



Trans Nation Sacco

Committed to Serve

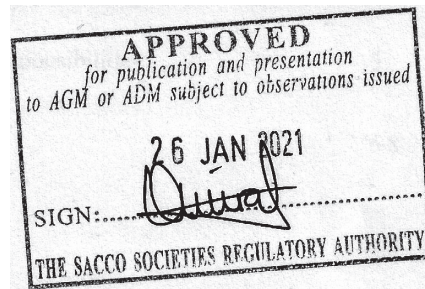
28th
ANNUAL GENERAL
MEETING (AGM)



ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended | 31st December 2020

CS 6826
TRANSNATION SACCO SOCIETY LIMITED



ANNUAL REPORT
&
FINANCIAL STATEMENTS
2020



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AGM ORDER OF EVENTS

Event	Time
Commencement	10:00 am - 10:05 am (5 Minutes)
Prayers	10:05 am - 10:10 am (5 Minutes)
Introductions	10:10 am - 10:20 am (10 Minutes)
Reading and confirmation of the previous minutes	10:20 am - 10:25 am (5 Minutes)
Matters arising	10:25 am - 10:35 am (10 Minutes)
BoD Chairman's report	10:35 am - 11:00 am (25 Minutes)
Chairman's Supervisory report	11:00 am - 11:10 am (10 Minutes)
Year 2020 audited accounts	11:10 am - 11:20 am 10 Minutes)
Budget of the year 2022	11:20 am - 11:25 am (5 Minutes)
Resolutions:	11:25 am - 11:30 am (5 Minutes)
- Year 2020 dividend / interest disbursement	
- Borrowing powers	
- Society bankers	
- Auditors for the year 2021 Audit	
Closing Prayers	11:30 am
Members and guests leave at their pleasure	

VISION STATEMENT

“To be a Sacco of choice in provision of quality financial services”

MISSION STATEMENT

“To empower members through mobilization of savings, timely provision of affordable and diversified financial services for maximum returns”

MOTTO:

“Committed to serve”

CORE VALUES

To fulfil its mandate, pursue the Vision and accomplish its Mission, the Sacco is guided by its core values of:

1. **Integrity**– We ascribe in totality to honesty, transparency and accountability. Virtuousness is the guiding factor in all our dealings.
2. **Team Work** – We seek to pursue teamwork as a means of building understanding and co-operation in our internal and external relationships.
3. **Professionalism**– We strive to attain the highest professional standards in everything we do. The Sacco staff and board will always maintain high standards of accountability, discipline and order while serving members.
4. **Ethical behaviour**: We engage in fair dealing with all of their stakeholders—including members, employees, suppliers, and communities, as well as stakeholders in accordance with the expectations of the larger society in which we operate. Additionally, we behave in the best interests of our members/ shareholders.
5. **Quality Service**: We strive to be thorough in all our services to the members, remain dependable, embrace changes and continuously enhance creativity and innovation in operations responding to the ever changing business environment.
6. **Good governance** - We strive to attain the highest standards in governance that builds confidence to our members that the leadership and decision-making processes of their Sacco is above board.
7. **Corporate social Responsibility**: We will always remain responsive to the social needs of our members and the surrounding community as a sense of social responsibility.



Trans Nation Sacco Ltd.
Committed to serve

NOTICE

Received 15/01/2021
21/1/2021
21 JAN 2021

TO ALL MEMBERS
TRANS NATION SACCO LIMITED.

**RE: YEAR 2020 ANNUAL GENERAL MEETING.
(MOH PROTOCOLS TO BE OBSERVED STRICTLY)**

This is to notify all our Members that we shall be holding our Annual General meeting on **Saturday 30th January 2021** at 10.00 a.m.
The venue of the meeting will be at **DC'S GROUND CHUKA**, next to Transnation Sacco headquarters.

The items of the agenda will be:-

- (1) Prayers/Commencement.
- (2) Introduction/ Reading and confirmation of the previous minutes.
- (3) Matters arising.
- (4) Chairman's report/ Chairman's Supervisory report.
- (5) Budget for the year 2022.
- (6) Year 2020 Audited Accounts.
- (7) Borrowing powers.
- (8) Society bankers.
- (9) Auditors for the year 2021 Audit.
- (10) Resolutions.
- (11) Closure.

NB:

- (i) The meeting will take one hour and thirty minutes as guided
- (ii) The maximum number of attendees will be 700 persons on first come first served (allowed in).
- (iii) To avoid overcrowding, members are advised to use **MOBILE BANKING** and **ATM** to access services after the meeting.
- (iv) No items will be issued.

COME EARLY STAY SAFE.

NO MASK NO ENTRY

Yours faithfully,


Edwin Kaburu Thuura
BOARD CHAIRMAN

cc.

- (1) The County Co-operative Commissioner – Tharaka Nithi County
- (2) Sub-County MOH Officer
- (3) Sub-County Health Officer



ANNUAL GENERAL MEETING MINUTES OF THE MEETING HELD ON 7TH JANUARY 2020 AT MWALIMU CENTRE

PRESENT MEMBERS

- | | | |
|-------|---------------------------|------------------------------------|
| (1) | Mr. Bedford Mutegi | - Chairman |
| (2) | Mr. Justin Ileri Mung'ori | - Vice Chairman |
| (3) | Mr. Peter Njagi | - Treasurer |
| (4) | Mr. Justin Mbuba Njagi | - Hon. Secretary |
| (5) | Mr. David Kiragu | - Member |
| (6) | Mr. Eddy Kimantiria Njagi | - Member |
| (7) | Mr. Edwin Kaburu Thuura | - Member |
| (8) | Mr. Leonard Mburia | - Member |
| (9) | Mr. Royston Kimanthi | - Member |
| (10) | Mr. Faustin Kamwara | - Chairman Supervisory |
| (11) | Mrs. Ann Manene | - Secretary Supervisory |
| (12) | Mr. Paul Kiarago | - Member Supervisory |
| (13) | Mr. Luncham Mugambi | - CEO |
| (14) | Mr. Eric Murithi Njoka | - Deputy CEO |
| (15) | Mr. Kithinji Kiugu | - County Co-operative Commissioner |
| (16) | Mr Albert Njeru Mutani | - Secretary KNUT Meru south |
| (17) | Mr. Paul Mwabu | - County Spokes person |
| (18) | Mr. Joshua Murithi | - Co-operative Bank |
| (19) | Dr. Mzalendo | - National Museum |
| (20) | Mr. Patrick Gitonga | - Kuppet |
| (21) | Mr. Joachim Njagi | - Chuka University |
| (22) | Mr. Mutembei Kathuma | - BEC Chuka |
| (23) | Mr. Denis Kithinji | - BEC Mwimbi |
| (24) | Mr. Alex Gitonga | - BEC Muthambi |
| (25) | Mr. Daniel Kirigia | - Department of Co-operative |
| (26) | Mr. Barrack Aggrey Obungu | - Aggrey and company |
| (27) | Mr. John Kingangi | - Department of Co-operative |
| (28)) | Mr.David Riungu | - Kepsha Treasurer |
| (29) | Ms Mary Mutungi | - KNUT Women Rep. Tharaka |
| (30) | Reverend Peterson | - Pension department |
| (31) | Regina Mungania | - Judiciary department |
| (32) | Kenneth Murithi | - County government |
| (33) | Boniface Mutegi | - Health department |

Total members present were 1800

Items of the agenda

- (1) Prayers
- (2) Commencement
- (3) Introduction
- (4) Reading and confirmation of the previous minutes
- (5) Matters arising
- (6) Chairman's report
- (7) Chairman's Supervisory report
- (8) Budget for the year 2021
- (9) Year 2019 Audited accounts

- (10) Borrowing powers
- (11) Society bankers
- (12) Auditors for the year 2020 audit
- (13) Resolutions
- (14) Closure

MIN 01/AGM/2020 - PRAYERS / COMMENCEMENT.

The Chairman called the meeting to order at 10.15 am and requested Mrs. Ann Manene tsc number 398227 to lead with a word of prayer.
He thanked members for their punctuality.

MIN 02/AGM/2020 - INTRODUCTION.

The Chairman introduced all the Board of Directors, Supervisory committee, and all members present from the counties.
He also introduced all KNUT members in Meru south and Tharaka district, Co-operative officials, Kepsha, External Auditor and the director of Kenya Museum.
The CEO Mr. Luncham Mugambi introduced all staff members present from all the branches and satellites, Malindad team and Meru FM team were also introduced.

MIN 03/AGM/2020 - READING AND CONFIRMATION OF THE PREVIOUS MINUTES.

The minutes of the previous meeting were read by the Hon. Secretary Mr. Mbuba Njagi.
They were proposed by Mr. Erastus Miriti tsc 075332 and seconded by Mr. Namu John tsc 384559 for discussion.

MIN 04/AGM/2020 - CHAIRMAN'S REPORT.

The Chairmans' report was read by Mr. Bedford Mutegi. It was proposed by Frank Miriti tsc 08799 and seconded by Njogo Munyiri tsc 355657 for discussion.

MIN 05/AGM/2020 - CHAIRMAN'S SUPERVISORY REPORT.

Mr. Faustin Kamwara presented the supervisory report to the members.
It was proposed by Grace Gacheri Nyamu tsc 063119 and seconded by Mutembei Njeru tsc 381618 for discussion.

MIN 06/AGM/2020 - MATTERS ARISING.

There were no matters arising

MIN 07/AGM/2020 - BUDGET FOR THE YEAR 2021.

The Deputy CEO Mr. Eric Murithi Njoka presented year 2021 budget to the members.
It was proposed by Fredrick Mutembei tsc 177867 and seconded by Kaburu Samwel tsc 303587.

MIN 08/AGM/2020 - YEAR 2019 AUDITED ACCOUNTS.

Year 2019 audited accounts were presented by Mr. Barrack Aggrey Obungu the external auditor of Aggrey and Company.
It was proposed by John Ndegwa tsc 087981 and seconded by Phares Mbuba Rewa tsc 062377.

MIN 09/AGM/2020 - RESOLUTION

The Annual General Meeting held on 25th January 2020 at Mwalimu Centre Chuka resolved the following.

A (i) Dividend will be paid at the rate of 15% and Kshs. 44,850,000 will be dispersed.
(ii) Interests on members' deposits will be paid at the rate of 12.1% and Kshs.335, 150,000 will be dispersed as approved by Sasra

B Honararia and Bonus will dispersed as approved by Sasra.

