

SUMMARY OF SASRA REQUIRED REPORTS

Definitions and Templates of Regulatory Reports



Introduction

One of the main elements of compliance with regulations brought forth by SACCO Societies Act, 2008 and regulations there under is submitting various reports in specific formats to the authority on a monthly, quarterly, and annual basis. Currently, many of the SACCO's ICT systems lack the capability of generating the regulatory reports in the prescribed format. As a result, SASRA, in partnership with FSD Kenya, has generated this document in order to help SACCOs perform the following tasks:

- ✓ Identify the reports that are required by SASRA and their respective due dates
- ✓ Understand the meaning of each report listed in SASRA regulations
- ✓ Obtain a template for each of the required reports
- ✓ Define the terms and line items in the report templates

Information in this documents has been extracted from *The SACCO Societies (Deposit Taking Sacco Business) Regulations, 2010*, ICPAK guidelines, and other materials developed by SASRA over the past year. Therefore, if you comply with the guidelines and templates provided in this document, and your data is accurate, your reports are guaranteed to be compliant with regulations.

This summary has been organized in a very intuitive structure:

- The first segment includes a table which lists the name of all of the required reports, a short description of each report, the templates associated with each report, and the due date of each report.
- Appendix 1 contains the templates mentioned in the first segment
- Appendix 2 offers a glossary that defines all of the line items mentioned in the templates.

SACCOs may hand this document to their software vendors and ask them to make modifications that will enable their systems to generate the required *reports* in the required *format* in the required *timeframes*.

All inquiries regarding the content of this document should be directed to SASRA by email at supervision@sasra.go.ke or by phone at 020-2717715-8, or 0719-555877.

Name of Report	Description	Template	Due Date
Capital adequacy report	The capital adequacy return shows the balance of the capital account, the balance of on-balance sheet assets, and compares the core capital to the on-balance sheet assets to calculate capital ratios.	Form 1	End of every month (to be received by the 15th day of the following month)
Liquidity statement report	This report shows the balance of the Saccos liquid assets as well as the balance of the Saccos liquid liabilities.	Form 2	End of every month (to be received by the 15th day of the following month)
Statement of deposit return	This report shows the number and value of non-withdrawable, savings, and term deposit accounts within defined value ranges.	Form 3	End of every month (to be received by the 15th day of the following month)
Return on the risk classification of assets and provisioning report	This report reveals the number and value of loans within each risk classification, including the required provision amount for those accounts.	Form 4	End of every quarter (to be received by the 15th day of the following month)
Return on investments report	This report compares land, building, and financial assets to the SACCO's total assets and its core capital.	Form 5	End of every quarter (to be received by the 15th day of the following month)
Statement of financial position	Statement of financial position, also referred to as Balance sheet, reports on a company's assets, liabilities, and ownership equity at a given point in time.	Form 6	End of every month (to be received by the 15th day of the following month)
Statement of comprehensive income	A report that begins with financial income and displays the items of other comprehensive income for the reporting period.	Form 7	End of every month (to be received by the 15th day of the following month)

Name of Report	Description	Template	Due Date
Year End Audited Financial Statements with the following components			Within three months after the end of the financial year
Audited statement of financial position	Same as the statement of financial position above, ensuring compliance with international audit standards.	Template 1	
Audited statement of comprehensive income	Same as the statement of comprehensive income above, ensuring compliance with international audit standards.	Template 2	
Statement of director's responsibility	A statement that declares that the Board of Directors are assuming responsibility for the accuracy and fairness of the submitted annual financial statements.	Template 3	
Auditor's opinion	A statement that declares that the Auditor's opinion to be that the submitted statements give a true and fair view of the SACCO's financial affairs.	Template 4	
Audited Statistical information	A report containing key balance sheet and income statement balances as well as several financial ratios.	Template 5	
Cash flow statement	A financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities.	Template 6	
Statement of change in equity	A financial statement that summarizes the activity in the equity accounts for the period	Template 7	
Disclosure of material amount written off	Disclose any material amount written off with a resolution of the general meeting of the Sacco Society accompanied by satisfactory explanation	<i>No prescribed Template</i>	
Other Disclosures	A report describing non-performing loans & advances, insider loans & advances, off-balance sheet items, capital strength, liquidity, and investments	Form 8	

Appendix 1 – Forms

Form 1

SASRA2/001

CAPITAL ADEQUACY RETURN

NAME OF THE SACCO SOCIETY:

CNS NO.....

FINANCIAL YEAR:

START DATE:

END DATE:

		AMOUNT(KSHS)
1	CAPITAL COMPONENTS	
1.1	CORE CAPITAL	
1.1.1	Share Capital	-
1.1.2	Statutory Reserves	-
1.1.3	Retained earnings/Accumulated losses	-
1.1.4	Net Surplus after tax , current year to-date (50%)	-
1.1.5	Capital Grants(Equity in nature)	-
1.1.6	General reserves (Include all loss)	-
1.1.7	Other reserves	-
1.1.8	Sub-Total (1.1.1 to 1.1.7)	-
	LESS DEDUCTIONS	
1.1.9	Investments in Subsidiary and Equity instruments of other Institutions	-
1.1.10	Other Deductions	-
1.1.11	Total Deductions (1.1.9 to 1.1.10)	-
1.1.12	CORE CAPITAL (1.1.8 Less 1.1.11)	-
1.1.13	INSTITUTIONAL CAPITAL (1.1.12 Less 1.1.1)	-
2	ON - BALANCE SHEET ASSETS	
2.1	Cash & Cash Equivalent (Local + Foreign Currency)	-
2.2	Government Securities	-
2.3	Deposits and Balances at Other Institutions	-
2.4	Loans and Advances	-
2.5	Investments	-
2.6	Property and Equipment (net of depreciation)	-
2.7	Other assets	-
2.8	TOTAL (2.1 to 2.7)	-
2.9	Total Assets (Per Balance Sheet)	
3.0	Difference (2.8 Less 2.9)*	-

