



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

C/S 20037

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
C/S 20037
Annual Report and Financial Statements
For the Year Ended 31 December 2024

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UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
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SOCIETY INFORMATION

Board of Management

Chairman	Stephen Theuri Nderitu
Vice Chairperson	Polly Gathoni Waweru
Honorary Secretary	Patrick Maingi Kibaara
Treasurer	Patrick Murugu Mbaria
Member	George Gichimu Wanjahi
Member	Lucy Wanjiru Kairo
Member	John Maina Mwaniki
Member	Lydia Njambi Muigai

Supervisory Committee

Chairman	David Karanja Irungu
Secretary	Veronicah Wairimu Gichuhi
Member	Alice Wangari Mbugua

Registered office

Njengi House
Along Tom Mboya Street
P.O. Box 33745 - 00600,
Nairobi
Email: unisacredit.co@gmail.com

info@unisasacco.co.ke

Auditors

Eunice Njuguna and Company
Certified Public Accountants (K)
P.O. Box 51443-00100,
Nairobi.
Tel : 0723102773

Principal Bankers

Co-operative Bank of Kenya Ltd
Nacico Branch
Nairobi

The Manager

James Maina Wang'ombe
P.O.Box 33745-00200
Nairobi

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STATISTICAL INFORMATION

	2024	2023
	No.	No.
Membership		
Active	532	470
Left	(28)	(18)
Dormant	474	452
Total Membership	<u>978</u>	<u>904</u>
Number of Branches	<u>1</u>	<u>1</u>
Employees of the Sacco	<u>4</u>	<u>2</u>
Financial	Kshs	Kshs
Total Assets	135,178,815	120,719,229 ✓
Liquid Assets	3,208,471	4,764,650 ✓
Members deposits	114,746,867	103,021,682 ✓
Interest on Members Deposits	7,114,306	5,666,193
Proposed Dividend	510,736	336,175 ✓
Loans to Members	96,121,205	78,617,206 ✓
Investments	34,583,202	36,076,565 ✓
Core Capital	12,073,364	10,645,461 ✓
Share Capital	7,296,238	6,723,491 ✓
Institutional Capital	4,777,127	3,921,971 ✓
Total Revenue	16,317,762	13,285,948 ✓
Total Interest Income	10,129,877	8,401,249 ✓
Total expenses	7,256,955	6,668,993 ✓
Key ratios		
Capital Adequacy Ratio	39.57%	36.84% ✓
Core Capital/Total Assets	8.93%	8.82% ✓
Core Capital/Total Deposits	10.52%	10.33% ✓
Institutional Capital /Total Assets	3.53%	3.25% ✓
Liquidity Ratio		
Liquid Assets/Total deposits & Long term liabilities	2.80%	4.62% ✓
Operating Efficiency/Loan Quality Ratios		
Total Expenses/Total Revenue	44.47%	50.20% ✓
Interest on Members Deposit/Total Revenue	43.60%	42.65% ✓
Interest rate on Members Deposit	6.20%	5.50% ✓
Dividend Rate	7.00%	5.00% ✓

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REPORT OF BOARD OF MANAGEMENT

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

Incorporation

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

Principal Activity

The principal activity of the society continued to be receiving saving from members and provision of loans to its Members.

Results

	2024	2023
	Kshs	Kshs
Surplus before tax	1,946,501	950,763
Income tax expense	(580,609)	(474,430)
Net surplus after tax	1,365,893	476,333
Retained Surplus for the year	<u>1,092,714</u>	<u>381,066</u>
Interest on Members Deposits	<u>7,114,306</u>	<u>5,666,193</u>

Investment Shares

The issued and paid up share capital of the society increased by kshs 572,747 during the year.

Dividend and Interest

The Board of Management are recommending a payment of interest on member deposit of 6.2 % on prorata basis and a dividend of 7 % on Share Capital.

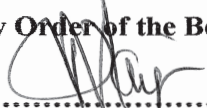
Board of Directors

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

AUDITORS

The Society's Auditors, Eunice Njuguna and Company, has indicated willingness to continue in office in accordance with Sacco Societies Act No. 14 of 2008

By Order of the Board of Management


.....

