



Motto: In Faith We Grow

# GOODFAITH SACCO

SAVINGS & CREDIT  
CO-OPERATIVE SOCIETY LTD

**22<sup>ND</sup> ANNUAL GENERAL  
MEETING**

**The Manager  
Good Faith Sacco Society Ltd  
P.O. BOX 224 - 00222 UPLANDS, KENYA  
TEL: 0711 26 339 8  
EMAIL: [goodfaithsacco@yahoo.com](mailto:goodfaithsacco@yahoo.com)**



**GOOD FAITH SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD.  
22<sup>ND</sup> ANNUAL GENERAL MEETING - SAT 15TH APRIL 2023**

**VENUE – FULL GOSPEL CHURCH, NYAMBARI**

**MC – PETER NGURE, VICE CHAIRMAN**

PROGRAMME TIME	ACTIVITY	RESPONSIBILITY
8.30 a.m. – 9.30 a.m.	Arrival & Registration	Annelis, Kamande and GFS Staff (Steve, Beth & Tabitha)
9.35 a.m. – 9.45 a.m.	Praise & Worship	Praise & Worship Team (Nyambari FGCK) & members c/o Rev. John Tharao
9.45 a.m. – 10.00a.m.	Word of God	Bishop David Macharia
10.00 A.M – 10.05a.m.	Notice calling 22 <sup>nd</sup> AGM	George K.Mwangi Hon. Secretary
10.05 A.M – 10.15a.m.	Reading & confirmation of the previous AGM minutes	George K. Mwangi Hon. Secretary
10.31 a.m. – 10.50am.	Chairman’s Report	Rev.James M. Macharia
10.50 a.m. – 11.10am.	Supervisory Committee’s Report	Pst. Geoffrey Ndungu
11.10 a.m. – 11.30am.	Audit Report 2022	Mugo Mungai & Co.
11.30 a.m. – 11.45am.	Presentation of 2024 Budget	Mr. Stephen N. Kamau- Treasurer
11.45 a.m. – 11.55am.	Appointment of Auditors- 2023	Rev. James Macharia
11.55 a.m. – 12.00pm	Seeking Borrowing Powers	Rev. James Macharia
12.00 pm – 12.15pm.	Elections	S.C.C.O. Lari
12.15pm. – 12.20pm.	Vote of Thanks	Mr. James Kabatha
12.20pm. – 12.25pm.	Closing Prayer	Member
12.25pm	Guests Leave at their Leisure	

# **GOOD FAITH SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD.**

## **22<sup>ND</sup> ANNUAL GENERAL MEETING**

### **1.0 BACK-GROUND**

#### **1.1 VISION STATEMENT**

To be a leading Faith-Based SACCO with a strong financial base, offering innovative and diversified products and services in Kenya.

#### **1.2 MISSION STATEMENT**

To promote mobilization of savings, giving financial services at competitive rates and ensuring surplus results to improve the social economic status of members and the community at large.

#### **1.3 CORE VALUES**

- Honesty
- Professionalism
- Team-work
- Respect
- Integrity
- Transparency and accountability
- Effectiveness and efficiency
- Diligence
- Corporate Social Responsibility

The above are the core values that guide the SACCO's operations and reflect its culture and character in relation to all the stakeholders.

#### **1.4 BACKGROUND INFORMATION**

Good Faith SACCO was initially started as Good Faith Self Help Group by some 8 Christian brothers and sisters from Full Gospel Churches of Kenya Githirioni on 10<sup>th</sup> October 1996. The pioneers were drawn together by a common vision of developing a Christian institution where Christians could pool their resources together in order to save and eventually alleviate poverty so as to improve the quality of life for the members. They saw the need of coming together and supporting each other financially based on mutual Christian trust. The condition for membership was Christian commitment, a personal testimony of salvation through Jesus Christ and active membership in a Pentecostal Church. They identified the need for Christian entrepreneurship where members could save regularly and eventually have access to credit and pay back so that others could also have access to credit. Their vision was guided by Christian integrity, trust and honesty and believes that Christians can do business in a Christian way. The self-help was also going to be a means of witness and evangelization to the members and others about the saving power of Jesus Christ. They held their meetings in the house of one of the members for a period of six months as they went through the process of establishing the organization. Eventually members of many other Pentecostal Churches applied for membership and this accelerated its

