



ANCHOR PREMIER SACCO LTD

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Thika Section 9 Before Chania Tourist Lodge

TREASURER'S REPORT FOR APS AGM

Salutation

Distinguished members, Cooperative directors, county directors, members of the board & staff, it is with great pleasure that I present to you the BUDGET & Society's Financial Report for the year ended 31st December 2023. This year's AGM comes at an unprecedented time in the history of our republic as evidenced by the prevailing economic challenges.

Financial Summary

The SACCO has managed to realize growth on net profit for the second year in a row of **Kshs 3,244,185**. This is an increase of **53.59%**. Share Capital and savings also increased by **Kshs335,968** and **Kshs7,428,334**, which is **6.4%** and **2.6% growth**, respectively. Most of the assets and loan book due to offsets have not increased. The Society fell short of its disbursement goals due to failure of some members to repay in good time as well as the Housing Loans which have proved challenging. As reported last year the Board had instituted measures to help in minimizing spending including closure of non-performing branches. I.e., Eldoret and Gilgil branches as well as cutting down on administrative expenses by over 7M as per financial statement for the year ended 2023.

Loan Delinquency & Provision for Impairment

The loan PAR has improved by 2% in the last year. Restructure was extended to most members affected by the housing members & moratorium granted to members who were affected, on condition that their loans were performing after restructure.

TOTAL DISBURSED LOANS	43.5M
TOTAL LOANS PENDING (UNDISBURSED)	16M
COLLECTIONS (AVERAGE PER MONTH)	4.5M
PROJECTED COLLECTIONS (MONTHLY)	7M
LOAN BOOK	246M
SAVINGS (FAMILY BANK)	2.3M

Out of **kshs246M** loan book, **kshs165.7M** are related with Urithi Housing loan which is 98% reconciled and are waiting the final reconciliation report to be finalized by a joint board meeting i.e., APS and UHCL Board. The report is expected to be finalized before the end of the month.

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The expected projected collection on financial year 2023 was **Ksh 85M** but we managed to collect **Ksh 54M** with shortfall of about **Ksh 31M**, this was due to post corona economic hardship which led many members to default on their monthly payment and a few cases of loan restructure.

Loan performance and disbursement

Sacco's active loan book stand at **Ksh 80.3M**, these are loans that we have disbursed out inform of development loan, normal load, super loan, emergency loan etc. On the next financial year, the board has instituted measures to ensure yearly loan growth of about **Ksh 100M**, that will increase our monthly collections up to estimated **Ksh 15-20M**. Out of the active loans, 63% which is about **Ksh 51M** are substandard and Doubtful categories leaving the SACCO to operate with 37% of it loan book which is **Ksh 29.3M**. This has led to shrinking of our loan book and long waiting on the disbursement of **Ksh 16M**.

The Board has tried to put measures on collections by hiring the debt collector agent and listing members to CRB and event calling and meeting members with huge balances which has led to recovery of about **Ksh 5.3M**.

I appeal to all members to continue honoring monthly Installment payment so that the Sacco can continue meeting its financial obligations.

To address the issue of delay disbursement of loans and huge disbursement balances the Board in the next financial year will apply for a credit facility that will lead to the creation of special loan product with different interest rate.

We also have taken 5 members to the tribunal with total exposure of over 15M. This matter is at the auctioneers' desk. These balances will be recovered at the defaulter's cost and will in the long run improve SACCO's liquidity.

Risk & Compliance

The board is satisfied that the risk and compliance is adhered to. The Supervisory committee does periodic checks on the loans as well as the audited books to ensure compliance is adhered to. There is nothing to suggest the SACCO will not be a going concern in the next 12 months.

KRA issue

When we came to the office on July 2022, we found a claim from KRA of ksh19M dated back 2016 to 2022, as Treasurer with assistance of the board members and the finance team, we were able to do reconciliation with KRA official and taking advantage of tax amnesty from ksh19M to Ksh 488,000 which we paid and got the compliance certificate from KRA.

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Budget

I will now proceed to read and present the budget 2024/2025 & projected budget 2025 to the members.

I now hereby invite of the Auditor to present the Audit Report 2023.


Conclusion

I urge the members to support the Management and the Board with its collection efforts even as the Board takes upon itself to recover the defaulted amounts. I am optimistic that with our joint efforts to grow and closely patronize the Sacco, we shall be able to reap much more benefits in the future.

GOD BLESS YOU & GOD BLESS APS.

Yours in Service,

BCOM, CPA-K, CFA Paul THUKU

 10/07/2024

Treasurer, APS

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