C. The society's auditor will be as follows:-

- (i) Aggrey and Company
- (ii) Otieno Oboge and Company

D. Borrowing powers remain at kshs 800,000,000.00 million

E Society's bankers will be;-

- (1) Co-operative Bank of Kenya Limited
- (2) Kenya Commercial Bank (K) Limited
- (3) Equity Bank K. Limited

The society to establish outlets as per the strategic plan after doing the necessary feasibility study.

MIN 10/AGM/2020 - A.O.B.

- The following people addressed the members.
- The Co-operative Commissioner of Tharaka Nithi County Mr. Patrick Kiugu
- KNUT Secretary Meru south Mr. Albert Njeru Mutani
- Kuppet Executive Secretary Meru south Mr. Patrick Gitonga
- Mr. Mzalendo of National Museum.
- The presence of the following members was highly appreciated
 - Members of county government
 - Groups and businessmen present.

MIN 11/AGM/2020 - CLOSURE

Having no other agenda the meeting adjourned at 12.50 pm with a word of prayer from Mr. Edwin Kaburu Thuura.

Minutes recorded by Mr. Justin Mbuba Njagi the Hon. Secretary.

Minutes confirmed by:-

Chairman- _____



Date- 7/ 01/ 2021

C.C.

Annual General Meeting file.



SOCIETY INFORMATION

Board and Supervisory Board of Directors Members:

Board of Directors Members

Edwin Kaburu Thuura	- Acting Chairman	From 16th September 2020
Late Bedford Mutegi	- Chairman	To 16th September 2020
Justin Ireri Mung'ori	- Vice Chairman	
Justin Mbuba Njagi	- Hon. Secretary	
Peter Mugwika	- Treasurer	
David Kiragu	- Board Member	
Eddy Kimantiria	- Board Member	
Edwin Kaburu Thuura	- Board Member	To 16th September 2020
Leonard Mburia Mbogo	- Board Member	
Royston Kimanthi Nderi	- Board Member	

Management Staff

Luncham Mugambi	- Chief Executive Officer
Eric. M. Njoka	- 1st Deputy CEO/Finance Manager
Chris Kimathi Njagi	- 2nd Deputy CEO/ICT Manager
Jasper Mwiti	- Audit Manager

Supervisory Board of Directors:

Faustin Kamwara	- Chairman
Ann Mukwanyaga Manene	- Secretary
Paul Kiarago	- Member

REGISTERED OFFICE:

Trans Nation Sacco Society Limited
P.O. Box 15-60400
Chuka
Mwalimu Centre Building

Web www.tnsacco.co.ke
Email tntsacco@gmail.com/info@tnsacco.co.ke
Telephone 064-630354/0726617752

Branch Offices for Bosa and Fosa Operations:

- Chuka - Headquarters
- Kathwana
- Marimanti
- Maua
- Chogoria
- Isiolo
- Meru
- Nkubu
- Laare
- Mikinduri
- Marsabit

Satellite Offices

- Wamba
- Mukothima
- Gatunga
- Moyale
- Tseikuru

Principal Bankers:

Co-operative Bank of Kenya Limited
Chuka Branch

Kenya Commercial Bank Limited
Chuka Branch

Equity Bank
Maua Branch

Auditors:

Aggrey & Company
Certified Public Accountants
P.O.Box 62494-00200
Nairobi

CHAIRMAN'S REPORT

DURING THE ANNUAL GENERAL MEETING HELD ON
30TH JANUARY, 2021 AT DC'S GROUND CHUKA.

Invited guests, ladies and Gentlemen.

Welcome to Trans nation (TN) Sacco 28th Annual General Meeting. Today's AGM is very unique from the other AGMs where we congregate at Mwalimu Park and deliberate.

For close to a year, we have witnessed the Covid – 19 Pandemic ravage the social - economic fabric locally, nationally and globally to near standstill. Let us remember those who have lost life due to this Pandemic: our immediate former board chairman Mr. Bedford Mutegi demised late last year (Minute of silence).

We are happy to inform our esteemed members that amidst the Pandemic challenge TN still posted good results. We thank the Government for sustaining our teachers during the Pandemic hence the Sacco remained afloat. TN Sacco management team quickly formulated strategies to navigate the Sacco through the Pandemic turbulence. The Sacco has really cushioned the members from the harsh economic times occasioned by the Pandemic.

We thank the regulator- SASRA, department of Co-operatives, Ministry of Health as well as the Security agents for making this year AGM possible. Today's AGM is HYBRID type. The meeting is allowed to run for a maximum of one hour and thirty minutes strictly under the MOH covid-19 protocols. Let us comply and be safe.

We appreciate all our partners for their continued role in making TN Sacco the success story it is today.

I thank my board and staff for stewardship during this unprecedented moment. This team has exemplified the TN Sacco motto: committed to serve. We salute TN Sacco membership for loyalty, dedication and support.

EXPANSION OF TN SACCO NETWORK.

TN Sacco has established offices in MARSABIT and MOYALE. The offices are doing very well. We intend to venture in other areas after proper analysis of economic viability through feasibility study. The Sacco will purchase Motor vehicles to enhance mobility.

TN Sacco is very robust in information technology as an enabler to business opportunities and growth into the future. At this period of the pandemic, we have realized the importance of technology in service delivery.

SOCIETY BY-LAWS.

The Sacco will be revising its by-laws to conform with other industry legislation. In the revised by-laws

VIRTUE and HYBRID type of meeting will be included for both board meeting and Annual General Meeting (AGM).

SOCIETY GROWTH

TN Sacco has witnessed tremendous growth since inception 28 years ago with a split ratio of a meagre 3:1. By 1993, membership was about 2,644 to over 26,992 in BOSA and 53,944 in FOSA to date. Member deposits of kshs 37.5M in 1993 to kshs 3.6 Billion in BOSA and kshs 1.15 Billion in FOSA to date. Loans outstanding with members stands at kshs 6.2 Billion while within the year 2020, the actual money released is kshs 1.5 Billion. We thank God for this far.

The growth for year 2020 as compared to year 2019 is as follows;

	YR 2019	YR 2020	%CHANGE
Total Assets	5.1B	6.6B	29.4%
Loans & Advances (Net)	4.4B	6.2B	33%
Member deposits	2.9B	3.6B	24.1%
Share capital	298M	333M	12%
Membership	21,115	26,992	28%
Total revenue	976M	1.23B	27%

N/B: The Sacco asset base has tremendously grown to kshs 6.6 Billion from kshs 5.1 Billion, in year 2019.

The asset base signifies the strength of the institutions. Equally, the Sacco reserved over kshs 160 million in year 2020. TN Sacco is keen on prudential standards and is within the regulator's set parameters.

The member deposits grew by over kshs 700 million to kshs 3.64 Billion from kshs. 2.9 Billion in 2019. A positive change of 24.1%. This is a mark of member confidence. The future of TN Sacco is undoubtedly bright going by the above trend and focus.

THE FOLLOWING LOAN PRODUCTS HAVE BEEN REVISED:

Self Guaranteed Loan; Repayment period increased to 84 months.

Karibu Loan; qualifying amount increased to Kshs 600,000 in 36 months.

Prestige Loan: repayment period increased to 60 months.

Fosa Loan: qualifying amount increased to Kshs 300,000.

TNT Pride: payable in 24 months and no limit in qualifying amount.

Murabaha: cost reviewed from 7% to 3.5%.

We envisage some difficulties by some of our members after the lifting of covid-19 tax relief. TN Sacco has formulated a facility to assist such members through an enhanced STABILIZER LOAN. Visit our offices or call 0726617752 for more explanation.

TN SACCO PAY BILL NUMBER 507900

To accord members an easier and affordable way to save their hard earned incomes, effective this month, the Board zero rated paybill deposit charges. This means that members/customers can send money from M-pesa via paybill to their accounts, share contributions, loan repayments etc at NO CHARGE.

BRAND POSITIONING AND COMPETITION.

For the last 28 years TN Sacco has succeeded in positioning the Sacco brand by embracing

- (i) Product innovation and creativity
- (ii) Integrity in service delivery: at TN Sacco; we walk our talk.
- (iii) Good governance and visionary leadership.

Fair competition is ideal for the market. However, we have witnessed very unhealthy and unprofessional strategies from the competition e.g.

a) Effecting of stoppages to some of our products e.g Retirement Savings Fund (RSF) without members knowledge / approval and inputting the competitors' products after the member has shared their personal information in good faith eg password. The same team is spreading propaganda that upon maturity, some shares will be deducted from the RSF funds and that kshs 2,000 is deducted from teens account for Teens fun day. These are all propaganda aimed at confusing the TN members.

TN Sacco members are concerned about this deliberate, planned and malicious propaganda by marketers from our sister Sacco towards their Sacco(TN).

- a) The competitor's marketers are moving from school to school intentionally misleading TN Sacco members (teachers) against their Sacco. These marketers are too young to know how hard teachers laboured to start these Sacco's. At TN Sacco, the sales executives (marketers) are under strict obligation to market the truth (walk the talk). How on earth would one choose to cheat teachers deliberately! From 1st January, 2021 the COMPETITION AUTHORITY OF KENYA became effective. The authority's main responsibility is to stop unfairness from the market. Any consumer e.g a sacco

member who detects unfair marketing practice; either from TN Sacco or any other institution is free to lodge complaint with this authority: JUST VIDEO TAPE THE SPEAKER AND SHARE. TN Sacco, as a responsible and ethical institution encourages any consumer with FACTS to raise it in good faith to the competition authority of Kenya or the Sacco regulator-SASRA. We must protect the industry.

- b) Use of cash to entice new members particularly newly recruited teachers in the field. The Anti-Corruption Agency outlawed cash gifts but rather material gift not exceeding some value e.g t-shirts, branded pens, note books etc. At TN Sacco, we believe good service is the best promise to our members. KIZURI CHA JIUZA, KIBAYA CHA JITEMBEZA.
- c) At TN Sacco members earn same rates for dividend and interest while in some Saccos members are paid different rate for their category e.g teachers, nurses, micro credit groups, business people etc. Some rate is high while others is low. This is not fair and is a mark of dishonesty. At TN Sacco, same rate is declared, that is, dividend and interest rate is the same for all categories. There is no discrimination.

