



**EAGLE'S EYE REGULATED NON-WDT
SACCO SOCIETY LIMITED**

24TH ANNUAL GENERAL MEETING

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31-DECEMBER-2022**



**EAGLE'S EYE REGULATED NON-WDT
SACCO SOCIETY LIMITED**

Vision Statement:

A financial institution for economic transformation

Mission Statement

To improve members welfare by providing excellent financial services in a reliable, transparent and consistent manner.

CORE VALUES:

Ensure advancement of our members through our values:-

- ◆ Christ - Centeredness
- ◆ Team Work
- ◆ Integrity
- ◆ Profitability
- ◆ Innovation
- ◆ Customer Focus
- ◆ Continuous Improvement

SLOGAN:

" Home of Financial Success "

24rd ANNUAL GENERAL MEETING HELD ON 1st APRIL 2023 AT ACMI CONFERENCE HALL. STARTING FROM 9.30AM.

TABLE OF CONTENTS:

Re: Annual General Meeting Notice	iii
Minutes of 23 rd Annual General Meeting	1
Board of Directors Report	12
Supervisory Committee Report	17
Annual Report and Financial Statements	21

RE: ANNUAL GENERAL MEETING

In accordance with the Society's By-Laws section 30(2), Notice is hereby given that Annual General Meeting of Eagle's Eye Regulated Non-WDT SACCO Society Limited will be held on Saturday 1st. April 2023 , at ACMI Vision Village-Conference Hall starting 9.30am.

AGENDAS:

1. Reading of Notice and Agenda of the meeting,
2. Reading and confirmation of minutes of the Annual General Meeting held on 23rd April 2022 at ACMI Conference Hall.
3. To discuss matters arising from the previous minutes.
4. To receive and discuss Board of Directors Report for the Year 2022.
5. To receive and discuss Supervisory Committee Report for the Year 2022
6. To receive Year 2022 Audited Financial Statements.
7. Disposal of surplus and Board of Directors Honoraria.
8. To appoint Auditors for the Year 2023 Financial Statements
9. To discuss and if need be pass the proposed resolution(s)
10. Assistant Director for Co-Operatives Confirmation and Adoption of newly elected Board/ Supervisory members.
11. Any other business of the society of which a requisite Notice has been given in the manner prescribed in the By-Laws.

For and on Behalf of;

Eagle's Eye Regulated Non-WDT Sacco Society Limited.

Sign 

Frank Kathimbu Kirugara
Chairman

C.C.

- *Notice Boards & Website.*
- *Assistant Director for Co-Operatives Thika West*
- *Mbiyu Muhia & Associates.*

Dated. 3rd March 2023

EAGLE'S EYE REGULATED, NON-WDT SOCIETY LTD

23rd ANNUAL GENERAL MEETING HELD ON 23rd APRIL 2022

AT ACMI CONFERENCE HALL. STARTING FROM 10.20AM.

Present:

1. Rev. Frank Kirugara - *Chair*
2. Rose Ndaiga - *Hon. Secretary*
3. Edward Nthiga - *Treasurer*
4. Pst. Peninah Muhia - *Vice Chair*
5. John Mutisya - *Chair Supervisory*
6. Peterson Githenya - *Sec. Supervisory*
7. Bishop Joseph Kamiri - *Member supervisory*
8. Samuel Mwangi - *Board Member*
9. Dennis Onyango - *Board Member*
10. James Mwangi - *Board Member*
11. Jesca Otanga - *Public Relations*
12. Silas Mukundi - *CEO*
13. Mercy Musomba - *Credit Officer*
14. Jane Mwangi - *Finance Officer*
15. Benard Salano - *Field Officer*
16. Joseph Maina - *Field Officer*

In attendance:

1. Madam Mary Muthoni - *Gatundu Sub-County Co-op Officer*
2. James Ngugi - *Auditor - Mbiyu Muhia & Associate*

General Members Present:

1. Patrick Njoroge
2. Joseph Kerugo
3. Gabriel Mambo
4. Zainabu Nakhungu
5. Teresian Igoki
6. Grace Wangare
7. Nicholas Syovo
8. Catherine Githenji
9. Janet Kiende
10. Peterson Kimani
11. Rahab Kahiga
12. Wilson Gatu
13. Nancy Njoki
14. Aloise Ntongai
15. Stephen Kamande
16. Eunice Waweru
17. Paul Kamau
18. CCI Oasis
19. Elizabeth Ndinda
20. CCI Kiriaini
21. Joshua Ngave
22. Johnstone Muia
23. Philis Omunachi
24. Titus Maundu
25. John Mutisya
26. Purity Munene
27. Rosemary Nyawegi
28. Pst Stephen Ndungo
29. Lucy Ngina
30. Pst Loyed Kangwana
31. Charles Mutisya
32. Joseph Kyalo
33. Thomas Ngare
34. Jane Wanjiru
35. Josphat Kamau
36. Pst Obadiah Metho
37. Ruth Kivindyo
38. David Waweru
39. Cleophas Oroko
40. Embakasi Self Help Group
41. Christine Nzilani
42. Daniel Mekubo

43. Juma Mutua
44. Christopher Gitau
45. Alice Ngendo
46. Eunice Wanjiru
47. Annah Waithera
48. Ephantus Njuguna
49. Abdalla Muyale
50. Beth Wairimu
51. Ndaraca Self Help Group
52. Leonard Muthusi
53. Serah Nyambura
54. Wambua Syano
55. Selina Wanjiku Ngugi
56. Samuel Muiruri
57. Eliakim Emoit
58. Richard Kimatu
59. Veronicah Ndaka
60. Amos Murunga
61. James Macharia
62. Patrick Wambua
63. Caroline Waweru
64. Jeremiah Musau
65. Catherine Wanjiru
66. Elias Kamau
67. Silas Brian Owiti
68. Calasine Taabu
69. Eliud Makumi
70. Joan Shihemu
71. Ann Nzuvu
72. George Maina
73. Sophia Wanjiku
74. Francis Engoke
75. Charity Wanjiru
76. Margaret Njoki Karachu
77. Antony Mwangi
78. Charity Njoki
79. Kiarie Gitau
80. Dickson Mutegi
81. Samuel Mucheru
82. Fidel Karanja
83. Emily Njoki
84. Mauki Nkirote
85. Joseph Kamande
86. Mary Njuguna
87. Margaret Wambui Muriit
88. Ernest Njuguna Mbogo
89. Mary Wanjiku Gitau
90. Ken Mwangi
91. Stanley Muiruri
92. Joseph Ndegwa
93. Nicodemus Gitonga
94. Mary Wairimu Muhia
95. Gladys Kavindu
96. Irene Wangui
97. Shadrack Mutua
98. Julius Ng'ang'a
99. Nancy Waithera
100. Micklin Metha
101. Samson Aluma
102. Lucy Wambui Mboci
103. Cecilia Nduume
104. Francis Ndaiga
105. Sarah Ngeli
106. Ephraim Njoroge
107. Joseph Muli
108. Jais Mukoya
109. Joyspring School
110. John Ochieng
111. Martha Nyambura
112. George Ngarega Kirugu
113. Antony Livete
114. Orindah Wanjiru
115. Dennis Kiilu
116. Mary Wangare
117. Kennedy Ochieng
118. Rev Arthur Kithinji
119. Virginia Wanjiru
120. Everlyn Wambui
121. Ali Shaban
122. Eunice Ndeto
123. Stanley Njuguna
124. Mary Wangui
125. Mark Murigi
126. Joseph Wambua
127. Joseph Muli
128. Jerusha Wambui
129. Lucy Njeri Irungu
130. Grace Evans
131. Peris Wanjiru Ndung'u
132. Antony Njoroge
133. Mbavu Muthoka
134. Richard Karimi
135. Lucy Wanjogu
136. Eunice Mugo
137. John Mwaka
138. Conquerors Self Help Group
139. Silas Ndalo
140. Margaret Ndichu
141. Grace Kambua
142. Rosemary Kirimi
143. Paul Thuo
144. Alfred Mburia

- | | |
|---------------------------|--------------------------|
| 145. Charles Ndolo | 189. Joan Shihemi |
| 146. Daniel Mwasya | 190. James Muteti |
| 147. Paul Mwangi | 191. Florah Muthoni |
| 148. Fredrick Omach | 192. Judith Manyasa |
| 149. Stephen Wainaina | 193. Paul Nene |
| 150. Florence Muchami | 194. Bonface Wambua |
| 151. Seraphine Muli | 195. Virginia Munyambu |
| 152. Florence Mueni | 196. Esphan Mundu |
| 153. David Kuria | 197. Ann Njoki |
| 154. Martha Mwaniki | 198. Daniel Mutiso |
| 155. Stanley Muturi | 199. Ann Muiruri |
| 156. Daniel Kiarie Murigi | 200. Annah Wanjiru |
| 157. Selina Njeri | 201. Lucy Njeri |
| 158. Simon Kamaru | 202. Carren Ayuko |
| 159. Joseph Muiruri | 203. Daniel Osula |
| 160. Mwikamba Kaibui | 204. Barnabas Mwangi |
| 161. Tabith Wacuka | 205. Anne Musila |
| 162. Daniel Mbugua | 206. Carolyne Thuguri |
| 163. Alice Ngure | 207. Rev. Ruel Nduati |
| 164. Charles Ndolo KIvaa | 208. Simon Mwithe |
| 165. Mary Chege | 209. Cecilia Wangari |
| 166. Mary Muria | 210. Rev. Isaiah Gichuhi |
| 167. Peris Methu | 211. Moses Kinyanjui |
| 168. Justus Gichuki | 212. Samuel Mwangi |
| 169. Titus Wasike | 213. Alice Wanjiru |
| 170. Charity Wanjagi | 214. Evans Oduor |
| 171. Julius Mutui | 215. Peter Kanyuku |
| 172. Daniel Nduati | 216. David Thuo |
| 173. Joseph Njoroge | 217. Lydia Mathenge |
| 174. Kenneth Maina | 218. Paul Kivondo |
| 175. Ruth Oduor | 219. Grace Wairimu |
| 176. Dancun Mukundi | 220. Samuel Chege |
| 177. Dorcas Kungu | 221. Samson Kuria |
| 178. Annrose Githinji | 222. Francis KImanzi |
| 179. Simon Kamau | 223. Jared Otieno |
| 180. Moses Kinyua | 224. Jane Gatei |
| 181. Lucy Wanjiru | 225. Magdalene Wanjiku |
| 182. John Njaramba | 226. Joseph Muriuki |
| 183. John Waweru | 227. Janet Njuguna |
| 184. Francis Mugo | 228. Lucy Wangare |
| 185. Martha Kamiri | 229. James Njaramba |
| 186. Zipporah Wangui | 230. Gladys Maina |
| 187. Duncan Mbogo | 231. David Oluoch |
| 188. Beatrice Mumbi | |

