

REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

KENYA NATIONAL AUDIT OFFICE



Paper laid
By Hon Aden Duale
Leader of Majority
on Thurs 28/8/14
[Signature]

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF

SACCO SOCIETIES REGULATORY AUTHORITY

FOR THE YEAR ENDED

30 JUNE 2013

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON SACCO SOCIETIES REGULATORY AUTHORITY FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Sacco Societies Regulatory Authority set out on pages 20 to 36, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 (2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 (7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

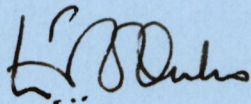
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Authority 's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Sacco Societies Act, 2008.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

18 June 2014



**THE SACCO SOCIETIES REGULATORY AUTHORITY
(SASRA)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
AS AT 30TH JUNE 2013**



Vision

“A World-class regulator of Sacco societies”.

Mission

“To effectively regulate and develop Sacco Societies by ensuring safety, soundness and integrity in their operations in order to enhance growth in national savings and stability of the Sacco sub-sector.”

Core Values

- (i). Integrity*
- (ii). Professionalism*
- (iii). Teamwork*
- (iv). Customer focus*
- (v). Impartiality*
- (vi). Innovativeness.*



Table of Contents

Table of Contents

CORPORATE INFORMATION	3
STATEMENT OF CORPORATE GOVERNANCE	4
STATEMENT OF DIRECTORS RESPONSIBILITY	13
REGULATORY ENVIROMENT.....	14
STATEMENT OF FINANCIAL POSITION.....	20
STATEMENT OF COMPREHENSIVE INCOME.....	21
STATEMENT OF CHANGES IN FUND BALANCES	23
NOTES TO THE FINANCIAL STATEMENTS	24



CORPORATE INFORMATION

The composition of the Board of Directors of the Authority was follows as :

Name	Position	Dates of appointment
Peter Gakunu	Chairman	2009- 26 th September, 2012
John Nthuku	Chairman	From 9 th November, 2012
Dr. Esther Keino	Member	2009 - 16 th October, 2012
Hon. Daudi Mwanzia	Member	2009- 16th October, 2012
Ms. Regina Oyaro	Member	2009 - Date
Margaret Kiema	Member	26 th November, 2012
Kakai Cheloti	Member	21 st January 2013
George Omino, Alternate to PS Treasury	Member	2009 to Date
Fredrick Pere, Alternate to CBK Governor	Member	2009 to Date
Fredrick Odhiambo, Commissioner for Co-operative Development	Member	2009 - to 30th June, 2013.

REGISTERED OFFICE

Britak Centre, First Floor,
Junction of Mara and Ragati Road, Upper Hill
P. O. Box 25089-00100
Nairobi, Kenya

BANKERS

Cooperative Bank of Kenya
Upper Hill Branch
P. O. Box 30415-00100
Nairobi

AUDITORS

Auditor General
Kenya National Audit Office
P. O. Box 30084-00100
Nairobi.



STATEMENT OF CORPORATE GOVERNANCE

1.0 PREAMBLE

The Board is committed to ensuring that the Authority's mandate as spelt out in the SACCO societies Act is run in a professional and transparent manner to take care of stakeholders interests as well as being responsible and accountable to the Government of Kenya, through the Ministry of Industrialization and Enterprise by ensuring that the Authority complies with the law and the highest standards of corporate governance.

Good corporate governance is a fundamental facet of the culture and operations of the Authority and during the year 2012/13, the board focus was geared towards enforcement of its mandate as provided for under The Sacco Society's Act, 2008, of licensing and regulation of deposit-taking Sacco societies.

2.0 BOARD COMPOSITION AND APPOINTMENT

There are eight members of the Board whom, save for the Chief Executive, are non-executive directors. The four non-executive directors including the Chairman are appointed from the private sector for three year term while. The other three members are appointed from the public sector being the holder of the office of the Governor Central Bank of Kenya, Permanent Secretary, Ministry of Finance and Commissioner for Co-operative Development under Ministry of Industrialization and Enterprise.

The directors possess a broad range of skills, competencies and experience that includes legal, finance, economics, and management necessary for valuable contribution to the Authority's business.

During the year 2012/13, the Board was composed as follows:

Mr. John. B. Nthuku, Chairman SASRA Board

Mr. John. B. Nthuku, M.B.S holds a B.A in Management Administration from the University of Dar-es-Salaam and an MSC in Management from Aston University in Birmingham, England. He is a certified Public Secretary and a member of the Institute of Certified Public Secretaries of Kenya (ICPSK). He has served the Government of Kenya for a period of 29 years specifically in the Prisons department having risen from a Cadet Officer to the rank of Deputy Commissioner of Prisons before retiring in 2001. During his tenure at the prisons department, Mr. Nthuku was instrumental in the development of the Community Service Act which is still enforceable to date. Within the Co-operative sector, he has served as a Board of Director of the Co-operative Bank of Kenya being a member of the Audit sub-committee and a member of the Co-op Trust Board (a subsidiary of Co-operative Bank) for a period of 8 years. He has also been a member of the Magereza Sacco Central Management committee for a period of 21 years and was the Chairman of the National Council for Ushirika for a period of 10 years.

Mr. Nthuku has been awarded the Moran of the Burning Spear (MBS), the long Service Award for the Agricultural Society of Kenya, where he had served for 30 years and a Life Governor award from the Agricultural Society of Kenya



He brings on board a wealth of experience in Management and Administration of Human, Financial and Material resources within the public sector.

**Prof. Njuguna Ndungu,
CBK Governor Board Member**

Prof. Njuguna Ndungu is the Governor of the Central Bank of Kenya (CBK). He holds a PhD in economics from the University of Gothenburg, Sweden, and a Master's and Bachelor's Degree in Economics from the University of Nairobi. He has extensive research and teaching experience in various fields of economics, including macroeconomics, microeconomics, econometrics and poverty reduction in which he has published widely. Prior to his appointment in March 2007, he was the Director of Training at the African Economic Research Consortium. He also worked as the Regional Programme Specialist for the Eastern and Southern Africa Regional Office, Nairobi, of the International Development Research Centre Canada; and at the Kenya Institute of Public Policy Research and Analysis as a Principal Analyst/Researcher and Head of the Macroeconomic and Economic Modeling Division. Prof. Ndungu is a member of the Committee of Ten comprising five African Finance Ministers and five Central Bank Governors, which is a working group established under the aegis of African Development Bank, UN Economic Commission for Africa and African Union Commission to amplify the quest for great voice and representation of Africa in the world's financial architecture. He also chairs the Board of the Macroeconomic & Financial Management Institute of Eastern & Southern Africa based in Harare, Zimbabwe. Prof Ndungu is also a member of the National Economic and Social Council (NESC) and serves on various Boards including the Capital Markets Authority (CMA), Insurance Regulatory Authority (IRA) and Vision 2030 Delivery Secretariat.

**Mr. Fredrick Pere,
Alternate to the CBK Governor**

Mr. Fredrick Pere holds a Bachelor of Commerce degree from the University of Nairobi. Before joining the Central Bank of Kenya 1984, he served as an Assistant Auditor in the Office of Controller and Auditor General and as an Assistant Accountant at the Kenya Reinsurance Corporation. Mr. Pere joined the CBK on 6th August 1984 and was posted to Bank Supervision Department. He worked as a Statutory Manager and Liquidation Agent from 1994 to 1996. Mr. Pere served as an Assistant Branch Manager in Kisumu and Mombasa branch. Mr. Pere was promoted to Senior Manager in 1998 and posted back to Bank Supervision Department in 1999 and was later moved to the Currency Department in 2003. In 2004, he was transferred back to Bank Supervision Department as a Deputy Director where he served until his current appointment as Director of Bank Supervision.

**Mr. Fanuel Odhiambo
Board Member**

He was the Commissioner for Co-operative Development and Marketing, a position he held up to 30th June 2013. He has held senior Positions in the Ministry of Co-operatives Development including being the registrar of Cooperatives and a Provincial Cooperative Officer. (10 years). He has chaired a number of Task forces including the Sacco Societies Act Taskforce and the Sacco Societies regulations taskforce. He has steered legal and



institutional reforms in the MOCD&M including the review of the Co-operatives Society Act and Co-operative development policies. Mr. Odhiambo has also been awarded two state honors; the Moran of the Burning Spear (MBS) and the Distinguished Service Medal (DSM). He also sits in several other boards including Cooperative Bank, KASNEB among others.

Mr. George Omino
Alternate to the PS Treasury

Mr. George Omino holds a Bachelors Degree in Economics and a Masters Degree in Finance. He is Deputy Director and Head of Financial Services Sector in Economic Affairs Department, Ministry of Finance. Mr. Omino is on secondment from the Central Bank of Kenya, where he has worked since 1978, rising to the position of Assistant Director and Head of Microfinance Division in Bank Supervision Department. Mr. Omino has a wealth of experience in regulation and supervision of banks and other financial institutions, having been a bank examiner for over 20 years. He has also been a statutory manager of a bank. He was instrumental in the drafting of the Microfinance Act, 2006 and the Regulations issued there under. He was a member of the Taskforce that developed the Sacco Societies Act, 2008 and he is a member of the Taskforce that has developed the draft Sacco Societies (Deposit-taking Sacco Business) Regulations, 2010. Mr. Omino was the Chairman of Banki Kuu Sacco Ltd from 1987, soon after it was formed, until 2006, during which the Sacco was several times voted one of the best managed SACCO'S.

Mr. Kakai Cheloti
Board Member

Cheloti holds a Bachelor of Laws (LL.B) degree from the University of Nairobi, a Post Graduate Diploma in Law from the Kenya School of Law and has postgraduate certificate in Public law from the Institute of Advanced Legal studies at the University of London.

He has over thirty (30) years banking and legal experience having practiced banking and law as a professional banker, an Advocate of the High Court of Kenya and a Commissioner for Oaths, certified public secretary. Mr. Cheloti began his career as an associate at Khaminwa and Khaminwa Law firm and later joined the Civil service as a Legal Officer and Assistant Company secretary at the Kenya National Trading Corporation before moving to the Central Bank of Kenya where he served in various posts. He has previously served as a Director at the Deposit Protection Fund for four years and ably represented the fund at the Association of Deposit Insurers an International forum for Deposit Insurance schemes and Central Bankers. He was at one time its Principal Legal Officer and Board Secretary.

