



# **Simcorp Sacco Limited**

## **Inaugural Annual General Meeting**

**23 June 2018**

# Quote:

- ❑ The journey of a thousand miles begins with one step
- ❑ Many small steps make a mile and many miles make a journey





# Agenda

- ❖ Arrival and registration of members/Snacks served
- ❖ Opening prayers
- ❖ To confirm quorum
- ❖ To record any apologies.
- ❖ To read the notice calling for the Annual General Meeting
- ❖ To receive and adopt the Chairman's report
- ❖ Presentation and Adoption of Audited Financial Statements for the year ended 31st December 2017 and the Distribution of Surplus for the year 2017



# Agenda...Cont'd

- ❖ To approve the operating and capital budget for the year 2018 and the proposed operating and capital Budget for the year 2019.
- ❖ Invite DCO to make some remarks and run the remaining part of agenda:
- ❖ Resolutions
  - Distribution of Surplus
  - Setting Management Committee Honorarium
  - Approval of the Borrowing Powers
- ❖ Elections of retiring members of the Sacco Management Committee Board and the Supervisory committee.
- ❖ Appointment of Auditors for the year 2018



# Preliminaries



# Chairman's Report



# The Executive Committee

<b>Chairman</b>	• Reuben Wemo
<b>Vice Chairman</b>	• Silverius Bukhala
<b>Secretary</b>	• Teresa Nyandema
<b>Treasurer</b>	• Richard Mwangi
<b>Member</b>	• Helen Munywoki
<b>Member</b>	• Rhoda Igoki
<b>Member</b>	• Charles Kaberia



# Executive Committee's Report

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May 2016	: The SACCO gets its certificate of registration, CS/19559
Jun 2016	: Procurement of financial management system (QET)
Jul 2016	: First audit of the financial statements is done
Sep 2016	: First AGM of Simba Corp Staff Welfare Association
Jan 2017	: Books of Accounts of Simba Corp Staff Welfare Association transferred to Simcorp Sacco
Apr 2017	: Commenced the registration process of an investment arm of the Sacco
Aug 2017	: Bulk SMS system put in place
Sep 2017	: Last AGM of Simba Corp Staff Welfare Association
Dec 2017	: The end of the first year of operation of Simcorp Sacco

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# The Supervisory Committee

**Chairman**

• **Robert Muchira**

**Secretary**

• **Rose Adhiambo**

**Member**

• **Martin Ngure**

# Supervisory Committee's Report

## Mandate

- Make investigations into the affairs of the society at least once every three months
- Audit or examine the books of the Sacco
- Make a report thereof at the next meeting of the management committee





# Supervisory Committee's Report...(Cont'd)

## *Areas of focus*

- Review of the Sacco's internal processes, operating policies, controls and procedures
- Review of the ICT applications driving the Sacco's operating environment
- Examination of quarterly financial statements
- Review of the credit and loan portfolio
- Review of statutory compliance and corporate governance maturity
- Monitoring of any special projects undertaken by the Sacco
- Presentation of an annual report to the AGM highlighting the key issues of concern to the members



# Supervisory Committee's Report...(Cont'd)

## ***Conclusion***

- The Sacco's internal controls are observed and are adequate in preventing the occurrence of frauds and errors
- The Sacco has complied with its by laws and with the regulatory authority