Absent with apology

- | | |
|----------------------|------------------|
| 1. Lilian Mukabane | 4. Simon Kabocho |
| 2. Everlyne Kirugara | 5. Harun Gacheru |
| 3. Sarah Mbogo | 6. Daniel Ngure |

Preliminaries:

The meeting started with a word of prayer by Pastor Wilson Gatu who also led in praise and worship.

The Chairman called the meeting to order at 10.55am and thereafter introduced all the officials present including the representative from Sub-county Co-operative Office and the External Auditor.

Min. 1/23/04/2022: Reading and confirmation of minutes of the previous meeting

Minutes of our 22nd AGM were read by Samuel Mwangi and were confirmed as a true record of the day's deliberation. Charles Ndolo member number 0961 proposed while Nancy Njoki member number 1251 seconded.

Min. 2/23/04/2022: Matters Arising.

1. Eagles Eye Plaza Project

There is a comprehensive report in the B.O.D report.

2. Defaulted loans

There is a report in the BOD

3. Dormancy Policy-

has been reviewed. If one falls in dormancy, he is supposed to pay the minimum monthly deposit contribution plus the insurance which amount to Ksh.13,200/= per year. On Corporate they are classified in two categories;

Category A - A total of Kshs 62,400 (5200x12) including the insurance.

Category B - A total of Kshs 38,400 (3200x12) insurance inclusive.

4. By-laws-

They are now certified by Sasra and available for all members at printing cost of Ksh. 200.

5. Regional balance in the Board's composition will be addressed in the Board of Directors Report.

6. We don't require our Lawyers in our meeting since there are no legal issues to be addressed during our meetings.

Min. 3/23/04/2022: Board of Directors Report.

The Board of Director's report was presented to members by the chairman Rev. Frank Kirugara.

Key Items:

● Change of name;

The name of Society has changed from Eagle's Eye Sacco Ltd to Eagle's Eye Regulated NON-WDT Sacco Society Limited.

● Incomes;

◆ Our mutual and non-mutual income rose from Ksh. 15.3 Million in the year 2020 to 22.9 million in 2021 an increase of 7.6 million translating to 49.7%.

- **Total Assets;**
 - ◆ Total assets grew by Ksh. 36.3 Million from Ksh.170.4 Million in the year 2020 to 206.7 at the close of the year 2021 translating to 21% growth.

- **Membership;**
 - ◆ Our Sacco has continued to experience growth in terms of membership with an increase of 170 members in the year 2021. However, in the same period dormant members rose from 100 to 326 associated with the effects of the Covid-19 pandemic. Our total membership currently stands at 1714.

- **Product Performance;**
 - ◆ **Deposits -** The members' deposits grew from Ksh. 152 Million in the year 2020 to 185 Million as at 31st December 2021 a growth of Kshs33 Million.
 - ◆ **Loans-** Our net loan portfolio grew by 13.1 Million from 150.4 Million to 163.5 Million at the close of the year.

- **Post Covid-19 Effects**
 - ◆ Due to global economic recession exacerbated by the Covid- 19 pandemic, it has affected various aspects of our operations.
 - ◆ **Dormancy -** Our members who own Small and Medium Enterprises (SME'S) and those in the informal Sector have been adversely affected. We have experienced withdrawals as a result of these adverse effects.

- **Loan Delinquency;**
 - ◆ Quite a number of our members have been unable to pay their loans as per the repayment schedules resulting in an increase in default rate. We want to encourage members to communicate to the office in case of challenges of honoring their monthly financial obligations. As a result, currently our defaulted loan rate is 32.21% against an allowable rate of 5% by the Regulator and not good for our business.

- **Expansion of the BOD (Board of Directors)**

With the new structure of administration, the Board of Directors is required to operate through a number of committees. We have seven members currently and we are engaged in several Adhoc committees causing overload which may lead to inefficiencies. Members were requested to allow the expansion of the board to nine members to enhance efficiency in the board. The adoption of this request will require the board to co-opt two members as we finalize the approval of the election policy

- **Sasra Compliance**
 - ◆ **Capital Adequacy Ration**
The Sacco has not yet met the following rations as below;
 - Core capital to Total Assets**
We managed to attain 4.64% and the standard is 8% thus a deficit of 3.36%
 - Retained Earnings and Disclosed Reserves to core capital**
We managed to have 40.84% and the expected standard is 50% thus deficit of 9.16%.
The Sacco is expected to raise this percentage by retaining more.

◆ **Core Capital**

This is share capital + Retained Earnings + Statutory Reserves. Our core capital stood at 5.6 Million thus a capping on loans at 10% of the core capital however we appealed to the Regulator to give a moratorium of 36 months to comply which they approved. During our SGM held last year, we appealed to members to top up shares from the current Ksh. 4,000 (200 shares @20) to Ksh. 28,000 (1400 shares @20) for the next four (4) years by paying Ksh. 500 per month. Equally the Corporate members were to top up from Ksh. 4,000 to 52,000 (2600 share @200) by paying Ksh. 1,000 per month. This will go a long way to build our core capital.

● **Strategic Plan**

- ◆ Our SP 2021 – 2025 is still in force and booklets are available at our offices. Members were requested to get copies from the office at Ksh. 150 being the printing cost.

● **Eagles Eye Plaza**

- ◆ Our objective is to have our own property “The Eagles Eye Plaza” shares are still on offer and the nominal value per share is Ksh. 200 each. The proposed share categories are as follows;

◆ Bronze Minimum	300 shares	@ Kshs 200	= 60,000
◆ Silver Minimum	500 shares	@ Kshs 200	= 100,000
◆ Platinum Minimum	1000 shares	@ Kshs 200	= 200,000
◆ Gold premium	2000 shares	@ Kshs 200	= 400,000

● **General Updates;**

◆ **Bio data**

All members are encouraged to update their personal information with the Sacco as well as updating their next of kin details.

◆ **Unidentified Deposit**

Members are encouraged to submit their bank slips or any documentary evidence to make sure that their deposits and loans are receipted accordingly.

◆ **New Loan Forms**

We have developed a new loan forms that are available both in our website and hard copies can be availed in the office.

◆ **Restructuring of loans**

In order to deal with the challenge of loan delinquency, we have opened a chance for members to renegotiate and restructure their loan terms. Special forms have also been developed for this purpose.

◆ **Accrual Principle**

Members have severally asked us to consider those who complete their loans repayment early by not demanding the payment of interest to the end of the loan terms. With use of the Accrual Principle this system compute interest monthly on the outstanding loan principal balance.

◆ **Members Statement**

Member's statement will be emailed twice in an year. Hard copy statement will be charged at a minimal cost

◆ **Share Certificate**

We will be issuing share certificate to every member of our Sacco.

◆ **Amended By-laws**

are available in the office at printing cost of Ksh. 200/= copy.

◆ **Communication Hitches**

Some members have not been receiving messages from the office. Kindly notify our registration desk for the anomaly to be corrected.

The report was adopted. Bishop Duncan Mbogo member number 018 proposed while Pst Ndungo member number 0248 seconded.

Reactions:

Expansion of Board of Directors – One member asked the cost implication? Is it possible to work with the seven members we have to avoid the additional costs.

Response

Yes there shall a cost implication in terms of Transport allowance and sitting allowance. SASRA requirement is that every board member should only sit in one (1) adhoc committee.

Emily #713

Loan Portfolio grew from 150,425,965 to Kshs 168,110,769. Sasra provision - Cumulative balance at the close of the book is 168,468,444 and what is in the balance sheet as Kshs 163,445,559. Loan Delinquency - is 32% and the recommended rate is 5%. What is the portfolio at risk?

Response

There is a discrepancy of 5.02 million. The discrepancy is caused by provisioning of loan losses of Kshs4, 665,210 and unreconciled loans of Kshs 357,674.00

Charles Mutinda

A lot of defaulting - If the defaulters repay their loan what happens with the money they pay? The provisioning is the wealth of the Sacco and it reduces the provisioning for the previous year.

Francis Mugo

On Share capital - Can a member pay his share i.e. Ksh.24,000 at 1 installment.