Ms. Margaret K. Kiema
Board Member

Ms. Margaret K. Kiema holds a BSC from the University of Nairobi and MSc in Crop Protection from the University of Southampton in the United Kingdom. She previously served at the Kenya Agricultural Research Institute as an Agricultural Researcher for 15 years after which she joined the Center for Arid Rural Initiatives as its Marketing Manager for a period of 6 years. She is currently involved in community outreach for Women and has been working with the Young Women's Christian Association (YWCA) – Nairobi branch as its Branch manager where she has been instrumental in revamping the institution into profitability. She has also served as a Director in the Board of Management at the National Hospital Insurance Fund for a period of 4 years where she is credited for advancing an



accreditation manual for the inclusion of Healthcare centers in arid areas. She brings on board a wealth of experience in Program Development, Administration and Financial Management.

Ms. Regina Oyaro

Board Member

She is an Advocate of the High Court of Kenya and a Commissioner for Oaths. She possesses valuable and vast experience in the Legal field gained over 17 years practice both on the Kenyan Bar and Bench. She has practiced Law for 10 years and served as a Magistrate at busy stations including Mombasa, Nairobi and Nyeri Law courts for over 7 years. Regina served as a Legal Counsel/Assistant in the Commission of Inquiry into the Kenya, 2007 Post Election Violence (Waki Commission). She is currently actively engaged in Legal practice and consultancy in Commercial Law, Family Law, Human rights and public interests litigation. She is a Certified Public Secretary (CPS) and brings valuable wealth of experience to SASRA Board. She is a member of the Finance, Legal and Audit committee.

Mr. Carilus Ademba, HSC

CEO, SASRA

Mr. Ademba is a graduate of the University of Nairobi with a Bachelor of Arts in Economics and a Master of Business Administration (MBA) from the same institution. He has pursued accountancy studies up to level 2 of the Certified Public Accountancy course and has undertaken management training in USA, Japan, Spain, Hong Kong, Canada, South Africa, Jamaica and Switzerland in the following disciplines: Leadership, Financial Management, Corporate Governance, SACCO Regulation and Supervision and Human Resources Management. He is a seasoned professional with both local and international experience in the world of Savings and Credit Cooperative Societies. He has over 11 years work experience in senior management of key institutions in Kenya's SACCO sector. He has held positions such as Finance Manager of the Kenya Union of Savings and Credit Cooperatives (KUSCCO) which he served for seven years before his promotion to Managing Director for a four year period. While he was Managing Director at KUSCCO, he also doubled up as the Acting Executive Director of the African Confederation of Cooperative Savings and Credit Associations (ACCOSCA) which he served for two years. He served in the Task Force that drafted the SASRA Regulations. In international circles, he has been a delegate to the World Council of Credit Unions (WOCCU) and the International Cooperative Alliance in Geneva. He is currently serving in the steering committee of the International Regulators Roundtable representing Africa and is also a trustee of ACCOSCA.

3.0 BOARD ROLES AND RESPONSIBILITIES

The Board's roles and responsibilities are set out in the Board Charter that was approved in June, 2011 and implementation commenced immediately thereafter. The charter defines the governance parameters within which the Board exists and operates, sets out specific roles and responsibilities to be discharged by the Board, its Committees and directors collectively as well as certain roles and responsibilities incumbent upon directors as individuals.

A summary of board's responsibilities is as follows:



- Establishing long-term goals of the Authority ensuring that strategies are formulated, adequate policies, systems and structures are developed to successfully implement the Authorities mandate;
- Provide leadership to the Authority within a framework of prudent and effective controls which enable risk to be assessed and managed through identification, measurement and monitoring to mitigate them;
- Monitoring the Authority's performance against the expectations as per its mandate, Performance contracts, strategies and objectives on a continuous and regular basis;
- Reviewing the effectiveness of the systems for monitoring and ensuring compliance with laws and regulations; and
- Determining the terms of reference of all Board Committees and review of reports and minutes of the committees.

4.0 SEPARATION OF ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Chairman of the Board and the Chief Executive Officer remain distinct and separate. The chairman provides overall leadership to the Board without limiting the principles of collective responsibility for Board decisions. The CEO is responsible to the Board and takes responsibility for the effective and efficient running of the Authority's affairs on a day to day basis.

5.0 BOARD REMUNERATION

The Board members (Excluding the CEO) were paid sitting allowance for every meeting attended, honoraria for board chairman and reimbursement of accommodation and travel costs incurred in the normal course of the Authority's business in line with government issued guidelines.

Details of board of directors' remuneration and costs are shown under Notes to the Financial Statements set out on notes No 8

6.0 BOARD MEETINGS

The Board and its Committee met regularly in accordance with laid down procedure.

The board approved its annual work plan for 2012/2013 together with the calendar of meetings during the year 2010/11. The Board met six (6) times during the year under review. However, there was change in the composition of Board members mid- year as indicated above.

ATTENDANCE

1. Peter Gakunu	Chairman upto 2012	1
2. Esther Keino	Member upto 2012	1
3. Hon. Daudi Mwanzia	Member upto 2012	1
4. John B. Nthuku	Chairman	5
5. Kakai Cheloti	Member	3



6. Margaret Kiema	Member	5
7. Regina Oyaró	Member	3
8. Fredrick Odhiambo	Commissioner for Co-ops Devt.	6
9. George Omino	Alternate to PS Treasury	6
10. Fredrick Pere	Alternate to Governor Central Bank	6

7.0 CONFLICTS OF INTEREST

Dealings in financial or otherwise with all parties, Board members, or their related parties are carried out at arm's length. The Board is under fiduciary duty to act honestly and in the best interest of the Authority. The Board maintains a register for conflict of interest. However, no conflict of interest was encountered during the year under review.

8.0 BOARD COMMITTEES

The Committees are comprised of directors appointed by the Board. Pursuant to Section 8 of the Sacco Societies Act, the Board may appoint committees from among its own members, or otherwise to carry out such general or special functions as may be specified by the Board. The Committees serve to enhance corporate governance; advise the Board on various issues, review, and monitor tasks assigned to it all geared towards improving efficiency and effectiveness. During the period under review, the Board established the following committees:

8.1. Supervision, Research and Legal Committee

This committee consisted of four members, four (4), Mr. Fredrick Pere, Mr. Fredrick Odhiambo, Mr. Kakai Cheloti and Mr. George Omino all non-executive members of the Board. One former member Dr. Esther Keino served upto September, 2012. The Committee met 3 times during the financial year. It effectively performed the following duties:

- (i). Reviewing and making recommendations to the Board on the financial strategy of the Authority ensuring its adequacy and soundness in providing for the Authority's current operations and long term stability;
- (ii). Reviewing, discussing and making recommendations to the Board on significant financial planning, management and reporting issues of the Authority;
- (iii). Ensuring all expenditures of the Authority are within the approved budgets; reviewing procurement and disposal plans and consolidated annual procurement plan and submitting them to the Board for approval;
- (iv). Monitoring the management's strategy towards ensuring efficiency and integrity of the Authority's procurement systems;
- (v). Providing policy guidance on technical aspects of the functions of the Authority in licensing and supervision of Saccos;
- (vi). Reviewing and advising the Board on technology budgets as well as major investments in new operational models and informational technology platforms, investments, partnerships and alliances;
- (vii). Making recommendations to the Board of Directors with respect to ICT and related projects and investments that require Board approval;
- (viii). Reviewing and monitoring the Authority's research and development reports;
- (ix). Reviewing and monitoring operational strategy based on current social, economic and political factors;



- (x). Reviewing issues affecting the acceptance of the Authority's policy prescriptions by government and other stakeholders.

ATTENDANCE

1. Dr. Esther Keino	Chairperson (up to 2012)	1
2. Mr. Kakai Cheloti	Chairperson (From 2012)	2
3. Mr. Fredrick Pere	Member	3
4. Mr. George Omino	Member	3
5 Mr. Fredrick Odhiambo	Member	2

8.2. Audit, Risk Management and Corporate Governance Committee

This committee consisted of four (4) members, Ms. Regina Oyaró, Mr. Fredrick Pere, Mr. Fredrick Odhiambo, Ms Margaret Kiema and partly Hon. Daudi Mwanzia all of whom are non-executive members of the Board. The Committee met 3 times during this financial year. The committee:

- (i). Monitors and evaluates the adequacy of internal controls;
- (ii). Evaluates the performance of the authority's internal audit function and the external independent auditors and is directly responsible for the oversight of the work of the external auditor;
- (iii). Develops effective risk management strategies and policies;
- (iv). Monitors compliance by the authority with the policies, legal and regulatory requirements; reviews, monitors and increases the quality and the extent of the authority's contribution to the social and economic development;
- (v). Reviews significant reports prepared by the internal auditing department and management's responses;
- (vi). Receives reports from management concerning the authority's conformity with public service code of conduct and applicable legal requirements.

ATTENDANCE

1. Hon. Daudi Mwanzia	Chairman (Up to 2012)	1
2. Ms Regina Oyaró	Chairperson (From 2012)	2
3. Ms. Margaret Kiema	Member	2
4. Mr. Fredrick Pere	Member	3
5. Mr. Fredrick Odhiambo	Member	3

8.3. Finance, Human Resource Management and Administration Committee

This Committee consisted of four members, Mr. Kakai Cheloti., Ms Margaret Kiema, Ms. Regina Oyaró, Mr. George Omino and partly Dr. Esther Keino and Hon Daudi Mwanzia all of whom are non-executive members of the Board. The committee met three times during the year under review,. The Committee is responsible for developing a proactive Human Resource and Administration policies, procedures and strategies that retain and motivate staff for a higher performance in realizing the Authority's goals and objectives; reviewing the HR Policy Manual in line with the changing working environments; reviewing the organization structure of the Authority from time to time; developing, reviewing, implementing and monitoring staff training and development programmes; developing policies on staff performance management systems like Performance Appraisals, Job evaluation, Job Satisfaction and Performance Incentive Schemes.



ATTENDANCE

1. Ms. Margaret Kiema	Chairperson (From 2012)	2
2. Ms. Regina Oyaro	Member	2
3. Mr. Kakai Cheloti	Member (From 2012)	2
4. Mr. George Omino	Member	3
5. Dr. Esther Keino	Member (up to 2012)	1
6. Hon. Daudi Mwanzia	Member (up to 2012)	1

9.0 DEVELOPMENT OF BOARD CHARTER

The Board approved their Board Charter/ Manual on 23rd June, 2011 after undergoing intense training on corporate governance to enlighten them on their responsibilities and mandate highlighting the contents of the Board Charter and Evaluation tools. The Charter ensures that Board Members are able to serve the Authority more efficiently and with utmost integrity and proper guidelines set out.

10.0 CAPACITY DEVELOPMENT OF THE BOARD

The Authority embraces corporate governance as a means of best practice in controlling its activities. During the year under review, the following programmes were undertaken:

The Board attended three day corporate governance training for directors administered by the Institute of Directors from 21st to 25th May, 2013 to enhance their corporate governance skills. In addition, the board further attended a one day performance evaluation training facilitated by State Corporation Advisory Committee on 26th October 2012 and one day workshop on 18th March, 2013 on Enterprise Risk Management.