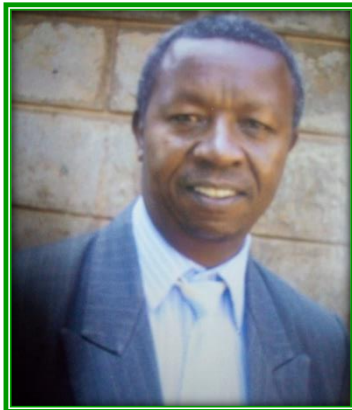
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growth. Good Faith Self Help Group changed its status to a Savings and Credit Co-operative Society (SACCO) in 2001 in order to meet the needs of the growing membership better. On 21<sup>st</sup> November 2001, the certificate of registration was presented to the newly registered Good Faith SACCO by the District Co-operative Officer Kiambu, in a ceremony held at Full Gospel Church Githirioni. By 31<sup>st</sup> December 2022 the membership had grown to 2978 members while the capital base grew from Kes. 15,603,892.00 to 19,350,689.00 while the assets stood at Kes. 74,532,015.

## **GOOD FAITH SACCO BOARD OF DIRECTORS**



**Rev. James M. Macharia**  
**CHAIRMAN**



**Peter Ngure,**  
**Vice Chairman**



**George Kanyora,**  
**Secretary**



**Stephen Nyoike,**  
**Treasurer**



**Rev. John Tharao**  
**Member**



**Rev. Richard Njiru**  
**Member**



**Pastor Anthony**  
**Kamande**



**James Ndungu**  
**Kabatha**

## THE SUPERVISORY COMMITTEE



**Geoffrey Njuguna Ndungu**  
Chairman, Supervisory



**Annelis Wambui Ikenye**  
Secretary



**Lydiah Wangari Karobia**  
Member

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## STAFF



**Mary N. Karanu**  
Manager



**Martin M. Joseph**  
Head of IT



**Esther N. Mburu**  
Credit officer



**Stephen Mbui**  
IT officer



**Tabitha Muthoni**  
Teller



**Beth N. Muchiri**  
Teller



**Eunice Njoroge**  
Office Assistant

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## 2.0 CHAIRMAN'S REPORT

Praise the Lord my fellow co-operators and welcome to our 22<sup>nd</sup> Annual General Meeting. We are gathered here today to celebrate the achievements and progress that we made in the year 2022, and to collectively chart the way forward for our Sacco as we plan for the years ahead.

The first co-operatives date back to 1908. Since then, they have experienced tremendous growth in numbers, members, and financial capacity. By the year 2017, 22,000 SACCOs were registered in Kenya, with over fourteen million members. Together, they contributed over 30% of the country's GDP, according to a state's cooperative department report. It clearly implies the immense popularity of SACCOs in Kenya. They have contributed massively toward economic growth and poverty alleviation among people in the lower-income segments.

Like other African countries, Kenya has witnessed significant improvements in how people manage their savings and loans. Over the years, saving and credit cooperatives (SACCOs) have gained immense popularity in the country, especially in rural areas. They contribute to economic development, agricultural development, reducing unemployment, and the eradication of poverty.

### 2.1 SACCO MEMBERSHIP

During the year 2022 the Sacco Membership increased from 2922 to 2978. This translates to approximately 2.4% increment from the previous year.

### 2.2 CAPITAL RATIOS

In the year 2022 the Sacco Capital ratios increased by a 1.5%. The institutional capital ratio stands now at 9.5% in compliance with SASRA requirements having risen from 8.0% in the previous year.

### 2.3 CORE CAPITAL

By the close of year 2022 the Sacco's core capital had risen slightly from 10 million to 10.72 million. This is in total compliance with SASRA regulations.

### 2.4 ASSETS AND DEPOSITS

By the close of the year the Sacco assets grew from Kes. 66,045,910.00 in 2021 to Kes. 74,532,015.00. The total members' Bosa savings also rose from Kes. 42,324,690.00 to Kes. 46,509,568.00 during the same period.

### 2.5 FOSA SECTION

The Front Office Service Activity (FOSA) section continued to serve our members well during the year. The FOSA is the Banking Section in the Sacco where you can deposit or withdraw funds according to your needs. The following are some of the benefits of running a FOSA account;

- A member can make frequent daily deposits without any charge.
  - Withdrawals could be made any time.
  - It's possible to access a loan of up to a maximum of Kes. 4 million depending on the strength of your account.
  - Asset financing is available.
-

## 2.6 JUNIOR ACCOUNT

We would also like to take this opportunity to introduce to our members the **Junior Account** for our children who are under 18. It is the high time for us to start teaching our children the values of saving by giving them a chance to be saving in a small way. For their stable future let's give them an opportunity of saving through opening a **Junior Account** for them in the Sacco.