Response

This is allowable and if a member has money they can pay and bring the receipt to the office for recording.

Land Issue

The vendor has not completed the documentation process.

Christine member No 1200

Needed a clarification on Loan provision -Sacco gives the most secure loans since all loans are guaranteed.

Wasike member no 1298.

- Encouraged the Board of Directors to put more effort on loan recovery. We have embarked on training/empowering our staff on loan recovery and soon they will be in a position to recovery more. Our Sacco has expanded very fast and we are working on loan recovery strategies.
- Unidentified Deposits – Reconciliation should be done quickly to avoid this money being taken to Unclaimed Financial Asset Authority (UFAA). Members were requested to bring receipts to the office for proper recording.

Joseph Kyalo Teresia

Member number 0984 enquired about the Dividends whether there will dividend or not.
Response: Yes there will dividend.

Florence Member no 013

On Eagles Eye Plaza - Why don't we look for another parcel of land elsewhere which has no issue instead of waiting for a land with court issues?. We are interested in two plots and whether we can abandon and look elsewhere.

Response

As a board we have not reached that point, before we settled for this plot, we had gone to places looking for a land and we settled on this two plots. There is no cause to alarm. Report will be given later.

Expansion of the BOD

Members gave the board a go ahead and co-opt two members to the Board. Proposed by Francis Mugo member number 0936 and seconded by Stephen Kamande Kamau member number 1470

Min. 4/27/02/2021: Supervisory Board Report.

The report was presented to members by John Mutisya - Chairman Supervisory Board.
The highlights were:

- **The Board of Director's progress;**
 - ◆ The team has continued to meet with sufficient quorum as required by law. The agendas for the meeting are consistent with Sacco's prudent management goals and the implementation of our strategic plan.
- **Dormant and active members -**

Our Sacco was affected by the Covid 19 pandemic. We need to cultivate healthy, trustworthy connections between the Board of Directors and the members.
- **The loan portfolio management**

Loan defaulted rate is 32.21%. Our portfolio is at risk to the tune of 57.11%. This is a problem that affects many financial institutions, not just our Sacco.
- **Management Information System**

We acquired new software to match our growing needs. During our regular meetings, we noted that our software needs more configurations and audit so as to improve the efficiency and reliability of generated data. This process has taken longer than anticipated.

- **Un-identified Deposits**

As at December 31, 2021 unidentified deposits increased to Ksh. 1,644,493. We encouraged members to submit deposit slips/mobile money texts to office and to regularly request their deposit/loan repayment statements to verify the accuracy of their financial records. This will assist our Sacco in identifying owners of unidentified deposit that have accumulated over time.

- **Sacco Property**

- ◆ **Eagles Eye Plaza Land**

- We emphasize that Eagles Eye Plaza is a long-term investment project, hence members should not expect quick gains. There is no much progress made towards ownership of the land since our last meeting although half the price was paid for two 50x100 plots (100x100) worth Ksh. 7.9 Million. Due-legal process followed. The Board of Directors is committed to make sure the process is completed within the shortest time possible.

- **Ngobit and Isiolo Lands**

Supervisory Board continues to recommend selling out of these two parcels of land at a profitable price soonest possible. This will reduce our investments in non-earning assets and bring back the cash to circulation.

- **Compliance**

- ◆ We report that the Sacco is in compliance with various requirements of the law. Required reports are being submitted to various government agencies. Internal audits have been done and recommendations worked on progressively. There are still areas been worked on to ensure full compliance and especially with Sasra.

The report was adopted. Rev. Peter Kanyuku member number 050 proposed while Boniface Njagi member number 1364 seconded.

Reactions:

Emily No 713 Membership growth and retention -

We recruit members through church meeting e.g. conferences and also through our markets. We absolved our markets when we realized that there is a lot of work in office to be done and this could be slowing the marketing work.

Total loan book balance in Board of Directors Report and Supervisory report are in discrepancy

Default rate and portfolio at risk.

There is confusion. We need to know the balance at risk and loan portfolio.

Christine member no 1200

Dormant members are increasing. What is the cause and how can we help? We are losing more than we are recruiting.

Rev. Isaac Kaibui

Dormant members – How do we get the 61 new members? 61 members are the Active members. Increased in membership is 226.

Moses Kinyanjui member no 1425

Software inefficiency update - Our Software is not efficient to what extent?

Response

Navision as a system is recommended by Sasra. We are updating ourselves and the staff is familiarizing with the Software in regards to emerging issues.

Min. 5/23/04/2022: Auditors Report

The Auditor report was presented by James Ngugi auditor from Mbiyu Muhia and associates. The report was adopted. Proposed by John Ochieng member number 1012 and seconded by Daniel Kiare Murigi member number 830.

Auditors report Contribution

- The Auditor has given a green light.
- The financial report has met the set International Financial reporting standards and they have given a positive opinion.

Reactions

Emily

Loan Book should not change. Loan provision is not money paid but just a provision kept aside for any eventuality. Retained earnings for the year Surplus for year after tax. CIC money market no interest earned because we saved with them at the close of the year i.e. December 2021

James 0433 - Wanted a clarification of the money the Auditor said is in our Sacco is it available?

Response

Yes. Members are encouraged to take loans to avoid keeping money in our Sacco bank accounts.

Min. 6/23/04/2022: Declaration of Dividends on Shares and Interest on Deposits.

Members agreed that interest on deposits should be paid back to members. Martha Muthoni member number 023 proposed and seconded by Makumi member number 240.

Proposal for honoraria.

The proposed honorarium to board members is Ksh. 50,000. Paul Thuo member number 792 proposed and Isaac Mwikamba Kaibui member number 86 seconded.

Min. 7/23/04/2022: Ratification of Auditors.

We propose to appoint Mbiyu Muhia and Associates to be our Auditors for the year 2022. Rev. Peter Kanyuku member number 50 proposed and Pastor Wilson Gatu member number 020 seconded. Hence Mbiyu Muhia and Associates becomes our Auditors for year 2022.

Min. 8/23/04/2022: Ratification of Advocates.

We proposed to appoint Njoroge Kugwa to be our lawyer for the year 2022. Francis Mugo member number 936 proposed while Mary Muhia no 389 seconded. Hence Njoroge Kugwa & Advocates becomes our advocates for year 2022.

Min. 9/23/04/2022: Borrowing Powers.

Members proposed our borrowing powers for the year 2022 to be Ksh.5 million. Wasike member number 1298 proposed while Isaac Mwikamba member number 086 seconded.

Min. 10/23/04/2022: Presentation from Sub-County Officer:

Madam Mary

1. She appreciated the board for work well done. Members have confidence in the management. She encouraged the board to uphold that confidence.

Min. 11/23/04/2022: Election of New Office Bearers.

Madam Mary encouraged members to elect members who are very active, honest, people of integrity and not a board member of another Sacco.

There are three vacant positions to be filled;

- The Hon. Secretary Rose Ndaiga,
- Credit Committee chairman Samuel Mucheru
- Supervisory Committee Chair John Mutisya.

The Sub-county Cooperative officer presided over the elections.

John Mutisya (Supervisory): Proposer John Ochieng 1012 and Seconded by Stephen Ndungo 0248. Elected by an overwhelming majority.

Rose Ndaiga (Management): Proposer Juma Mutua # 1448 and Seconded by Emily # 0713. Elected by an overwhelming majority

Samuel Mwangi: (Management): Proposer Martha Mwaniki 0186 and Seconded by Francis Ndaiga. Elected by an overwhelming majority.

Min 12/23/04/2022 Announcements:

Made by Pst Peninah Muhia: Vice Chair

1. Members to collect Fare from finance officer
2. Members to Confirm their bank details
3. Members to receive dividends and interest from Thursday

Min 13/23/04/2022 Dissolving the Meeting

The Chairman appreciated all members for their attendance and participation. He then dissolved the 23rd AGM at 455pm.

The meeting was closed with a word of prayer from Bishop Duncan Mbogo at 4:55pm.

Confirmed by:

Chairman:..... Sign.....

Secretary:..... Sign.....

EAGLE'S EYE REGULATED NON-WDT- SACCO LIMITED

24th A.G.M BOARD OF DIRECTORS REPORT

Preamble:

The Board of Directors, Government officers, distinguished guests and members. It gives me great joy to present this Directors' report for **Eagles Eye Regulated Non WDT SACCO**. Secondly, we are grateful to God for allowing us to be partakers in the 24th AGM.

We appreciate Thika Sub-county cooperative office and Sasra for their indefatigable support for sustained Sacco business growth and corporate governance thus adding value to the society at large.

Economic Overview:

The economy was resilient despite post covid effects and harsh global economic climate coupled with General elections in the year 2022. The annual average inflation increased compared to the year 2021 due to high prices of basic commodities. This in turn affected the purchasing power and borrowing powers of the members due to reduced disposable income.

Financial performance

The Sacco revenue incomes rose from **22.9 Million** in the year 2021 to **25.4 Million**; an increase of 2.5 Million translating to **11%**. This was driven by growth in interest on members' loans and investment incomes.

Deposits

The members' deposits grew from Ksh **185 Million** in the year 2021 to **207 Million** in the year 2022; an increase of **22 million** translating to **11.9%**. The members' deposits grew because of members having trust with their Sacco and we encourage more members to continue practicing this saving culture for individual and corporate growth.

Total Assets

The assets grew from 207 Million in the year 2021 to 238 Million an increase of Ksh 31 Million. This has arisen due to increased uptake of loans.