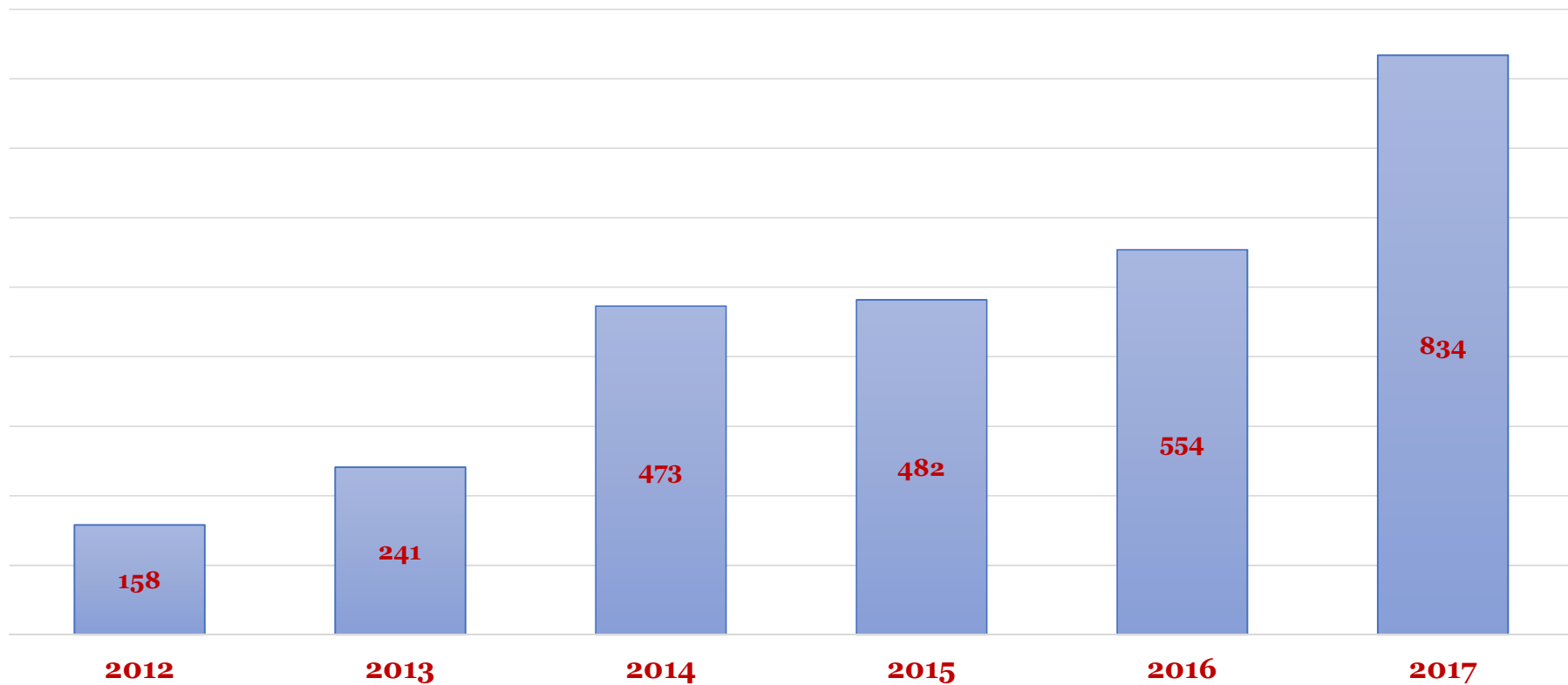
## ***Areas of improvement***

- Marketing and communication
- Credit and loans management
- Utilization of the ICT system