Form 1 continued

3	OFF-BALANCE SHEET ASSETS	
4	CAPITAL RATIO CALCULATIONS	
4.1	Total Asset value of on-balance sheet items as per 2.8 above	
4.2	Total Asset value of off-balance sheet items as per 3 above	-
4.3	Total Assets (4.1 + 4.2)	-
4.4	Total Deposits Liabilities (As per Balance Sheet)	-
4.5	Core capital to Assets Ratio (1.1.12/4.3%)	0.00%
4.6	Minimum Core Capital to Assets Ratio Requirement	10%
4.7	Excess (deficiency) (4.5 less 4.6)	-
4.8	Institutional Capital to Assets Ratio(1.1.13/4.3)%	0%
4.9	Minimum Institutional to Assets Ratio requirement	8%
4.10	Excess/(Deficiency) (4.8 less 4.9)	-8%
4.11	Core capital to Deposits Ratio (1.1.12/4.4%)	0%
4.12	Minimum Core Capital to Deposits Requirement	8.00%
4.13	Excess (Deficiency) (4.11 less 4.12)	-0.08
	*A reconciliation for the difference to be attached on a separate sheet	

Note: Monthly return to be received on or before on the 15th day of the following month

AUTHORIZATION:

We declare that this return, to the best of our knowledge and belief is correct.

.....sign.....date.....
 name of authorizing officer

.....sign.....date.....
 name of countersigning officer

Form 2

SASRA2/002

LIQUIDITY STATEMENT

Sacco Society:		CS No.....	
Financial Year:			
Start Date:			
End Date:			
		SHS'000	SHS'000
1	Notes and coins		
1.1	Local Notes and Coins		
1.2	Foreign Notes and Coins		
2	Bank Balances or Balances with commercial banks		
2.1	Balances with Commercial Banks		
	Less		
2.2	Time Deposits with Banks more than 90 days		
2.3	Overdrafts and Matured loans and advances from domestic banks		
3	Balances with Financial Institutions other than banks		
3.1	Balances with other Sacco Societies		
3.2	Balances with other Financial Institutions other than Banks and Sacco societies		
	Less		
3.3	Balances Due to other Sacco societies		
3.4	Balances due to Financial Institutions other than banks		
3.5	Matured Loans and Advances received from Financial Institutions other than banks		
4	Government Securities		
4.1	Treasury Bills		
4.2	Treasury Bonds/ Bearer Bonds		

Form 2 (Continued)

5	NET LIQUID ASSETS		
6	DEPOSIT BALANCES		
6.1	Deposits from members including interest		
6.2	Deposits from all other sources including interest		
6.3	Total deposits		
	Less		
6.4	Balances due to other Sacco societies		
6.5	Balances Due to banks		
6.6	Balances due to Financial Institutions other than banks		
6.7	Total deductions		
6.8	Net deposit liabilities		
7	OTHER LIABILITIES		
7.1	Matured Liabilities		
7.2	Liabilities Maturing within 91 Days		
7.3	Total Other liabilities		
8	LIQUIDITY RATIO		
8.1	Net liquid assets (item 5)		
8.2	Total short term liabilities		
8.3	Ratio of (8.1/8.2)%		
8.4	Minimum holding of Liquid Assets Requirement		
8.5	Excess/Deficit (8.3 less 8.4)		

Note: Monthly return to be received on or before on the 15th day of the following month. The same return is used in the internal weekly liquidity monitoring.

AUTHORIZATION:

We declare that this return, to the best of our knowledge and belief is correct.

.....sign.....date.....
 name of authorizing officer

.....sign.....date.....
 name of countersigning officer

Form 3

FORM 3 SASRA2/003				
STATEMENT OF DEPOSIT RETURN				
NAME OF SACCO SOCIETY			CNS NO.....	
FINANCIAL YEAR				
START DATE:				
END DATE:				
NO.	RANGE	TYPE OF DEPOSIT	NO. OF A/Cs	AMOUNT IN Kshs'000'
1	less than 50,000	non withdraw-able		
		savings		
		term		
2	50,000 to 100,000	non withdraw-able		
		savings		
		term		
3	100,000 to 300,000	non withdraw-able		
		savings		
		term		
4	300,000 to 1,000,000	non withdraw-able		
		savings		
		term		
5	Over 1,000,000	non withdraw-able		
		savings		
		term		
		TOTAL		

Note: Monthly return to be received on or before the 15th day of the following month

* Include accrued interest and any other form of deposit

AUTHORIZATION:

We declare that this return, to the best of our knowledge and belief is correct.

.....sign.....date.....
name of authorizing officer

.....sign.....date.....
name of countersigning officer

Form 4

SASRA2/004

RISK CLASSIFICATION OF ASSETS AND PROVISIONING					
	NAME OF SACCO SOCIETY		CNS NO.....		
	FINANCIAL YEAR				
	START DATE:				
	END DATE:				
PORTFOLIO AGEING REPORT					
		A	B	C	D
NO.	CLASSIFICATION	NO. OF A/Cs	OUTSTANDING LOAN PORTFOLIO(Kshs)	REQUIRED PROVISION	REQUIRED PROVISION AMOUNT(Kshs)
1	Performing			1%	
2	Watch			5%	
3	Substandard			25%	
4	Doubtful			50%	
5	Loss			100%	
	subtotal				
	Reschedule/Renegotiated loans				
1	Performing			1%	
2	Watch			5%	
3	Substandard			25%	
4	Doubtful			50%	
5	Loss			100%	
	subtotal				
	GRAND TOTAL				

Note: This return should be received on or before the 15th day of the month following end of every quarter

AUTHORIZATION:

We declare that this return, to the best of our knowledge and belief is correct.