DIVIDENDS AND INTEREST; YEAR 2020.

Return on Investment (ROI) is a critical parameter for any shareholder. TN Sacco has been very consistent in offering its members a favorable return on investment; this has motivated our members to save more (propensity to save). Remember: SAVINGS = INVESTMENTS.

My board proposes to distribute dividend on members share at the rate of 17% amounting to kshs 56,730,000 and interest on members deposit at the rate of 12.5% amounting to kshs 442,054,200. The total returns kshs 498,784,200 as compared to kshs 380,000,000 in year 2019; an increase of 29.75%.

To demonstrate INTEGRITY and BUSINESS ETHICS, TN Sacco facilitates its members with full accounts and notes for in-depth analysis of the organization performance. The members are advised to analyze their individual statement at the member Web portal www.tnsacco.co.ke to ascertain their earnings.

The statement of accounts become a public document once it is approved by the regulator-SASRA. At TN Sacco, the accounts together with notes to the accounts is shared in the AGM booklet as a mark of transparency and accountability; while in some Sacco's they provide skeleton accounts and no notes to the accounts. We have further provided dividend / interest computation matrix or dividend /interest progression report to demonstrate how dividend and interest on deposit is computed.

In addition to good return on investment, TN Sacco has excelled in service delivery where loaning is instant.

NB: Always take keen look at your statement via member's portal to ascertain computations.

DIVIDEND/INTEREST PROGRESSION REPORT.

Saving Type	Date	Amount	Calculations	Gross Divi- dends	Withholding Tax (5%)	Net Divi- dends
Share Capital	Dec-20 Sub Total	65,380.00	$65380 \times 12/12 \times 17\%$	11,114.6	555.73	10,558.87
Deposits	Dec-19	380,000.00	$380000 \times 12/12 \times 12.5\%$	47,500.00	2,375.00	45,125.00
	Jan-20	5,000.00	$5000 \times 12/12 \times 12.5\%$	625.00	31.25	593.75
	Feb-20	5,000.00	$5000 \times 11/12 \times 12.5\%$	572.92	28.65	544.27
	Mar-20	5,000.00	$5000 \times 10/12 \times 12.5\%$	520.83	26.04	494.79
	Apr-20	5,000.00	$5000 \times 9/12 \times 12.5\%$	468.75	23.44	445.31
	May-20	5,000.00	$5000 \times 8/12 \times 12.5\%$	416.67	20.83	395.84
	Jun-20	5,000.00	$5000 \times 7/12 \times 12.5\%$	364.58	18.23	346.35
	Jul-20	5,000.00	$5000 \times 6/12 \times 12.5\%$	312.50	15.63	296.88
	Aug-20	5,000.00	$5000 \times 5/12 \times 12.5\%$	260.42	13.02	247.40
	Sep-20	5,000.00	$5000 \times 4/12 \times 12.5\%$	208.33	10.42	197.91
	Oct-20	5,000.00	$5000 \times 3/12 \times 12.5\%$	156.25	7.81	148.44
	Nov-20	5,000.00	$5000 \times 2/12 \times 12.5\%$	104.17	5.21	98.96
	Dec-20	5,000.00	$5000 \times 1/12 \times 12.5\%$	52.08	2.60	49.48
	Sub Total	440,000.00		51,562.50	2,578.13	48,984.38
	Totals	505,380.00		62,677.10	3,133.86	59,543.25

PLOUGHING BACK OF DIVIDEND AND INTEREST:

This is a technique of Financial Management where profits are ploughed back with member's consent. The following categories are affected;

- (i) Preferential or premium members whose loan is advanced with a multiplier of 4 and 5 respectively for a period of time.
- (ii) After TN carried out a share drive in year 2016, it was agreed as per the prospectus that the difference between the dividend and interest declared in the year, would be ploughed back

for 5 consecutive years. Year 2020 is the 4th year.

- (iii) Retirement Savings Fund (RSF) earnings is ploughed back and a bonus is paid at the time of maturity. The RSF benefits from the compounding effect in subsequent disbursement of returns.

ADVANTAGE OF PLOUGHING BACK TO THE MEMBER.

- (i) Member accumulates more savings: SAVINGS= INVESTMENTS.
- (ii) Future higher dividend/Interest due to compounding effect.
- (iii) Re-invested dividends can be disposed/sold over the counter (OTC).

CONCLUSION

Let me conclude by thanking all the members for patronizing the Sacco, the board members for embracing team spirit, the Supervisory Committee for ensuring checks and balances, and the staff for working tirelessly during the year to realize impressive results amidst the pandemic.

TN Sacco future is bright. Let us remain focused on our vision and mission of becoming the SACCO of choice here and beyond.

God bless TN Sacco. God bless us all.

Stay safe

Thank you

Edwin Kaburu Thuura

Interim Board Chairman

CHAIRMAN'S SUPERVISORY BOARD REPORT

DURING THE ANNUAL GENERAL MEETING HELD ON 30TH JANUARY, 2021 AT DC'S GROUND CHUKA.

PREAMBLE

Our distinguished guests, Members, BOD - Trans Nation Sacco, Ladies and Gentlemen,
Good morning. May I take this opportunity to welcome you to the 28th Annual General meeting. This is an extra ordinary meeting due to the current pandemic that has bedeviled the whole world. I thank God that the pandemic has not adversely affected our Sacco and members generally.

I further wish to commend the members for their unwavering commitment towards TN. The Board and the staff for the commitment towards the vision and mission of the Sacco. As the supervisory board, we shall continue to support the BoD in delivering their mandate.

GROWTH AND PERFORMANCE.

Mr. Chairman, may I thank your board and the staff headed by the CEO for registering phenomenal growth amidst the current health challenge. I wish to note the following:

The SACCO asset base has grown by over 1.5B registering a 29.4% growth compared to year 2019 when it grew by 744M a 17.04% growth. This is quite commendable and a sign of excellent management of the organization. Loans advanced are key assets to any financial organization since they are the earning assets. The loans have grown by 1.8B which is a 40.9% growth and representing 93.9% of the total Assets. The trend is a clear sign of great prospects for the organization. The growth should also be matched with necessary provisions. Am happy to note that the board, this year alone, has provisioned kshs 150,000,000.

SACCO COMPLIANCE.

Mr. Chairman, I wish to report that the Sacco has complied with all the set statutory requirements and ratios. The Supervisory board further wishes to recognize efforts by the board of management of conducting the business of the Sacco within the set rules, regulations, by-laws and within the various Acts governing the Co-operative movement.

There is need for continuous monitoring of the legal environment to get the impact of any legislative changes on our products and business generally.

LOAN PROVISIONING

IFRS 9 specifies how an entity should classify and measure financial assets. At the minimum, deposit taking saccos are required to fully observe and comply with requirements of section 41 & 44 of the regulations which require one percent compulsory general provision for all performing loans to cover expected credit losses. I wish to report that the sacco is fully compliant on this requirement.

ACCOUNTS AND AUDIT

Mr. Chairman, may I take this opportunity to appreciate both internal and external auditors for their zeal and dedication that has made the SACCO present approved financial statements very early in the year. Such an achievement calls for hard work and determination and putting the members first. Members yearn for a fair return on their investments (shares) and whenever payments come early, they greatly appreciate.

I once again thank members for attending this AGM amidst the Covid-19 challenge and urge you to continue observing Ministry of Health guidelines.

Long live TN SACCO.

Report prepared by;

Faustin Kamwara

Chairman - supervisory board

REPORT OF THE BOARD OF DIRECTORS

The members of the Board of Directors submit their report together with the audited financial statements for the Year ended 31st December 2020.

Incorporation

The society is incorporated in Kenya under the Kenyan Sacco Societies Act, Cap 490 and is domiciled in Kenya.

Principal Activity

The principal activity of the society is to promote thrift amongst its members by affording them an opportunity for accumulating their savings and to create thereby a source of funds from which loans can be made to them exclusively for provident and productive purposes at fair and reasonable rates of interest.

Operating Results

The Operating result of the Society is set out on page 9.

Distribution of Surplus

The Board of directors recommends the following distributions of surplus for the year:

	2020	2019
	Kes	Kes
Interest refund on members deposits 12.5 % (2019 12.1%)	442,054,200	335,150,000
Dividend on shares 17 % (2019 15%)	56,730,000	44,850,000
Board of Directors honorarium	2,415,800	2,415,800
Staff Bonus	11,530,000	8,470,000

Board of Directors

The members of the Board of Directors who served during the Year and to the date of this report is as listed on page 1.

By order of the Board of Directors

Signature.....

Secretary

Date 07/01/2021

Statistical Information As At 31st December 2020

	2020	2019
Membership		
Active members	26,992	21,115
Fosa Customers	53,994	44,035
Members and customers with loans	16,348	12,308
Loan defaulters	229	405

	2020	2019
Financial	KShs '000	KShs '000
Total Assets	6,620,553	5,109,509
Members' deposits	3,641,056	2,917,000
External Borrowings	208,981	80,804
Loans and advances to members	5,917,146	4,431,471
Investments	55,471	47,990
Core capital	1,021,410	826,325
Share capital	333,630	298,856
Institutional capital	687,780	527,469
Total revenue	1,236,483	976,514
Total interest income	1,159,889	905,631
Total interest expenses	482,035	375,335

Employees of the Sacco	66	55
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Key ratios:

Capital Adequacy Ratio		
Core capital/Total Assets	15.51%	16.17%
Core Capital/Total Deposits	28.21%	28.33%
Institutional Capital/Total Assets	10.48%	10.32%
Liquidity Ratio		
Liquid Assets/Total deposits and long term liabilities	12.45%	12.23%
Operating Efficiency/Loan quality ratios		
Total expenses/Total revenue	38.98%	38.44%
Interest on members deposits/Total revenue	16%	21.00%
Interest rate on member's deposits	12.50%	12.10%
Dividends rate on members share capital	17.00%	15.00%
Total Delinquency loans/Gross loan portfolio	0.76%	12.60%

STATEMENT OF BOARD OF DIRECTOR'S RESPONSIBILITIES

The Kenyan Sacco Societies Act, Cap 490 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 objective s, by-laws and any other resolutions made at 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 judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Sacco Societies Act, Cap 490. 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 07/01 / 2021 and signed on its behalf by:


..... Chairman
Signature


..... Treasurer
Signature


.....Board of Directors member
Signature



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REPORT OF THE INDEPENDENT AUDITORS TO THE DIRECTORS OF TRANS NATION SACCO SOCIETY LIMITED

Opinion

We have audited the financial statements of Trans Nation Sacco Society Limited that are set out on page 9 to 30 which comprise the statement of financial position as at 31st December 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cashflows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at 31st December 2020 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Sacco Society's Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors 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) 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 professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other information

The directors are responsible for the other information. The other information comprises the report of the directors and financial and statistical information which we obtained prior to the date of this auditor's report, and the (chairman's report, sustainability report and corporate social investment report) which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other

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REPORT OF THE INDEPENDENT AUDITORS (CONTD...)

information identified above and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this report of the independent auditor, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Directors for the Financial Statements

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Sacco Society's 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 has 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 a report of independent auditor that includes our opinion. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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, or the override of internal control.
- Obtain an understanding of the 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates



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- and related disclosures made by the Directors.
- Conclude on the appropriateness of the director'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 report of the independent auditor to the related disclosures in financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the independent auditor. However, future events or conditions may cause the Society to cease to continue as a going concern.