Share capital

The share capital grew by **Ksh 5.2 Million** from **5.7 million** (2021) to **10.9 Million** in the financial year 2022. We appreciate the members who heeded the call to increase their shareholding and we encourage every member to do their part in topping up their shares.

Every individual member was to raise our current **Ksh 4000 (200 shares @20)** to **Ksh 28,000 (1400 shares@20)** for the next four (4) years by paying Ksh 500 per month. Equally the Corporate Members were to increase from the current **Ksh 4000 to Ksh 52000 (2600 shares @200)** by paying **Ksh 1000/=** per month. This was to begin in January 2022.

Members are encouraged to take their share certificate at the registration desk

Loans and Advances to members

In the year 2022, the total loans disbursed amounted to Kshs 205,784,183 compared to Kshs 168,110,769 disbursed in the financial year 2021. This represented a growth of 22.4% distributed to different loan products as below;

Loan Type	2022	2021	Increase/Decrease	%
Bima	188,933.00	145,543.00	43,390.00	29.8%
Development	127,719,211.00	108,869,752.00	18,849,459.00	17.3%
Emergency	920,136.00	832,760.00	87,376.00	10.5%
Fagia	39,393,061.00	29,021,536.00	10,371,521.00	35.7%
School fees	345,948.00	415,620.00	-69,672.00	-16.8%
Mapato	6,212,663.00	5,610,194.00	602,469.00	10.7%
Agribusiness	1,266,635.00	1,189,594.00	77,041.00	6.48%
Top up	20,604,525.00	14,257,517.00	6,347,008.00	44.5%
Asset Financing	7,338,223.00	6,350,564.00	987,659.00	15.6%
Instant	88,652.00	2,828.00	85,824.00	3034.8%
Masomo Juu	1,706,196.00	1,414,862.00	291,334.00	20.6%
Gross totals	205,784,183.00	168,110,769.00	37,673,409.00	22.4%

The best performing product is **Instant, top up, Fagia then Bima loans** in that order. In this regard, we desire to enhance Instant loan by providing mobile loans thus optimizing the sacco revenue. We encourage members to take school fees loan anytime of the year to improve this product rating.

Dividends and Interest on Deposits

In view of the financial performance, the Board of Directors recommends interest on members deposits at 5% up from 4.5% in 2021 and 8.5% on fully paid up shares for the year under review subject to members' approval upon presentation by the external auditors. The total amount to be paid out is Kshs 11,509,259 compared to Kshs 8,778,412 paid in the year 2021.

Loan Guarantorship

With the introduction of new loan form, it is now mandatory to provide one's own ID and pin certificate copies. The guarantors must also provide their respective ID copies. The loan form clearly stipulates the amount the guarantor is willing to guarantee and therefore it is important for the guarantor to clearly indicate the amount to avoid loan application rejection.

Compliance

The Sacco has managed to achieve the following ratios:

- **Liquidity ratio-** We are at **10.50%** while the recommended ratio is **10% surpassing by 0.50%**.
- **Capital Adequacy Ratios:** Core capital to Total Deposits- The standard rate is at **5%** and in the year 2022 we surpassed this by **+2.76%**. By contrast we have fallen short in the following ratios as shown below;
- **Core capital to Total Assets-** The Sacco managed to attain **6.74%** and the standard is **8%** thus a deficit of **-1.26%** which needs to be bridged before the next Audit.
- **Retained Earnings & Disclosed Reserves to Core capital-**The Sacco has managed to have

26.75% and the expected standard is **50%** thus a deficit of **-23.25%**. The Sacco is expected to raise this percentage by retaining more to bridge the deficit.

The total delinquent loans reduced from 32.33% in the year 2021 to 15.18 % in the financial year under review a reduction of 17.15%. However we are above by 10.18% the standard rate recommended by the Regulator. Similarly the **portfolio at risk (PAR)** stood at 26.95% in the year 2022 a reduction of 30.38% the previous year though above by 21.95% compared to the expectation by the regulator which is 5%.

It is our sincere hope that with the increased patronage of our loan products from the members and payment of loans promptly, that we can be fully compliant.

Strategic Plan:

Our **SP 2021-2025** is still in force and booklets are available at our offices. Kindly get your copy from the office at **Ksh.150/=** being the printing cost. Some of our SP objectives especially those with a social aspect were hampered by the pandemic but we are optimistic that in 2023 will be able to continue implementing. We will be having mid-term review in the month of April 2023 and during the SGM to be held in September 2023, we will be able to provide a progressive report.

Eagles Eye Plaza

We have an accumulated **Kshs 1,651,806** spread across 641 Accounts for the project.

Credit Reference Bureau (CRB)

This is to remind you that the Sacco is registered with Metropol CRB. Consequently non-performing loans (unpaid 90 Days) will be listed as provided with Credit Reference Bureau (CRB) Act 2020. Equally performing loans are shared with other financial institutions as required legally.

Note: Members with Non-performing loans are hereby notified to clear their dues or visit Sacco offices within 30 days to agree on an acceptable repayment plan failure to which will lead you to being black listed.

Members Education and Training

In line with our **“know your customer (KYC) program”** we have decentralised our educational programs to our active regional areas to meet our customer needs. We encourage members to attend these meetings when called for in their locality.

Corporate Governance

The Sacco recognises good corporate governance which forms a core pillar and an important cog in the success of any organisation that affects the members' well-being, employees and other interested stakeholders. In line with this, the Board is committed to adopt sound governance practices as encompassed in our Board charter and election policy. There shall be a nomination committee that will vet all elective posts and more information will be provided during the Special General Meeting to be held later in the year.

ICT

Information and Communication Technology is a critical component in any financial institution to remain competitive and stay afloat in this rather competitive and dynamic environment. The Sacco is intending to automate all its processes to enhance efficiency and profitability to the organizations. We intend to create members' portal where members can get

services with ease. We have also upgraded our website to allow members to access information easily and enhance efficiency. We request members to utilise this digital platforms once commissioned to enjoy real time services. We will keep you updated on this very important development.

Customer Service Charter

In order to improve service delivery, we launched our service charter in our SGM last year. The Board and the Sacco management is committed to adhere to it to ensure services are offered seamlessly within the set time frames provided.

Economic effects

Due to global economic recession exacerbated by the Covid pandemic, it has affected various aspects of our operations.

a. Dormancy

Our members who own Small and Medium Enterprises (SME'S) and those in the informal sector have been adversely affected thus increase of dormancy accounts. Equally those in the formal sector have been affected by serious job losses. Sadly we have experienced withdrawals as a result of these adverse effects.

b. Loan Delinquency

Quite a number of our members have been unable to pay their loans as per the repayment schedules resulting in an increase in default rate. We want to encourage members to communicate to the office in case of challenges of honouring their monthly financial obligations.

Note:

Our provision for loss for the year was Kshs 3,100,000 raising it to a cumulative figure of Kshs 7,765,210 for the two years.

In this regard, the loan accounts that are in either doubtful or loss categories, their dividends will be utilized to repay the loan arrears.

Members Updates

a. Bio data:

All members are encouraged to update their personal information with the Sacco as well as updating their next of kin.

b. Unidentified deposits:

Members are encouraged to submit their bank slips or any documentary evidence to ensure that their deposits or loans are receipted accordingly. Currently the unidentified deposits stand at **Ksh. 1,855,716** at the close of the year. This figure is very high and thus members need to confirm whether their bank payments were receipted accordingly.

Members are encouraged to pay via digital platforms;

Equity Bank Paybill	247247	Account No: 369518#Membership No.
Co-operative Bank Paybill	400222	Account No: 420409#Membership No.
Safaricom Paybill	183669	Account No: Membership

c. Amended By-laws:

Sacco members have a right to be provided with the governing constitution. In this regard, we have provided the **by-laws** booklets at **Ksh.200/=** being the cost of printing. We encourage everyone to buy to keep yourself abreast with the new requirements by SASRA.

d. Christmas package:

We have been offering this product at an interest rate of **8%** over the years. However, due to the changing economic environment, the Sacco has found itself unable to sustain this interest and we propose to bring it down to **6%** but subject to review in the future.

e. Data protection Act:

In line with this Act, the Sacco is pursuing registration with Data Protection Authority in compliance with the Act since we are data handlers.

f. Loan appraisal fee:

We have been charging the loan appraisal fee at 0.05% or ksh. 200/= whichever is higher. We propose to increase it to 0.2% or Ksh. 600/= whichever is higher. This is partly to help us cover the rising cost of doing business and also pay to KRA 20% excise tax introduced by the government through the Finance Act 2022.

g. Groups:

Sacco's are social financial organisations that operate on the principle of cooperation. Several years ago we embarked on a journey to help our members find guarantors for their loans. Our very considered view and strategic direction is that every member who is not employed by any of our institution, should belong to a functional group.

Finally, let me remind us of the need to keep pulling together in order to continue growing our SACCO. The Board of Directors have the responsibility of formulating good policies to grow the Sacco, the secretariat have the responsibility of implementing the policies while members have the responsibility of patronizing the products and being good ambassadors of our Sacco. May all of us embark on seriously doing our part for the good of everybody. A good team is the one where all members understand their role and play them effectively.

“Long Live Eagles Eye Sacco” God bless you all.