.....sign.....date.....
name of authorizing officer

.....sign.....date.....
name of countersigning officer

Form 5

**SASRA2/005
INVESTMENT RETURN**

	NAME OF SACCO SOCIETY	CNS NO.....
	FINANCIAL YEAR	
	START DATE:	
	END DATE:	
Ref No.		
1.1	Core Capital	
1.2	Total Assets	
1.3	Total Deposits	
1.4	Non earning assets (Other than Land, Buildings)	
1.5	Financial Investments	
1.6	Land & Building (Per balance sheet)	
2.0	Land & Buildings to total Assets Ratio (1.6/1.2)%	
2.1	Maximum Land & Building to Total Asset requirement	5.0%
2.2	Excess (deficiency) (2.0 less 2.1)	-5.0%
3.0	Financial investments to Core capital (1.5/1.1)%	40.00%
3.1	Maximum financial investments to Core capital	-40%
3.2	Excess (deficiency) (3.0 less 3.1)	
4.0	Financial investments to Total Deposits liabilities Ratio (1.5/1.3)%	
4.1	Maximum financial investments to Total Deposits liabilities Ratio %	5%
4.2	Excess (deficiency) (4.0 less 4.1)	-5%
5.0	Non earning assets to Total assets Ratio (1.4/1.2)%	
5.1	Maximum non earning assets to Total assets Ratio %	10%
5.2	Excess (deficiency) (5.0 less 5.1)	

Note: This return should be received on or before the 15th day of the month following the end of every quarter

AUTHORIZATION:

We declare that this return, to the best of our knowledge and belief is correct.

.....sign.....date.....
name of authorizing officer

.....sign.....date.....
name of countersigning officer

Form 6

STATEMENT OF FINANCIAL POSITION

NAME OF SACCO SOCIETY

CNS NO.....

FINANCIAL YEAR

START DATE:

END DATE:

Ref No		Current Month	Quarter to Date	Year to Date
		KShs.'000'	KShs.'000'	KShs.'000'
	ASSETS			
1.0	Cash & Cash Equivalent			
1.1	Cash in hand(both local and foreign notes and coins)			
1.2	Cash at bank:(placement with financial institutions)			
2.0	Prepayments & Sundry Receivables			
3.0	Financial Investments			
3.1	Government Securities - Treasury Bills/bonds,			
3.2	Other Securities - Commercial papers/Bonds			
3.3a	Balances with other SACCO Societies			
3.3b	Investments in companies - shares/stocks			
4.0	Net Loan Portfolio			
	Gross Loan Portfolio			
	Allowance for Loan Loss			
5.0	Accounts Receivables			
5.1	Tax Recoverable			
5.2	Deferred Tax Assets			
5.3	Retirement Benefit Assets			
6.0	Property & Equipment & Other assets			
6.1	Investment Properties			
6.2	Property & Equipment			
6.3	Prepaid Lease rentals			
6.4	Intangible Assets			
6.5	Other Assets			
	Total Assets			
	LIABILITIES			
7	Savings Deposits - Withdrawable deposits - FOSA)			
8	Short Term Deposits (e.g. Fixed deposits, special savings)			
9	Non withdrawable deposits (BOSA member deposits)			
	Total Deposit liabilities			

Form 6 Continued

10	Accounts Payable & Other Liabilities			
10.1	Tax Payable			
10.2	Dividends Payable			
10.3	Deferred Tax Liability			
10.4	Retirement Benefits Liability			
10.5	Other Liabilities			
10.6	External Borrowings			
	Total Liabilities			
	EQUITY			
11	Share Capital (Members share capital per Bylaws)			
12	Capital Grants			
13	Retained Earnings			
13.1	Prior Years' Retained Earnings			
13.2	Current Year's Surplus			
14	Other Equity Accounts			
14.1	Statutory Reserve			
14.2	Other Reserves (provide notes on these reserves)			
14.3	Revaluation Reserves (Not part of core capital)			
14.4	Proposed Dividends			
14.5	Adjustment to Equity			
	Total Equity			
	Total Liabilities and Equity			

Note: This return to be received within 15th day after end of the month.

AUTHORIZATION:

We declare that this return, to the best of our knowledge and belief is correct.

.....sign.....date.....
 name of authorizing officer

.....sign.....date.....
 name of countersigning officer

Form 7

SASRA/007

STATEMENT OF COMPREHENSIVE INCOME

NAME OF SACCO SOCIETY	CNS NO.....
FINANCIAL YEAR	
START DATE:	
END DATE:	

Ref No.		Current Month	Quarter to Date	Year to Date
		KShs.'000'	KShs.'000'	KShs.'000'
1	Financial Income			
2	Financial Income from Loans Portfolio			
2.1	Interest on Loan Portfolio			
2.2	Fees & Commission on Loan Portfolio			
3	Financial Income from Investments in:			
3.1	Government Securities			
3.2	Deposit with Banks and Other Financial Inst.			
3.3	Other Investments - dividend & Interest incomes from investments			
3.4	Other Operating Income- Salary processing fees, transaction fees, membership fees			
4	Financial Expense			
4.2	Interest Expense on Deposits			
4.3	Cost of External Borrowings			
4.4	Dividend Expenses (on member shares)			
4.5	Other Financial Expense			
4.6	Fees & Commission Expense			
4.7	Other Expense			
5	Net Financial Income/(Loss)			
6	Allowance for Loan Loss			
6.1	Provision for Loan Losses			
6.2	Value of Loans Recovered			
7	Operating Expenses			
7.1	Personnel Expenses			
7.2	Governance Expenses			
7.3	Marketing Expenses			
7.4	Depreciation and Amortization Charges			
7.5	Administrative Expenses			
8	Net Operating Income			