11.0 ACCESSES TO INFORMATION

Board members are entitled to have access through the Chairman, to all information that they may need to conduct their business pursuant to the Board Charter provisions. Board documents are circulated to all Board members at least seven (7) days before the date of the meetings.

12.0 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges their responsibility as set out on the Statement of Directors Responsibility for the Authority's system of internal financial control, including taking reasonable steps to ensure that adequate systems are maintained. Internal controls systems are designed to ensure the Authority's resources are utilized towards adding value to its processes and operations as well as address the risks to which it is exposed to with procedures intended to provide effective internal financial control and safeguard the assets. It should be recognized that such a system can only provide reasonable but not absolute assurance against material misstatement.



The Board approved various internal controls policies and procedures during this financial year. These included The Human Resource policy, The Financial Management Policies, The Customer Service Charter and the Communication Policy. The Board also monitored the operational and financial aspects of the Authority's activities through review of quarterly reports, the advice of external auditors and considered appropriate actions relevant to any operational and financial risk that the Authority may face. The Board also put in place an Audit and Risk Committee that seeks to provide independent confirmation that Authority's standards, policies and procedures are being complied with.

The Board has also approved Institutional Risk Management framework to enhance its mitigation strategies to the attendant risk at various levels.

13.0 COMPLIANCE WITH THE LAW

The Board jointly and as individual members are satisfied that the Authority has to the best of their knowledge complied with the applicable laws. To the knowledge of the Board, no Board members or employee has acted or committed any offence or indulged in any unethical behavior in the conduct of the lawfully authorized business of the Authority. The Board received and considered two (2) Legal Audit and Compliance reports during the year under review. One of the legal audits was conducted by Kenya School of Law to ensure compliance level is reviewed by an independent institution on regular basis.

14.0 RELATIONSHIP WITH STAKEHOLDERS

The Authority is committed to relating openly with its stakeholders and foremost the Sacco institutions it regulates players in the Co-operative movement and financial sector, the Government and the public at large the nature of which is clearly spelt out in its Service Delivery Charter by providing regular information on its performance. This is achieved through publication of extracts of its audited annual financial performance in the local daily and the Kenya Gazette in line with The Sacco Society's Act, 2008 and distribution to the National Assembly as per the Public Audit Act.



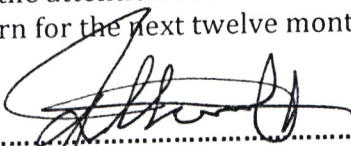
STATEMENT OF DIRECTORS RESPONSIBILITY

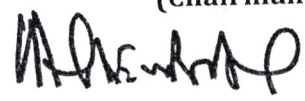
The Sacco Societies Act 2008 requires the Authority's directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Authority as at end of every financial year and of its operating results for the year. It also requires the directors to ensure that the Authority keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the Authority. They are also responsible for safe guarding the Assets of the Authority.

The Directors accept responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards(IFRS) as well as International Public Sector Accounting Standards(IPSAS) and in the manner required by "The Sacco Societies Act 2008".

The Directors are of opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority 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 the financial statements, as well as adequate systems of internal financial control.

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


..... Date 27th MAY 2014
J. Bernard Nthuku, MBS
(Chairman)


..... Date 27th MAY 2014
Carilus Ademba, HSC
(Chief Executive Officer)



REGULATORY ENVIROMENT

1.0 Prudential Regulation of Sacco Societies

The enactment of the Sacco Societies Act 2008 was part of the developments within the wider scope of on-going reforms in the financial sector, and meant to initiate reform the SACCO industry. There were two main objectives for this reform; first being to protect the interests of SACCO members and ensuring there is confidence by public towards the SACCO sub-sector; and secondly, to spur Kenya's economic growth through mobilization of domestic savings. The ultimate aim of the reforms is to modernize the sub-sector making it more relevant to the needs of Kenyans and expand its reach while integrating it into the formal financial sector.

The Sacco Societies Act 2008 and its attendant Regulations 2010 are risk oriented providing minimum operational regulations and prudential standards required of deposit-taking Sacco societies to ensure financial stability of the Sacco subsector. The prudential standards target all areas that entail significant risk for the Sacco business from a going-concern perspective. This includes:

- (a). The availability of capital funds to face any potential unexpected losses arising from poorly performing loans or investments.
- (b). The quality of the loan portfolio as the main income-generating asset in Sacco societies as well as ensuring that loan granting and lending conforms to the approved credit policy.
- (c). The reasonability of expenses relative to effective income received.
- (d). The continuing availability of liquid funds to finance portfolio growth and to respond to depositor's and creditor's needs.
- (e). The overall asset structure in terms of non-earning assets, fixed assets and investments in private sector securities, as per regulatory requirements.

In 2012, SASRA guided by the above commenced the development of a risk based supervision (RBS) framework to guide the supervision of the Sacco societies. The RBS project was supported by the Financial and Legal Sector Technical Assistance Programme (FLSTAP), a Government of Kenya and World Bank project.

This provided a supervision policy and procedure manual to guide the examiners in offsite and onsite surveillance functions. Thus, the RBS framework has two key components:

- (i). **Offsite analysis framework** – A financial analysis tool (i.e. CAMELS) for the analysis and monitoring of financial condition of the licensed DT Saccos based on the prudential standards namely *Capital Adequacy, Asset Quality, Management capacity, Earnings, and Liquidity*. The Sensitivity to risks will be developed with time as more specific data is collected on the operations of the Sacco societies.
- (ii). **ii.Onsite inspection framework** – A step by step procedure manual on the review of the systems and controls in the operations of the deposit taking Saccos



in line with the Act and Regulations. The manual covers all key operational areas of the Sacco.

In addition to the development of the RBS framework, SASRA has also been developing a Sacco Supervision Application to effectively implement the RBS framework. The application has three modules namely:

- Returns Submission – where the licensed DTS are granted access rights to electronically upload the financial returns.
- Financial Information Database – where all the submitted financial data is stored;
- Financial Analysis – To generate analytical report based on CAMEL rating parameters.

The first two modules are fully deployed and the licensed DTS submit their returns through this system. The financial analysis module once complete will automate the computation of financial ratios in CAMELS. SASRA plans to develop this application to a level where the Sacco societies will access their compliance reports online.

1.1 License Applications

Section 69 of the Sacco Societies Act provided one year from the date of publication of the Regulations for all the Deposit Taking (FOSA operating) Saccos to apply for license. This period lapsed in June 2011 and by the end of 2012, the total license application for deposit taking operations was 215 Sacco societies.

In the year 2012 SASRA was able to renew deposit taking licenses for 110 Saccos that had been previously licensed and 14 more Saccos were licensed in the same year, making the number of licensed Saccos to be 124 at the end of the year. The licensed Deposit Taking Saccos account for 91 % of the member deposits and total assets of the 215 Saccos that applied for license. The Table below provides a comparison of the licensed D.T. Saccos

Comparison Licensed DTS to total applications as at December 2012

Items	Membership	Deposits	Turnover	Loans/advances	Assets
124 Licensed DTs	2,201,144	146,084,735,714	27,675,290,994	154,416,602,696	201,906,237,053
215 Total DTs	2,544,001	2,544,001	160,481,603,102	167,598,152,962	223,534,832,926
% Licensed DTS TO Total DTS	87%	91%	93%	92%	90%

The table below is a summary of the total license applications by County by close of 2012.



Licensing Status per County

	County	Applications Received	Licensed	Under Review
1	MOMBASA	7	5	2
2	KWALE	1	0	1
3	KILIFI	3	2	1
4	TANA RIVER	1	0	1
5	LAMU	1	0	1
6	TAITA /TAVETA	1	1	0
7	GARISSA	-	0	0
8	WAJIR	-	0	0
9	MANDERA	-	0	0
10	MARSABIT	1	1	0
11	ISIOLO	1	0	1
12	MERU	14	12	2
13	THARAKA NITHI	2	2	0
14	EMBU	7	3	4
15	KITUI	2	1	1
16	MACHAKOS	2	1	1
17	MAKUENI	-	0	0
18	NYANDARUA	5	1	4
19	NYERI	10	8	2
20	KIRINYAGA	6	2	4
21	MURANGA	6	4	2
22	KIAMBU	16	10	6
23	TURKANA	-	0	0
24	WEST POKOT	1	0	1
25	SAMBURU COUNTY	2	1	1
26	TRANS-NZOIA	1	1	1
26	TRANS-NZOIA	1	1	1
27	UASIN GISHU	5	1	4
28	ELGEYO/MARAKWET	2	2	0
29	NANDI	5	1	4
30	BARINGO	2	2	0
31	LAIKIPIA	2	0	2
32	NAKURU	6	2	4
33	NAROK	2	1	1
34	KAJIADO	2	1	1
35	KERICHO	7	4	3
36	BOMET	10	6	4
37	KAKAMEGA	4	4	0
38	VIHIGA	1	0	1
39	BUNGOMA	7	1	6
40	BUSIA	1	1	0
41	SIAYA	1	1	0
42	KISUMU	7	2	5
43	HOMABAY	4	0	4
44	MIGORI	1	0	1
45	KISII	9	5	4
46	NYAMIRA	1	1	0
47	NAIROBI	45	34	11
		216	124	91

Nairobi County had the highest number of licensed DTS at 28 followed by Meru County with 11 while Kiambu and Nyeri Counties tied with 8 licensed Saccos. Thus the four Counties accounted for 50% of the 124 licensed DTS. Five (5) Counties, three of which are in Northern region of the Country did not have D.T.S. These are Garissa, Mandera, Wajir, Makueni and Turkana.

1.2 Regulatory Compliance by the Licensed Deposit Taking Sacco Societies

The licensed Saccos are required to submit periodic financial reports to the Authority to facilitate monitoring of financial performance and operational suitability. Off-site and on-site surveillance ensures Saccos comply with the legal and regulatory requirements. A key output from these returns is data and information on the performance of the Sacco subsector useful to policy makers and the general public. The regulatory process is critical in ensuring confidence in the Sacco subsector, a prerequisite to attract new members and mobilize deposits.