# Membership Growth



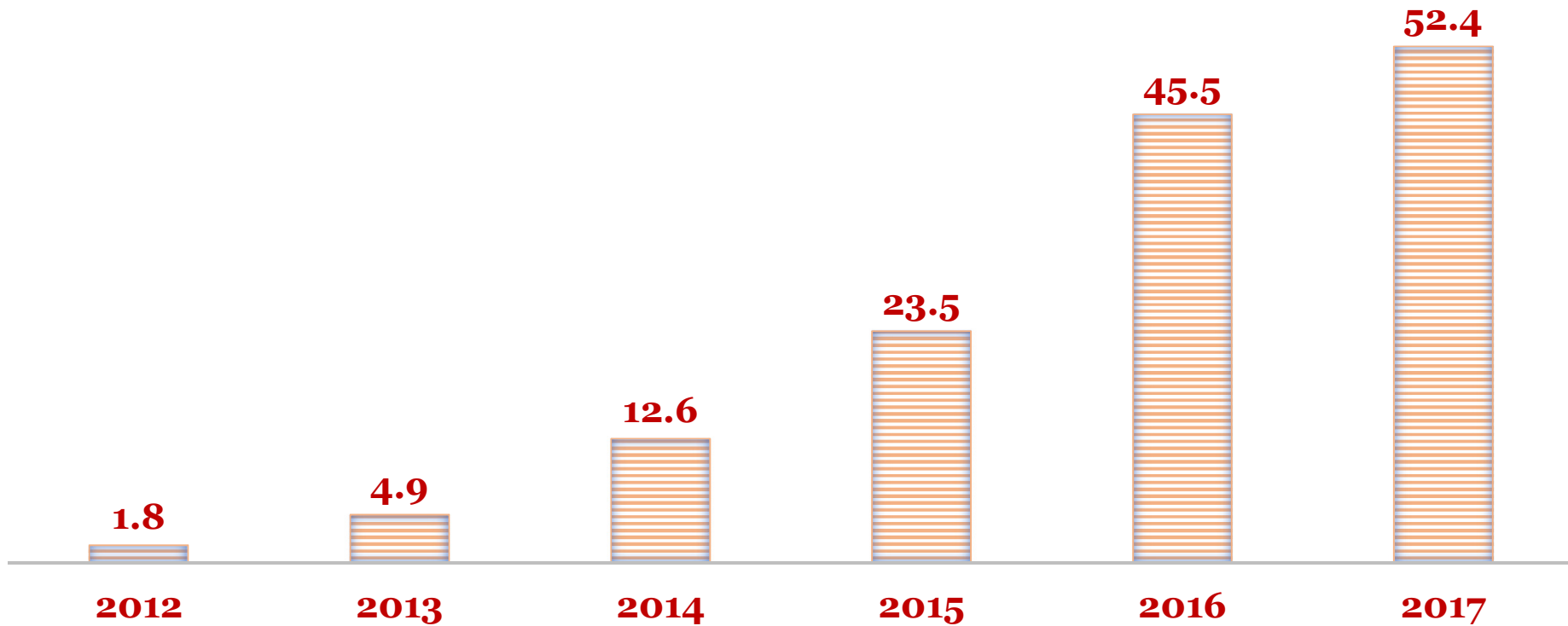
Number of Members



# Members Savings



MEMBER SAVINGS IN KES MILLION



# The Credit Committee

**Chairman**

• **Charles Kaberia**

**Secretary**

• **Rhoda Igoki**

**Member**

• **Helen Munywoki**



# Credit Committee's Report

## *Roles and responsibilities*

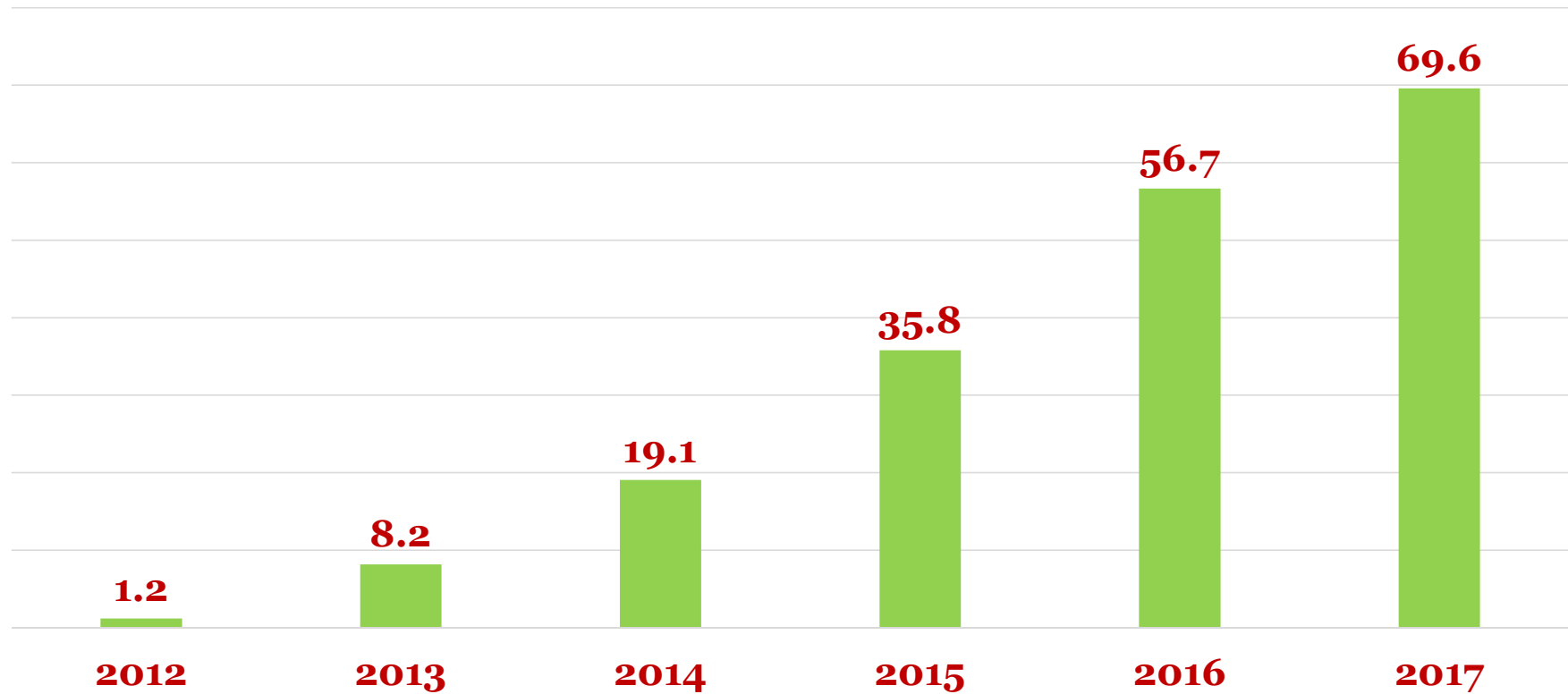
- Review applications for loans and approve successful applications
- Meet at least once a month to discuss matters referred to the committee
- Provide financial counselling to members on credit management
- Review and consider a member's request to amend the terms of a loan within the ambits of the loan policy
- Review loan and collection policies
- Prepare and present a report at the AGM summarizing the loan activities of the year





