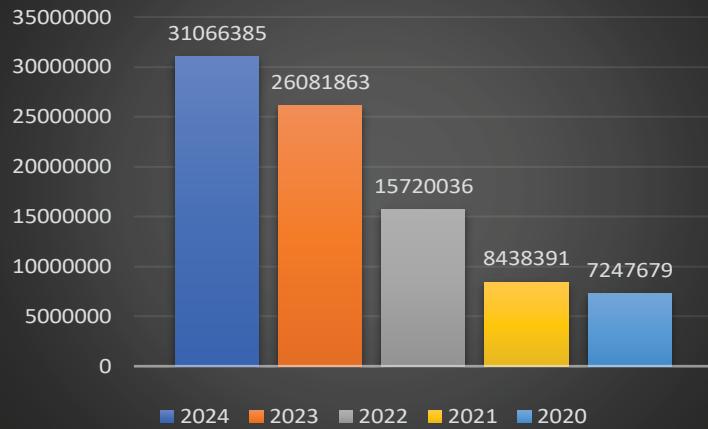
INCOME GROWTH



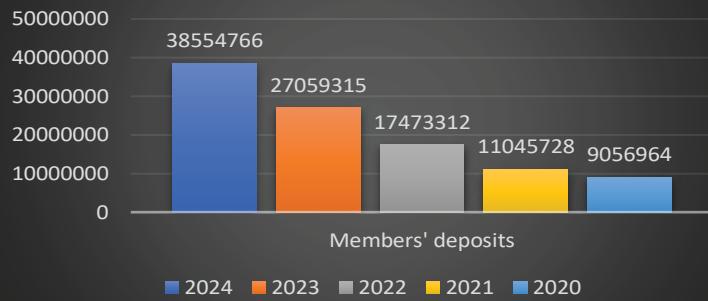
ASSET GROWTH



LOANS GROWTH



Members Deposit



Equity Changes





P.C.E.A
KINOO
PARISH
SACCO



0794 589 547



info@pceakinoosacco.co.ke
pceakinoosacco@gmail.com