With all of the above benefits we encourage our members to take advantage of the Sacco's FOSA account.

## 2.7 INVESTMENTS PROPERTY

The table below indicates the investment property of the Sacco by the close of the year.

### Investment Property for the Year Ended 31<sup>st</sup> December 2022

PROPERTY LOCATION	LAND REGISTRATION NO.	BOOK VALUE	DISPOSAL	ADDITIONS	BOOK VALUE AS AT 31 <sup>ST</sup> DEC
1.Maai Mahiu Kijabe	I/8625	950,000.00			950,000.00
2.Kiambu Lari	2297	5,000,000.00			5,000,000.00
3.Kiambu Lari	947	1,000,000.00	-1,000,000.00	0	
4.Kiambu Lari	1412	2,350,000.00	-2,350,000.00	0	-
5.Lari Kirenga	4184	600,000.00	-600,000.00	0	-
6.Donyo Sabuk Komarock block 1	10642	1,000,000.00		0	-
7.Kajiado Kaputiei	12603	650,000.00		0	-
8.Kijabe Kijabe block 1	29916	350,000.00		0	-
		11,900,000	-3,950,000		7,950,000.00

## 2.8 KUSCCO LIMITED AND MONEY MARKETS

By the close of the year the **SACCO** had invested Kes. 3.08 m in KUSCO and Kes. 8.2 m in CIC. From these investment the Sacco earned a total income of Kes. 444,300.00.

Members are encouraged to borrow development and asset financing loans from the Sacco in order to utilize the invested funds better instead of depositing it in the money markets.

## 2.9 LOANS TO MEMBERS

In 2022 loans issued to members grew from Kes. 34,037,743.00 to Kes.40, 691,850.00. The table below indicates the total loans issued in 2022 showing the progress made in loan disbursement during the previous four years.

## LOANS ISSUED FROM JAN 2019 TO DEC 2022

YEAR	2019	2020	2021	2022	TOTAL
JAN	1,732,500.00	2,484,500.00	3,219,200.00	553,000.00	7,989,200.00
FEB	1,837,500.00	2,247,500.00	4,724,500.00	3,379,500.00	12,189,000.00
MARCH	3,377,000.00	7,182,800.00	2,409,000.00	1,579,200.00	14,548,000.00
<b>TOTAL</b>	<b>6,947,000.00</b>	<b>11,914,800.00</b>	<b>10,352,700.00</b>	<b>5,511,700.00</b>	<b>34,726,200.00</b>
APRIL	1,174,500.00	778,100.00	1,221,000.00	6,614,500.00	9,788,100.00
MAY	4,820,000.00	474,500.00	773,400.00	2,633,500.00	8,701,400.00
JUNE	1,175,000.00	2,994,000.00	3,174,000.00	1,203,000.00	8,546,000.00
<b>TOTAL</b>	<b>7,169,500.00</b>	<b>4,246,600.00</b>	<b>5,168,400.00</b>	<b>10,451,000.00</b>	<b>27,035,500.00</b>
JULY	1,110,000.00	1,756,800.00	4,376,000.00	6,159,500.00	13,402,300.00
AUGUST	1,985,000.00	1,806,500.00	377,700.00	2,563,200.00	6,732,400.00
SEPTEMBER	3,215,500.00	3,938,500.00	3,532,200.00	2,486,750.00	13,172,950.00
<b>TOTAL</b>	<b>6,310,500.00</b>	<b>7,501,800.00</b>	<b>8,285,900.00</b>	<b>11,209,450.00</b>	<b>33,307,650.00</b>
OCTOBER	4,212,000.00	2,941,500.00	2,873,000.00	4,097,000.00	14,123,500.00
NOVEMBER	2,285,900.00	3,076,000.00	1,866,000.00	7,223,000.00	14,450,900.00
DECEMBER	4,143,000.00	2,812,100.00	2,724,800.00	2,199,700.00	11,879,600.00
<b>TOTAL</b>	<b>10,640,900.00</b>	<b>8,829,600.00</b>	<b>7,463,800.00</b>	<b>13,519,700.00</b>	<b>40,454,000.00</b>
<b>GRANDTOTAL</b>	<b>31,067,900.00</b>	<b>32,492,800.00</b>	<b>31,270,800.00</b>	<b>40,691,850.00</b>	<b>135,523,350.00</b>