Hon. Secretary

Date 27/01/2025

UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
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For the Year Ended 31 December 2024

STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITY

The Sacco Societies Act No.14 of 2008 requires the Board of Management to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Society as at the end of the financial year and of its surplus or deficit in accordance with the IFRS. It also requires the Board of Management to ensure that the Society keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Society. The Board of Management is also responsible for safeguarding the assets of the Society.

The Board of management accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable 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 Management accept responsibility for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Sacco Societies Act No. 14 of 2008. They also accept responsibility for:

- i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
- ii) Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The Board of Management is of the opinion that these financial statements give a true and fair view of the state of the financial affairs of the Society and of its operations results. The Board of Management further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

In preparing these financial statements the Board of Management have assessed the society's ability to continue as a going concern. Nothing has come to attention of the Board of Management to indicate that the Society will not remain a going concern for at least twelve months from the date of this statement.

The Board of Management acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities

Approved by the board of Management on 27/11 2025 and signed on its behalf by

.....Chairman
.....Treasurer
..... Member

UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
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INDEPENDENT AUDITORS'S REPORT TO THE MEMBERS OF UNISA SACCO LIMITED
Opinion.

We have audited the accompanying financial statements of Unisa Savings and Credit Cooperative Society Ltd, which comprise the Statement of financial position as at 31st December 2024, and the Statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31st December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion.

We conducted our audit in accordance with International Standards on Auditing (ISAs). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

Board of Management responsibility for the Financial Statements

The Board of Management are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and for such internal control as the Board of Management 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 directors are responsible for assessing the Sacco'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 Board of Management either intend to liquidate the Sacco or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Sacco's financial reporting process.

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 misstatements, 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.

Report on Other Legal Requirements

The Kenyan Sacco Societies Act of 2008 requires that we report the following matters in accordance with the Co-operative Act. We report that:

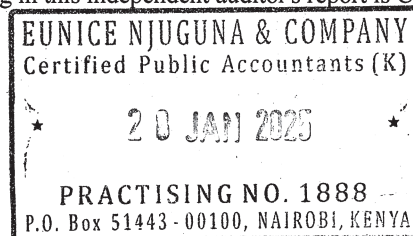
- (i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were considered necessary for the purposes of our audit;
- (ii) we have no evidence of irregularities or illegal acts that have been committed by Board of Management, employees or the Sacco Society itself; and,
- (iii) we have no grounds to believe that the Sacco Society is insolvent or that there is a significant risk that it may become insolvent.

The engagement partners responsible for the audit resulting in this independent auditor's report is CPA Eunice W. Njuguna-P/NO. 1888

Eunice Njuguna & Company
Certified Public Accountants
Nairobi.

Date

28/01/2025



UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**C/S 20037****Annual Report and Financial Statements****For the Year Ended 31 December 2024****STATEMENT OF COMPREHENSIVE INCOME**

		2024	2023
	Notes	Kshs	Kshs
Interest Income	2	10,129,877 ✓	8,401,249 ✓
Investment Income	3	3,870,724 ✓	3,162,866 ✓
Interest Expense	4	(7,114,306) ✓	(5,666,193) ✓
Other Operating Income	5	2,317,160 ✓	1,721,833 ✓
		<u>9,203,456</u> ✓	<u>7,619,756</u> ✓
Governance Expenses	6	2,062,808 ✓	1,691,098 ✓
Administrative Expenses	7	5,130,297 ✓	4,923,989 ✓
Financial Expenses	8	63,850 ✓	53,906 ✓
Total expenses		<u>7,256,955</u> ✓	<u>6,668,993</u> ✓
Net Operating surplus before income tax		<u>1,946,501</u> ✓	<u>950,763</u> ✓
Income tax expense	9	580,609 ✓	474,430 ✓
Net surplus for the year		<u>1,365,893</u> ✓	<u>476,333</u> ✓
20% transfer to statutory reserve		(273,179) ✓	(95,267) ✓
Surplus for the year		<u><u>1,092,714</u></u> ✓	<u><u>381,066</u></u> ✓

UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
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Annual Report and Financial Statements
As at 31st December 2024

STATEMENT OF FINANCIAL POSITION

	Notes	2024 Kshs	2023 Kshs
ASSETS			
Cash and cash equivalents	10	3,208,471 ✓	4,764,650
Investments	11	34,583,202 ✓	36,076,565
Trade and other receivables	12	774,477 ✓	762,687
Loan with members	13	96,121,205 ✓	78,617,206
Property, plant and equipments	14	491,460 ✓	498,120
Total Assets		135,178,815 ✓	120,719,229 ✓
LIABILITIES			
Members deposits	15	114,746,867 ✓	103,021,682
Trade and other payables	16	674,805 ✓	1,047,896
Tax Payable	9	58,737 ✓	1,823
Proposed dividend		510,736 ✓	336,175
Proposed interest on Members Deposit	4	7,114,306 ✓	5,666,193
Total Liabilities		123,105,451 ✓	110,073,768 ✓
EQUITY			
Share capital	17	7,296,238 ✓	6,723,491
Retaining Reserves	18	3,276,025 ✓	2,694,048
Statutory reserves	19	1,501,102 ✓	1,227,924
Total Equity		12,073,364 ✓	10,645,461 ✓
Total Liabilities and Equity		135,178,815 ✓	120,719,229 ✓

REGISTERED
 SEC. 25(7) Co-operative Societies
 ACT CAP 490 (Amended 2004)

31 JAN 2025

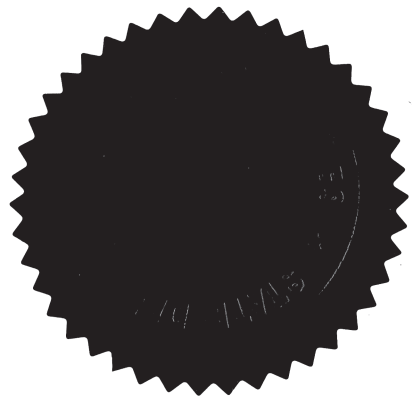
Sign.....
JAVEL M. MURIRA
 FOR: COMMISSIONER OF CO-OPERATIVES

The financial statements set out on pages 7-16 were approved by the Board of Management on.....27.12.2025 and signed on its behalf by:

.....*[Signature]*..... Chairman

.....*[Signature]*..... Treasurer

.....*[Signature]*..... Board member



UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

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Annual Report and Financial Statements**For the Year Ended 31 December 2024****STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Retained Earnings	Statutory Reserves	Total
YEAR 2023	Kshs	Kshs	Kshs	Kshs
At 1st January 2023	6,086,266 ✓	2,649,156 ✓	1,132,657 ✓	9,868,080 ✓
Issue of share capital	637,225	-	-	637,225 ✓
Surplus/(Deficit) for the year	-	476,333	-	476,333 ✓
Transfer to statutory reserve	-	(95,267)	95,267	-
Proposed Dividend	-	(336,175)	-	(336,175) ✓
At 31 December 2023	6,723,491	2,694,048	1,227,924	10,645,462
YEAR 2024	Kshs	Kshs	Kshs	Kshs
At 1st January 2024	6,723,491 ✓	2,694,048 ✓	1,227,924 ✓	10,645,462 ✓
Issue of share capital	572,747	-	-	572,747 ✓
Surplus/(Deficit) for the year	-	1,365,893	-	1,365,893 ✓
Transfer to statutory reserve	-	(273,179)	273,179	- ✓
Proposed Dividend	-	(510,737)	-	(510,737) ✓
At 31 December 2024	7,296,238	3,276,025	1,501,102	12,073,365