Form 7 (Continued)

9	Net Non- Operating Income/ (Expense)			
9.1	Non- Operating Income			
9.2	Non- Operating Expense			
10	Net Income (Before Taxes and Donations)			
11	Taxes (<i>Incomes taxes & Other payable to KRA</i>)			
12	Net Income (After Taxes before Donations)			
13	Donations			
14	Net Income/(After Taxes and Donations)			

Note: This return to be received within 15th day after end of the month.

AUTHORIZATION:

We declare that this return, to the best of our knowledge and belief is correct.

.....sign.....date.....
name of authorizing officer

.....sign.....date.....
name of countersigning officer

Template - 1

Sacco Ltd
C/S.....
Annual Report and Financial Statements for the Year Ended 31 December 2010

Statement of Financial Position

Sacco Society
Statement of Financial Position
As At 31st December 2010

	Notes	2010 KShr '000	2009 KShr '000
Assets			
Cash and cash equivalents	10	x	x
Prepayments and sundry receivables	11	x	x
Trade and other receivables	12	x	x
Current income tax recoverable		x	x
Loans to members	13	x	x
Non-current assets classified held for sale	14	x	x
Deferred income tax	15	x	x
Other financial assets	16	x	x
Investment property	17	x	x
Prepaid operating lease rentals		x	x
Intangible assets	18	x	x
Property plant and equipment	19	x	x
Other Assets		x	x
Total assets		XX	XX
Liabilities			
Members' deposits	20	x	x
Current income tax payable		x	x

Template - 1 (Continued)

Sacco Ltd			
C/S.....			
Annual Report and Financial Statements for the Year Ended 31 December 2010			
Deferred income tax	13	x	x
Dividends payable		x	x
Retirement Benefits Liability			
Trade payables and accrued expenses	21	x	x
Sundry creditors		x	x
Liabilities attributable to assets classified as held for sale		x	x
Grants and Donations		x	x
Interest bearing liabilities	22	x	x
Total liabilities		x	x
Equity			
Share capital	23	x	x
Reserves	24	x	x
Total Equity		x	x
Total Liabilities and Equity		XX	XX

The financial statements on pages 8-37 were authorized for issue by the Board of Directors on (Month, year)..... and signed on its behalf by:

1) Chairman 2) Board Member 3) Board Member

Template - 2

Sacco Ltd

C/S.....

Annual Report and Financial Statements for the Year Ended 31 December 2010

Statement of Comprehensive Income**Mkopo Sacco Society****Statement of Comprehensive Income for the Year Ended 31st December 2010**

	Notes	2010 KShz'000	2009 KShz'000
Revenue:			
-interest on loans and advances		X	X
-other interest income	3	X	X
Total interest		X	X
Interest expenses	4	(x)	(x)
Net interest income		X	X
Other operating income	5	X	X
Other gains and losses	6	X	X
Administration expenses	7	(x)	(x)
Other operating expenses		(x)	(x)
Net operating surplus / (deficit) before income tax	8	x	x
Income tax expense	9	(x)	(x)
Donations		x	x
Net surplus/ (deficit) for the year		XX	XX
Other Comprehensive Income (OCI)			
Surplus/(deficit) on revaluation of property, plant and equipment		X	X
Change in fair value of available-for-sale financial assets		X	X
Reclassification adjustment: gain on disposal of available-for sale financial assets included in the profit and loss account		X	X
Deferred income tax relating to components of other comprehensive income		X	X
Other comprehensive income for the year, net of tax		X	X
Total Comprehensive Income		X	X

Template - 3

Statement of The Board of Directors' Responsibilities *(refer to IG 8)*

The SACCOs Act, No 14 of 2008 requires the Board of Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the society as at the end of the financial year and of its operating results for that year in accordance with IFRS. It also requires the Board of Directors to ensure that the society keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the society. They are also responsible for safeguarding the assets of the society and ensuring that the business of the society has been conducted in accordance with its objectives, by-laws and any other resolutions made at the society's general meeting.

The Board of Directors accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the SACCO Societies Act No. 14 of 2008. The Board of Directors is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results in accordance with the IFRS. The Board of Directors further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

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

.....Chairman

Signature

.....Treasurer

Signature

.....Board Member

Signature

Template – 4

Report of the Independent Auditor to the members of Mkopo Sacco Limited

We have audited the accompanying financial statements of Mkopo Sacco Limited, set out on pages to page.....which comprise the statement of financial position as at2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Saccos Societies Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the society'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 society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Society's financial affairs at2010 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Sacco Societies Act.