- 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our report of the independent auditor unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Signing Partner responsible to the independent audit was CPA Barack Aggrey Ochieng Obungu Practicing License Number 699


Certified Public Accountants

Nairobi

8-01..... 2021

CPA Barack Aggrey Ochieng Obungu
MNO 1327 LNO 699
0713 983994 / 0703 133551
0733 894391 / 0731 567442

Statement of comprehensive income for the Year ended 31st December 2020

REVENUE	NOTE	2020	2019
INTEREST INCOME	2	Kes	Kes
Interest on Member Loans		1,159,888,753	905,630,759
Total Interest		1,159,888,753	905,630,759
INTEREST EXPENSES	4	(482,035,415)	(375,335,216)
NET INTEREST INCOME		677,853,338	530,295,542
OTHER OPERATING INCOME	3		
Fees and Commissions		64,634,891	59,157,445
Other Income		11,959,196	11,725,510
		76,594,087	70,882,955
NET INCOME		754,447,425	601,178,497
OPERATING EXPENSES			
Financial Expenses	5	9,315,324	3,435,475
Personnel costs	6	154,941,325	137,940,845
Governance expenses	7	35,241,842	37,258,095
Marketing Expenses	8	43,503,361	33,538,035
Administrative expenses	9	104,108,473	88,310,092
Renovations Cost		17,912,003	10,585,764
Depreciation		14,888,128	13,844,170
Provision for Loan Loss		150,000,000	100,000,000
NET EXPENSES		529,910,457	424,912,475
SURPLUS FOR THE YEAR BEFORE TAXATION		224,536,968	176,266,022
TAXATION	17	(17,000,000)	(17,219,374)
Surplus for the year after taxation		207,536,968	159,046,648

Statement of financial position as at 31st December 2020

		2020	2019
ASSETS	NOTE	Kes	Kes
Bank and cash Balances	11	453,327,711	318,700,955
Accounts Receivables	12	12,717,700	132,384,689
Loans Portfolio	13	5,917,145,835	4,431,471,344
Investments	14	55,470,902	47,989,992
Property and Equipment	15	181,891,001	178,961,999
TOTAL ASSETS		6,620,553,149	5,109,508,978
LIABILITIES			
Bank Overdraft	11	-	5,520,964
Members Deposits	16	3,641,056,387	2,916,999,822
Taxation	17	6,500,000	6,500,000
Accounts payables	18	13,118,635	7,825,051
Operating Funds	18	57,165,385	43,870,169
Other payable	19	512,730,000	390,885,800
Interest Bearing liabilities:			
Members' Savings-FOSA	20	1,159,591,936	830,778,528
Borrowings	21	208,980,516	80,803,571
Total Liabilities		5,593,412,859	4,283,183,906
EQUITY			
Share Capital	22	333,629,848	298,855,986
Reserves	23	687,780,441	527,469,086
		1,021,140,289	826,325,072
TOTAL LIABILITIES AND EQUITY		6,620,553,149	5,109,508,978

The financial statements on pages 9-30 were authorized for issue by the Board of Directors on
.... / / 2021 and signed on its behalf by:

Chairman

.....

Treasurer

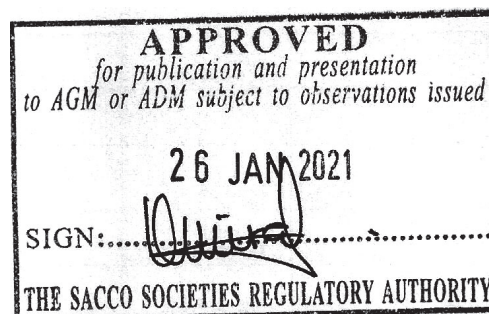
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Board Member

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Board Member

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Statement of Changes in Equity for the Year Ended 31st December 2020

	Share Capital	Statutory Reserves	Capital Reserves	Risk Management Fund	Retained Earnings	Members Coop Bank Shares	Microfinance Insurance	TOTAL
Particulars	Kes	Kes	Kes	Kes	Kes	Kes	Kes	Kes
Balance 1st January 2019	266,781,770	95,350,397	81,822,758	5,658,330	201,948,525	9,900	994,068	652,565,748
Additions during the year	32,074,216			10,603,792			520,416	43,198,424
Net surplus for the year					159,046,648			159,046,648
Transfers for the year		31,809,330			(31,809,330)			-
Overprovision in distribution written back					26,491,609	(9,900)		26,481,709
Capital Reserve			10,000,000	(10,000,000)				-
Capital Reserve			1,000,000				(1,000,000)	
Insurance share refunds from CIC			768,342					768,342
Proposed distributions								-
-Staff Bonus					(8,470,000)			(8,470,000)
-Board of Directors Honorarium					(2,415,800)			(2,415,800)
-Dividends					(44,850,000)			(44,850,000)
Balance as at 31st December 2019	298,855,986	127,159,727	93,591,100	6,262,122	299,941,652	-	514,484	826,325,071
	Share Capital	Statutory Reserves	Capital Reserves	Risk Management Fund	Retained Earnings	Members Coop Bank Shares	Microfinance Insurance	TOTAL
Particulars	Kes	Kes	Kes	Kes	Kes	Kes	Kes	Kes
Balance 1st January 2020	298,855,986	127,159,727	93,591,100	6,262,122	299,941,652	-	514,484	826,325,071
Additions during the year	34,773,862			7,845,304			390,542	43,009,708
Net surplus for the year		-	-		207,536,968			207,692,568
Transfers for the year		41,507,394			(41,507,394)			-
Tax				-	1,153,634			1,153,634
Prior year adjustments	-				(3,844,272)			(3,844,272)
Insurance share refunds from CIC			2,193,027					
Overprovision in distribution written back					15,711,952			
Proposed Distributions								-
-Staff Bonus	-				(11,530,000)			(11,530,000)
-Honorarium					(2,415,800)			(2,415,800)
- Dividends	-				(56,730,000)			(56,730,000)
Balance 31st December 2020	333,629,848	168,667,121	95,784,127	14,107,426	408,316,741	-	905,026	1,021,565,889

Cash Flow Statement for the Year ended 31st December 2020

	2020	2019
	Kes	Kes
Cash flows from operating activities		
Interest receipts	1,159,888,753	905,630,759
Interest payments	(341,397,642)	(304,141,704)
Payments to employees and suppliers	(355,022,328)	(301,068,305)
Payments of dividends, honorarium and staff bonus	(55,735,800)	(50,121,500)
Prior year adjustment	(3,844,272)	-
Overprovision written back	-	26,491,609
Other Operative income	76,594,087	70,882,955
	480,482,798	347,673,813
Increase/decrease in operating assets		
Net loans to members	(1,633,899,298)	(857,777,634)
Accounts receivables	119,666,988	(3,137,661)
Increase/ decrease in operating liabilities		
Net deposits from members and microfinance savings	724,056,564	549,761,759
Net savings from customers	328,813,408	166,702,468
Accounts payables	5,293,584	(4,276,184)
Net cash from operating activities before taxes	24,414,044	198,946,561
Income and withholding tax paid	(37,868,928)	(30,822,512)
Net cash used by operating activities	(13,454,884)	168,124,049

Cash flows from investing activities

Purchase of Investments	(7,480,911)	(7,408,526)
Purchase of property and equipment	<u>(17,817,131)</u>	<u>(20,039,793)</u>
Net cash flows from investing activities	<u>(25,298,041)</u>	<u>(27,448,319)</u>

Cash flows from financing activities

Shares Capital Contributions Received	34,773,862	32,074,216
Risk management fund	7,845,304	10,603,792
insurance Share refund	2,193,027	758,442
Bank Overdraft	-	5,520,964
Loan from Coop Bank and Kussco	350,000,000	-
Coop Bank loan repayments	(221,823,055)	(220,718,840)
Micro finance insurance	<u>390,542</u>	<u>520,416</u>
Net cash flows from financing activities	<u>173,379,680</u>	<u>(171,241,010)</u>

Net decrease in cash and cash equivalent

Cash and cash equivalents at the beginning of the year	134,626,755	(30,565,279)
	<u>318,700,955</u>	<u>349,266,232</u>
Cash and cash equivalents at the end of the year	<u>453,327,711</u>	<u>318,700,955</u>

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of financial statements preparation

The financial statements are prepared under the historical cost basis of accounting and are in accordance with International Financial Reporting Standards (IFRS) in so far as it affects the nature and sustenance of the society's financial transactions. The financial statements are presented in the functional currency, Kenya Shillings (Kshs.) as rounded to the nearest one shilling.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the reporting period. It also requires management to exercise judgment in the process of applying the society's accounting policies. Although these estimates are based on the Board of Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Accounting policies on critical accounting estimates and assumptions' and critical accounting judgments' highlight the areas that involve a higher level of judgment or where the estimates or assumptions used are significant to the financial statements.

b) Adoption of revised international reporting standards

A number of revised standards became effective for the first time and have been adopted by the society where relevant to its operations. The adoption of those revised standards had no material effect on the society's accounting policies of disclosures except as follows: -

- (i) IAS 1 requires management judgment and key sources of estimation and uncertainty at statement of financial position date be disclosed in the financial statements.
- (ii) IAS 24 requires the disclosure of the compensation to key management personnel.
- (iii) IFRS 9 Financial instruments-classification and measurement with emphasis on loan loss provisioning in compliance with SASRA Circular of 2 October 2018.

c) Critical accounting estimates and assumptions

In the process of applying the society's accounting policies, management makes certain estimates and assumptions about future events. In practice the estimated and assumed results would differ from the actual results.