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STATEMENT OF CASH FLOWS

	Note	2024 Kshs	2023 Kshs
Cash flows from operating activities			
Interest receipts	2	10,129,877	8,401,249
Other interest income	3	3,870,724	3,162,866
Other operating income	5	2,317,160	1,721,833
Payments to employees and suppliers		<u>(7,091,933)</u>	<u>(6,472,879)</u>
Decrease / (increase) in:		9,225,829	6,813,069
Trade and other receivables		(11,790)	(634,492)
Increase / (decrease) in Net loans to members		(17,503,999)	(22,565,675)
Trade and other payables		(373,091)	501,202
Payment of interest on members deposit		(5,666,193)	(5,064,892)
Members deposits		<u>11,725,185</u>	<u>11,432,318</u>
Net cash from operating activities before tax		<u>(2,604,057.89)</u>	<u>(9,518,470)</u>
Income tax paid		<u>(523,695)</u>	<u>(488,835)</u>
Net cash from operating activities after tax		<u>(3,127,753)</u>	<u>(10,007,305)</u>
Cash flow from investing activities			
Purchase of property and equipment		(173,860)	(145,450)
Disposal of office chairs		15,462	-
Purchase of investment securities		<u>1,493,363</u>	<u>11,096,467</u>
Net cash from investing activities		<u>1,334,965</u>	<u>10,951,017</u>
Cash flows from financing activities			
Share capital contributions		572,747	637,225
Dividends paid		<u>(336,139)</u>	<u>-</u>
Net cash generated from financing activities		<u>236,608</u>	<u>637,225</u>
Net increase in cash and cash equivalents		(1,556,179)	1,580,936
Cash and cash equivalents at 1st January	10	<u>4,764,650</u>	<u>3,183,714</u>
Cash and cash equivalents at 31st December	10	<u><u>3,208,471</u></u>	<u><u>4,764,650</u></u>

UNISA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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

a) Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards under the historical cost convention, and are presented in the functional currency, Kenya Shillings (Shs)

b) Revenue recognition

Interest on loans to members is calculated on a Flat rate method at the monthly rate of 1.0%. Interest income is recognized on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

c) Provision for liabilities and charges

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

d) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

e) Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

f) Statutory reserves

Transfers are made to the statutory reserve fund at a rate of 20% of net operating surplus after tax in compliance with the provision of the Co-operative Societies Act .

g) Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate. A provision for impairment is recognized in the profit and loss account in the year when the recovery of the amount due as per the original terms is doubtful. The provision is based on the difference between the carrying amount and the present value of the expected cash flows, discounted at the effective interest rate.

Receivables not collectible are written off against the related provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account in the year of recovery

h) Trade and other Payables

Finance charges, including premiums payable on the settlement or redemption, are accounted for on accrual basis and added to the carrying amount of the instruments to the extent that they are not settled in the period in which they arise. Trade payables are stated at their amortized cost.

I) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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NOTES TO THE FINANCIAL STATEMENTS

j) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

k) Property, plant and equipment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

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

	<u>Rate - %</u>
Office equipment	12.50
Fixtures and Fittings	12.50
Computer & Accessories	30.00

l) Intangible assets

Software licence costs are stated at historical cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to write down the cost of the software to its residual value over the estimated useful life using an annual rate of 20%.

m) Retirement benefit obligations

The Society and the employees contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the profit and loss account in the year to which they relate.

n) Employee entitlements

Employee entitlements to long service awards are recognised as a liability based on the service rendered by the employees up to the balance sheet date. The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

o) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

p) Taxation

Tax expense in the profit and loss account is the aggregate of the current income tax and deferred income tax.

q) Significant changes during the year

During the year, the Board of Management approved a waiver of the penalty charged on late loan repayment to mitigate the effects of Covid-19 on businesses. Most of our members are in small and Medium businesses and we witnessed major loans offset with members deposits due to uncertainty created by the pandemic. There was no major disruption that could impair the going concern of the society.