Certified Public Accountants

Nairobi

(Date)

Template - 5

Statistical Information As At.....2010 (refer to IG 7)

	2010	2009
Membership - active	x	x
- dormant	x	x
Total	xx	xx
Financial	KShs '000	KShs '000
Total Assets	x	x
Members' deposits	x	x
External Borrowing	x	x
Loans and advances to members	x	x
Investments	x	x
Core Capital	x	x
Share capital	x	x
Institutional Capital	x	x
Total Revenue	x	x
Total Interest Income	x	x
Total expenses	x	x
	x	x
Employees of the Sacco		
Key ratios:		
Capital Adequacy Ratio		
Core Capital/Total Assets	x%	x%
Core Capital/Total Deposits	x%	x%
Institutional Capital/Total Assets	x%	x%
Liquidity Ratio (15%)		
Liquid Assets/Total deposits & Long term liabilities	x%	x%
Operating Efficiency/Loan quality ratios		
Total Expenses / Total Revenue	x%	x%
Interest on member deposits/Total revenue	x%	x%
Interest rate on member's deposits	x%	x%
Dividend rate on members share capital	x%	x%
Total Delinquency Loans/Gross loan portfolio	x%	X%

Template – 6

Statement of Cash Flows for the year ended 31st December 2010

Statement of Cash flows

	Note	2010 KSh: '000	2009 KSh: '000
Cash flows from operating activities			
Interest receipts		x	x
Interest payments		(x)	(x)
Payments to employees and suppliers		(x)	(x)
		<u>x</u>	<u>x</u>
<i>(increase) / decrease in operating assets</i>			
-Net Loans to members		(x)	(x)
-trade and other receivables		x	x
		<u>(x)</u>	<u>(x)</u>
-Short term investments		(x)	(x)
<i>Increase / (decrease) in operating liabilities</i>			
-deposits from members		x	x
-trade and accrued expenses		(x)	(x)
-sundry creditors		(x)	(x)
		<u>x</u>	<u>x</u>
<i>Net cash from operating activities before income taxes</i>			
Income tax paid		(x)	(x)
		<u>x</u>	<u>x</u>
Net cash from operating activities			
Cash flow from investing activities			
Purchase of property and equipment		(x)	(x)
Proceeds on disposal of plant and equipment		x	x
Purchase of intangibles assets		(x)	(x)
Purchase of investments securities		(x)	(x)
Dividends received		x	x
		<u>x</u>	<u>x</u>
Net cash from investing activities			
Cash flow from financing activities			
Share capital contributions		x	x
Proceeds from long-term borrowings		x	x
Repayment of long-term borrowings		(x)	(x)
Dividends paid		(x)	(x)
		<u>x</u>	<u>x</u>
Net cash from financing activities			
Net (decrease)/increase in cash and cash equivalent			
Cash and cash equivalent at the beginning of the year	10	<u>x</u>	<u>x</u>
Cash and cash equivalents at the end of the year	10	<u>x</u>	<u>x</u>

Template - 7

Sacco Ltd.

C/S

Annual Report and Financial Statements for the Year Ended 31st December 2010Statement of Changes in Equity for the Year Ended 31st December 2010

(refer to IG 17)

	Note	Share capital Shs'000	Grants & Donations Shs'000	Revaluation surplus Shs'000	Other Reserves** Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Shs'000
At 1st January 2009 As previously reported		x	x	x	x	x		X
Prior period adjustment As restated	*							
Changes in equity in 2009		x	x	x	x	x		X
Profit/(loss) for the year						x		X
Surplus/(deficit) on revaluation of property, plant and equipment	19			x				X
Change in fair value of financial assets measured at fair value					x			X
Reclassification adjustment: gain on disposal of financial assets					(x)	x		X
Deferred income tax relating to components of other comprehensive income	15					(x)		(X)
Total comprehensive income for the year				x	x	x		X
Transactions with owners:								
Shares issued for cash/Bonus issue of shares	23	x						X
Dividends:								
- Final for 2008							(x)	(X)
- Proposed for 2009							(x)	
Transfer of excess depreciation				(x)		x		
Deferred income tax on depreciation transfer	15			x		(x)		
Transfer on disposal of property, plant and equipment				(x)		x		
Deferred income tax on disposal	15			x		(x)		
At 31st December 2009		X	X	X	X	X	X	X

Template – 7 (continued)

Sacco Ltd

C/S.....

Annual Report and Financial Statements for the Year Ended 31 December 2010

At 1st January 2010		x	x	x	x	x	X
As previously reported							
Prior period adjustment	*						
As restated		x	x	x	x	x	X
Changes in equity in 2010							
Profit/(loss) for the year						x	X
Surplus/(deficit) on revaluation of property, plant and equipment	19		x				X
Change in fair value of financial assets measured at fair value				x			X
Reclassification adjustment: gain on disposal of financial assets				(x)	x		X
Deferred income tax relating to components of other comprehensive income	15					(x)	(X)
Total comprehensive income for the year			x	x			X
Transactions with owners:							
Shares issued for cash/Bonus issue of shares	23	x					X
Dividends:							
- Final for 2009						(x)	(X)
- Proposed for 2010						(x)	
Transfer of excess depreciation			(x)		x		
Deferred income tax on depreciation transfer	15		x		(x)		
Transfer on disposal of property, plant and equipment			(x)		x		
Deferred income tax on disposal	15		x		(x)		
At 31st December 2010		<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>

* Prior period adjustments comprise material prior period errors (IAS 8-42) and the effects of retrospective application of a change in an accounting policy (IAS 8-32). They would be explained in a Note, which is not illustrated in this template. Neither is the balance sheet as at the beginning of the comparative period, which is required under IAS 1-10(f), included in this illustration.

** Other reserves should be analysed into their separate components i.e. fair value reserve/statutory reserve, etc.

Form 8

NAME OF SACCO SOCIETY

CNS NO.....