Such estimates and carrying amounts of assets and liabilities within the next financial year are described below.

Equipment

The Board of Directors make estimates in determining the depreciation rate for equipment. The rates used are set out in the accounting policy for equipment. Those estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events and are believed to be reasonable under the prevailing circumstances.

Fair values

The fair values of financial assets and liabilities in these financial statements are estimated on the following bases: -

Accounts receivables -By the Board of Directors principally by reference to past history

NOTES TO THE FINANCIAL STATEMENTS.. Continued..

Unquoted investments -Stated at cost; no estimate of fair value is included in these financial statements. Gains or commission on investments are recognized at the time of sale

Accounts payables - By the Board of Directors principally by reference to the initial incurrence and any consequential costs.

Other investments

All purchases and sales of investments are recognized on the purchase date, which is the date the co-operative commits to purchase or sell the asset. The cost of purchase includes transaction costs. The Board of Directors subsequently determines the appropriate classification of the society's investments and reviews such designations on a regular basis.

Non – cash bonus received on investments is capitalized at the equivalent unit of investments par values. All investments are held to maturity and are not to be used for trade.

d) Critical Accounting Judgments

In the process of applying the society's accounting policies, the Board of Directors make judgments that are continuously assessed based on prior experience and other determinants, including expectations of future events that under the circumstances are deemed reasonable as described below.

Provision for loan loss

Provision for loans loss on delinquent loans are made in accordance with the Sacco Societies (Deposits Taking Sacco Business) Regulation.

The recovery from any loan account previously written off is credited to the allowances for loans losses account and are not recognized as income in the year it is recovered

Other Provisions

Other Provisions are made when the society has legal or constructive obligations arising from past events and when it is probable that an outflow of resources will be required to settle obligations and a reasonable estimate of the amount of the obligation can be made.

e)Revenue

Revenue comprises interest charged on loans to members, and on advances to customers, commissions and fees charged for services rendered, interest earned on bank savings and term deposit accounts, and from investments, entrance fees, and any miscellaneous income received during the year.

Revenue recognition

Interest on loans to members and to customers is charged monthly on accrual basis at the following rates: -

- Interest on development loans to members is charged at the rate of 1% per month on a reducing balance basis.
- Interest on special loans range between 1.25% and 1.5% on reducing balances depending on the period of the loan.
- Interest on advances is charged at 15-18% per month fixed on the principal advance amount granted.

Other revenues earned by society are recognized on the following basis: -

- i) Interest income- as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.
- ii) Dividend income- when the society's right to receive payment is established
- f) Property equipment and depreciation

NOTES TO THE FINANCIAL STATEMENTS.. Continued..

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated at the rates estimated to write off the cost of the assets over their expected useful lives at the following rates: -

Furniture and fittings Office equipment	15% per annum
Office equipment	15% per annum
Computers, accessories and computer software Buildings	30% per annum
Buildings	2% per annum
Land	not depreciated
Motor Vehicle and cycles	25% per annum
Loose Tools	50% Per annum

Loose tools is depreciated on a straight line method.

Assets acquired during the year are depreciated at half year on the rates allocated per asset Votehead.

g) Translation of foreign currency

Assets and liabilities at the statement of financial position date which are expressed in foreign currencies are translated at the rates approximating the mean rate ruling at the statement of financial position date. Transactions during the year are converted at the rates ruling at the dates of the transactions. The resulting differences from conversion and translation are dealt with in the statement of comprehensive income in the year in which they arise.

h) Cash and cash equivalents

For the purposes of cash flow statements, cash and cash equivalent comprise bank and cash balances and term deposits with less than 90 days' maturity from the date of acquisition.

i) Statutory reserve

Transfers are made to statutory reserve fund at the rate of 20% on the net operating surplus after taxation.

j) Taxation

Current taxation is provided for on the basis of results for the year as shown in the financial statements, adjusted in accordance with the tax legislation.

k) Retirement benefit obligations

The society operates a defined contribution plan. The assets of this scheme are held in separate trustee administered fund that is funded by contributions from society and employees and employer. The society and all its employees also contribute to the National Social Security Fund which is a defined contribution scheme.

A defined contribution plan is a retirement benefit plan under which the society pays fixed contributions into a separate entity.

The society has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets or pay all employees the benefits relating to employee service in the current or prior periods. However, under the employees Terms and Conditions of Service, there are other terminal dues notably staff gratuity, which the Society is obliged to pay the employee on leaving employment.

NOTES TO THE FINANCIAL STATEMENTS.. Continued..

l) Borrowings

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred.

Borrowings are subsequently stated at amortized cost using the effective yield method; any differences between proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

m) Managing risk is a fundamental part of the Sacco business activity and an essential component of the planning process.

(i) Financial Risk

The Society's financial risk management policies include the provisions of the Cooperative Societies Act, The Sacco Societies Act, The Commissioner for Cooperatives Development guidelines, The Sacco Societies Regulatory Authority, Society's By-laws, credit policies on acceptance of members' deposits and criteria for approval of loans to members. Investments policies in place help in managing liquidity and support maximization of returns at acceptable levels to cover interest rate risk.

(ii) Credit Risk

Credit risk is the risk of suffering financial loss from any of the loanees failing to fulfill their contractual obligations to the society. Credit risk mainly arises from loans to members.

The society's principal financial assets represent its exposure to credit risk in relation to financial assets, loans to members, bank and cash balances. A significant point on credit risk management is possible as most members are employees of one organization. The borrowers also hold deposits besides their shares. Insurance covers on loans as well as guarantees provided by other members ensure that loan repayments risks are reduced substantially.

The policies provide for full repayment of loans as guaranteed by other members owning adequate shares and deposits of the loan amount taken.

(iii) Liquidity Risk

Liquidity risk is the risk that the society is unable to meet its payment obligations associated with its financial liabilities as they fall due and to replace funds when they are withdrawn.

Experience shows that a minimum level of cash and bank balances can be predicted with a high level of certainty especially with regards to withdrawable savings obligations. Sources of liquidity are therefore regularly reviewed by the Board of Directors.

(iv) Currency Risk

The Society operates wholly within Kenya and its assets and liabilities are reported in the local currency. There was therefore no currency risk as at 31 December 2020.

v) Capital Risk Management

The Sacco manages its capital to ensure that it is able to continue as a going concern while maximizing the return to members through the optimization of the debt and equity balance. In order to maintain or adjust the capital structures the Sacco may adjust the amounts of dividends paid to members or sell assets to reduce debt.

n) Key Sources of Estimation Uncertainty

The Board of Directors confirms that there are no major assumptions or resources requiring estimation that have a significant risk of causing material adjustment to the carrying amounts of assets or liabilities of the society as reflected within the next twelve (12) months from the date of approval of these financial statements.

2 INTEREST INCOME	2020	2019
	Kes	Kes
Interest on Loans to Members		
Interest on Special Loans	381,077,815	318,921,897
Interest on FOSA Loans	158,903,530	128,016,410
Interest on Micro finance	3,158,341	3,850,004
Interest on Loan advance	234,260,748	162,573,500
Interest on dividend advance	7,327,289	5,989,555
Interest on member advance	119,380,098	115,480,728
Interest on Karibu loans	7,471,286	9,749,272
Interest on stabilizer loans	2,661,112	8,474,562
Interest on normal loans	117,786,098	100,113,651
Interest on Jitegemee loans	512	3,065
Interest on emergency Loans	1,913,535	1,608,591
Interest on business loans	7,161,218	5,184,805
Interest on mkulima loans	262,692	162,755
Interest on chama loans	458,358	331,501
Interest on institutional loans	169,175	258,534
Interest on TN overdrafts	498,438	383,791
Interest on self guaranteed loans	16,217,881	12,140,030
Interest on other loans	1,395,142	1,384,426
Interest on defaulted loans	80,810	134,339
Interest on prestige loans	1,139,905	670,945
Interest on pride loans	12,190,690	12,044,491
Interest on bodah loan	2,220	3,968
Interest on rental loan	752,420	90,582
Interest on Inua Biashara Loan	52,920	20,083
Interest on Okoa Advance	24,837,459	17,725,075
Interest on mkulima advance	275,496	314,199
Interest on Premium Loans	60,447,732	-
Interest on Murabaha	5,834	-
	1,159,888,753	905,630,759

3 OTHER OPERATING INCOME	2020	2019
Fees and Commissions	Kes	Kes
Commissions on Loan transfer	131,279	74,280
Special commission on loans	57,462	265,203
Loan application fees	55,850	67,200
Commission on ATM withdrawal	1,317,097	1,372,221
Commission on cheques clearing	59,879	422,476
Commission on withdrawal	16,904,836	16,259,200
Commission on salary transfer	20,016,010	18,245,355
Ledger fees	7,166,629	6,662,220
Statement charges	2,642,500	2,523,000
income on dividend transfer	5,061,180	4,248,300
Commission on Msacco	8,034,800	6,438,765
Commission on dishonoured cheques	2,800	32,500
Sales of voucher book/card	7,400	5,150
Commission on Mpesa	2,140,140	1,397,258
Comm on dividend advance	300	200
commission on EFT	252,000	227,000
Charge on closure of Account	5,007	5,467
Commission-OTC sales of shares	284,180	222,249
Agency commission	481,360	182,288
Commission on Bankers Cheques	10,983	507,113
Commission on s/fees cheques	2,200	-
Safe custody Fees	1,000	-
	64,634,891	59,157,445
	2020	2019
Other Income	Kes	Kes
Entrance fees	1,275,849	1,111,200
Investment Income	8,096,697	7,564,870
Other Financial income	145,421	358,913
Sundry Income	43,690	156,500
Photocopy services	793,230	1,208,000
Interest from bank	-	1,326,027
Murabaha Loan cost	98,250	-
SMS Charges	1,379,010	-
Stationery sales of cheques	127,050	-
	11,959,196	11,725,510