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NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	Kshs	Kshs
2 Interest on Loans and advances		
Interest on Loans	10,129,877	8,401,249
	<u>10,129,877</u>	<u>8,401,249</u>
3 Other Interest Income		
CIC Interest Income	2,905,661	2,528,373
Treasury Bills Interest	965,064	634,492
	<u>3,870,724</u>	<u>3,162,866</u>
4 Interest on Members Expense		
Proposed Interest on Members Deposit	<u>7,114,306</u>	<u>5,666,193</u>
5 Other Operating Income		
Activation fee	154,902	139,344
Penalties	142,171	49,951
Entrance fees	123,600	104,400
Bridging Charges	187,733	182,341
Sundry Income	29,339	3,000
Share Capital tranfer commission	28,000	14,500
Insurance fee charges	1,651,416	1,228,297
	<u>2,317,160</u>	<u>1,721,833</u>
6 Governance expenses		
AGM expenses	449,157	230,510
Committee meeting expenses	82,339	93,414
Committee Sitting allowances	589,265	671,354
Honararia	450,000	300,000
Members Education	308,933	288,256
Committee Training	183,114	107,564
	<u>2,062,808</u>	<u>1,691,098</u>

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NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	Kshs	Kshs
7 Administration expenses		
Staff training	30,014	10,005
Licences	76,500	69,700
Staff Bonus	80,687	69,222
Office Expenses	187,208	139,468
Printing and stationeries	84,258	34,080
Rent and service charge	681,101	538,483
Repair and Maintenance	305,097	27,200
Salaries and wages	1,515,878	1,277,993
Bulk SMS and Internet	113,955	85,942
Strategic Policy formulation expenses	100,000	354,433
USSD Formulation	100,000	100,000
Telephone	44,950	36,000
Transport and travelling expenses	111,085	86,150
Marketing expenses	290,258	32,545
Audit Fees	70,000	60,000
Supervision fees	7,200	6,200
Electricity	30,405	36,314
Software Maintenance	182,460	173,860
Legal, Professional and Consultancy fees	28,000	76,164
Kuscco Subscriptions	5,000	5,000
Insurance	692,622	474,252
Depreciation and Amortization	165,022	196,114
Provision for Loan loss	228,597	1,034,864
	5,130,297	4,923,989

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Annual Report and Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS

	2024 Kshs	2023 Kshs
8 Financial Expenses		
Bank charges	63,850	53,906
	<u>63,850</u>	<u>53,906</u>
9 a) Taxation		
Non-members income	3,870,724	3,162,866
Taxable amount(50%)	1,935,362	1,581,433
Tax (30%)	580,609	474,430
Less: Tax paid during the year	(521,872)	(472,607)
Tax Payable	<u>58,737</u>	<u>1,823</u>
b) Current Tax		
Tax b/f	1,823	16,228
Charge for the year	580,609	474,430
Paid during the year	(523,695)	(488,835)
Tax payable	<u>58,737</u>	<u>1,823</u>
10 Cash and cash Equivalent		
Co-operative Bank Current account	1,782,086	4,218,212
account	96,567	-
Cash in Hand	12,771	15,034
B2C Safaricom Account	849,810	377,700
Paybill Account	467,237	153,704
	<u>3,208,471</u>	<u>4,764,650</u>
11 Investments		
KUSCCO (Shares)	10,000	10,000
CIC Investments	25,797,066	26,891,405
Treasury Bills	8,776,136	9,175,160
	<u>34,583,202</u>	<u>36,076,565</u>
12 Trade and Other receivables		
Deposits and prepayments	303,934	128,195
Other receivables on Members loan	20,000	-
Interest Income receivable-T -Bills	450,543	634,492
	<u>774,477</u>	<u>762,687</u>

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	2024	2023
	Kshs	Kshs
13 Loans with Members		
At the start of the year	78,617,206	56,051,531
Granted during the year	77,829,301	80,876,382
Interest charged	10,129,877	8,401,249
Repayment during the year	(68,625,541)	(65,110,915)
Provisions	(1,829,639)	(1,601,041)
At year end	96,121,205	78,617,206
a) Movement in provision for loan loss		
At 1 January	1,601,041	566,177
Increase/ (decrease) in provision for loan during the year	228,597	1,034,864
At 31 December	1,829,639	1,601,041
Ageing of Loan		
Performing Loans(1%)	94,988,361	77,761,674
1-30 days (Watch-5%)	1,624,062	1,115,289
31-180 days (Substandard-25%)	555,732	396,846
181-360 days(Doubful-50%)	246,138	551,972
>360Day (Loss Account -100%)	536,550	392,463
	97,950,843	80,218,244
Ageing of past due impaired		
Performing Loans(1%)	949,884	777,617
1-30 days (Watch-5%)	81,203	55,764
31-180 days (Substandard-25%)	138,933	99,212
181-360 days(Doubful-50%)	123,069	275,986
>360Day (Loss Account -100%)	536,550	392,463
	1,829,639	1,601,041
	2024	2023
	Kshs	Kshs
b) Insider Loans		
Management Committee members	19,997,908	13,453,957
Employee	10,160	-
	20,008,068	13,453,957