1.3 Submission of regulatory returns

Licensed D.T. Saccos are required to submit returns by the 15th days following end of the month. These returns include:

- (i). Monthly Statement of Financial Position
- (ii). Monthly Statement of Comprehensive Income



- (iii). Monthly Liquid Statement
- (iv). Monthly Statement of Deposit Return
- (v). Monthly Capital Adequacy Return
- (vi). Quarterly Investments Return
- (vii). Quarterly Risk Classification of Assets and Provisions

1.4 Challenges in the implementation of Prudential Regulations

While a majority of the Sacco societies satisfy the minimum licensing requirements such as capital adequacy, physical infrastructure and internal controls, there are notable challenges for the effective compliance with the Act and Regulations. Specific challenges that the Authority continues to experience are summarized below:

Governance in Saccos

The Sacco board of directors is charged with responsibility of ensuring sound and prudent management of Sacco affairs through implementation of sound and effective policy framework. This however has been noted to lack in majority of Saccos. It is the view of the Authority that Saccos need to improve on the governance front to ensure Saccos realize their potential.

Human Resource Management

Capacity gaps in terms of skills and competence have been noted in majority of Saccos. This is reflected in many Sacco's inability to meet the minimum regulatory requirements. It is imperative that human resource functions in Saccos are aligned to key functions and output areas.

Management Information Systems

Data generated by Saccos is not entirely without integrity issues. Sacco management require working on the accuracy and consistency of data generated and information submitted to the Authority in compliance to regulatory requirements.

Key Sub-sector Collaborative Initiatives

During the year under review, the Authority engaged in various collaborative and knowledge exchange programs:

- i. The Authority joined the Kenya Financial Regulators Forum. Members of the forum are CBK, RBA, CMA and IRA.
- ii. The continued support from The National Treasury through the Financial and Legal Sector Technical Assistance Program (FLSTAP) by financing a resident advisor on the implementation of risk based supervision.
- iii. The Authority continues to work closely with Strathmore University as per the signed Memorandum of Understanding to enhance research in the Sacco subsector. The two institutions engaged on a research study to determine various uses of Sacco loans as granted by deposit taking Saccos in Kenya.



1.5 Performance Trend for the Deposit Taking Saccos (Kshs. m)

Performance item	2007	2008	%	2009	%	2010	%	2011	%	2012	%
Total Assets	115,900	134,018	16	146,167	9	171,345	17	196,342	15	223,535	14
Loans/Advances	77,356	90,984	18	102,514	13	123,492	20	147,737	20	167,598	13
Deposits/savings	61,753	71,110	15	105,929	49	123,137	16	140,650	14	160,482	14
Share Capital/Equity	2,473	2,720	10	4,242	56	19,621	28	27,067	35	8,182	13
Turnover	13,589	15,698	16	17,195	10	22,022	28	25,000	14	30,009	23
Membership	955,162	1,061,348	10	1,538,993	45	1,646,966	7	2,092,946	27	2,544,001	22
No. of Saccos	214	214		218		215		215		215	

1.6 Sacco Supervision circulars issued in 2012

Circular No.	Date	Title	Subject
78.	27 th January 2012	Licensing requirements and way forward	Capital Adequacy requirements for licensing purposes
79.	31 st January, 2012	Approval of 2011 Audited Financial Statements	Compliance to Sacco Societies Act 2008 and regulation 55(1) of Deposit Taking Saccos
83	17 th September, 2012	Directions on raising capital through offers of the sale of shares	To ensure that Saccos engaged in raising capital operate within the regulatory frameworks.



1.7 County Distribution of Deposit Taking Saccos

The table below shows distribution of licensed Saccos across the Counties.

Only 124 met the licensing requirements as at 31st December 2012.

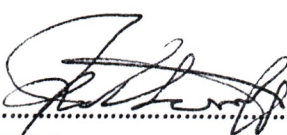
S/NO	County Name	Teachers		Government		Farmers		Private		Community		Totals		TOTAL
		NL	L	NL	L	NL	L	NL	L	NL	L	NL	L	
1.	Mombasa	-	1	1	2	-	-	1	1	-	1	2	5	7
2.	Kwale	1	-	-	-	-	-	-	-	-	-	1	-	1
3.	Kilifi	-	1	-	1	-	-	1	-	-	-	1	2	3
4.	Tana River	1	-	-	-	-	-	-	-	-	-	1	-	1
5.	Lamu	1	-	-	-	-	-	-	-	-	-	1	-	1
6.	Taita /Taveta	-	1	-	-	-	-	-	-	-	-	-	1	1
7.	Garissa	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Wajir	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Mandera	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	Marsabit	-	1	-	-	-	-	-	-	-	-	-	1	1
11.	Isiolo	1	-	-	-	-	-	-	-	-	-	1	-	1
12.	Meru	-	1	-	-	3	6	-	1	-	3	3	12	14
13.	Tharaka Nithi	-	1	-	-	-	1	-	-	-	-	-	2	2
14.	Embu	-	1	1	-	2	1	-	-	2	-	5	3	7
15.	Kitui	1	1	-	-	-	-	-	-	-	-	1	1	2
16.	Machakos	1	-	-	-	1	-	-	-	-	1	2	1	3
17.	Makueni	-	-	-	-	-	-	-	-	-	-	-	-	-
18.	Nyandarua	-	1	-	-	4	-	-	-	-	-	4	1	5
19.	Nyeri	-	1	-	-	1	5	-	-	1	2	2	8	10
20.	Kirinyaga	-	-	1	-	2	2	1	-	-	-	4	2	6
21.	Muranga	-	1	-	-	1	3	-	-	1	-	2	4	6
22.	Kiambu	-	2	1	-	1	4	1	2	5	-	8	10	16
23.	Turkana	-	-	-	-	-	-	-	-	-	-	-	-	-
24.	West pokot	1	-	-	-	-	-	-	-	-	-	1	-	1
25.	Samburu	1	-	-	-	-	-	-	-	1	-	2	1	2
26.	Trans-Nzoia	-	1	-	-	1	-	-	-	-	-	1	1	2
27.	Uasin- Gishu	-	1	2	-	1	-	1	-	-	-	4	1	5
28.	Elgeyo/Marakwet	-	2	-	-	-	-	-	-	-	-	-	2	2
29.	Nandi	1	-	-	-	2	1	1	-	-	-	4	1	5
30.	Baringo	-	1	-	-	-	1	-	-	-	-	-	2	2
31.	Laikipia	1	-	-	-	1	-	-	-	-	-	2	-	2
32.	Nakuru	-	1	2	-	1	-	-	-	1	-	4	2	5
33.	Narok	-	1	1	-	-	-	-	-	-	-	1	1	2
34.	Kajiado	-	-	-	-	1	-	-	1	-	-	1	1	2
35.	Kericho	-	1	1	-	1	3	-	-	1	-	3	4	7
36.	Bomet	1	-	-	-	3	5	-	-	-	1	4	6	10
37.	Kakamega	-	1	-	-	1	1	-	1	-	-	1	4	4
38.	Vihiga	-	-	-	-	1	-	-	-	-	-	1	-	1
39.	Bungoma	1	1	1	-	4	-	-	-	-	-	6	1	7
40.	Busia	1	-	-	-	-	-	-	-	-	-	1	1	1
41.	Siaya	-	1	-	-	-	-	-	-	-	-	-	1	1
42.	Kisumu	2	1	2	-	1	1	1	-	-	-	6	2	8
43.	Homabay	2	-	-	-	-	-	1	-	1	-	4	-	4
44.	Migori	1	-	-	-	-	-	-	-	-	-	1	-	1
45.	Kisii	-	2	-	-	3	3	-	-	1	-	4	5	9
46.	Nyamira	-	-	-	-	-	1	-	-	-	-	-	1	1
47.	Nairobi	-	1	12	13	-	-	2	8	3	6	17	34	45
	Totals(Licensed)		28		16		38		14		14		124	
	Total (Not Licensed)	18		25		36		10		17		106		
	Total (Combined)		46		41		73		24		31		215	



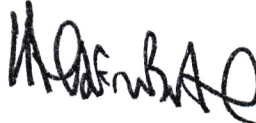
STATEMENT OF FINANCIAL POSITION

**SACCO SOCIETIES REGULATORY AUTHORITY
 STATEMENT OF FINANCIAL POSITION
 AS AT 30TH JUNE 2013**

ASSETS	NOTES	2013	2012
		<u>Jun-13</u> K.Sh	<u>Jun-12</u> K.Sh
Non Current Assets			
Property, Plant & Equipment	11a	57,830,839	30,469,165
Intangible Assets	11b	15,141,061	2,216,883
Total Fixed Assets		72,971,900	32,686,048
Current assets			
Receivables	12	2,747,320	232,573
Deposits	13	3,500,119	3,500,119
Prepayments	14	3,717,059	3,193,211
Other receivable	15	183,500	888,348
Cash and Cash Equivalents	16	65,992,046	33,023,098
Total Current Assets		76,140,044	40,837,349
TOTAL ASSETS		149,111,945	73,523,397
FUND AND LIABILITIES			
FUNDS			
Capital Fund	17	157,230,545	54,400,329
General Fund	18	(23,590,855)	3,126,375
Total Funds		133,639,689	57,526,704
Liabilities			
Current Liabilities			
Trade Payables	19	1,244,259	4,991,145
Other Payables	20	24,997	97,877
Provisions	21	14,203,000	10,907,671
Total Current Liabilities		15,472,256	15,996,693
TOTAL FUNDS AND LIABILITIES		149,111,945	73,523,397



 SIGNED BY
 CHAIRMAN



 SIGNED BY
 CHIEF EXECUTIVE OFFICER



STATEMENT OF COMPREHENSIVE INCOME
SACCO SOCIETIES REGULATORY AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR PERIOD ENDED 30TH JUNE 2013

		<u>2013</u> K.Sh	<u>2012</u> K.Sh
REVENUE			
	NOTES		
GoK Grant	3	103,392,000	90,850,000
AIA (Internally generated Funds)	4	130,037,962	115,403,504
		233,429,962	206,253,504
Less: Transfer to Capital Fund		(27,643,961)	(16,130,298)
		205,786,001	190,123,206
Donor/Development Partners Support	5	40,286,810	12,927,903
Gain on disposal of asset	6	-	1,918,50
Total Revenue (a)		246,072,811	204,969,609
EXPENDITURE			
Employee costs and benefits	7	140,931,242	113,760,047
Board Expenses	8	6,569,876	8,426,918
Operating and Maintenance Costs	9	88,912,249	57,542,220
Provisions for doubtful receivable	10	-	4,711,811
Provision for Depreciation	11a	28,428,849	8,636,554
Provision for Amortisation	11b	7,715,824	203,425
Provision for Audit fees		232,000	232,000
Total Expenditure (b)		272,790,040	193,512,975
Surplus/(Deficit) to General Fund (a-b)		(26,717,229)	11,456,634