Sign 

Frank Kathimbu Kirugara
Chairman

EAGLE'S EYE REGULATED NON-WDT SACCO SOCIETY LIMITED

Supervisory Committee Report for our 24rd Annual General Meeting (GM) Held on April 1, 2023

Preamble

The Board of Directors, Government officials, esteemed members, ladies and gentlemen, good morning. The Supervisory committee(SC) is grateful to God and the honorable members for the opportunity to serve as your oversight team.

The Supervisory committee is comprised of Peterson Githenya, the Secretary, Bishop Joseph Kamiri, a member, and John Mutisya, the Chairman. We remain committed to serving you. Our main mandate, as provided by the law, is to serve as the internal audit committee, ensuring that adequate checks and balances are put in place, to carry out verifications of SACCO's financials, records, and adherence to policies, procedures, and good governance.

We have the pleasure to present to you the report of the Supervisory Board since our last AGM. This report covers the following areas;

1. Appreciation
2. SACCO growth
3. Compliance and regulations
4. Credit management
5. Customer service charter
6. Customer complaints and actions
7. Management Information System
8. SACCO Lands

1. Appreciation

SACCO market has become very competitive but our SACCO has continued to grow courtesy of good leadership and management by the BOD, Secretariat and you esteemed members by fulfilling your roles and responsibilities.

Members:

We thank you members for your continued commitment to save money with SACCO, taking loans, repaying of loans, guaranteeing each other and generally fulfil your obligations. Thank you for the trust you have for the SACCO.

Secretariat:

We thank the Secretariat team for their diligence to serve members with a continued improvement of the customer care among other areas. Their commitment is paying off as evidenced by improving customer service delivery. To this end we request the BOD to explore various ways to keep the staff motivated.

BOD:

The SC would also want to thank the BOD for their continued commitment in directing and managing the SACCO business during the tough pandemic season and election year 2022. The BOD has been meeting with a sufficient quorum as required by law. The agendas for the meetings are consistent with Sacco's prudent management goals and the implementation of our strategic plan.

2. SACCO Growth

The SACCO has continued to experience growth financially and in membership as a result of BOD and Secretariat prudent management. The total assets as at December 31, 2022 stood at Kes 238M up from 206M in year 2021. Loan portfolio has also grown to Ksh. 206 M up from Ksh.168M in year 2022.

Summary of membership growth from 2018-2022.

Dormant and active members

Year	2018	2019	2020	2021	2022
Total members	972	1,239	1,427	1,714	1932
Active	906	1,157	1,327	1,388	1551
Dormant	66	82	100	326	381

3. Compliance and Regulations

The SACCO is in compliance with various requirements of the law. The required monthly reports by SASRA are being submitted and the recommendations worked on progressively within the limited finances. Key ratios have improved compared to financial year 2021 which is a positive step in compliance with SASRA.

Half year internal audit for our accounts was done in year 2022 and the recommendations worked on which mainly addressed the Navision software mappings and some accounts variances mainly due to system mappings and parameters. This internal audits help to improve SACCO management efficiency.

The SACCO has development many policy documents as required by the regulator on various aspects. Policy documents can only benefit us if they are fully implemented or made functional. SC continues to engage the BOD to ensure that the SACCO is managed professionally in line with our core values.

4. Credit Management

The principle activity of the Society is receiving savings and granting loans to its members. This means that the management of loan portfolio determines the performance of the Society. Our loan portfolio has continued to grow and members have shown commitment to repaying the loans. Our default rate is still high but not alarming like in year 2021. We thank you members to taking loans and repaying. We keep on reminding the BOD to ensure that our loan policy is adhered to when issuing loan and during the recovery process. We look forward to the introduction on mobile loans as per our strategic plan in year 2024. The earlier the better for members.

5. Customer Service Charter

During the September 2022 SGM, the “Customer Service Charter” policy was approved and became effective. The main aim of the service charter is to ensure improved service to members by providing excellent financial services in a reliable, transparent and consistent manner. Through the charter, the BOD and Secretariat makes formal commitment and promises to provide you with services that meet your expectations and beyond.

Our role as SC is to audit how this charter is being implemented and also inform you of your rights regularly. We expect BOD and staff to communicate effectively, act on feedback, give prompt response, provide required information and make you priority one.

6. Customer complaints and actions

Following the launch of the customer Service charter a complaints file was opened. Whenever a member raises a complain formally via official channels, it is recorded in the file and tracked down till the issue is resolved.

SC is mandated by our by-laws to “investigate members' complains and make recommendations for redress.” We have been reviewing the file to ensure that members complaints are resolved within the agreed time lines. We are happy to report that all complaints in the file have been resolved. Most of them were about dividends payment.

7. Management Information System

SACCO has upgraded the website to serve us better. We encourage you to visit our website to access several services. Please make use of our various social media accounts to communicate with the office, market our SACCO and for personal information on SACCO.

As SACCO continue to experience quick growth, we want highlight the huge benefits of integration of various services which improves customer service efficiency, speed and accountability. Competition in the SACCO market cannot allow us to delay services like a member portal to access own account statements and automatic text message confirming receipt of a member deposits or accounts status change. We are aware that BOD is working on these aspects but we want to fun the flame.

8. SACCO Lands

The core business our SACCO is savings and loan issuance to members. We need to reduce our investments in non-earning assets and bring back the cash to circulation.

a. Ngobit and Isiolo land.

We continue to advise that our Ngobit and Isiolo parcels of land be sold out and the money get back to circulation. However, the challenge we face is lack of the official land ownership documents, the process of acquiring these important documents has taken longer than anticipated. We have engaged BOD on this matter several times and made aware that the SACCO is now pursuing legal action with our Advocate.

b. Eagles Eye Plaza land

There is no much progress made towards ownership of the land since our last AGM 2022 meeting although half the price was paid for the two 50×100 plots (100×100) worth Ksh 7.9 million. The long wait is affecting the project planning and off course the shareholders gains expectations. We encourage the BOD to re-think about the Plaza Project in view of SASRAs advice on land assets.

In conclusion

The future growth of our Sacco depends on you, how you participate and honour your obligations as a member.

The Board of Directors, CEO, and the Secretariat need to continuously strengthen the internal coordination, loan recovery procedures and customer care while aggressively implementing our strategic plan.

Together, we will grow a healthy SACCO to meet our financial goals. God bless you.



.....

John M. Mutisya

Chairman –Supervisory Committee

- Cc; **1. Chairman –Board of Directors**
2. Sub-County Cooperative Officer
3. SASRA office

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
SOCIETY INFORMATION

TABLE OF CONTENTS	PAGE
SOCIETY INFORMATION	1
REPORT OF THE BOARD OF DIRECTORS.....	2
STATISTICAL INFORMATION.....	3
STATEMENT OF BOARD OF DIRECTORS RESPONSIBILITIES.....	4
REPORT OF THE INDEPENDENT AUDITOR.....	5 (a-c)
 FINANCIAL STATEMENTS	
STATEMENT OF COMPREHENSIVE INCOME.....	6
STATEMENT OF FINANCIAL POSITION.....	7
STATEMENT OF CHANGES IN EQUITY.....	8
STATEMENT OF CASHFLOWS.....	9
NOTES TO THE FINANCIAL STATEMENTS.....	10 - 20



C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
SOCIETY INFORMATION

THE BOARD AND SUPERVISORY COMMITTEE MEMBERS

BOARD MEMBERS

FRANK KIRUGARA	CHAIRMAN
PENINAH MUHIA	VICE CHAIR
ROSE NDAIGA	SECRETARY
EDWARD NTHIGA	TREASURER
DENNIS ONYANGO	MEMBER
JAMES MWANGI	MEMBER
SAMUEL MUCHERU	MEMBER

SUPERVISORY BOARD

JOHN MUTISYA	CHAIRMAN
PETERSON GITHENYA	SECRETARY
JOSEPH MBURU	MEMBER

THE CHIEF EXECUTIVE OFFICER

MR.SILAS MUKUNDI
P.O BOX 3809-01002,
THIKA

REGISTERED OFFICE

EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
CHRISTIAN CHURCH INTERNATIONAL-THIKA
P.O BOX 3809-01002,THIKA
EMAIL:INFO@EAGLESEYESACCO.COM
WWW.EAGLESEYESACCO.COM
TEL:+254-715172227

PRINCIPLE BANKERS

CO-OPERATIVE BANK OF KENYA

THIKA BRANCH

EQUITY BANK LTD

THIKA BRANCH

INDEPENDENT AUDITORS

MBIYU MUHIA & ASSOCIATES.
CERTIFIED PUBLIC ACCOUNTANTS-CPA (K)
P.O BOX 3975-01002,THIKA.
TEL: 0721349128/0202602369
MBIYUMUHIA@MMA.OR.KE/MBIYUMUHIAASSOCIATES@YAHOO.COM
WEBSITE:WWW.MMA.OR.KE

(1)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
REPORT OF THE BOARD OF DIRECTORS

The board of directors submit their annual report together with the audited financial statements for the year ended 31/12/22

Incorporation

The society is incorporated in Kenya under the Cooperative Societies Act, Cap 490 and licensed under the Sacco Societies Act of 2008, and is domiciled in Kenya

Principal activity

The principal activity of the society continued to be receiving savings from and provision of loans to its members

	2022	2021
	kshs	kshs
<u>Results</u>		
Surplus(Deficit) before Tax	2,922,606	1,784,604
Income Tax expense	(133,234)	(34,225)
Net Surplus(Deficit) After Tax	2,789,372	1,750,379
Statutory reserve 20% of surplus	(557,874)	(350,076)
Dividends	(922,169)	(454,040)
Retained Surplus for the year	1,454,329	946,263
Interest on member's deposit	10,587,090	8,321,372

Dividend/Interest on Members deposits.