	2020	2019
	Kes	Kes
4 INTEREST EXPENSES		
Proposed Interest refund on deposits	442,054,200	335,150,000
Interest on bank Loan	24,807,634	28,619,223
Interest on customer savings	8,021,771	6,427,026
Interest on customers fixed deposits	7,151,810	5,138,967
	482,035,415	375,335,216
5 FINANCIAL EXPENSES		
Bank Charges	5,297,256	1,714,035
M-pesa deposit charges	2,685,248	1,589,644
Agency Charges	332,820	131,796
Bulk SMS Charges	1,000,000	-
	9,315,324	3,435,475
6 PERSONNEL EXPENSES		
Salaries and Wages-Staff	45,695,804	41,985,602
Casual Wages and Overtime	1,216,837	1,623,427
House Allowance	14,003,291	13,083,422
Staff NSSF	158,000	147,000
Staff Medical Expenses	10,179,120	9,308,280
Staff travel and subsistence	36,182,370	28,444,997
Staff Education	484,050	5,071,980
Staff provident fund	8,225,245	7,525,413
Responsibility allowance	7,945,515	7,310,682
Hardship allowance	4,096,704	3,768,481
Other Staff expenses	2,598,368	2,291,486
Strenuous allowance	7,024,022	608,074
Commuter allowance	7,132,000	6,772,000
Gratuity Benefits provision	10,000,000	10,000,000
	154,941,325	137,940,845
7 GOVERNANCE EXPENSES		
Members Expenses/education	2,004,000	2,160,845
Annual General meeting	1,261,819	339,898
Other members expenses	2,463,125	3,148,510
Committee sitting allowance	3,373,200	3,374,400
Committee travel and subsistence	19,864,488	19,757,858
Committee education/ Seminar	3,276,000	4,974,365
Committee medical expenses	2,275,685	2,579,519
Members' subscriptions	723,525	922,700

	35,241,842	37,258,095
8 MARKETING EXPENSES		
Public Relation and advertising	43,503,361	33,538,035
	43,503,361	33,538,035
9 ESTABLISHMENT AND ADMINISTRATIVE EXPENSES	2020	2019
	Kes	Kes
General repairs	7,448,073	6,433,842
Computer services expenses	3,305,265	3,661,191
Electricity, water and fuel	12,425,303	10,584,177
Audit fees	330,600	661,351
Insurance	12,216,123	5,000,858
Licenses s/charge	5,594,575	4,734,090
Entertainment	2,293,990	1,773,265
Printing and Stationery	2,546,600	3,153,997
Postage and Telephone	858,793	352,295
Security services	24,676,284	23,091,751
Office expenses	9,671,191	8,030,522
Rent and Rates	9,544,809	7,193,052
Transport	3,218,066	4,035,105
Legal fees	42,100	213,000
Photocopy expenses	-	2,700
Micro credit expenses	-	1,000
General Cleaning expenses	4,962,359	4,873,602
Sundry Expenditure	-	112,309
Bad debts	-	527,815
Commission on third party cheques	4,958,741	3,874,170
Registration Charge	15,600	-
	104,108,473	88,310,092
10 PROVISION FOR LOAN LOSS		
Provision for the years	150,000,000	100,000,000
	150,000,000	100,000,000

	2020	2019
	Kes	Kes
11 BANK AND CASH BALANCES		
Cooperative Insurance Group-Money Market	-	58,940,391
Cooperative Bank of Kenya Limited		
Savings Account BOSA	1,288,387	1,116,234
Savings Account FOSA	1,405,531	8,965,325
Current Account BOSA	167,641,989	1,005,771
Current Account FOSA	2,630,650	54,263,492
ATM Settlement Account	2,649,746	-
Coop Bank Education	50,288	50,288
Tharaka Endowment Kitty	73,750	63,750
Personal cheques account	5,759,938	5,264,655
Kenya Commercial Bank Limited		
Savings Account	3,095,581	5,764,118
Current Account	39,198,536	66,158,198
Equity Limited		
Current Account	34,113,197	13,195,982
Safaricom Limited		
Mpesa Deposit and Float/Utility/transfer	11,183,412	3,081,631
Msacco control account	20,930,781	10,612,400
Money Gram Money Transfer	241,127	241,127
Central bank of Kenya Treasury Bills	40,000,000	-
Cash on Hand		
Petty cash	2,258,278	1,197,915
Treasury cash	112,442,550	84,796,650
Cash with Tellers	8,363,971	3,983,029
	453,327,711	318,700,955
Bank Overdraft		
Cooperative Bank of Kenya Limited		
Current Account-FOSA	-	-
ATM Settlement Account	-	5,520,964
	-	5,520,964

	2020	2019
	Kes	Kes
12 ACCOUNTS RECEIVABLES		
TSC payroll deductions outstanding	6,963,053	126,567,412
Trade Receivables	1,512,112	2,425,171
Rent deposit	1,318,300	-
Prepayments	2,924,235	3,392,106
	12,717,700	132,384,689
13 LOANS AND ADVANCES TO MEMBER AND CUSTOMERS		
Balance 1st January	4,612,366,368	3,758,643,350
Loans granted in the year	8,740,498,288	5,699,965,059
Loans repayments and offsets	(7,110,676,274)	(4,846,242,041)
Balance 31st December	6,242,188,382	4,612,366,368
Accrued Interest on loans	25,671,358	21,594,074
	6,267,859,740	4,633,960,442
Less: Provision for loan loss	(350,713,906)	(202,489,098)
Net total loans advances and accrued interest	5,917,145,835	4,431,471,344
Listed individual members' balances	6,241,109,835	4,611,456,336
Unreconciled Difference	1,078,547	910,032
LOANS CAN BE RE-STATED AS:		
Accrued interest on loans	25,671,358	21,594,074
Current	867,276,225	910,076,886
Non-Current	5,374,912,157	3,702,289,482
	6,267,859,740	4,633,960,442
TOTAL	6,267,859,740	4,633,960,442

PROVISION FOR LOAN LOSS

					2020	2019
	Number of accounts	Outstanding loan portfolio	Required Provision (%)	Required provision amount	Required provision amount	
c) Provision for Loan Loss						
Ageing of Past due Impaired:		Kes		Kes		Kes
0 days performing 1%	20423	20423	5,437,574,921	1	54,375,749	40,491,201
1-30 days-Watch 5%	5249	5249	367,325,924	5	18,366,296	12,005,700
31-180 days-Substandard 25%	1616	1616	328,776,017	25	82,194,004	62,998,265
181-360 days-Doubtful 50%	496	496	60,727,046	50	29,251,098	29,251,098
Over 361 days-Loss account 100%	229	229	47,526,068	100	47,526,067	34,231,101
	28013	6,241,929,976		232,825,640	178,977,365	
Additional Provision		-		117,888,266	23,511,733	
Total Provision		6,241,929,976		350,713,906	202,489,098	

14 INVESTMENTS (Stated at cost)

Coop Holdings Cooperative Society Ltd

2,077,656 Ordinary Shares of Ksh 1/= each 2,077,656 2,077,656

Cooperative Bank of Kenya Limited

88,368 Ordinary shares of Ksh 1/= each 88,368 88,368

Cooperative Insurance Company of Kenya Ltd

540,264 Ordinary shares of Ksh 100/= 540,264 540,264

Kenya Union of Savings and Credit Cooperative Ltd

73,844 Ordinary shares of Ksh 100/= 7,384,471 6,184,471

KUSSCO Central Finance Programme 23,887,974 22,283,941

CODIC 12,500 12,500

Cooperative Bank of Kenya Limited

E.S.S Savings 10,602,792 9,402,792

Kenya Teachers Sacco 10,876,878 7,400,000

55,470,902 47,989,992

15	Property, plant and Equipment	Land and Buildings Kes	Motor Vehicles Kes	Computer Hardware Kes	Computer Software Kes	Office Equipment Kes	Furniture & Fittings Kes	Loose Tools Kes	TOTAL Kes
COST									
	As at 1.1.2020	151,327,306	16,663,174	21,484,906	13,430,260	52,398,446	13,884,497	-	269,188,589
	Additions	600,000	3,570,000	2,386,070	-	9,588,580	1,600,031	72,450	17,817,131
	Disposals	-	-	-	-	-	-	-	-
	As at 31.12.2020	151,927,306	20,233,174	23,870,976	13,430,260	61,987,026	15,484,528	72,450	287,005,720
DEPRECIATION									
	As at 1.1.2020	28,528,498	8,721,026	14,321,411	9,512,728	21,784,460	7,358,468	-	90,226,591
	Charge for the year	2,327,749	2,431,787	2,506,959	1,175,260	5,311,241	1,098,907	36,225	14,888,128
	Disposals	-	-	-	-	-	-	-	-
	As at 31.12.2020	30,856,247	11,152,813	16,828,370	10,687,988	27,095,701	8,457,375	36,225	105,114,719
NET BOOK VALUE									
	As at 31.12.2020	121,071,059	9,080,361	7,042,606	2,742,272	34,891,325	7,027,153	36,225	181,891,001
	As at 31.12.2019	122,798,808	7,942,148	7,163,495	3,917,532	30,613,986	6,526,029	-	178,961,998

Land and Buildings at:	Revalued land & Build	Land	Buildings
Chuka	26,871,126	1,456,395	25,414,731
Chogoria	59,137,973	4,000,000	55,137,973
Marimanti	33,990,901	454,950	33,535,951
Kathwana	500,000	500,000	-
Kithetu Plot		600,000	
	120,500,000	7,011,345	114,088,655

	2020	2019
	Kes	Kes
16 MEMBERS DEPOSITS		
Balance 1st January	2,916,999,822	2,367,238,063
Contributions during the year	893,519,942	639,561,298
Refunds and offsets	(169,463,377)	(89,799,539)
Balance 31st December	3,641,056,387	2,916,999,822
Made up of:		
Members Deposits	3,505,013,430	2,838,257,924
Microfinance Savings	37,999,877	30,992,174
Member retirement savings	98,043,079	47,749,723
	3,641,056,387	2,916,999,822
Individual member listed balance	3,640,819,541	2,917,586,828
Unreconciled difference	236,846	(587,006)
17 TAXATION		
Statement of comprehensive income		
Income Tax		
Charge for the year at 30%	17,000,000	17,219,374
	17,000,000	17,219,374
Statement of financial position		
As at 1st January	6,500,000	4,859,626
Charge for the year	17,000,000	17,219,374
Withholding tax paid		
Payment during the year	(17,000,000)	(15,579,000)
	6,500,000	6,500,000
On distribution of surplus		
Balance 1st January		
Withholding tax on distributions:-		
Interest refund to members and dividend payouts	18,021,621	15,243,512
Payment during the year	(18,021,621)	(15,243,512)
Balance 31st December	-	-
Total	6,500,000	6,500,000