# Cumulative Loan Book

Loan Book in Kshs Million





# Initiatives in the coming year

- Strengthening of the administration team
- Activation of MPESA paybill number
- Formulation of a 5 year strategic plan
- Investment scheme (Simcorp Land and Housing Scheme)



# Recap - Rules and regulations

## Membership application

- Non refundable entry fee of Kes. 1,000
- Minimum monthly contribution of Kes. 2,000
- Monthly insurance fees of Kes. 250
- Member can vary monthly contributions by filling out a form
- Boosting of savings acceptable

## Loans

- Interest – 14% per annum on reducing balance
- Maximum loan repayment period – 36 months
- To be eligible for a loan, a member must have completed six months
- Types of loans available – Normal, School Fees, Emergency (sickness)
- Maximum loan – 3 times share contribution
- A loan must be guaranteed by two or more members



# Other Sacco Functions

- ❖ Restricted loans disbursement – Normal loans only
- ❖ Refund of 10% surcharge on bank loans
- ❖ Enforcement of 1/3<sup>rd</sup> rule
- ❖ Sacco office operations
- ❖ Brochures / marketing paraphernalia

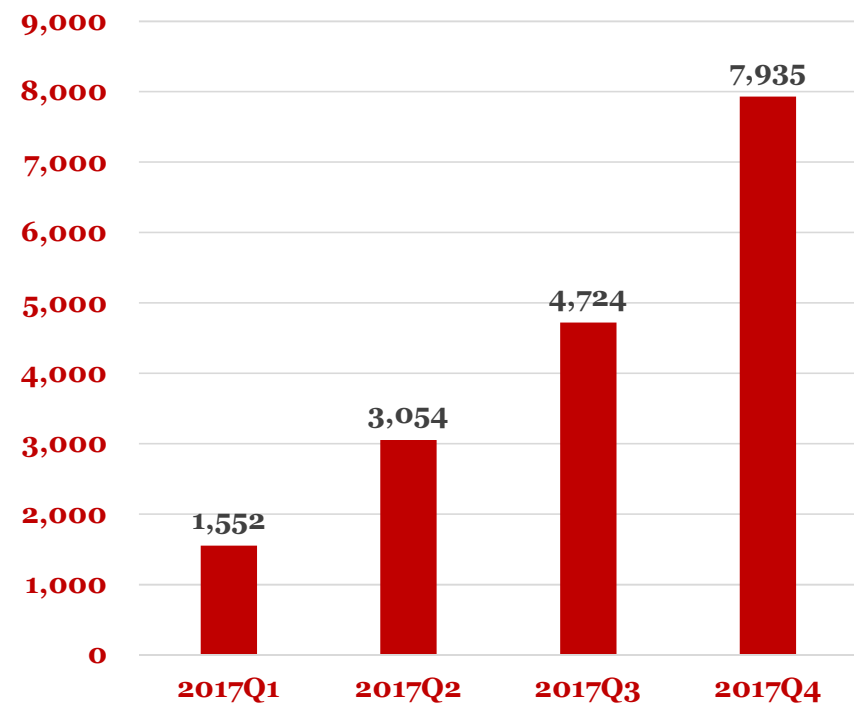
# Financial Statements Overview



# Statement of Comprehensive Income

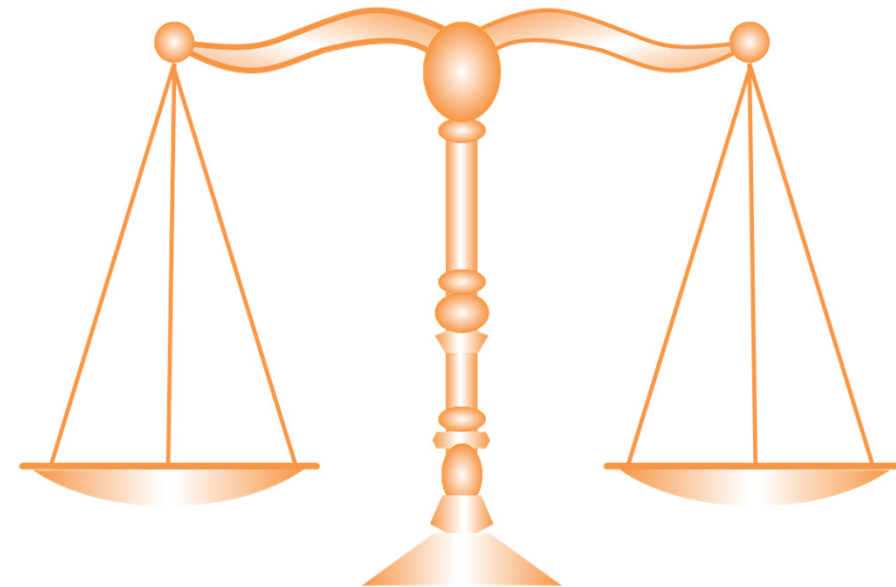
For the period ended	31.12.2017
Interest income on loans and advances	7,934,843
Interest rebate on member deposits	(3,681,813)
<b>Net interest income</b>	<b>4,253,030</b>
Other income and commissions	1,333,310
<b>Gross income</b>	<b>5,586,340</b>
Provision for bad and doubtful debts	(2,219,602)
Administrative expenses	(920,427)
Other operating expenses	(617,401)
<b>Surplus before tax</b>	<b>1,828,910</b>
Income tax expense	-
<b>Surplus for the year</b>	<b>1,828,910</b>

**Cumulative Interest Income  
(in Kes '000')**



# Statement of Financial Position

Position as at	31.12.2017	01.01.2017
<b><u>ASSETS</u></b>		
Cash and cash equivalent	145,686	2,580,255
Loans and advances	69,640,670	56,743,984
Accounting software	600,000	800,000
<b>Total Assets</b>	<b>70,386,356</b>	<b>60,124,239</b>
<b><u>LIABILITIES</u></b>		