The board of directors recommends payment of first and final dividend of 8.5% per share in 2022 (8% in 2021) They also recommend interest on members deposits of 5% - 2022 ,(4.5% in 2021)


Board of directors

The Board of Directors who served during the year are shown on page 1

Independent Auditor

M/S Mbiyu Muhia & Associates (Certified Public Accountants (CPA K) were appointed Auditors of the Society for the year ended 31 December, 2022 under the term of section 25 (4) of the Co-operative Society Act CAP 490 Revised Edition 2005 and express their willingness to continue in office.

By order of the Board

Signature.......... Date.....21/03/2023
Secretary

(2)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATISTICAL INFORMATION

		<u>2022</u>	<u>2021</u>
Membership			
	-Active	1,551	1,388
	-Dormant	381	326
TOTAL		<u>1,932</u>	<u>1,714</u>
Financial		Kshs	Kshs
Total assets		238,838,802	206,685,052
Loans and advances to members		198,018,973	163,445,559
Financial assets		702,000	228,000
Core Capital		16,106,555	9,612,812
Retained earnings & Disclosed reserves		4,307,705	2,295,501
Share Capital & Eagles plaza Shares		12,500,850	7,317,311
Members' Deposits		207,522,494	186,211,061
Reserves		4,781,705	2,295,501
Total liabilities		221,556,247	197,072,240
Revenue		25,360,138	22,859,027
Total Expenses		11,850,442	12,753,051
Employees of the Sacco;	Male	3	3
	Female	4	3
	Total	<u>7</u>	<u>6</u>
Key Ratios	Required Ratio		
Liquidity ratio			
Liquid Assets/Total deposits & Short term liabilities	>10%	10.50%	14.11%
Capital Adequacy Ratio			
Core capital /Total Assets	>8%	6.74%	4.65%
Core capital /Total Deposits	>5%	7.76%	5.16%
Retained earnings & disclosed reserves/Core Capital	>50%	26.75%	23.88%
Operating Efficiency/Loan quality ratios			
Total Expenses/Total Revenue		46.73%	55.79%
Interest on member Deposits/Total Revenue		41.75%	36.40%
Interest rate on member's Deposits		5.00%	4.50%
Dividend rate on members share capital		8.50%	8.00%
Total Delinquency Loans/Gross loan portfolio	< 5%	15.18%	32.33%
Portfolio at Risk (PAR)	< 5%	26.95%	57.33%

(3)

**C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF THE BOARD OF DIRECTORS RESPONSIBILITIES


The SACCOs Act 14 of 2008 requires the Board of Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the society as at the end of the financial year and of the society's operating results for that year in accordance with IFRS. It also requires the management committee to ensure that the society keeps proper accounting records which disclose with reasonable accuracy the financial position of the society. The Board of directors 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 society's general meeting.

The Board of 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 and in the manner required by the SACCO Societies Act 14 of 2008. The board of directors are of the opinion that financial statements give a true and fair view of the state of the financial affairs of the Society and its operating results in accordance with the IFRS. The board of directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Approved by the Board of Directors on.....21/03/2023.....and signed on its behalf by:

CHAIRMANFRANK KIRUSARA KATAMBU.....

SIGN..........

HON SECRETARYROSE WANJIKU NDAIGA.....

SIGN..........

TREASUREREDWARD NTHIGA FULANA.....

SIGN..........

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Report of Independent Auditor to the members of Eagle's Eye Regulated Non-WDT-Sacco Society Limited.

Opinion

We have audited the accompanying financial statements of Eagle's Eye Regulated Non-WDT-Sacco Society Limited, set out on pages 6 to 20 which comprise the Statement of financial position as at 31 December 2022 the Statement of comprehensive income, statement of changes in equity and Statement of cashflows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the state of financial affairs of the society as at 31 December 2022 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Sacco Societies Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

a) Credit risk and impairment of loans and advances to members

The incremental provision for loan loss over the years has not been set aside as per IFRS 9 recommendations. During the year, the board transferred KShs 3,100,000 to the profit and loss. The required accumulated provision for over years should be KShs 31,232,582 making a deficit of KShs 28,132,582.

How the matter was addressed

We recommend the board to do more recoveries and consider transferring all incremental loan loss in totality to help cushion the sacco and maintain a healthy loan book.

b) Retained earnings & Statutory reserves ratio's

The ratio stands at 26.75% against required mark of more than 50%.

How the matter was addressed

The Sacco needs to reserve more to help bridge the gap.

c) Portfolio at Risk (PAR)

The non-performing loans are still high as portfolio at risk stood at 26.95% against the prudential mark of not more than 5%

As a way of mitigating this risk, the Sacco should institute strong internal control in the loan portfolio management which include concentration in recovery process and observing five Cs of creditworthiness during lending.

d) Dormancy Status

As at 31st December 2022, the dormant members have risen by 55 as from 326 members to 381. The abrupt increase is worrying as it may threaten the future growth of the sacco.

Board of Directors to have a robust marketing of the sacco while instilling confidence to the members as dormancy attracts the eyes of Unclaimed Financial Assets Authority (UFAA) which are very strict and punitive once discovered.

(5a)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022
Report of Independent Auditor to the members of Eagle's Eye Regulated Non-WDT-Sacco Society Limited.
Key Audit Matters-Continued

e) Unidentified deposits

There exists unidentified funds in the sacco book of accounts summing up to kshs 1,855,716 as at 31st December 2022. This is an increase by kshs 211,222. These are members contribution deposited directly to the Sacco bank account but no Confirmation/receipts presented to the office to allocate them to respective member's savings or to loan repayment.

The Sacco should sensitize its member to indicate their full details including member number when making a deposit in the bank.

Other Information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Sacco Societies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

(5b)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Report of Independent Auditor to the members of Eagle's Eye Regulated Non-WDT-Sacco Society Limited.

As required by the Kenyan Sacco Societies Act we report to you, based on our audit, that:

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit 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 society's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- (v) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of the auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on other legal requirements

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account have been kept by the society, so far as appears from our examination of those books;
- (iii) The society's Statement of financial position and income statement are in agreement with the books of account;

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA David Mbiyu Muhia P- 1590

David Mbiyu Muhia

Mbiyu Muhia & Associates
Certified Public Accountants (CPA K)
Murang'a Farmers Building,
Kwame Nkrumah Street, 2nd Floor RM 13 & 14
P. O. Box 3975-01002
Tel: 0202602369, 0721-349 128,THIKA

MBIYU MUHIA & ASSOCIATES
Certified Public Accountants (CPA K)
P.O. Box 3975 - 01002, THIKA
P/1590
Tel: 0202602369 / 020 260 2369

Date: *20/03/2023*

(5c)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

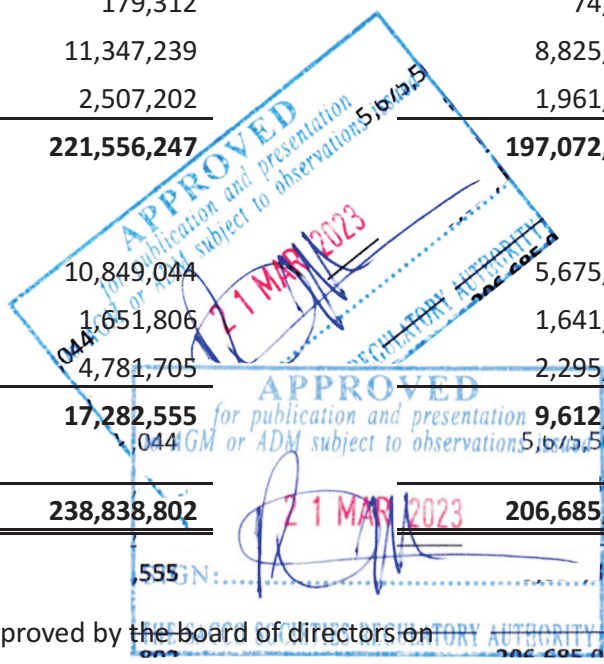
STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2022	2021
<u>Revenue</u>		KSHS	KSHS
Interest from members loans	2	23,697,215	19,990,215
Other interest income	3	1,096,911	170,308
Interest expense	4	<u>(10,587,090)</u>	<u>(8,321,372)</u>
Net interest income		14,207,037	11,839,151
Other operating income	5	<u>566,011</u>	<u>2,698,505</u>
Net revenue		14,773,048	14,537,656
<u>Expenditure</u>			
Administration expenses	6	1,709,226	1,964,931
Financial Expenses	7	206,858	260,224
Allowance for Assets Impairments	8	3,263,316	4,853,956
Governance expenses	9	1,957,070	1,759,053
Personnel expenses	10	3,937,040	3,167,637
Marketing Expense	11	<u>776,932</u>	<u>747,250</u>
Total expenses		11,850,442	12,753,051
Net surplus /Deficit before tax		<u>2,922,606</u>	<u>1,784,604</u>
Income tax expense		<u>(133,234)</u>	<u>(34,225)</u>
Net surplus/Deficit for the year after tax		<u>2,789,372</u>	<u>1,750,379</u>
Less 20% statutory reserve		(557,874)	(350,076)
Surplus/deficit) available for distribution		<u>2,231,498</u>	<u>1,400,303</u>

(6)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	2021
ASSETS	NOTES	KSHS	KSHS
Cash and cash equivalent	12	21,796,929	26,270,811
Trade and other receivables	13	6,855,684	5,280,711
Loans to members	14 a)	198,018,973	163,445,559
Financial assets	15	702,000	228,000
Property and equipment	16	11,465,215	11,459,971
Total assets		238,838,802	206,685,052
Liabilities			
Members deposit	17(a & b)	207,522,494	186,211,061
Income Tax Payable	18	179,312	74,338
Rebates & Dividend Payables	19	11,347,239	8,825,412
Trade and other payables	20	2,507,202	1,961,429
Total liabilities		221,556,247	197,072,240
Shareholders fund			
Share capital	21	10,849,044	5,675,505
Plaza shares	22	1,651,806	1,641,806
Reserves	23	4,781,705	2,295,501
Total shareholders fund		17,282,555	9,612,812
Total liabilities & shareholders fund		238,838,802	206,685,052



These financial statements on pages 10 -20 were approved by the board of directors on

..... 21/03/2023 and signed on its behalf by:-

CHAIRMAN..... FRANK KIRUGARA KATHURU.....