STATEMENT OF CASH FLOWS

SACCO SOCIETIES REGULATORY AUTHORITY

STATEMENT OF CASH FLOW

FOR THE ENDED 30TH JUNE 2013

	<u>2013</u>	<u>2012</u>
	K.Sh	K.Sh
Cash Flow from Operating Activities		
Surplus from operations to 30th June 2013	(26,717,229)	11,456,636
Adjustment for:		
Depreciation	28,428,538	8,636,554
Amortisation	7,715,824	203,425
Gain on disposal of asset	-	(1,918,500)
Cash Flow from Operating Activities before working Capital Change	9,427,132	18,378,115
Adjustment for working capital changes:		
Increase in Debtors & Prepayments	(2,333,747)	1,853,502
Decrease in Payables & Accruals	(524,437)	5,133,031
Net Cash from Operating Activities	6,568,948	25,364,648
Cash Flow from Investing Activities		
Purchase of Property plant & Equipment	(1,243,961)	(16,130,298)
Insurance claim for Vehicles	-	5,111,250
Net Cash from Investing Activities	(1,243,961)	(11,019,048)
Cash Flow from Financing Activities		
Gok Grants Dev/Capital	26,400,000	15,000,000
AIA(Internally Generated Fund)	1,243,961	1,130,298
Net Cash from Financing Activities	27,643,961	16,130,298
Net Increase/(Decrease) in Cash and Cash Equivalent	32,968,948	30,475,898
Cash and Cash Equivalent as at 30th June 2012	33,023,098	2,547,200
Cash and Cash Equivalent as at 30th June 2013	65,992,046	33,023,098



STATEMENT OF CHANGES IN FUND BALANCES

SACCO SOCIETIES REGULATORY AUTHORITY STATEMENT OF CHANGES IN FUND BALANCES FOR THE PERIOD ENDED 30TH JUNE 2013

	GENERAL FUND		
	CAPITAL FUND K.Sh	RESTATE K.Sh	TOTAL K.Sh
2009/2010			
As at 1st July 2009	-	36,000,000	36,000,000
Recurrent Expenditure		(22,605,251)	(22,605,251)
Transfer to General Fund	17,760,250	(17,760,250)	-
As at 30th June 2010	17,760,250	(4,365,501)	13,394,749
2010/2011			
As at 1st July 2010	17,760,250	(4,365,501)	13,394,749
Prior Year Adjustments	-	184,130	184,130
As at 30th June 2010	17,760,250	(4,181,371)	13,578,879
Devt/Capital funds(GOK& AIA)	18,529,781	-	18,529,781
Donations from FLSTAP	1,980,000	-	1,980,000
Deficit for the Year	-	(1,792,055)	(1,792,055)
Prior Year adjustments	-	(2,356,837)	(2,356,837)
As at 30th June 2011	38,270,031	(8,330,263)	29,939,768
YEAR 2011/12			
As at 1st July 2011	38,270,031	(8,330,263)	29,939,768
Devt/Capital funds(GOK& AIA)	16,130,298		16,130,298
Surplus for FY 2011/2012		11,456,636	11,456,636
As at 30th June 2012	54,400,329	3,126,373	57,526,702
YEAR 2012/13			
As at 1st July 2012	54,400,329	3,126,373	57,526,702
Devt/Capital funds(GOK& AIA)	27,643,961	-	27,643,961
Donations from FLSTAP:			
ERP Supply & installation	19,098,402	-	19,098,402
Supply of ICT Equipments	56,087,853	-	56,087,853
Surplus/Deficit for the Year	-	(26,717,229)	(26,717,229)
As at 30th June 2013	157,230,545	(23,590,856)	133,639,688



NOTES TO THE FINANCIAL STATEMENTS

1) Reporting Entity

SASRA (Sacco Societies Regulatory Authority) is a State Corporation and a creation of The Sacco Societies Act 2008. SASRA's domiciled in Kenya, was established with the mandate of Licensing and Regulating SACCO Societies in Kenya. The address of its registered office is as follows:

Britam Center
Mara Road, Upper hill
P.O Box 25089-00100
Nairobi.

2) Summary of Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared on a going concern basis with measurement based on historical cost except where otherwise stated in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The measurement basis applied is historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented Kenya Shillings (K.sh) which is the functional currency.

The financial statements comprise a Statement of Comprehensive income, Statement of Financial position, Statement of Changes in Equity, Statement of Cash flows and the accompanying notes. The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. Although such estimates and assumptions are based on the Authority's best knowledge of the information available, actual results may differ from those estimates. The judgments and estimates are reviewed at end of each reporting period and any revisions to such estimates are recognized in the year in which the revision is made. The areas involving a higher degree of judgment or complexity, or where assumptions and policies are significant to the financial statements are disclosed in the Note 2(d)

b) New and revised standards

The following new and revised standards and interpretations have been. Issued;

Adoption of new and revised standards

The following new and revised standards and interpretations have become effective for the first time and have been adopted by the Authority where relevant to its operations:



IAS 1 (Amendment) - Presentation of financial statements:

The amendment will require entities to group items of other comprehensive income according to whether or not they will be subsequently reclassified to profit or loss. It is effective for accounting periods beginning on or after 1st July 2012.-

• **IAS 12 (Amendment) - Income Taxes:**

The amendment requires that a rebuttable presumption be made that the carrying amount of investment property carried at fair value will be recovered through sale.

• **IFRS 7 (Amendment) - Disclosures –**

Transfers of financial assets: The amendments improve the disclosure requirements in relation to transferred financial assets. The adoption of the above where relevant has had no material effect on the Authority's accounting policies or disclosures.

b) New and revised standards

New and revised standards and interpretations in issue but not yet effective

At the end of accounting period, the following revised standards and interpretations were in issue but are not yet effective for the year beginning 1st July 2012. The Authority has not adopted any of these revised standards, amendments and interpretations in advance of the effective date:

IAS 19 (Amendment) - Employee Benefits :

The key amendments include elimination of the 'corridor approach', modification of accounting for termination payments, and changes to the disclosure requirements for defined benefit plans. The amendments are effective for accounting periods beginning on or after 1st January 2013.

IFRS 9 - Financial Instruments will eventually replace IAS 39 –

Financial Instruments, Recognition and Measurement. The new standard will be effective for annual periods beginning on or after 1st January 2015. The chapters published to date cover recognition, de-recognition, classification and measurement of financial assets and financial liabilities. Most gains or losses on financial assets measured at fair value will then be recognised in profit or loss, but the company will be able to make an irrevocable election to present changes in fair value of investments in equity instruments in other comprehensive income.

IAS 27 (Revised) - Separate Financial Statements;

IAS 28 (Revised) Investments in Associates and Joint Ventures; IFRS 10 - Consolidated Financial Statements; IFRS 11 - Joint Arrangements; IFRS12 - Disclosure of Interests in Other Entities: these revised and new standards become effective for accounting periods beginning 1st January 2013, and have to be adopted simultaneously if adopted earlier. IFRS 10 establishes new principles of control, which determines whether an investee should be consolidated: it replaces parts of IAS 27, which will then deal only with separate financial statements of a parent, and SIC 12 - Consolidation of Special



Purpose Entities. IFRS 11 establishes new principles for determining the nature of a joint arrangement, and eliminates the 'proportionate consolidation' method for joint ventures. The revised IAS 28 deals with the application of the equity method of accounting

for associates and joint ventures. IFRS 12 sets out revised disclosure requirements for subsidiaries, joint arrangements, associated and unconsolidated structured entities.

IFRS 13 - Fair Value Measurement:

The new standard defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements. IFRS 13 applies when other standards require or permit fair value measurements: it does not introduce any new requirements

to measure an asset or a liability at fair value. The new standard is effective for accounting periods beginning on or after 1st January 2013.

New and revised standards and interpretations in issue but not yet effective

IFRIC 20 - Stripping costs in the production phase of a surface mine :

The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for accounting periods beginning on or after 1st January 2013.

IFRIC 21 Levies

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

Where applicable to the Authority has assessed the potential impact of the above and expect that they will not have a significant impact on its financial statements for year ended 30th June 2013.

c) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Authority and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account legal and contractual defined terms of payment and excluding taxes or duty. The Authority assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Authority has concluded that it is acting as a principal in its revenue arrangements except for GoK grants which are mainly non-exchange transactions.



Revenue earned and received by the Authority consisted of the following items as provided for in Section 16 of the Act:

- i) Sacco Deposits Levy and Licence fees recognized when received and its probable that economic benefits will flow to the Authority
- ii) GoK Grants to the Authority via Exchequer towards the expenditure incurred by the Board in the exercise of its powers or the performances of its functions under the Act recognized when received and are accounted for in accordance to IAS 28- Government grant; and,
- iii) All monies from other source provided for and donated to the Authority that are recognized when contracts have been signed and payments disbursed based on deliverables or tangible transfer of equipment received.

d) Critical accounting estimates and judgments.

In the process of applying the accounting policies adopted by the Authority, the estimates and judgments that may affect the carrying values of assets and liabilities are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The Authority makes estimates and assumptions including expectations of future events that are believed to be reasonable under the current circumstances concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In particular, estimates are made by the directors in determining the recoverable amount of impaired receivables.

e) Property, plant and equipment

All property and equipment are initially recorded at cost. Depreciation is calculated using the straight line method to write down the cost of each asset to its residual value over its predetermined useful life. When an asset is acquired within a period of at least nine (9) months of the accounting period, full depreciation of the year shall be provided while if acquired within three (3) months of the accounting period, no provision shall be charged to income as stipulated in the Authority's policy.

The annual depreciation rates in use are;

Motor Vehicles	25%
Computer, hard ware's and accessories	33.3%
Office equipment	25%
Furniture and Fittings	12.5%

The asset's residual values and lives are reviewed and adjusted if appropriate at each reporting date. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in surplus or deficit.



f) Intangible assets

These consist of development costs that are directly attributable to design, testing and installation of identifiable and unique Computer software products controlled by the Authority and is amortised over the expected useful life of three years. Costs associated with maintaining computer software programmes are expensed and treated in the Statement of comprehensive income.

Amortization of Intangibles is done upon 100% complete installation, operationalization and sign off by the vendor as per contract deliverables.

g) Impairment of non-financial assets

The carrying amounts of the society's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such condition exists the recoverable amount of the asset is estimated to determine the extent of impairment loss (if any). If the recoverable amount of the asset is estimated to be less than its carrying amount an impairment loss expense is recognized immediately, unless the relevant asset is carried at revalued amount in which case the impairment loss is treated as a decrease in revaluation reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as an increase in revaluation reserve.

h) Employee entitlements

Employee entitlement to gratuity is recognized when they accrue to employees. Provision is made for the estimated liability of such entitlements as a result of service rendered by employees up to the balance sheet date. The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual subject to legal and policy provisions.

k) Retirement benefit obligations

The Authority operates a defined contribution scheme for all employees. A defined contribution plan is a pension plan under which the Authority pays fixed contributions into a separate entity. The assets of these schemes are held in a separately administered fund that is funded by contribution from the Authority and employees.