Member deposits	52,442,745	45,470,490
Trade and other payables	443,930	1,092,655
Provisions	3,831,813	2,758,135
<b>Total Liabilities</b>	<b>56,718,488</b>	<b>49,321,280</b>
<b><u>EQUITY</u></b>		
Share capital	1,668,000	482,000
Statutory reserve	365,782	-
Retained earnings	11,634,086	10,320,959
<b>Total equity</b>	<b>13,667,868</b>	<b>10,802,959</b>
<b>Total equity and liabilities</b>	<b>70,386,356</b>	<b>60,124,239</b>



# Statement of cash flows



For the period ended	31.12.2017
Cash flow from operations	7,930,325
Changes in operating assets and liabilities	(8,531,089)
Cash flow from operating activities	(600,764)
Cash flow from investing activities	-
Cash flow from financing activities	(1,833,805)
<b>Net movement in cash flow</b>	<b>(2,434,569)</b>
<b><u>Cash and cash equivalent</u></b>	
At the start of the year	2,580,255
Increase/(decrease) in cash and cash equivalents	(2,434,569)
<b>At the end of the year</b>	<b>145,686</b>



# Auditors Report



**MPK and Associates  
Certified Public Accountants  
(Formerly PTN Howell CPA)**



# Presentation of Budget



# Budget for FY2018 and FY2019

<b>Budget Line</b>	<b>Year 2018</b>	<b>Year 2019</b>
Interest Income	10,200,000	12,000,000
Other Income	1,350,000	1,500,000
Sacco Governance	(1,100,000)	(1,100,000)
Finance Expenses	(600,000)	(800,000)
Occupancy Expenses	(200,000)	(200,000)
Risk and Compliance	(60,000)	(60,000)
Administration Expenses	(866,000)	(866,000)
Staff Expenses	(1,180,000)	(2,500,000)
<b>Surplus Before Tax</b>	<b>7,724,000</b>	<b>7,974,000</b>
Tax Expense	-	-
<b>Surplus After Tax</b>	<b>7,724,000</b>	<b>7,974,000</b>



# **District Cooperatives Officer Remarks**

## **Mr. Fred Sitati**



# **Election of new office bearers**



# **Appointment of Auditors for the year 2018**

# Question and Answer Session





# **Any Other Business (A.O.B)**





## **Our website**

**[www.simcorpsacco.com](http://www.simcorpsacco.com)**

**Paybill Number : 962988**

**Account Number : Your Sacco**

**Account Number**

**E-mail us : [Simcorp@simbacorp.com](mailto:Simcorp@simbacorp.com)**