FINANCIAL YEAR

START DATE:

END DATE:

Ref No	OTHER DISCLOSURES	Period	Period
		Current Year	Prior Year
		KShs.'000'	KShs.'000'
1.0	NON-PERFORMING LOANS AND ADVANCES		
1.1	Gross Non-Performing loans and advances		
	Less:		
1.2	interest in suspense		
1.3	Total Non-Performing loans and advances(1.1-1.2)		
	Less:		
2.0	Prepayments & Sundry Receivables		
3.0	Financial Investments		
3.1	Government Securities - Treasury Bills/bonds,		
3.2	Other Securities - Commercial papers/Bonds		
3.3a	Balances with other Sacco Societies		
3.3b	Investments in companies - shares/stocks		
4.0	Net Loan Portfolio		
	Gross Loan Portfolio		
	Allowance for Loan Loss		
5.0	Accounts Receivables		
5.1	Tax Recoverable		
5.2	Deferred Tax Assets		
5.3	Retirement Benefit Assets		
6.0	Property & Equipment & Other assets		
6.1	Investment Properties		
6.2	Property & Equipment		
6.3	Prepaid Lease rentals		
6.4	Intangible Assets		
6.5	Other Assets		
	Total Assets		

Form 8 (Continued)

	LIABILITIES		
7	Savings Deposits - Withdrawable deposits - FOSA)		
8	Short Term Deposits (e.g. Fixed deposits, special savings)		
9	Non withdrawable deposits (BOSA member deposits)		
	Total Deposit liabilities		
10	Accounts Payable & Other Liabilities		
10.1	Tax Payable		
10.2	Dividends Payable		
10.3	Deferred Tax Liability		
10.4	Retirement Benefits Liability		
10.5	Other Liabilities		
10.6	External Borrowings		
	Total Liabilities		
	EQUITY		
11	Share Capital (Members share capital per Bylaws)		
12	Grants & Donations		
13	Retained Earnings		
13.1	Prior Years' Retained Earnings		
13.2	Current Year's Surplus		
14	Other Equity Accounts		
	Statutory Reserve		
	Other Reserves (provide notes on these reserves)		
	Revaluation Reserves (Not part of core capital)		
	Proposed Dividends		
	Adjustment to Equity		
	Total Equity		
	Total Liabilities and Equity		

Note: This return should be received within three months after the end of each financial year.

AUTHORIZATION:

We declare that this return, to the best of our knowledge and belief is correct.

.....sign.....date.....
 name of authorizing officer

.....sign.....date.....
 name of countersigning officer

Appendix 2 – Glossary of Terms (Alphabetical)

Term	Definition
Adjustments to Equity	These are any adjustments to account for subsidised funds.
Administrative Expenses	These include all other operating expenses not included in the previous four categories such as electricity, water, rent, supplies, transportation, security, equipment repair and maintenance, Audit fees, supervisory and recoverable expenses, communications and consulting fees which are necessary for conducting Sacco business. It may also include certain taxes related to administration, such as a value-added tax. These expense categories may be listed as separate line items as appropriate.
Allowance for Loan Loss	The portion of the Gross Loan Portfolio that has been provisioned in anticipation of losses due to default. It represents the cumulative value of the impairment losses less the cumulative value of loans written off.
Balances Due to Banks	Deposits or other balances due to commercial banks
Balances Due to other Sacco societies	Enter the total amount of balances due to other Sacco societies including accrued interest.
Balances with Commercial Banks	Enter the total of all balances (overnight, call and time) held at domestic commercial banks excluding un-cleared effects. These balances should include accrued interest.
Balances with other Financial Institutions other than Banks and Sacco societies	Enter the total of all balances (overnight, call and time) placed by the Sacco Society with financial institutions (development financial institutions, Asset managers, building societies etc), excluding un-cleared effects but including accrued interest.
Balances with other Sacco Societies	Enter the total of all balances (overnight, call and time) placed with other Sacco Society including KUSCCO, KERUSSU but excluding un-cleared effects. The amount should include accrued interest.
Capital Grants (Equity in nature)	These are grants, which are not callable and donations received recognized as equity donations.
Cash & Cash Equivalent	Cash in hand + Cash at bank
Cash at bank	These include: Placements by the Sacco Society with banks, microfinance and other institutions (i.e. all credit balances in current accounts held with banks and other institutions).
Cash in hand	Enter in this line cash at hand (Local + Foreign notes and coins).
Core Capital	The fully paid up members' shares, capital issued, disclosed reserves, retained earnings, grants and donations all of which are not meant to be expended unless on liquidation of the SACCO Society.
Cost of External Borrowings	Include interest and fees incurred on external borrowings and overdrafts.
Current Year's Surplus/Loss	Disclose the current year's net income (after tax, after distribution to statutory reserves and proposed dividends, before donation)
Deferred Tax Assets	These are taxes recoverable in future periods in respect of: (i) Deductible temporary difference (ii) The carry forward of unused tax losses (iii) The carry forward of unused tax credits
Deferred Tax Liability	These are taxes payable in future periods in respect of taxable temporary differences.
Deposits from all other sources including interest	Enter total deposits from all other sources, including accrued interest, but excluding un-cleared effects.
Deposits from members including interest	Enter total deposits from members, both FOSA and BOSA, including accrued interest, but excluding un-cleared effects.
Deposits with Banks and Other Financial Institutions	Balances with commercial banks plus balances with other SACCO Societies and balances with other financial institutions other than banks and SACCO Societies