The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior period. The Authority contributions to the



defined contribution schemes are charged to the Income statement account in the year in which it relates.

The Authority also contributes to a mandatory statutory defined contribution pension scheme, the National Social Security Fund (NSSF) at varying values for its employees as legislated from time to time.

l) Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank and cash in hand.

m) Provisions for liabilities and other charges

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

n) Contingent Liabilities

A contingent Liability is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm a gain (i.e., acquisition of an asset or reduction of a liability) or a loss (i.e., loss or impairment of an asset or the incurrence of a liability). When a contingent liability exists, the likelihood that the future event or events will confirm the loss or the incidence of a liability can range from probable to remote. The probability classifications are as follows:

- **Probable:** The future confirming event or events are more likely than not to occur.
- **Reasonably possible:** The chance of the future confirming event or events occurring is more than remote but less than probable.
- **Remote:** The chance of the future event or events occurring is slight.

The following are some of the contingencies that the board anticipates to occur in future;

- Collectability of levies,
- Pending litigation in court by a licenced Sacco on remittance of levies as well as Challenge of enforcement actions by two SACCO's
- Possible claims on assessments as a result of counter claims.

Criteria for disclosure of a Contingent Liability

A contingent liability should be disclosed if any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred.

o) Lease payments

The authority signed an operating lease for rental premises with the landlord. The rental payments for the premises are recognized in the Statement of Comprehensive Income as expense based on terms of the lease agreement and all risks and rewards remain with the lessor i.e. the landlord British American Insurance Company Ltd.



p) Trade and other receivables

Receivables are recognized at anticipated realizable value less an allowance for any uncollectible amounts. An estimate/specific provision is made for doubtful receivables based on the review of all outstanding amounts at the year end. Any write off must be done when all reasonable steps to recover them have been taken without success.

q) Trade and other payables

These are stated at their nominal value anticipated for settlement.

r) Training costs

The transactions in respect to training have been reclassified from the operational and maintenance costs to the employee costs and benefits. The reclassification was necessitated by the nature of the item as the capacity of the employees is improved.

s) Related party Transactions

These are in respect to transactions to parties that have control or influence on the Authority operations details of which are disclosed under Notes 3 of these financial statements.

FINANCIAL RISK MANAGEMENT

Authority is exposed to the following risks

- Liquidity risk
- Market risk
- Operational risk

The Authority is continuously putting measures in place to help manage these risks every day. These measures include setting appropriate strategic and operational objectives, policies and processes geared towards identification and effective management of the risks identified.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Authority's risk management framework.

The Authority's risk management policies are established to identify and analyse the risks faced by the Authority, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions, products and services offered. The Authority, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board is responsible for monitoring compliance with the Authority's risk policies and procedures, and for reviewing their adequacy. The Board is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk controls and procedures, the result of which are reported to the Board Audit Risk and Corporate Governance Committee.



a) Liquidity Risk

Liquidity risk is the risk that the Authority will encounter in meeting obligations from its financial liabilities as they fall due.

Management of Liquidity risk

The Authority approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring un acceptable losses or risking damage to the Authority's reputation where possible where possible.

Exposure to Liquidity risk

The key measure used by the Authority for managing liquidity risk is the ratio of current assets to Current Liabilities. Details of the reported Authority's ratio of current assets to current Liabilities at the reporting date and during and reporting period were as follow:

	2012	2013
At 30 th June	1.5:1	5.4:1

ii) Market Risks

Market risk is the risk that changes in market prices, such as interest rate, equity prices and foreign exchange rates will affect the Authority's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Authority transactions exposed to market risks are only Donor or development partner funding where transactions are denominated in foreign currency with impact expected on timing differences of the transactions.

iii) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Authority's processes , personnel, technology and infrastructure, and from external factors other than credit, market and liquidity such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all the Authority's operations and are faced by all business units.

The Authority's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Authority's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of control to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Authority's standards for the management of operational risk in the following areas;

- a) Requirements for appropriate segregation of duties, including the independent authorization of transactions
- b) Requirements for the reconciliation and monitoring of transactions
- c) Compliance with regulatory and other legal requirements



The SACCO Societies Regulatory Authority

SASRA

Securing SACCO funds

- d) Documentation of controls and procedures
- e) Requirement for the yearly assessment of operational risks faced, and the adequacy of the controls and procedures to address the risks identified
- f) Requirements for the reporting of operational losses and proposed remedial action
- g) Development of contingency plans
- h) Training and professional development
- i) Ethical and business standards

Risk mitigation, including insurance where this is effective. Compliance with relevant GoK regulations is supported by a programme of regular review and undertaken by Internal Audit and Risk department. The results of Internal Audit reviews are discussed with the Board and senior management of the Society.



NOTES TO FINANCIAL STATEMENTS

	<u>2013</u>	<u>2012</u>
	K.Sh	K.Sh
3 GoK grants		
Recurrent grants	76,992,000	75,850,000
Development /Capital grants	26,400,000	15,000,000
	103,392,000	90,850,000
4 Internally Generated Revenue(AIA)		
Levies on deposits	116,262,010	101,563,504
Licence fees	11,970,000	13,200,000
Application for licence fees	321,000	225,000
Sales of Tender documents	288,000	415,000
Investment income	1,196,952	-
Total Income	130,037,962	115,403,504
5 Donors/development Partner support		
FLSTAP-Risk Based supervision Framework	30,062,075	8,855,467
-Training and Workshops	9,267,735	2,784,182
- Review of Sacco legal framework	957,000	-
FSD Capacity building workshop costs	-	1,288,254
	40,286,810	12,927,903
6 Gain on Asset Disposal		
Disposal of Prado KBJ 175U		
a) Insurance claim received	-	5,111,250
<u>Less:Net book value</u>		
Cost of Acquisition	-	6,246,900
Less Accumulated Depreciation	-	(3,123,450)
b)Depreciation Value	-	3,123,450
Gain on Asset Disposal(a less b)	-	1,987,800
Lost Laptops		
Cost of Acquisition	-	99,000
Less Accumulated Depreciation	-	(29,700)
Depreciation value/loss	-	69,300
Net Gain on Disposal for the items	-	1,918,500



	<u>2013</u> K.SH	<u>2012</u> K.SH
7 Employee Costs & Benefits		
Staff Salaries & wages	104,180,963	85,261,274
Employer pension contribution	8,551,830	5,810,815
Staff medical insurance	12,661,920	8,729,095
Club membership subscription	575,111	878,680
NSSF employer contribution	141,000	122,250
Staff garment (Shirts & Blouses)	156,486	156,486
Provision for gratuity	2,008,800	2,008,800
Provision for outstanding leave days	1,286,533	6,323,267
Training Expenses	11,525,085	4,469,380
	140,931,242	113,760,047
Increase in staff salaries & wages was due to new recruits, annual increment and staff promotions.		
8 Board Expenses		
Sitting allowances	3,107,046	3,594,000
Honoraria and airtime	916,818	1,020,000
Other Board Expenses	2,546,012	3,812,918
	6,569,876	8,426,918
9 Operating and Maintenance costs		
Advertising & Promotions costs	1,179,395	2,244,462
Bank Charges	187,864	157,903
Office cleaning expenses	862,478	737,109
Computer expenses	1,483,718	755,486
Courier & Postage expenses	133,805	262,696
Donations	20,000	-
Electricity & Water expenses	206,039	144,652
Entertainment expenses	1,250,384	867,099
General Expenses	51,789	50,540
Office consumables costs	844,082	1,176,102
Internet access cost	708,760	701,700
Legal Fees	1,097,000	229,000
Professional charges	41,939,810	8,855,467
Asset insurance	148,909	56,563
Motor vehicle repairs expenses	1,430,478	1,106,672
Motor vehicle insurance expenses	586,785	1,378,456
Motor vehicle fuel expenses	2,423,857	2,267,820
Printing & stationery	1,366,790	1,827,383
Rates & Parking	20,167,858	18,171,396
Security Expenses	843,380	392,001
Repairs & Maintenance	407,585	628,025
Sensitization workshops	520,425	1,752,179
Corporate branding	2,585,237	2,801,347
Communication expenses	1,376,175	1,492,549
News papers and periodicals	376,320	385,660
Travel & Subsistence	5,666,718	8,761,522
Transport and Taxi expenses	251,608	338,431
Consultancy fees (IRM)	795,000	-
	88,912,249	57,542,220
10 Provision for bad and doubtful debts	-	4,711,811
This relates to GOK grants not remitted in year 2012/2011 provided for in year 2011/12		



The SACCO Societies Regulatory Authority

SASRA

Securing SACCO funds

11a PROPERTY, PLANT AND EQUIPMENT

COST	COMPUTER		PARTITIONS	OFFICE		TOTAL
	MOTOR VEHICLES	HARDWARE		OFFICE FURNITURE	EQUIPMENTS	
	K.Sh	K.Sh	K.Sh	K.Sh	K.Sh	K.Sh
At July 1st 2012	22,718,174	7,799,300	5,984,809	3,656,393	5,365,113	45,523,789
Additions	-	44,476,253	-	266,976.00	11,047,294.00	55,790,523.00
Disposals	-	-	-	-	-	-
Cost as at 30th June 2013	22,718,174	52,275,553	5,984,809	3,923,369	16,412,407	101,314,312
DEPRECIATION						
At July 1st 2012	6,987,694	4,239,257	1,244,303	1,027,670	1,555,700	15,054,624
Disposals	-	-	-	-	-	-
Charge for the For the Year	5,679,544	17,407,759	748,101	490,421	4,103,024	28,428,849
At as 30th June 2013	12,667,238	21,647,016	1,992,404	1,518,091	5,658,724	43,483,473
NET BOOK VALUES						
At as 30th June 2013	10,050,936	30,628,537	3,992,405	2,405,278	10,753,683	57,830,839
At as 30th June 2012	15,730,480	3,560,043	4,740,506	2,628,723	3,809,413	30,469,165

11b INTANGIBLE ASSETS

Computer Software	K.SH
COST	
At July 1st 2012	2,530,640
Additions	20,640,002
Disposals	-
Cost as at 30th June 2013	23,170,642
DEPRECIATION	
At July 1st 2012	313,757
Disposals	-
Charge for the Year	7,715,824
At as 30th June 2013	8,029,581
NET BOOK VALUES	
At as 30th June 2013	15,141,061
At as 30th June 2012	2,216,883