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14 Property, plant and equipment

	Fittings & Equipments Kshs	Computer & Accessories Kshs	Total Kshs
COST			
Balance as at 1st January 2024	586,928	416,950	1,003,878
Additions	98,160	75,700	173,860
Disposal	(45,000)	-	(45,000)
Balance as at 31 December 2024	640,088	492,650	1,132,738
DEPRECIATION			
Balance as at 1st January 2024	311,342	230,274	541,616
Disposals	(29,538)	-	(29,538)
Charge for the year	33,798	70,979	104,777
Prior year adjustments	-	24,423	24,423
Balance as at 31 December 2024	315,602	325,676	641,278
CARRYING AMOUNT			
As at 31 December 2024	324,486	166,974	491,460
As at 31 December 2023	275,586	186,676	462,262

14b) Amortization of Intangible assets

	Cost	Amortization	Balance
As at 31 December 2024	543,600	(543,600)	-
At at 31 December 2023	543,600	(507,742)	35,858

15 Members' Deposits

	2024 Ksh	2023 Ksh
At the start of the year	103,021,682	91,589,364
Deposits during the year	25,208,265	27,058,286
Withdrawal/Loan Recoveries during the year	(13,483,079)	(15,625,967)
	114,746,867	103,021,682

Members deposits/savings increased by 11,725,185 during the year.

16 Trade and other payables

Audit fees	70,000	60,000
Supervision fees	7,200	6,200
Interest on deposit and Dividend Payable	-	5,098
Savings Refunds	39,563	537,043
Proposed Honararia	450,000	350,000
Proposed Staff Bonus	80,687	69,222
Payroll Liabilities	27,355	20,333
	674,805	1,047,896

The proposed honararia for the year is Kshs 450,000 and a provision for staff bonus for the year is Kshs 80,687.

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	2024	2023
	Kshs	Kshs
17 Share Capital		
Balance brought forward	6,723,491	6,086,266
Contribution during the year	572,747	637,225
	<u>7,296,238</u>	<u>6,723,491</u>

During the year the Share Capital increased by Kshs 572,747. The new members share Capital has been gradual and top up to Kshs 10,000 per person will be effected when their savings are sufficient.

18 Retained Reserves

Prior year retained earnings	2,694,047	2,649,156
Current year's surplus/(deficit)	1,365,893	476,333
Statutory reserve	(273,179)	(95,267)
Proposed Dividend	(510,736)	(336,175)
	<u>3,276,025</u>	<u>2,694,047</u>

19 Statutory reserves

Balance brought Forward	1,227,923	1,132,657
Statutory reserve for the year	273,179	95,267
	<u>1,501,102</u>	<u>1,227,923</u>

20 Financial risk management objectives

The sacco operations are exposed to financial risk due to the changing marketing conditions. These risk include market risks, credit risk, liquidity risk and cash flow interest rate risk. The sacco's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effect on the Sacco's financial performance.

i) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual resulting in financial loss to the Sacco and arises principally from the sacco's loan and advances to its members. The Sacco policy is to deal with creditworthy counterparties and obtain sufficient collateral, undertakes by placing limits on amount of risk accepted in relation to one borrower or group of borrowers. The Sacco does not have any significant credit risk exposure to any counterparty as all its loans to members are fully guaranteed.

ii) Liquidity risk management

The Sacco manages liquidity risk by maintaining adequate reserves, banking facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.