Term	Definition
Depreciation and Amortisation Charges	These are non-cash expenses that reduce the value of an asset over time due to wear and tear or obsolescence.
Dividend Expense	Expense incurred on member shares
Dividends Payable	These are dividends that have been declared but not yet paid.
Donations	Value of all donations recognized as revenue during the period, whether restricted or not. [Total of Donations for Loan Capital and Donations for Operating Expenses]
Doubtful Loans	Loans not adequately protected by the current repayment capacity and the principal or interest have remained un-paid between one hundred and eighty one to three hundred and sixty days or where seven to twelve installments have remained outstanding
External Borrowings	These include all external borrowings from banks, microfinance and other financial institutions. Special loan facilities covering funds received through special arrangements between the Kenya government and other foreign governments or donor agencies for onward lending or distribution to members should be entered here.
Fees and Commissions expense	This includes all charges (fees) and commissions relating to account operations such as bank charges, ledger fees, cheque and money transfer commissions but excluding interest on overdrafts.
Fees and Commissions on Loan Portfolio	Penalties, commissions, and other fees earned on the loan portfolio.
Financial Expense	Total of Interest and Fee Expense on Deposits and External Borrowings
Financial Income	The total value of all income earned from the provision of financial services. Total of Financial Income from Loan Portfolio, Financial Income from Investments and Other Operating Income
Financial Income for Loan Portfolio	Income from interest, fees, commissions, and other fees earned on the loan portfolio. This includes not only interest paid in cash but also interest accrued but not yet paid. Total of Interest earned on the loan portfolio and Fees and Commission on the loan portfolio
Financial Income from Investments	Revenue from interest, dividends, and other payments generated by financial assets other than the loan portfolio, such as interest-bearing deposits. This may include net trading income (gains less losses) from securities and the recovery of any interest revenue that was previously written off.
Foreign Notes and Coins	Enter the Kenyan shillings equivalent of all convertible foreign currencies held by the Sacco Society. The CBK mean rates as on the reporting dates should be applied in converting foreign currencies into Kenya shillings.
General Reserves (Include all loss)	These are reserve provisions to cover other non performing receivable accounts.
Governance Expenses	These include the cost of travel, per diem, honoraria or meetings for board members, board committee expenses, member's education, Annual general meeting expenses and national or other co-operative representation dues.
Government Securities	These are Treasury bills and treasury bonds issued by the Government of Kenya.
Gross Loan Portfolio	These are loans and advances before adjustments for allowance for loan loss.
Gross Non- performing loans and advances	Enter the gross aggregate of substandard, doubtful and loss accounts inclusive of interest suspended.
Institutional Capital	Institutional Capital comprises of all items in the Core Capital less Share Capital
Intangible Assets	Include all intangible assets such as computer software etc. But do not include goodwill, copy rights and royalties.
Interest Expense on Deposits	Interest and fees incurred on all deposits taken by the licensed Sacco Society
Interest in Suspense	The aggregate of interest in suspense for substandard, doubtful and loss account

Term	Definition
Interest on Loan Portfolio	Interest earned on the loan portfolio
Investment in Subsidiary and Equity Instruments of Other Institutions	This is investments made by a Sacco Society in its subsidiary institutions and equity instruments of other institutions.
Investment Properties	This is as defined in IAS 40 as a property (land or a building or part of a building or both) held by the Sacco Society to earn rentals or for capital appreciation or both. For the purposes of these Regulations, the property will qualify to be investment where a Sacco occupies not more than 10%.
Investments	These are investments in a Sacco Society's subsidiary institutions and other financial institutions.
Investments in companies - shares/stock	Equity investments by the SACCO in companies (public or private) including subsidiaries.
Loans and Advances	These refer to are facilities advanced to members whether secured or not. These need to be reported net of provisions which must be computed in accordance with Classification of Assets and Provisioning Return.
Local Notes and Coins	Enter all notes and coins on the Sacco Society's premises (including mobile units) which are legal tender in Kenya.
Loss Loans	Loans which are considered uncollectible or of such little value that their continued recognition as receivable assets is not warranted, not adequately protected and have remained un-paid for more than three hundred and sixty days or where more than twelve installments have remained outstanding
Marketing Expenses	These include any expense related to marketing or promotion such as advertising, publicity campaigns, Ushirika day celebrations etc.
Matured Loans and Advances received from Financial Institutions other than banks	Enter the total of matured loans and advances including guarantee s, promissory notes and performance bonds received from these financial institutions.
Net Financial Income/Loss	The net value of earnings arising from financial services [i.e. Financial Income] Less Financial Expenses
Net Income (After Taxes and Donations)	All net earnings from the Sacco's operations, net of taxes, and after the inclusion of donations [i.e. Total of Net Income (After Taxes and Before Donations), and Donations]
Net Income (After Taxes before Donations)	All net earnings from the Sacco's operations, net of taxes and before the inclusion of donations [Net Income (Before Taxes and Donations) less Taxes]
Net Income (Before Taxes and Donations)	All net earnings from the Sacco's operations before the inclusion of taxes and donations [Total of Net Operating Income and Net Non-Operating Income (Expenses)]
Net Non-Operating Income/(Expenses)	The net earnings from products and services not directly related to core operations of Sacco societies derived from the total income less total expenses. Sacco societies' should disclose large material amounts of non-operating revenue separately by creating accounts under "Non-Operating Income" or "Non-Operating Expense"
Net Operating Income	These are net earnings from the provision of financial services. Net Financial Income less allowances for loan losses (Line 6) less operating Expenses.
Net Surplus after Tax Current Year to Date 50%	This is 50% of current year to date un-audited after tax profits. The Sacco Society must have made adequate provisions for loan losses, depreciation, amortization and other expenses. In arriving at the applicable figure, any proposed dividends would have been taken into account. This should however exclude reserves arising from revaluation of investment properties and cumulative unrealised gains and losses on financial instruments. In case of a loss, full amount should be included.
Non Earning Assets	Assets that do not generate income such as receivables, equipment, software, etc.