The SACCO Societies Regulatory Authority

SASRA

Securing SACCO funds

	2013	2012
	K.SH	K.SH
12 Trade Receivables		
Biashara sacco	136,603	-
Chemelil Sacco	22,454	-
Hazina sacco society limited	4,953	-
K- Unity Sacco	118,566	-
Konoin Sacco	128,636	-
Meru South Farmers	432	-
Kenya Cannery Sacco Society	305,859	-
Mwalimu Sacco	24,469	-
Nyamira Tea Growers	20,000	-
NRS SACCO	130,521	-
Nyambene Arimi Sacco	86,263	-
Sheria Sacco Society	1,439,289	-
Siaya Teachers sacco society	161,772	-
Universal Traders Sacco Ltd	18,741	-
Staff Recoverables	119,693	200,000
KRA Tax Credit	29,070	32,573
	2,747,320	232,573
These relates to deposit levies assessed invoiced but not received by 30th June 2013.		
The amount of K.sh 136,603 due from Biashara Sacco is subject to court appeal judgement.		
13 Deposits		
Rent and parking-1st Floor	1,790,640	1,790,640
Rent and parking-Ground Floor	1,704,479	1,704,479
Water dispenser-Alpine Coolers	5,000	5,000
	3,500,119	3,500,119
14 Prepayments		
Motor Vehicle Insurance	463,809	255,113
GPA cover	160,144	152,186
Staff Medical Cover	2,699,494	2,598,831
Assets Insurance	393,612	113,126
Maintenace of Office Equipment	-	15,956
Internet Services	-	58,000
	3,717,059	3,193,212
15 Other Receivables		
Strathmore Business School	183,500	-
FLSTAP-Regulatory forum support	-	520,334
FSD-Governance Support	-	368,014
	183,500	888,348



	<u>2013</u>	<u>2012</u>
	K.SH	K.SH
16 Cash and Cash Equivalents		
Short term Deposit Investment	60,000,000	-
Cash balance in bank	5,893,459	32,993,439
Cash in Hand	98,587	29,659
	65,992,046	33,023,098
17 Capital Fund		
Balance b/f	54,400,329	38,270,031
Funds received for CAPEX	27,643,961	16,130,298
Capital from (FLSTAP):-		
ERP Supply & installation	19,098,402	-
Supply of ICT Equipments	56,087,853	-
	157,230,545	54,400,329
18 General Fund		
Balance b/f as June 2012	3,126,374	(8,330,263)
Prior year adjustments	-	-
Surplus/Deficit for the Period	(26,717,229)	11,456,636
Balance as at 30th June 2013	(23,590,855)	3,126,373
19 Trade Payables		
Flament Company	14,512	14,688
Nation Media Group	79,800	939,534
Wayden Flowers	128,000	356,300
Gatwick Tech Enterprises Limited	675,000	-
Insurance Regulatory Authority	331,946	-
Pampa Grill Ltd	15,000	-
Boma Travel Services		12,835
Alpine Coolers	-	11,582
Antarc Furnitures	-	539,924
Dataposit Limited	-	1,299,706
K & G Cafeteria	-	13,750
Rex Kiosk(Newspaper & periodical)	-	29,600
Standard Group	-	97,092
Tamia Limited	-	128,679
Uniglobe Northline Travels	-	1,547,455
	1,244,258	4,991,145



The SACCO Societies Regulatory Authority

SASRA

Securing SACCO funds

	2013	2012
	K.SH	K.SH
20 Other payables		
Salaries Payable	21,120	51,316
NSSF	-	23,200
NHIF	-	18,560
Shirika Sacco Deductions	-	4,801
KRA-Value Added Tax	3,877	-
	24,997	97,877
21 Provisions & Accruals		
Provision for Audit fee	232,000	232,000
Accrued Gratuity	6,361,200	4,352,400
Accrued Leave entitlement	7,609,800	6,323,271
	14,203,000	10,907,671



APPENDIX I



**THE SACCO SOCIETIES REGULATORY AUTHORITY
(SASRA)**

DEPOSIT-TAKING SACCO SOCIETIES LICENSED BY THE SACCO SOCIETIES REGULATORY AUTHORITY

PURSUANT to regulation 8 (1) of The Sacco Societies (Deposit-Taking Sacco Business) Regulations, 2010, The Sacco Societies Regulatory Authority (SASRA) notifies the general public of the additional Sacco Societies that have been duly licensed to carry out deposit-taking Sacco business in Kenya for the financial year ending on 31st June, 2013;-

<i>NO.</i>	<i>NAME OF SOCIETY</i>	<i>POSTAL ADDRESS</i>	<i>DATE LICENSED</i>
1 .	STIMA SACCO SOCIETY LTD	P.O. Box 75629 - 00100 NAIROBI	19/12/2011
2 .	BARINGO TEACHERS SACCO SOCIETY LTD	P.O. Box 80-20103 ELDAMA RAVINE	19/12/2011
3 .	TAI SACCO SOCIETY LTD	P.O. Box 718 - 00216 GITHUNGURI	19/12/2011
4 .	U.N. SACCO SOCIETY LTD	P.O. Box 30552 -00100 NAIROBI	19/12/2011
5 .	SOUTH IMENTI TEA GROWERS SACCO SOCIETY LTD	P.O. Box 511 - 60202 NKUBU	19/12/2011
6 .	KENYA HIGHLANDS SACCO SOCIETY LTD	P.O. Box 2085 - 002000 KERICHO	19/12/2011
7 .	BANDARI SACCO SOCIETY LTD	P.O. Box 95011 - 80104 MOMBASA	19/12/2011
8 .	GUSII MWALIMU SACCO SOCIETY LTD	P.O. Box 1335 -40200 KISII	19/12/2011
9 .	WAKENYA PAMOJA SACCO SOCIETY LTD	P.O. Box 829 - 40200 KISII	19/12/2011
10 .	MERU SOUTH FARMERS SACCO SOCIETY LTD	P.O. Box 514 - 60400 CHUKA	19/12/2011
11 .	KILIFI TEACHERS SACCO SOCIETY LTD	P.O. Box 712 - 80108 KILIFI	19/12/2011
12 .	KITUI TEACHERS SACCO SOCIETY LTD	P.O. Box 254 - 90200 KITUI	19/12/2011
13 .	NDEGE CHAI SACCO SOCIETY LTD	P.O. Box 857 - 20200 KERICHO	19/12/2011
14 .	TENHOS SACCO SOCIETY LTD	P.O. Box 391 -20400 BOMET	19/12/2011
15 .	NYAMIRA TEA FARMERS SACCO SOCIETY LTD	P.O. BOX 633 - 40500 NYAMIRA	19/12/2011
16 .	NYERI TEACHERS SACCO SOCIETY LTD	P.O. Box 1939 - 10100, NYERI	19/12/2011
17 .	KAKAMEGA TEACHERS SACCO SOCIETY LTD	P.O. Box 1150-50100 KAKAMEGA	19/12/2011



The SACCO Societies Regulatory Authority

SASRA

Securing SACCO funds

18.	KITE SACCO SOCIETY LTD	P.O. Box 2073 - 40100 KISUMU	19/12/2011
19.	KIPSIGIS TEACHERS SACCO SOCIETY LTD	P.O. Box 682 - 20200 KERICHO	19/12/2011
20.	MOMBASA TEACHERS SACCO SOCIETY LTD	P.O. Box 86515 - 80100 MOMBASA	19/12/2011
21.	BORABU SACCO SOCIETY LTD	P.O. Box 42 - 40502 NYANSIONGO	19/12/2011
22.	CHAI SACCO SOCIETY LTD	P.O. Box 278 - 00200 NAIROBI	19/12/2011
23.	MOMBASA PORT SACCO SOCIETY LTD	P.O. Box 95372 - 80104 MOMBASA	19/12/2011
24.	MURAMATI SACCO SOCIETY LTD	P.O. Box 1145 - 10200 MURANG'A	19/12/2011
25.	BINGWA SACCO SOCIETY LTD	P.O. Box 434 - 10300 KERUGOYA	19/12/2011
26.	KMFRI SACCO SOCIETY LTD	P.O. Box 80862 MOMBASA	19/12/2011
27.	NAKURU TEACHERS SACCO SOCIETY LTD	P.O. Box 1931 - 20100 NAKURU	19/12/2011
28.	NACICO SACCO SOCIETY LTD	P.O. Box 34525 - 00100 NAIROBI	19/12/2011
29.	BARINGO FARMERS SACCO SOCIETY LTD	P.O. Box 660 - 20103 ELDAMA RAVINE	19/12/2011
30.	NANDI HEKIMA SACCO SOCIETY LTD	P.O. Box 211 - 30300 KAPSABET	19/12/2011
31.	MURANG'A TEACHERS SOCIETY LTD	P.O. Box 789 - 10200 MURANG'A	19/12/2011
32.	MWITO SACCO SOCIETY LTD	P.O. Box 56763 - 00200 NAIROBI	19/12/2011
33.	MUHIGIA SACCO SOCIETY LTD	P.O. Box 83 - 10300 KERUGOYA	19/12/2011
34.	IRIANYI TEA SACCO SOCIETY LTD	P.O. Box 3080 - 40200 KISII	19/12/2011
35.	THARAKA NITHI TEACHERS SACCO SOCIETY LTD	P.O. Box 15 - 60400 CHUKA	19/12/2011
36.	MUNGANIA TEA GROWERS SACCO SOCIETY LTD	P.O. Box 2032 - 60100 EMBU	19/12/2011
37.	COMOCO SACCO SOCIETY LTD	P.O. Box 30135 - 00100 NAIROBI	19/12/2011
38.	TAIFA SACCO SOCIETY LTD	P.O. Box 1649 - 10100 NYERI	19/12/2011
39.	FARIJI SACCO SOCIETY LTD	P.O. Box 589 - 00216 GITHUNGURI	19/12/2011
40.	DIOCESE OF MERU SACCO SOCIETY LTD	P.O. Box 1207 - 60200 MERU	19/12/2011
41.	WAKULIMA DAIRY SACCO SOCIETY LTD	P.O. Box 232 - 10103 NYERI	19/12/2011
42.	UNIVERSAL TRADERS SACCO SOCIETY LTD	P.O. Box 2119 - 90100 MACHAKOS	19/12/2011
43.	WANANCHI SACCO SOCIETY LTD	P.O. Box 910 - 10106 OTHAYA	19/12/2011
44.	BARAKA SACCO SOCIETY LTD	P.O. Box 1548 - 10101 KARATINA	19/12/2011
45.	MWALIMU NATIONAL SACCO SOCIETY LTD	P.O. Box 62641 - 00200 NAIROBI	19/12/2011
46.	CHEPSOL SACCO SOCIETY LTD	P.O. Box 81 - 20225 KIMULOT	19/12/2011