### 2.10 FINANCIAL PERFORMANCE

During the period the Sacco realized a total income of Kes. 6,729,857.00 compared to Kes. 7,435,872.00 in the previous year as indicated in the Statement of Comprehensive Income. The net surplus was, nevertheless, slightly higher than in 2021 (Kes. 2,242,416 compared with Kes. 2,010,767). We are pleased to report that SASRA approved our submitted accounts for the period and the proposal to pay dividends.

### 2.11 MOBILE BANKING SERVICES

The Management has engaged Sky World Limited to introduce mobile Banking services in the Sacco. The Sacco cannot afford to be left behind as e-banking has become a major driver in the money markets globally. To this end we have made alot of progress and we are currently waiting for SASRA's approval so that we could start providing e-banking in the Sacco.

### 2.12 CONSTRUCTION OF GOOD FAITH SACCO OFFICE BLOCK

The Management has resolved to embark on a land-mark project of constructing the Sacco administration block that shall house the Sacco secretariat with the banking hall. Since this is a capital intensive undertaking, it shall be rolled out in a phased process. The first phase earmarked for 2023 shall be marked by a ground breaking ceremony which shall begin the erection of the perimeter fence and the subsequent construction of the ground floor. Once the ground floor in completed the Sacco offices shall be re-located there. The other phases of the construction project shall continue as funds become available.

### 2.13 BENEVOLENT FUND

Members make an annual subscription of five hundred shillings to this fund annually. In the event of death the Sacco pays Kes.50, 000.00 to the beneficiaries of the deceased member as support towards the last rites. During the previous AGM the members approved the proposal to invest the Benevolent Funds with a fund manager. The rationale for this proposal was that the annual profit from the investments would be servicing the deceased members' claims each year. But the proposal was not feasible as we lost a total of 7 members which is double what



was anticipated. It is therefore recommended that we continue making the annual subscription of Ksh. 500.00 until the management finds better investment options.

We are sorry to report that in the year 2022 we lost the following members;

- |      |                       |   |                    |
|------|-----------------------|---|--------------------|
| i.   | Joseph Gathu Mugai    | - | Member Number 80   |
| ii.  | Priscah Wanja Kuria   | - | Member Number 1857 |
| iii. | Francis Mbarire Hungi | - | Member Number 3913 |
| iv.  | Paul Gachie Kamau     | - | Member Number 9    |
| v.   | Bedan Ngumba Gachie   | - | Member Number 3185 |
| vi.  | Paul Mburu Kinuthia   | - | Member Number 3966 |
| vii. | Margaret Njeri Kuria  | - | Member Number 1238 |

Let us observe a minute's silence in honor of our dear members who left us in 2022.

### **3.0 CHALLENGES**

#### **i. SACCO SHARES – KSH. 16,500.00**

Each member of the Sacco is expected to buy shares with a minimum value of Ksh. 16,500.00 during registration. But it is sad to note that a good number of members have bought very few shares or have never bought any shares contrary to Sacco by-laws. This has resulted in a situation where our share capital is not growing.

#### **ii. LOAN DEFAULT**

The audit report has expressed concern about the members who have defaulted in loan repayment. The Management has been advised to take serious measures against the defaulters in order to recover the defaulted loans.

#### **iii. MONTHLY DEPOSITS**

Non-remittance of monthly deposits by Sacco members has affected the growth of the Sacco deposits negatively.

### **4.0 RECOMMENDATIONS**

- i. New Sacco members are now required to buy all the shares (Ksh. 16,500.00) during their first year of membership. We have proposed that members taking new loans this year shall be expected to dedicate a small part of the loan to buying outstanding shares. Members buying shares are advised to do so through make cash payment. The Sacco shall not accept the option of deducting shares from members' deposits as this reduces the member's capacity to take loans in future. This initiative shall improve our share capital considerably before the close of the year.
  - ii. Members are encouraged to avoid any default in loan payment. At the same time members who have guaranteed loans are advised to monitor the loan repayment practice of the applicant. In case the guaranteed member has been defaulting in loan payment it gives the guarantor an opportunity to raise an alarm for early warning to the defaulter. This intervention shall prevent the potential loss of the guarantor's funds and the unpleasant disputes which often follow before it is too late. This shall mitigate further default in loan repayment.
-