Term	Definition
Non operating Income	All income not directly related to core Sacco business, such as revenue from business development services, training, consulting services, sale of merchandise and others. It also includes any exceptional gains and revenues. Large or relevant non-operating revenue categories should be listed as separate line items as appropriate. Note: This account does not include grants and donations.
Non Withdrawable Deposits (BOSA member deposits)	Deposits received from members that may be used as collateral against borrowings by the members and are refundable only when the member ceases membership.
Non-Operating Expenses	All expenses not directly related to the core Sacco business, such as the cost of providing business development services or training. This account also includes any exceptional losses and expenses. Large or relevant expense categories should be listed as separate line items as appropriate.
OFF-BALANCE SHEET ITEMS	In this line, indicate computed off-balance sheet assets such as existing guarantees by the Sacco Society
Operating Expense	The total value of all operating expenses which include, Personnel, Governance, Marketing and Administrative Expenses, incurred in providing financial services
Other Assets	These are other assets, which have not been dealt with in other fields.
Other assets	These include assets not stated elsewhere.
Other expenses	These are any other financial expenses not specified above arising from normal business operations.
Other Financial Expenses	The sum of 'other fees and commissions' and 'other expense'. These are other financial expenses related to provision of financial services.
Other Investments	These include any other investments including corporate bond, commercial paper and bearer bonds not covered elsewhere.
Other Liabilities	Include all other liabilities due not specified elsewhere
Other Operating Income	All other income from the provision of financial services, including transaction fees, premiums, membership fees, passbooks, smartcards etc.
Other Reserves	These are all other reserves, which have not been included elsewhere. Such reserves should be permanent, unencumbered, uncollectible and thus able to absorb losses. Further, the reserves should exclude cumulative unrealised gains and losses on available-for- sale instruments.
Other Securities	Commercial papers and bonds
Overdrafts and Matured loans and advances from domestic banks	Enter the total of all overdrafts and any other debit balances on matured loans and advances including guarantees and bonds issued by commercial banks.
Performing Loans	loans which are well documented and performing according to contractual terms
Personnel Expenses	Includes total staff (permanent and casual) costs such as salaries, wages, uniforms, leave allowance, medical expenses, benefits and bonuses, as well as employment taxes. It also includes the cost of employee recruitment and initial orientation expenses.
Prepaid Lease Rentals	This relate to the cost of the leasehold land and building net of accumulated amortized amount.
Prior Years' Retained Earnings	These are undistributed profits or losses carried forward over the years. Disclose the retained earnings carried from previous years here.
Property and Equipment	These are assets acquired for use in the operation of the business or for investment purposes, e.g. furniture, computers, freehold and leasehold land and buildings. They should be shown net of accumulated depreciation, amortized cost, or at fair value.
Proposed Dividends	These are dividends that have been proposed by the Board but have not been ratified by the Annual General Meeting.

Term	Definition
Provision for Loan Losses	This is the non-cash expense calculated as a percentage of the portfolio report and is used to create or increase the Allowance for Loan Losses on the Balance Sheet.
Rescheduled/Renegotiated loans	Loans whose original terms have been varied through refinancing or restructuring, etc.
Retained Earnings/Accumulated Losses	These are reserves retained from earnings or accumulated losses from the profits/losses of prior years. They should however exclude reserves arising from revaluation of investment properties and cumulative unrealised gains and losses on financial instruments.
Retirement Benefit Assets	These are staff retirement benefit assets computed as per IAS 19.
Retirement Benefits Liability	These are the retirement benefits liability as accounted for under IAS 19.
Revaluation Reserve	These are revaluation surpluses/losses arising from revaluation of properties, equipment and financial instruments.
Savings Deposits - (Withdrawable deposits - FOSA)	These are deposits payable on demand and include all funds received from its members that the Sacco Society is liable to pay on demand.
Share Capital	This is the value issued and fully paid members shares.
Short Term Deposits (e.g. Fixed deposits, special savings)	Deposits mobilized from members that the Sacco Society is liable to pay on a fixed date.
Statutory Reserve	These are accumulated reserves that have been appropriated from net surplus (revenue reserves) over the years. This is normally 20% of retained earnings after tax.
Substandard Loans	Loans not adequately protected by the current repayment capacity and the principal or interest have remained un-paid between thirty one to one eighty days or where two to six installments have remained outstanding
Tax Payable	This relates to tax liability computed but not yet paid.
Tax Recoverable	This is tax that is recoverable as a result of overpayment of tax in the previous periods.
Time Deposits with Banks more than 90 days	Enter the amount of time deposits including accrued interest entered in 2.1 above whose maturities exceed 91 days.
Total Assets (As per Balance Sheet)	Total asset figure as reported in the Balance Sheet for the period should be indicated in this line.
Total Deposits Liabilities	Total deposit figure as reported in the Balance Sheet for the period should be indicated in this line.
Treasury Bills	Enter the amortized cost of all Kenya Government Treasury Bills investments, net of encumbered Treasury Bills. Encumbered Treasury Bills are those pledged to secure any form of credit facility granted to the reporting Sacco Society.
Treasury Bonds/ Bearer Bonds	Enter the amortized cost or fair value of all treasury bonds/bearer bonds traded in the Nairobi Stock Exchange acquired by the reporting Sacco Society directly from the government and its issuing agents and those discounted from third parties.
Value of Loans Recovered	Total value of principal recovered on all loans previously written off. This includes principal on partially recovered loans and those recovered in full. Subsequent recoveries of loans previously written off decrease the amount of the Provision for Loan Losses, and the net amount is booked as Allowance for Loan Losses
Watch Loans	Loans whose principal or interest have remained un-paid for one day to thirty days or where one installment is outstanding