47.	WANANDEGE SACCO SOCIETY LTD	P.O. Box 19074 - 00501 NAIROBI	19/12/2011
48.	KENYA POLICE STAFF SACCO SOCIETY LTD	P.O. Box 51042 - 00200 NAIROBI	19/12/2011
49.	K-UNITY SACCO SOCIETY LTD	P.O. Box 268 - 00900 KIAMBU	19/12/2011
50.	BIASHARA SACCO SOCIETY LTD	P.O. Box 1895 - 10100 NYERI	19/12/2011
51.	NATION STAFF SACCO SOCIETY LTD	P.O. Box 22022 - 00400 NAIROBI	19/12/2011
52.	ORTHODOX DEVELOPMENT SACCO SOCIETY LTD	P.O. Box 43582 - 00100 NAIROBI	19/12/2011
53.	KURIA TEACHERS SACCO SOCIETY LTD	P.O. Box 208 - 40413 KEHANCHA	19/12/2011
54.	KONOIN SACCO SOCIETY LTD	P.O. Box 83 - 20403 MOGOGOSIEK	19/12/2011
55.	KIAMBAA DAIRY RURAL SACCO SOCIETY LTD	P.O. Box 669 - 00219, KARURI	19/12/2011
56.	SIMBA CHAI SACCO SOCIETY LTD	P.O. Box 977 - 20200 KERICHO	19/12/2011
57.	GITHUNGURI DAIRY & COMMUNITY SACCO SOCIETY LTD	P.O. Box 896 - 00216 GITHUNGURI	19/12/2011
58.	KINGDOM SACCO SOCIETY LTD	P.O. Box 8017 - 00300 NAIROBI	19/12/2011
59.	SOT TEA GROWERS SACCO SOCIETY LTD	P.O. Box 251 - 20400 BOMET	19/12/2011
60.	NYANDARUA TEACHERS SACCO SOCIETY LTD	P.O. Box 259 - 20303 OL'KALOU	19/12/2011
61.	METROPOLITAN TEACHERS SACCO SOCIETY LTD	P.O. Box 871 - 00900 KIAMBU	19/12/2011
62.	KEIYO TEACHERS SACCO SOCIETY LTD	P.O. Box 512 - 30700 ITEN	19/12/2011
63.	MUMIAS OUTGROWERS SACCO SOCIETY LTD	P.O. Box 295 - 50102 MUMIAS	19/12/2011
64.	AFYA SACCO SOCIETY LTD	P.O. Box 11607 -00400 NAIROBI	19/12/2011
65.	EMBU TEACHERS SACCO SOCIETY LTD	P.O. Box 696 - 60100 EMBU	19/12/2011
66.	HARAMBEE SACCO SOCIETY LTD	P.O. Box 47815 - 00100 NAIROBI	19/12/2011
67.	JAMII SACCO SOCIETY LTD	P.O. Box 57929 - 00200 NAIROBI	19/12/2011
68.	WARENG TEACHERS SACCO SOCIETY LTD	P.O. Box 3466 - 30100 ELDORET	19/12/2011
69.	BURETI SACCO SOCIETY LTD	P.O. Box 601 - 20210 LITEIN	19/12/2011
70.	SHERIA SACCO SOCIETY LTD	P.O. Box 34390 - 00100 NAIROBI	19/12/2011
71.	KENYA CANNERS SACCO SOCIETY LTD	P.O. Box 1124 - 01000 THIKA	19/12/2011
72.	ASILI SACCO SOCIETY LTD	P.O. Box 49064 00100 NAIROBI	19/12/2011
73.	SAFARICOM SACCO SOCIETY LTD	P.O. Box 66827 - 00800 NAIROBI	19/12/2011
74.	MATHIRA FARMERS SACCO SOCIETY LTD	P.O. Box 1936 - 10101 KARATINA	19/12/2011
75.	MAGADI SACCO SOCIETY LTD	P.O. Box 13 - 00205 MAGADI	19/12/2011



The SACCO Societies Regulatory Authority

SASRA

Securing SACCO funds

76.	NITHI TEA GROWERS SACCO SOCIETY LTD	P.O. Box 467 - 60400 CHUKA	19/12/2011
77.	KENPIPE SACCO SOCIETY LTD	P.O. Box 314 - 00507 NAIROBI	19/12/2011
78.	MAUA METHODIST HOSPITAL SACCO LTD	P.O. Box 469 - 60600 MAUA	19/12/2011
79.	BUNGOMA TEACHERS SACCO SOCIETY LTD	P.O. Box 1199 - 50200 BUNGOMA	19/12/2011
80.	SIAYA TEACHERS SACCO SOCIETY LTD	P.O. Box 605 - 40600 SIAYA	19/12/2011
81.	NAROK TEACHERS SACCO SOCIETY LTD	P.O. Box 158 - 20500 NAROK	19/12/2011
82.	TRANS-NZOIA TEACHERS SACCO SOCIETY LTD	P.O. Box 2274 - 30200 KITALE	19/12/2011
83.	CHEMELIL SACCO SOCIETY LTD	P.O. BOX 14 - 40112 AWASI	19/12/2011
84.	MURATA SACCO SOCIETY LTD	P.O. Box 816 - 10200 MURANG'A	19/12/2011
85.	AIRPORTS SACCO SOCIETY LTD	P.O. BOX 19001-00501 NAIROBI	19/12/2011
86.	NDOSHA SACCO SOCIETY LTD	P.O. BOX 532 - 60401 CHOGORIA-MAARA	19/12/2011
87.	SIRAJI SACCO SOCIETY LTD	P.O. BOX PRIVATE BAG,NANYUKI	19/12/2011
88.	CHUNA SACCO SOCIETY LTD	P.O. BOX 30197-00100 NAIROBI	19/12/2011
89.	MERU MWALIMU SACCO SOCIETY LTD	P.O. BOX 1694-60200 MERU	19/12/2011
90.	UKULIMA SACCO SOCIETY LTD	P.O. BOX 44071-00100 NAIROBI	19/12/2011
91.	WANA-ANGA SACCO SOCIETY LTD	P.O. BOX 34680-00100 NAIROBI	19/12/2011
92.	NYAMBENE ARIMI SACCO SOCIETY LTD	P.O. BOX 493-60600 MAUA	19/12/2011
93.	NAKU SACCO SOCIETY LTD	P.O. BOX 78355-00507 NAIROBI	19/12/2011
94.	WAUMINI SACCO SOCIETY LTD	P.O. BOX 66121-00800 NAIROBI	19/12/2011
95.	THIKA DISTRICT TEACHERS SACCO SOCIETY LTD	P.O. BOX 1842-01000 THIKA	19/12/2011
96.	MERU NORTH FARMERS SACCO SOCIETY LTD	P.O. BOX 353-60600 MAUA	19/12/2011
97.	JIJENGE SACCO SOCIETY LTD	P.O. BOX 6222 - 01000 THIKA	22/12/2011
97.	FORTUNE SACCO SOCIETY LTD	P.O. BOX 559 - 10300 KERUGOYA	30/01/2012
99.	MARAKWET TEACHERS SACCO SOCIETY LTD	P.O. BOX 118 - 30705 KAPSOWAR	8/3/2012
100.	TEMBO SACCO SOCIETY LTD	P.O. BOX 91 - 00618 RUARAKA	8/3/2012
101.	SUKARI SACCO SOCIETY LTD	P.O. BOX 841 - 50102 MUMIAS	8/3/2012
102.	SOTICO SACCO LTD	P.O. BOX 959 - 20406 SOTIK	8/3/2012
103.	LENGO SACCO SOCIETY LTD	P.O. BOX 371 - 80200 MALINDI	16/3/2012
104.	IMENTI SACCO SOCIETY LTD	P.O. BOX 3192 - 60200 MERU	16/3/2012



The SACCO Societies Regulatory Authority
SASRA
Securing SACCO funds

105.	HAZINA SACCO SOCIETY LTD	P.O. BOX 59877 - 00200 NAIROBI	16/3/2012
106.	MARSABIT TEACHERS SACCO SOCIETY LTD	P.O. BOX 90 - 60500 MARSABIT	16/3/2012
107.	KENYA BANKERS SACCO SOCIETY LTD	P.O. BOX 73236 - 00200 NAIROBI	16/3/2012
108.	NTIMINYAKIRU SACCO SOCIETY LTD	P.O. BOX 3213 - 60200 MERU	16/3/2012
109.	WASHA SACCO SOCIETY LTD	P.O. BOX 83256 - 80100 MOMBASA	16/3/2012
110.	TAITA TAVETA TEACHERS SACCO SOCIETY LTD	P.O. BOX 1186 - 80304 WUNDANYI	16/3/2012
111.	NASEFU SACCO SOCIETY LTD	P.O.BOX 43338 - 00100 NAIROBI	15/06/2012
112.	FUNDILIMA SACCO SOCIETY LTD	P.O.BOX 62000 - 00200 NAIROBI	15/06/2012
113.	MAISHA BORA SACCO SOCIETY LTD	P.O.BOX 30062 - 00100 NAIROBI	15/06/2012
114.	COUNTY SACCO SOCIETY LTD	P.O.BOX 21- 60103 RUNYENJES	15/06/2012
115.	MUDETE FACTORY TEA GROWERS SACCO SOCIETY LTD	P.O.BOX 221 - 50104 KAKAMEGA	15/06/2012
116.	SAMBURU TRADERS SACCO SOCIETY LTD	P.O.BOX 271 - 20600 MARALAL	15/06/2012
117.	NAFAKA SACCO SOCIETY LTD	P.O.BOX 30586 - 00100 NAIROBI	15/06/2012
118.	BUSIA TESO TEACHERS SACCO SOCIETY LTD	P.O.BOX 448 - 50400 BUSIA	15/06/2012
119.	KENVERSITY SACCO SOCIETY LTD	P.O.BOX 10263 - 00100 NAIROBI	15/06/2012
120.	EGERTON SACCO SOCIETY LTD	P.O.BOX 178 - 20115 EGERTON	15/06/2012
121.	DIMKES SACCO SOCIETY LTD	P.O.BOX 886 - 00900 KIAMBU	15/06/2012
122.	MAGEREZA SACCO SOCIETY LTD	P.O.BOX 53131 - 00200 NAIROBI	15/06/2012
123.	TIMES-U SACCO SOCIETY LTD	P.O.BOX 310-60202 NKUBU	15/11/2012
124.	NRS SACCO SOCIETY LTD	P.O.BOX 575-0092 KIKUYU	10/01/2013

Dated December 2012

CARILUS ADEMBA, HSC
CHIEF EXECUTIVE OFFICER