To control the risk of loan default the Management has resolved to take the following measures so that the Sacco could improve on its performance;-

- Engage more Debt Collectors to fast track loan recovery from the defaulters.
- Take Court Orders to attach the property of the loan defaulters.
- To engage the Divisional Criminal Investigation Officer (DCIO) so that he/she could assist in trucking defaulters. Most defaulters disappear from their known residence and change or switch off their phones to avoid follow-up by the Sacco. The DCIO shall assist in trucking them and enforcing loan re-payment.

Members are encouraged to make their monthly deposits for savings in the BOSA account. Members are encouraged to ensure that they make monthly deposits faithfully. The minimum agreed monthly deposit is Kes. 500.00.

- iii. Members who have taken loans should endeavor to service them faithfully by sticking to the Performance Category and avoiding dropping to the other levels through default.

## **5.0 CONCLUSION**

Let me conclude by encouraging you with Paul's words in 1<sup>st</sup> Corinthians 3:7-9;

"So neither the one who plants nor the one who waters is anything, but only God, who makes things grow. The one who plants and the one who waters have one purpose, and they will each be rewarded according to their own labor. For we are co-workers in God's service; you are God's field, God's building." May God bless you all abundantly.

## **6.0 SUPERVISORY COMMITTEE REPORT**

### **PREAMBLE**

Greeting in the precious name of our Lord and Savior Jesus Christ. We thank God for His grace, mercies and care throughout the year. Despite the many challenges, He has helped the Sacco to stand firm.

The supervisory committee comprised of the following:-

1. Geoffrey Ndung'u – Chairman
2. Annelis Ikenye – Secretary
3. Lydia Karobia – Member

### **APPRECIATION**

We would like to appreciate the following:-

1. Good Faith Sacco Members for their support through monthly contributions, loans repayments and recruitment of new members.
  2. Unrelenting effort of the Board of Management and the staff for keeping the Sacco running to the extent of realizing a surplus.
  3. The effort made in loans recovery though the process lost the initial impetus due to;
    - Increased loan default.
    - Slow membership growth.
-

- Lack of serious marketing.
- Low loan disbursement leading to high liquidity. Initial
- Slow loan recovery leading to high loan provisioning
- Unimplemented strategic plan

## **RECOMMENDATIONS**

1. We would like to recommend the following;
2. Liquidity be reduced by either increasing loan disbursement, or investing in money markets.
3. Aggressive marketing strategies be put in place to ensure membership growth and reviving dormant members.
4. To ensure growth in deposits;
  - i. Monthly contributions should be consistent.
  - ii. Benevolent fund should not be deducted from member deposits
5. To increase member's confidence they should be;
  - i. Given information on the clearance of the guaranteed loans.
  - ii. Informed about the available loan products.
  - iii. Constantly informed about their individual total deposits and loan products they qualify.
6. Aggressive loan recovery programme.
7. The Five-Year Strategic Plan be broken down into simple implementable annual Plans which are clearly stated for both the Staff and the Directors.

## **CONCLUSION**

*The Sacco has a great potential to grow if we all follow-up some key areas.*  
*In God we trust and our success as a Sacco wholly depends on Him.*

CS/9709: Good Faith Sacco Society Ltd  
Annual report and financial statements  
For the year ended 31 December 2022

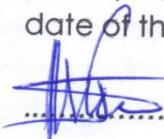
**STATEMENT OF DIRECTORS RESPONSIBILITY**

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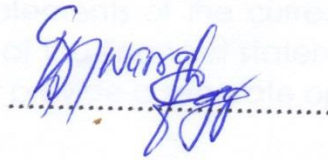
The Co-operative Societies Act requires the Board of Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the operating results of the Society for that year. It also requires the Board of Directors to ensure the Society keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society.