	2020	2019
	Kes	Kes
18 ACCOUNTS PAYABLES		
Tsc suspense	-	1,761,678
PAYE	2,864,838	3,613,417
Trade creditors	717,171	-
Withholding Tax payable (Customers)	1,374,651	879,586
Excise Duty	1,429,661	1,215,278
Bank Deposits	3,842,836	-
Unallocated member funds	-	31,310
Overage account	68,762	19,492
Suspense	2,500	-
NHIF customers payment due	144,000	105,000
Sundry Creditors	155,600	-
TSC dues	2,371,604	-
VAT payable	147,011	199,291
	13,118,635	7,825,051
OPERATING FUNDS		
Staff retirement benefit scheme	52,853,855	42,853,855
Retirement Savings fund	4,311,530	1,016,314
	57,165,385	43,870,169
19 OTHER PAYABLE		
a) Distribution of surplus - Dues		
Balance as at 1st January	378,454,041	329,321,500
Payments during the year	(360,432,420)	(314,077,988)
Withholding tax deducted	(18,021,621)	(15,243,512)
Overprovision written back	-	-
	-	-
b) Proposed payments for the year		
Interest on deposits	442,054,200	335,150,000
Dividends	56,730,000	44,850,000
Board of Directors honorarium	2,415,800	2,415,800
Staff Bonus	11,530,000	8,470,000
	512,730,000	390,885,800
TOTAL	512,730,000	390,885,800

20 MEMBERS' SAVINGS -FOSA	2020	2019
(all balances are payable on demand)	Kes	Kes
Savings account balances	600,330,880	467,509,171
Fixed Deposit	175,711,007	80,982,671
Teens Accounts	47,137,825	40,716,163
Mstaarabu Accounts	768,909	539,533
Tusomeni Accounts	10,125,443	9,299,661
Pamoja Accounts	84,940,389	58,136,856
General Accounts	225,097,310	158,554,542
Current Account Balances	13,706,035	13,834,625
FOSA Deposits	241,519	42,631
Agents Accounts	1,532,618	1,162,676
	1,159,591,936	830,778,528
21 BORROWINGS		
Cooperative Bank of Kenya Limited		
Balance as at 1st January	80,803,571	301,522,411
Additions-Cooperative Bank of Kenya Ltd (COOP)	350,000,000	-
Repayments (Coop)	(221,823,055)	(220,718,840)
Net Loan 31st December (COOP)	208,980,516	80,803,571
Loan from Cooperative bank of Kenya is Secured by Monthly Check-off remittance amounts, The Undertakings by Teachers Service Commission (TSC) to continue remitting those monthly check-off Through the bank and by continuing right of lien and of set of against all the sacco credit balances.		
22 SHARE CAPITAL		
Authorised		
Undetermined Ordinary Shares of Ksh 20/=		
Issued: Fully and Partly paid		
Balance 1st January	298,855,986	266,781,770
Additions	34,773,862	32,074,216
Balance 31st December	333,629,848	298,855,986
Individual listed balances	334,050,322	299,279,014
Unreconciled differences	(420,474)	(423,028)
23 RESERVES		
Retained Earnings	408,316,741	299,941,652
Statutory Reserve	168,667,121	127,159,727
Capital Reserve	95,784,127	93,591,100
Risk Management Fund	14,107,426	6,262,122
Micro Finance Insurance	905,026	514,485
	687,780,441	527,469,086

	2020	2019
	Kes	Kes
24 RELATED PARTIES TRANSACTIONS		
Loans to Members of staff	193,014,091	137,824,195
Loans to members of Board of Directors	11,408,841	8,864,110
Committee sitting allowances	35,241,842	37,258,095
Honorarium payable (proposed)	2,415,800	2,415,800
Staff Bonus (Proposed)	11,530,000	8,470,000
25 EARNING PER SHARE	11.10	10.64
Earning per share is calculated on the surplus after tax and on the number of members shares at end of the year. Each member is required to have a minimum of 500 share units of ksh 20/= each		
26 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:		
Cash and bank balances	453,327,711	318,700,955
Bank overdrafts	-	(5,520,964)
Net balance	453,327,711	313,179,991
27 CAPITALIZATION OF MEMBERS SHARE CAPITAL		
The difference between the dividend rate and Interest rate is capitalized on members share capital		
28 COMPARATIVE FIGURES		
Certain comparative figures have been re-classified to conform with presentation in the current year.		

TRANS NATION SACCO LIMITED			
PROJECTED BUDGET FOR YEAR 2022			
A/C NO.	ACCOUNT NAME		
		Jan-21	Jan-22
		Dec-21	Dec-22
1-00-804-001	Interest on Salary Advance	162,500,000.00	167,250,000.00
1-00-804-002	Interest on Members' loans	632,500,000.00	821,000,000.00
1-00-804-005	Interest on loan Advance	172,500,000.00	220,000,000.00
1-00-804-007	Bank Interest	1,725,000.00	2,070,000.00
1-00-804-010	Interest on FOSA Loans	132,250,000.00	172,250,000.00
1-00-804-011	Interest on DIV IN ADV	6,600,000.00	7,920,000.00
1-00-804-054	Charge on closure of Accounts	248,400.00	298,080.00
1-00-804-055	Sundry income	966,000.00	1,159,200.00
1-00-804-091	Other Financial Income	3,450,000.00	4,140,000.00
1-00-804-092	Investment Income - Dividends	4,025,000.00	4,830,000.00
	Total Interest Income	1,116,764,400.00	1,400,917,280.00
1-00-804-021	Commission on standing orders	138,000.00	165,600.00
1-00-804-022	Commission on ATM	1,932,000.00	2,318,400.00
1-00-804-023	Commission on EFT	345,000.00	414,000.00
1-00-804-025	Commission on Cheques clearing	276,000.00	331,200.00
1-00-804-026	Commission on withdrawal	12,880,000.00	15,456,000.00
1-00-804-027	Commission on A/C Re-opening	207,000.00	248,400.00
1-00-804-028	Commission on Dishonoured chqs	69,000.00	82,800.00
1-00-804-029	Commission on Advances	4,140,000.00	4,968,000.00
1-00-804-033	Commission on loans & salary Transfer	25,875,000.00	31,050,000.00
1-00-804-035	Commission on M-Sacco	6,770,000.00	8,124,000.00
1-00-804-036	Commission M-PESA	2,070,000.00	2,484,000.00
1-00-804-037	Comm. On Dividend in Advance	138,000.00	165,600.00
	Total Commission Income	54,840,000.00	65,808,000.00
1-00-804-051	Ledger fees	8,280,000.00	9,936,000.00
1-00-804-053	Statement charges	1,173,000.00	1,407,600.00
1-00-804-054	Charges on closure of A/C	75,900.00	91,080.00
	Total Fees & Charges	9,528,900.00	11,434,680.00
1-00-804-062	Penalties on overdrawn Accounts	69,000.00	82,800.00
	Total penalties	69,000.00	82,800.00
1-00-804-071	Sale of MF Passbook	55,200.00	66,240.00
1-00-804-072	MF1 other Special Comm.	414,000.00	496,800.00
1-00-804-073	Special Commission on Loans	690,000.00	828,000.00
1-00-804-075	Loan Application Fees	345,000.00	414,000.00
1-00-804-076	Interest Income M/Finance	6,900,000.00	7,280,000.00
	Total Micro Finance Income	8,542,200.00	9,085,040.00

TRANS NATION SACCO LIMITED			
PROJECTED BUDGET FOR YEAR 2022			
A/C NO.	ACCOUNT NAME	Jan-21	Jan-22
		Dec-21	Dec-22
1-00-804-091	Other Financial income	3,450,000.00	4,140,000.00
1-00-804-092	Income on Dividend Transfer	3,680,000.00	4,416,000.00
1-00-804-093	Stationary Sale of cheques	345,000.00	414,000.00
1-00-804-094	Sale of Voucher Books	138,000.00	165,600.00
1-00-804-095	Photocopying services	2,070,000.00	2,484,000.00
1-00-804-098	Investment income	3,450,000.00	4,140,000.00
	Total other incomes	13,133,000.00	15,759,600.00
	Total incomes	1,202,808,500.00	1,503,087,400.00
	EXPENDITURE		
2-00-805-001	Staff Salaries & Wages	54,418,000.00	55,701,600.00
2-00-805-002	Casual wages	1,886,000.00	2,263,200.00
2-00-805-003	Staff Overtime	2,277,000.00	2,732,400.00
2-00-805-004	Housing Allowance	16,836,000.00	20,203,200.00
2-00-805-005	N.S.S.F.	414,000.00	496,800.00
2-00-805-006	Staff Medical Expenses	11,224,000.00	11,968,800.00
2-00-805-007	Staff Travel & Subsistence	29,900,000.00	39,880,000.00
2-00-805-008	Education to staff	11,730,000.00	12,076,000.00
2-00-805-009	Staff Provident Fund	9,809,500.00	10,619,000.00
2-00-805-010	Responsibility Allowance	9,476,000.00	11,371,200.00
2-00-805-011	Other Staff Expenditure	4,600,000.00	3,520,000.00
2-00-805-012	Hardship Allowance	6,739,000.00	7,086,800.00
2-00-805-014	Commuter Allowance	8,970,000.00	9,764,000.00
2-00-805-015	Staff Retirement Benefits	10,600,000.00	10,000,000.00
	Personnel expenses	178,879,500.00	197,683,000.00
2-00-806-001	Members Expenditure/Education	5,428,000.00	5,513,600.00
2-00-806-002	Annual General Meeting	2,208,000.00	2,649,600.00
2-00-806-003	Members Subscription	966,000.00	1,159,200.00
2-00-806-004	Other members Expenditure	3,450,000.00	2,840,000.00
2-00-806-005	Committee sitting Allowance	4,623,000.00	5,547,600.00
2-00-806-006	Committee Travel & Subsistence	19,920,000.00	23,904,000.00
2-00-806-007	Committee Education/Seminar	6,095,000.00	7,314,000.00
2-00-806-009	Committee medical expenses	4,278,000.00	4,278,000.00
	Governance Expenses	46,968,000.00	53,206,000.00
2-00-807-001	Bank charges	9,660,000.00	11,592,000.00
2-00-807-002	Bank Interest	55,200,000.00	50,340,000.00
2-00-807-004	Depreciation	14,720,000.00	16,664,000.00
2-00-807-008	Income Tax Expenses	14,720,000.00	17,664,000.00
	Financial Expenses	94,300,000.00	96,260,000.00