SIGN..... 

HON SECRETARY..... ROSE KIANJIKU NDAIGN.....

SIGN..... 

TREASURER..... EDWARD NTHIGA FULARA.....

SIGN..... 

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Eagles Plaza shares (KSHS)	Share Capital KSHS	Fair Value Reserve KSHS	Statutory Reserve KSHS	Retained Earnings KSHS	Total KSHS
At the start of the year 2021	1,722,408	4,867,552		962,855	86,307	7,639,122
Refund/Contribution for the year	(80,602)	807,953				727,351
Surplus/(deficit) for the year					1,750,379	1,750,379
Transfer to statutory reserve				350,076	(350,076)	-
Provision for honoraria					(50,000)	(50,000)
Dividends on share capital					(454,040)	(454,040)
At the end of the year 2021	1,641,806	5,675,505	-	1,312,931	982,570	9,612,812
At the start of the year 2022	1,641,806	5,675,505	-	1,312,931	982,570	9,612,812
Additional for the year	10,000	5,173,539	-	-	-	5,183,539
Surplus/(deficit) for the year					2,789,372	2,789,372
Prior year adjustments	-	-	-	-	205,000	205,000
Fair value changes	-	-	474,000			474,000
Transfer to statutory reserve				557,874	(557,874)	-
Provision for honoraria					(60,000)	(60,000)
Dividends on share capital					(922,169)	(922,169)
At the end of the year 2022	1,651,806	10,849,044	474,000	1,870,805	2,436,900	17,282,555

NB. Prior year adjustments refers to Kuscco interest earned in year 2018,2019 and 2020 not captured in the accounts

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022.

CASH FLOW STATEMENT

		2022	2021
	Notes	kshs	kshs
Cashflow from Operating activities			
Interest receipts	2	23,697,215	19,990,215
Other operating income	5	1,662,922	2,868,812
Interest expense	4	(8,543,392)	(9,411,185)
Prior year adjustments		205,000	-
Payments to employees and suppliers	25	(8,587,126)	(7,899,095)
		8,434,621	5,548,747
Increase/Decrease in operating assets			
Loans to members	14 a)	(37,673,414)	(17,684,804)
Trade and other receivables	13	(1,574,973)	(3,138,741)
		(39,248,387)	(20,823,545)
Increase/Decrease in operating liabilities			
Member deposits	17(a & b)	21,311,433	33,126,067
Trade and other payables	20	545,773	2,254,164
		21,857,206	35,380,231
Net cashflow from operating activities		(8,956,560)	20,105,433
Tax paid	18	(28,260)	(34,540)
Net cashflow from operating activities after tax		(8,984,820)	20,070,893
Cash from investing activities			
Purchase of Intangible assets	16	-	-
Purchase of property, plant and equipment	16	(168,560)	(139,850)
Purchase of investments	15	-	-
		(168,560)	(139,850)
Net cashflow from Financing activities			
Increase/Decrease in Share Capital	21	5,173,539	807,953
Increase/Decrease in Eagles plaza Share	22	10,000	(80,602)
Dividend paid on share capital	pg 8	(454,040)	(365,066)
Honoraria paid	pg8	(50,000)	(50,000)
		4,679,499	312,285
Net increase/Decrease in cash and cash equivalent		(4,473,881)	20,179,262
Cash and cash equivalent at the beginning of the year	12	26,270,811	6,091,549
Cash and cash equivalent at the end of the year	12	21,796,930	26,270,811

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance & basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRSs).

These financial statements are presented in the functional currency, Kenya Shillings (Kshs) and prepared under the Historical Cost Convention.

b) Revenue recognition

Interest on loans to members is calculated on a reducing balance method. Interest income is recognised on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

c) Statutory Reserve Fund

Transfers are made to the Statutory Reserve Fund at a rate of 20% of net operating surplus after tax in compliance with the provision of Section 47 (1 & 2) of the Co-operative Societies Act, Cap 490.

d) Accounting period

The society prepares its financial statements for a period of 12 months, ending 31st December every year.

e) Depreciation

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the reducing balance method, estimated to write down the cost of the assets over their useful economic lives, using appropriate basis as follows:

Office equipment	12.5%
Computer	30%
Motor cycle	25%
Software	33.30%

f) Amortization

Software licence cost is stated at historical cost less estimated accumulated amortization. Amortization is calculated using the straight line method to write down the cost of the software to its residual value over the estimated useful life using an annual rate of 33.33%.

(g) Tax

Current tax has been provided on the basis of the results for the year, as shown in the financial statements, tax computations will done later as per tax legislation.

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	KSHS	KSHS
2 Interest from members loans		
Interest on Bima Loan	21,455	18,111
Interest on Emergency	122,615	111,835
Interest on development/normal	14,569,817	12,195,296
Interest on School Fees	74,406	50,483
Interest on Fagia loan	4,612,186	4,210,968
Interest on Instant	2,712	20,202
Interest on asset financing	1,063,628	571,046
Interest on Jiinue loan	-	8,439
Interest on top up loan	1,976,132	1,610,543
Interest on Masomo Juu loan	969,393	1,039,496
Interest on mapato loan	88,856	10,314
Interest on Agri business loans	196,015	143,482
Total	23,697,215	19,990,215
3 Other interest income		
Interest from Hekima account	6,990	1,137
Interest from call account	205,644	-
Interest from Kuscco	201,759	169,171
Interest from CIC	682,519	-
Total	1,096,911	170,308
4 Interest expense		
Rebates on members deposit	10,365,070	8,321,372
Christmass expenses	222,020	-
Total	10,587,090	8,321,372
5 Other operating income		
Sacco registration	375,095	479,314
Loan processing fee & other services	5,050	98,956
Appraisal fee	137,866	94,235
Loan Insurance income	-	2,000,000
Withdrawal fee	48,000	25,000
Share transfer fee	-	1,000
Total	566,011	2,698,505

(11)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	KSHS	KSHS
6 Administrative expenses		
Audit fees	98,600	98,600
Software maintenance	139,200	369,200
Printing and stationery	150,073	153,929
Telephone & postage	51,750	73,200
Metropol CRB	-	32,000
Internet & Website expenses	291,220	88,400
Office repairs and maintenance	68,600	110,084
Business permit & licences	30,000	80,000
Office expenses	169,437	132,566
Cleaning expenses	4,580	84,066
Policies formulations	146,000	396,575
Strategic plan expense	60,346	60,346
Insurance	206,620	34,936
Rent & shared services	220,000	240,000
Subscription-C.A.K	-	2,500
Ushirika day celebrations	56,100	-
Legal expenses	16,700	5,944
Members education	-	2,585
	1,709,226	1,964,931
7 Financial Expenses		
Bank charges	206,858	260,224
	206,858	260,224
8 Allowance for Assets Impairments		
Depreciation & amortisation	163,316	188,746
Provision for loan loss	3,100,000	4,665,210
	3,263,316	4,853,956
9 Governance expenses		
Committee meeting expenses	150,000	196,000
Committee training	205,300	168,328
Travel & subsistence	1,113,940	876,080
AGM/SGM expenses	455,230	486,645
Committee welfare	32,600	32,000
	1,957,070	1,759,053

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	KSHS	KSHS
10 Personnel expenses		
Salaries and Wages	2,733,108	2,166,007
Staff Welfare	30,400	25,662
Leave allowance	42,629	8,000
NHIF	64,050	60,300
PAYE	256,958	291,036
NSSF	100,800	75,600
Staff education	126,500	-
Staff Medical Expenses	383,209	283,472
Travel & subsistence	199,386	257,560
	3,937,040	3,167,637
11 Marketing Expense		
Corporate Social Responsibility	35,500	20,000
Marketers Commission	60,700	92,900
Marketing & publicity expenses	680,732	634,350
	776,932	747,250
12 Cash and cash equivalents		
a) Bank Balance		
Co-op bank call account	-	6,000,000
Co-op current account	2,242,246	4,767,001
Hekima account	294,125	130,936
Equity savings account	933,058	3,746,725
Reserve account	-	(1,080)
Pay bill account	392,821	526,932
CIC money market	10,682,519	5,000,000
Cash in Hand-unverified	6,230	56,126
	14,550,999	20,226,640
b) Deposits		
Kuscco Savings	7,245,930	6,044,171
	7,245,930	6,044,171
Total Cash & Cash equivalents	21,796,929	26,270,811