The Directors 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 Co-operative Societies Act. The Board of Directors is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

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**CHAIRMAN**

**TREASURER**

**HON. SECRETARY**

## 7.2 STATEMENT OF FINANCIAL POSITION

CS/9709: Good Faith Sacco Society Ltd  
Annual report and financial statements  
For the year ended 31 December 2022

### STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2022 Kshs	2021 Kshs
Cash and Bank Balances	4	20,884,959	19,799,396
Trade and Other Receivables	5	1,011,462	624,332
Loan to Members	6	44,088,837	37,252,146
Other Financial Assets	7	24,550	25,330
Property, Plant and Equipment	8	432,128	394,706
Investment Property	9(a)	7,000,000	7,950,000
Intangible Asset	9(b)	1,090,080	-
<b>Total assets</b>		<b>74,532,015</b>	<b>66,045,910</b>
<b>LIABILITIES</b>			
Sundry Creditors & Accruals	10	115,060	104,013
Members Deposits	11	51,641,674	47,580,830
Benevolent Fund	12	1,260,566	1,207,819
Tax Payable	13	52,697	39,290
Rebate on Deposit Payables	14(a)	1,395,287	846,494
Dividend Payables	14(b)	536,042	513,572
Proposed Honorarium & Staff Bonus	15	180,000	150,000
<b>Total liabilities</b>		<b>55,181,326</b>	<b>50,442,018</b>
<b>FINANCED BY</b>			
Share Capital	16	10,720,832	10,271,434
Statutory reserve	17	4,030,156	3,469,552
Capital reserve	18	200,000	200,000
Revaluation Reserve	19	1,536,050	325,630
Appropriation account	20	2,863,652	1,337,279
<b>Total Shareholders Fund</b>		<b>19,350,690</b>	<b>15,603,894</b>
<b>Total liabilities and capital</b>		<b>74,532,015</b>	<b>66,045,910</b>

**APPROVED**  
 for publication and presentation  
 to AGM or ADM subject to observations issued  
15 MAR 2023  
 SIGN:   
 THE SACCO SOCIETIES REGULATORY AUTHORITY

The financial statements on page 8 - 23 were approved by the Board of Directors on 14/03/2023

and signed on its behalf by:

.....  
**CHAIRMAN**

.....  
**SECRETARY**

.....  
**TREASURER**

## 7.3 STATEMENT OF COMPREHENSIVE INCOME

CS/9709: Good Faith Sacco Society Ltd  
Annual report and financial statements  
For the year ended 31 December 2022

### STATEMENT OF COMPREHENSIVE INCOME

REVENUE	Note	2022 Kshs	2021 Kshs
Interest from Loans and Advances	2 (a)	4,883,185	5,776,188
Other Charges to Members	(b)	2,747,426	2,090,720
		7,630,611	7,866,908
Interest Expense	( c)	(1,451,987)	(910,470)
<b>NET INTEREST INCOME</b>		6,178,624	6,956,438
Other Operating Income	(d)	551,233	479,435
<b>Total Comprehensive Income</b>		6,729,857	7,435,873
Governance Expenses	3 (a)	(1,001,200)	(561,580)
Administration Expenses	(b)	(2,863,633)	(2,684,296)
Marketing and Public Relations	( c)	(114,382)	(94,245)
Personnel Expenses	(d)	(1,590,073)	(1,441,163)
Allowance for Asset Impairment	( e)	1,695,149	(101,840)
<b>Net Operating Surplus for the Year (Before Tax)</b>		2,855,717	2,552,749
Income Tax Expense	13	(52,697)	(39,290)
<b>Net Surplus (Deficit) for the Year</b>		2,803,020	2,513,459
20% Transfer to Statutory Reserve Fund		(560,604)	(502,692)
Proposed Dividend			
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2,242,416</b>	<b>2,010,767</b>

## 7.4 STATISTICAL INFORMATION 2022.

CS/9709: Good Faith Sacco Society Ltd  
Annual report and financial statements  
For the year ended 31 December 2022

### STATISTICAL INFORMATION

	2022	2021
Number of Members - Active	1,565	1,842
- Dormant	1,413	1,080
	<u>2,978</u>	<u>2,922</u>
Employees of the Sacco - Male	2	2
Female	4	2
	<u>6</u>	<u>4</u>

FINANCIAL	Kshs	Kshs
Total Assets	74,532,015	66,045,910
Members' Deposits	51,641,674	47,580,831
Loans and Advances to Members	44,088,837	37,252,146
Provision of Impairment of Loans and Advances	8,427,356	10,320,803
Financial Assets	24,550	25,330
Total Revenue	8,181,844	8,346,343
Total Interest Income	7,630,611	7,866,908
Total Expenses	2,453,187	4,883,123
Share Capital	10,720,832	10,271,434
Statutory Reserve	4,030,156	3,469,552
Appropriation Account	2,863,652	1,337,279
Core Capital	19,326,140	15,578,564
Institutional Capital	7,093,808	5,307,130