TRANS NATION SACCO LIMITED			
PROJECTED BUDGET FOR YEAR 2022			
A/C NO.	ACCOUNT NAME	Jan-21	Jan-22
		Dec-21	Dec-22
2-00-808-001	General Repairs & Maintenance	8,280,000.00	9,936,000.00
	office renovations	17,250,000.00	20,700,000.00
2-00-808-002	Computer Repairs	1,794,000.00	2,152,800.00
2-00-909-001	Electricity, Water & Fuel	8,694,000.00	10,432,800.00
2-00-810-001	Interest Expenses - Savings	6,900,000.00	8,280,000.00
2-00-810-002	Interest Expenses - Fixed Deposits	5,520,000.00	6,624,000.00
2-00-811-001	Audit / Supervision Fees	966,000.00	1,159,200.00
2-00-811-002	Insurance	7,176,000.00	8,611,200.00
2-00-811-003	Licences/S/Charges (Sasra)	6,589,000.00	6,700,000.00
2-00-811-004	Entertainment	2,553,000.00	3,063,600.00
2-00-811-005	Printing & Stationery	5,244,000.00	6,292,800.00
2-00-811-006	Postage & Telephone	1,242,000.00	1,490,400.00
2-00-811-007	Security Services	22,770,000.00	27,324,000.00
2-00-811-008	Kuscco Dues & CAK	690,000.00	828,000.00
2-00-811-009	Public Relations & Marketing	10,350,000.00	12,420,000.00
2-00-811-010	Office Expenses	11,040,000.00	13,248,000.00
2-00-811-011	Provision for loan loss	130,000,000.00	170,000,000.00
2-00-811-012	Transport	2,760,000.00	3,312,000.00
2-00-811-013	Sundry Expenditure	1,104,000.00	1,324,800.00
2-00-811-014	Computer services	4,209,000.00	5,050,800.00
2-00-811-015	Legal fees	3,656,000.00	4,387,200.00
2-00-811-017	Photocopying services	483,000.00	579,600.00
2-00-811-018	Rent & Rates	11,498,000.00	12,050,000.00
2-00-811-023	Corporate Social responsibility	5,244,000.00	6,292,800.00
	Operating expenses	276,012,000.00	342,260,000.00
	Proposed Rebates	460,000,000.00	603,000,000.00
	TOTAL EXPENSES	1,056,159,500.00	1,292,409,000.00
	SURPLUS & LOSS ACC	146,649,000.00	210,678,400.00
	TOTALS	1,202,808,500.00	1,503,087,400.00
CAPITAL EXPENDITURE YEAR 2022			
1. ICT Department	Computer equipment	5,000,000.00	
2. Office Renovation		15,000,000.00	
3. Office Equipment & Furniture		5,000,000.00	
		20,000,000.00	

<u>BUDGET STATISTICAL SUMMARY YEAR 2022</u>			
Proposed income year 2022			
Overhead expenses expressed as a percentage		1,503,087,400.00	
of total income			
		percentage(%)	
Governance	53,206,000.00	3.54	
Personnel Expenses	197,683,000.00	13.15	
Financial Expenses	96,260,000.00	6.40	
Operational/admin	342,260,000.00	22.77	
Rebates to members	603,000,000.00	40.12	
Reserves	210,678,400.00	14.02	
		100%	
	Year 2021 Supplementary budget		
	Three Motor Vehicles	11,400,000.00	
	Construction of additional floor		
	at the Head quarters.	20,000,000.00	
	TOTALS	31,400,000.00	

TN AGENTS LOCATION

NAME	PLACE OF BUSINESS	SUPPORTING BRANCH
KAMUNDI S K JACQULINE	CIAKANYINGA	CHOGORIA
ELOSY KARWITHA NDUBI	KAARE	CHOGORIA
NABEA GEORGE	CHOGORIA TOWN	CHOGORIA
JULIUS MEME	KINORO MARKET	CHOGORIA
YVONNE KATHONI GITONGA	IRIGA MARKET	CHOGORIA
KELVIN GITONGA NKONGE-AGENCY	MARIMA MKT	CHOGORIA
ELOSY KARIMI RAIBU	IGWANJAU MARKET	CHOGORIA
JOSEPH MBAE NJERU	MARIMA MARKET	CHOGORIA
STELLAH KAREGI NJUE-AGENCY	CHEERA MARKET	CHUKA
JOHN MURIUNGI KINOTI	KIENI KIA NDEGE	CHUKA
DAVID KIMATHI MANYARA	MAGUTUNI MARKET	CHUKA
ANNSTELLA KANINI MBABU	ITUGURURU MARKET	CHUKA
MOREEN KAGENDO-AGENCY	ISHIARA	CHUKA
HELLEN NJERI CHABARI	CHUKA TOWN	CHUKA
MUNENE NJAGI	IKUU MARKET	CHUKA
JANNEYS KAGENDO NTHIGA	KAANWA	CHUKA
MONICAH NJAMBI NJOROGI-AGENCY	KIBUGUA	CHUKA
FRIDAH KAWIRA MURITHI-AGENCY	NDAGANI	CHUKA
SHANA ABDUBA KASHANE	MERTI SOUTH	ISIOLO
ALEX ALI SORA GOLICHA	SOLOLO	ISIOLO
PAMELA NKIROTE KIGUNDA	KULAMAWAWE	ISIOLO
PURITY NKIROTE MUTUA	MWANGAZA C	ISIOLO
PURITY WANJA JOHN	TUNYAI MARKET	KATHWANA
MAGDALINE GATIRIA -AGENCY	KITHINO	KATHWANA
KENNETH MUTHURE NTHIGA-AGENCY	MATIRI MARKET	KATHWANA
ALEX NJUE IRERI-AGENCY	CHIAKARIGA MARKET	KATHWANA
JAMII YETU-K.K AGENT	K.K MARKET	LAARE
J.B I C T CYBER	LAARE	LAARE
WIN KARUGI	LAARE	LAARE
ISAAC MURIITHI KITHAKA	KIBUNG'A	MARIMANTI
DENIS KITHINJI JOSEPH	MARIMANTI	MARIMANTI
ABRAHAM MUNYUA KAMWARA	MAKUTANO/SHAURI	MARIMANTI
RUSARIA KARIIRI CHABARI	KATHANGACHINI	MARIMANTI
JULIUS MWANGANGI MUKEMBU	NKONDI MARKET	MARIMANTI
CINDY GASHERI KAIRANYA	MIOMPONI MARKET	MARIMANTI
MUGIIRA IMMANUEL	NRUUNGU	MARIMANTI
SISINIO NJERU BIRIKA	NTORONI	MARIMANTI
CICILIA KAJIRA KATHARE	MUKOTHIMA	MARIMANTI
SIXTUS KOBIA KACHIURU AGENCY	MUTUATI	MAUA
LUCY MURWANA MUNGANIA	KIUTINE MARKET	MAUA
EUNICE KAGENDO BAPTISTA	MAUA TOWN	MAUA

TN AGENTS LOCATION

NAME	PLACE OF BUSINESS	SUPPORTING BRANCH
KARUNDU ALFONZE MWITI	ATHIRU GAITI	MAUA
TAIFA ENTERPRISES	KANGETA MARKET	MAUA
LUX MAGICA	KIANJAI MARKET	MAUA
MICHIGAN ELECTRONICS	KIMONGORO MARKET	MAUA
DUBAI SHOPPING CENTRE	KIENGU	MAUA
AGNES KAYUME KIMUNDU	KARAMA	MAUA
KAGWIRIA PAMELA	NTHAMBIRO	MAUA
JIMKAN EXODUS	MURIRI	MAUA
ROSE MAKENA	GACIONGO-MAUA	MAUA
WAPENDWA BOOKWORLD	MAUA TOWN	MAUA
SELLA KANANU KITHINJI	MERU-MAKUTANO	MERU
PETER GITONGA KARITHI	GUNDUNE MRKT NEAR KIANJAI	MERU
NANCY GAKII MURITHI	TIMAU	MERU
MODERN JUNIOR AGENCY-MIKINDURI	MIKINDURI	MIKINDURI
EUNICE GACHERI KIRIMI	MIATHENE MARKET	MIKINDURI
BERNARD MURUGI - MICII MIKURU ESTATE AGENCY	MICII MIKURU TEA FACTORY ESTATE	MIKINDURI
CECILIA KAGENDI NJAGI AGENCY	KUNATI	MIKINDURI
GLORY MUKIRI	MICII-MIKURU	MIKINDURI
LAWRENCE MICHENI KAUMBUTHU	MITUNGUU MARKET	NKUBU
DORIS KANYUA	MWICHIUNE	NKUBU
SYROS GENERAL SUPPLIES	KARIENE	NKUBU
M M COMPUTER CENTRE	MIRURIIRI MARKET	NKUBU

**No
Transaction
Charges**



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FREE**

Lipa na

TRANS NATION SACCO LTD

Pay Bill Number 507900

Acc. Number

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You can now pay / deposit with a description. **EXAMPLE;** To pay school fees,
Enter paybill no (business no.) 507 900, *Enter the Acc No. and then # followed by short description.
Eg Acc No# John ADM X Or Acc No# John std X
To pay rent. Acc No # John Rm X Or Acc No # Rm X. N/B keep the description short

28 *years*

OF COMMITTED SERVICE TO THE NATION



———— Head Office ————

Mwalimu Centre Building. P.O Box 15-60400. Chuka. Meru South
Cell: 0726 617 752 Email: info@tnsacco.co.ke. Web: www.tnsacco.co.ke

———— Outlets ————

CHUKA, ISIOLO, CHOGORIA, GATUNGA, MARIMANTI, WAMBA IN SAMBURU,
KATHANGACIINI, TSEIKURU IN KITUI, LAARE, NKUBU, MIKINDURI, MAUA,
MUKOTHIMA, MERU, KATHWANA, MARSABIT TOWN & MOYALE