(13)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	KSHS	KSHS
13 Trade and other receivables		
Employer due remittances	2,267,671	1,334,733
Staff debtors	279,720	279,720
Interest receivables	3,922,313	3,279,966
Control account	265,288	205,255
Prepaid strategic plan	120,692	181,038
	6,855,684	5,280,711

NB. The control accounts refers to unreconciled ledgers balances that arouse during data migration from Sacco plus to Navision ERP system. However the reconciliation of the said amount is still on going. Staff debtors refers eagles housings salaries not yet received

Loan to members

14 a)		
Bima loan	188,933	145,543
Development loan	127,719,211	108,869,752
Emergency loan	920,136	832,760
Fagia loan	39,393,061	29,021,536
School fees loan	345,948	415,620
Mapato loan	6,212,663	5,610,194
Agri-Business Loan	1,266,635	1,189,594
Top up loan	20,604,525	14,257,517
Instant loan	88,652	2,828
Asset financing	7,338,223	6,350,564
Masomo Juu	1,706,196	1,414,862
Gross Loan Portfolio	205,784,183	168,110,769
Provision for loan losses	(7,765,210)	(4,665,210)
Net loans to members	198,018,973	163,445,559

14b) Loans to members

Balance brought forward	168,110,769	150,425,965
Loan issued during the year	128,072,288	78,001,786
Repayment/offsets during the year	(90,398,874)	(60,316,982)
Gross loan Portfolio	205,784,183	168,110,769
Less provision for loan loss for the year	(7,765,210)	(4,665,210)
Net gross loan portfolio	198,018,973	163,445,559
Listed individual member's balances	205,793,434	168,468,444
Unreconciled difference	9,251	357,674

14 c) Portfolio ageing report

A/Cs	Outstanding Loan Portfolio	Rate	Provision required 2022	Provision required 2021
498 0 days (Performing) - 1% provision)	104,749,481	1%	1,047,495	433,032.22
143 1 - 30 days (Watch - 5%)	45,589,398	5%	2,279,470	1,421,489.80
97 31 - 180 days (Substandard - 25%)	22,242,001	25%	5,560,500	10,321,886.76
92 181 - 360 days (Doubtful - 50%)	21,734,874	50%	10,867,437	12,916,798.50
34 > 360 days or 12 Instalments overdue (Loss -100%)	11,477,679	100%	11,477,679	29,256,607.45
864 Cumulative balance at the end of the year	205,793,434		31,232,582	54,349,814.73
Over provision/(Underprovision)Renegotiated			(28,132,582)	(49,684,604.73)
Provision for the year			3,100,000	4,665,210.00

(14)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	KSHS	KSHS
14 d) Provision for loan loss movement		
Balance b/f	4,665,210	-
Provision for the year	3,100,000	4,665,210
Balance c/d	<u>7,765,210</u>	<u>4,665,210</u>
NB	<i>The incremental provision for loan loss over the years has not been set aside as per IFRS 9 recommendations. During the year, the board transferred kshs 3,100,000 to the profit and loss. The required accumulated provision for over years should be kshs 31,232,582 making a deficit of kshs 28,132,582. We recommend to the board to do more recoveries and consider transferring all incremental loan loss in totality in future to help cushion the sacco and maintain a healthy loan book.</i>	
15 Financial assets		
192,000 shares CIS @3.5	672,000	198,000
Eagles wings housing shares	20,000	20,000
Kuscco Shares	10,000	10,000
Total	<u>702,000</u>	<u>228,000</u>
16(a) Members deposits		
Balance brought forward	184,919,370	151,793,303
Contribution during the year	39,383,962	41,395,758
Withdrawal/Offsets/Refunds	(17,001,934)	(8,269,691)
Balance carried forward	<u>207,301,398</u>	<u>184,919,370</u>
Balance as per listings	<u>207,301,398</u>	<u>184,919,370</u>
Difference	-	-
16(b) Term deposits/Christmas Savings		
Balance brought forward	1,291,691	77,400
Contribution during the year	-	1,214,291
Refund during the year	(1,070,595)	-
Balance carried forward	<u>221,096</u>	<u>1,291,691</u>
Balance as per listings	<u>235,154</u>	<u>1,502,249</u>
Difference	<u>14,058</u>	<u>210,558</u>
Total Savings	<u>207,522,494</u>	<u>186,211,061</u>
17 Tax computation		
At the start of the Year	74,338	74,653
Tax Assessments during the year	133,234	34,225
Less: Tax paid	(28,260)	(34,540)
Tax Payable /(Assets)	<u>179,312</u>	<u>74,338</u>
18 Other Payables		
Interest on Deposit Payable	10,365,070	8,321,372
Dividends Payable	922,169	454,040
Honoraria Payable	60,000	50,000
	<u>11,347,239</u>	<u>8,825,412</u>

(15)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 16
PROPERTY AND EQUIPMENT

	Land	Computers & Accessories	Software	Motor Cycle	Office Equipment	
COST	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Rate	0.00%	30%	33.30%	25%	12.5%	Total
Bal b/f	10,867,931	336,020	1,218,000	162,000	395,465	12,979,416
Additions	-	36,000	-	-	132,560	168,560
TOTAL	10,867,931	372,020	1,218,000	162,000	528,025	13,147,976
ACCUM DEPRECIATION						
BALANCE AS AT 1/1/2022	-	277,744	998,116	113,946	129,639	1,519,445
Charge for the year	-	28,283	73,221	12,014	49,798	163,316
BALANCE AT 31/12/2022	-	306,027	1,071,337	125,960	179,437	1,682,761
NBV AS AT 31/12/2022	10,867,931	65,993	146,663	36,041	348,588	11,465,215
NBV AS AT 31/12/2021	10,867,931	58,276	219,884	48,054	265,826	11,459,971

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	KSHS	KSHS
20 Trade and other payables		
Insurance payable	552,886	218,336
Audit fees	98,600	98,600
Unidentified deposits	1,855,716	1,644,494
Total	2,507,202	1,961,429
21 Share capital		
Balance brought forward	5,675,505	4,867,552
Issued during the year	5,173,539	807,953
Balance carried forward	10,849,044	5,675,505
Balance as per listings	10,855,944	5,662,405
Difference	(6,900)	13,100
22 Eagles Plaza Shares		
Balance brought forward	1,641,806	1,722,408
Contribution during the year	10,000	-
Refund	-	(80,602)
Balance carried forward	1,651,806	1,641,806
Balance as per listings	1,636,806	1,636,806
Difference	15,000	5,000
23 (a) Reserves		
Retained earnings	2,436,900	982,570
Statutory reserve	1,870,805	1,312,931
	4,307,705	2,295,501
23(b) Other Reserves		
Revaluation reserves	474,000	-
	474,000	-
Total Reserves	4,781,705	2,295,501
24 Related Party Disclosures		
a) Loan to Board & Staffs		
Loan to Board	8,097,766	7,467,226
Loan to staffs	5,066,922	1,655,165
	13,164,688	9,122,391
b) Savings to Board & Staffs		
Board Savings	4,546,707	4,810,330
Staff Savings	1,663,091	1,612,941
	6,209,798	6,423,271
25 Payment to Employees & Suppliers		
Total operating expenses	11,850,442	12,753,051
Less:Provisions	-	-
Depreciation & Amortization	(163,316)	(188,746)
Provision for loan loss	(3,100,000)	(4,665,210)
Total Expenses	8,587,126	7,899,095

(17)

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

27) TAX COMPUTATION

A) <u>Year</u>		2022
Interest on Income savings		1,096,911
50% of Taxable Interest Income		548,456
Tax @ 30%		164,537
Less withheld amount at 15% bank,kuscco		(62,159)
Tax Payable		102,378

B) Taxble Income		
Total income		25,360,138
Less: Interest from Loans & processing		(23,697,215)
Taxable Income		1,662,922
Less: Taxable Income excluded from expense apportionment		
Interest on savings accounts		(1,096,911)
Sacco registration-Entrance fee		(375,095)
Loan insurance income		-
		(1,472,006)
	a	190,916
Interest income	b	23,697,215
Total income for Expenses apportionment	c=(a+b)	23,888,131
Taxable Income ratio	d=a/c	0.80%
Determination of Allowable Expenses		
Total Expenses	e	22,437,532
Disallowable Expenses		
Interest on Members deposit		10,587,090
Depreciation		90,095
Provision for loan loss		3,100,000
Provision for unreconciled ledgers		-
Amortisation		73,221
	f	13,850,406
Less; Wear and tear on Fixed Asset		90,095
Wear and tear on Amortisation		73,221
	g	163,316
	h=(e-f+g)	8,587,126

C/S 8262 EAGLE'S EYE REGULATED NON -WDT -SACCO SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

TAX COMPUTATION-continued			
	Expenses Attributable to Taxable Income	i	68,629
	Taxable Income	a	190,916
	Less: Expenses Attributable to Taxable Income	i	68,629
	Net Taxble Income	j=(a-i)	102,854
	Tax Charge 30%	(30% of j)	30,856

C) Year		
Dividends Income		-
Less withheld amount at 5%		-
Withholding tax Final		
Tax Chargable		-

TOTAL TAX CHARGE

	Total Income Tax		
A)	Interest on Income savings		102,378
B)	Dividends Tax		-
C)	General Income tax		30,856
	TOTAL TAX CHARGE		133,234



**Head office:
Makongeni Thika.**

P.O. Box, 3809-01002 Thika.

Tel: +254 715 172 227

+254 777 775 800

Email : info@eagleeyesacco.com

Website : www.eagleeyesacco.com