#### Key Ratios:

#### Capital Adequacy Ratio

Core Capital/Total Assets	25.93%	23.59%
Core Capital/Total Deposits	37.42%	32.74%
Institutional Capital/Total Assets	9.52%	8.04%

#### Liquidity Ratio (15%)

Liquid Assets/Total Deposits & Short Term Liabilities	37.85%	42.00%
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#### Operating Efficiency/Loan Quality Ratios

Total Expenses/Total Assets	3.29%	7.39%
Interest On Members Deposits/Total Revenue	17.75%	10.91%
Interest on Members Deposits	3%	2%
Dividend rate on Member Share Capital	5%	5%
Total Non-performing loans/Gross Loan portfolio	36.80%	30.92%

## 8.0 TREASURER'S REPORT - BUDGET 2024

<b>PROPOSED PROJECTED BUDGET FOR THE YEAR 2024</b>		
<b>INCOME</b>	<b>ACTUAL FOR 2022</b>	<b>PROJECTIONS FOR 2024</b>
Interest Income-Bosa	2994059.75	4500000
-Fosa	1889124.78	2536912
-Overdraft		-
Penalties on loans and savings	123689	627000
Loan processing fee	801490	958624
Registration and entrance fee	41940	65000
Bank interest	6842	22913
Insurance receivable (loans and savings)	1609610	1770571
Dividend	575.5	12000
Interest on unit trust	417879.82	720000
Interest on Kusco savings	26419.5	35000
Transfer fee & other fosa charges	2775	12500
Withdrawal fee	55681	112000
Ledger fee	0	-
Income from sms to members	6775	18000
Mpesa Commissions	78536	90000
Non interest income from BOSA	170869.39	210000
Non interest income from FOSA	71665.55	150000
Decrease in loan provision		
<b>TOTAL INCOME</b>	<b>8297932.29</b>	<b>11432520</b>
<b>EXPENDITURE</b>		
<b>Governance expenses (member related costs)</b>		
Board meetings		
Sitting allowance	277000	330000
Travelling allowance	173040	300000
Other committee expenses	128000	180000
Entertainment	1000	0
Honoraria	150000	150000
Seminars	24500	100000
<b>Sub total</b>		<b>1060000</b>
<b>ADMINISTRATION EXPENSES</b>		
Telephone,Internet and postage	433525	485000
Repairs and Maintenance	44520	113074
Generator running	24000	35000
Printing & Stationeries	22,700	50000
Gratuity	0	150000
Office rent	204,000	250000
Social responsibility	98000	100000
Electricity and water	92068	120000
Security Services	216000	360000
Members education and AGM	396760	450000
Ushirika day celebrations	24500	35000
Sacco software maintenance	141980	270000



Sacco software acquisition		0
Travelling	18750	30000
Bank charges	21738.87	25000
Auditors' remuneration	120000	120000
General Office expenses	146397	210000
Debt Recovery Expenses	104875	200000
Legal fees		50000
Licences-Other	53650	75000
-Sasra	136995	165000
Withholding tax		0
Insurance on Loans	798238	1001738.2
Interest payable	78230	100000
Depreciation	121120	208000
<b>Sub total</b>		<b>4602812.2</b>
<b>Marketing expenses</b>		
Marketing Activities	114382	250000
Product development & promotion	0	
<b>Sub total</b>		<b>250000</b>
<b>Employee Benefits</b>		
Wages and salaries	1151200	1,500,000
Staff Bonus	20000	55000
Termination Benefits		100000
Capacity building		100000
Other Staff Costs	50000	50000
<b>Sub total</b>		<b>1,805,000</b>
<b>Total Expenses</b>		<b>7,717,812</b>
<b>contigencies</b>		<b>385890.61</b>
		<b>8,103,703</b>
<b>SURPLUS</b>		<b>3,328,817</b>
Total Expenses to Total Income ratio		62%
<b>Capital Expenditure</b>		
<b>Software (mobile banking)</b>		

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

.....

Chairman

## Asset finance loan



## NORMAL/DEVELOPMENT LOAN



## BUSINESS LOAN





# GOD BLESS YOU

**The Manager**  
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