

**KENTOURS REGULATED NON-WDT SACCO SOCIETY LTD**  
**REVISED BUDGET 2022 & BUDGET 2023**

NAME	ACTUAL 2021	BUDGET 2021	BUDGET 2022	REVISED BUDGET 2022	BUDGET 2023
<b>INCOME</b>					
INTEREST FROM NORMAL LOANS	83,661,560	82,000,000	103,900,000	98,650,000	112,285,000
INTEREST FROM INSTANT LOANS	1,644,960	1,500,000	1,950,000	1,860,000	2,135,750
INTEREST ON SCHOOL FEES LOAN	2,135,009	1,550,000	1,950,000	2,504,000	2,851,400
INTEREST ON SUPER SCH FEE	1,004,975	980,000	1,190,000	1,133,000	1,301,190
INTEREST ON EMERGENCY LOAN	5,500,579	4,900,000	6,300,000	6,480,000	7,357,000
INTEREST ON MOBILE (MJISORT) LOANS	-	500,000	1,200,000	500,000	1,200,000
INTEREST ON HOME APPLIANCE LOANS	1,822,092	1,580,000	2,000,000	2,130,000	2,464,800
SUNDRY INCOME	55,252	150,000	385,000	200,000	300,000
INTEREST ON DIVIDEND ADVANCE	-	-	120,000	-	120,000
INVESTMENT INCOME	38,235,497	33,500,000	30,900,000	40,500,000	42,000,000
BRIDGING INCOME	959,583	1,350,000	2,800,000	1,180,000	1,300,000
INTEREST ON SALARY ADVANCE	24,626	50,000	100,000	100,000	150,000
ENTRANCE FEE	65,000	200,000	350,000	200,000	300,000
EQUITIES REVALUATION GAIN	-	-	-	-	
RENTAL INCOME	348,821	539,853	174,411	996,600	996,600.0
CALL ACCOUNT INTEREST	137,669	275,000	450,000	170,000	200,000
<b>TOTAL INCOME</b>	<b>135,595,622</b>	<b>129,074,853</b>	<b>153,769,411</b>	<b>156,603,600</b>	<b>174,961,740</b>
<b>STAFF EXPENSES</b>	<b>ACTUAL 2021</b>	<b>BUDGET 2021</b>	<b>BUDGET 2022</b>	<b>REVISED BUDGET 2022</b>	<b>BUDGET 2023</b>
SALARIES TO PERMANENT STAFF	8,301,658	10,058,172	11,063,989	10,083,331	10,977,446
CASUAL & CONTRACTED LABOUR	-	100,000	100,000	220,000	100,000
STAFF HOUSING ALLOWANCE	1,606,610	1,930,861	2,123,947	1,928,852	2,101,706
STAFF MEDICAL	1,433,443	1,436,484	1,466,448	1,476,254	1,516,194
PENSION,N.S.S.F& LONG SERVICE &FINAL DUES	830,651	958,689	1,034,490	940,180	1,019,603
STAFF TRAVEL & LEAVE EXPENSES	637,667	682,043	750,247	683,356	751,691
STAFF INSURANCES	296,779	296,779	311,618	324,199	347,652
STAFF TOKEN	757,183	833,181	916,499	841,933	909,287
STAFF EDUCATION AND TRAINING	14,100	262,000	280,000	380,000	402,800
STAFF LEAVE- UNUTILIZED DAYS	694,751	-	100,000	100,000	100,000
<b>SUB TOTALS</b>	<b>14,572,840</b>	<b>16,558,209</b>	<b>18,147,239</b>	<b>16,978,105</b>	<b>18,226,381</b>
AS A % OF TURNOVER	11%	13%	12%	11%	10%

MEMBERS EXPENSES	ACTUAL 2021	BUDGET 2021	BUDGET 2022	REVISED BUDGET 2022	BUDGET 2023
COMMITTEE SITTING ALLOWANCE	924,700	995,392	1,094,931	1,019,000	1,120,900
COMMITTEE TRAVELLING EXPENSES	760,545	909,480	1,000,428	904,800	995,280
COMMITTEE SEMINARS	1,092,171	1,507,200	557,200	1,188,700	948,700
OTHER COMMITTEE EXPENSES	456,567	542,722	559,003	571,703	588,854
ANNUAL GENERAL MEETING EXPENSES	1,808,726	1,823,260	2,734,890	2,286,700	2,401,035
MEMBERS EDUCATION	658,837	3,304,245	3,304,245	3,616,220	3,833,193
UNIT REPRESENTATIVES ALLOWANCES & TRAINING	704,464	1,288,300	2,038,300	2,023,200	2,185,056
BOARD MEMBER'S RETIREMENT	60,000	60,000	60,000	60,000	60,000
<b>SUB TOTALS</b>	<b>6,466,009</b>	<b>10,430,599</b>	<b>11,348,998</b>	<b>11,670,323</b>	<b>12,133,018</b>
AS A % OF TURNOVER	5%	8%	7%	7%	7%
GENERAL EXPENSES	ACTUAL 2021	BUDGET 2021	BUDGET 2022	REVISED BUDGET 2022	BUDGET 2023
ASSET INSURANCE	235,786	233,422	255,163	159,051	169,097
DEPRECIATION & AMORTIZATION	3,061,944	3,013,425	2,479,593	2,978,136	2,667,529
REPAIRS , MAINTANANCE	1,247,311	1,362,571	1,600,699	1,640,572	1,512,600
LEGAL FEES AND CONSULTANCY	562,150	562,150	500,000	562,150	120,000
EXTERNAL & INTERNAL AUDIT	130,000	267,200	350,200	408,400	428,820
SUPERVISION FEE, LICENCE RENEWAL & REGULATORY LEVIES (SASRA)	96,000	83,000	83,000	45,000	877,750
PRINTING AND STATIONERY	275,841	554,023	581,724	317,216	348,938
POSTAGE, TELEPHONE, INTERNET& WEBSITE HOSTING	561,621	686,004	699,724	825,332	699,724
PUBLIC RELATION & ADVERTISEMENT	71,922	1,189,000	1,268,450	2,399,000	2,538,950
MARKETING	40,410	250,000	280,000	280,000	308,000
SERVICE CHARGE	491,550	474,600	406,800	406,800	406,800
OTHER GENERAL OFFICE EXPENSES	593,110	757,521	795,397	774,522	813,248
SOFTWARE MAINTENANCE EXPENSES	738,638	745,173	819,690	976,711	1,125,920
MOTORCYCLE FUEL & MAINTENACE	28,893	42,000	43,500	42,000	43,500
FOSA FEASIBILITY STUDY	-	-	-	750,000	-
<b>SUB- TOTAL</b>	<b>8,135,175</b>	<b>10,220,088</b>	<b>10,080,941</b>	<b>12,564,889</b>	<b>12,060,876</b>
AS A % OF TURNOVER	6%	8%	7%	8%	7%
FINANCIAL EXPENSES	ACTUAL 2021	BUDGET 2021	BUDGET 2022	REVISED BUDGET 2022	BUDGET 2023
BANK CHARGES	195,324	265,000	275,000	230,000	250,000
INTEREST ON JIPANGE SAVINGS	119,709	290,000	320,000	150,000	190,000
INVESTMENT EXPENSES	170,350	168,000	170,000	185,000	195,000
LOSS ON REVALUATION/DISPOSAL	-	-	-	-	-
LOSS ON DOUBTFUL LOANS	26,500,000	40,000,000	45,000,000	38,000,000	38,000,000
CHASE BANK DEPOSITS WRITE-OFF	871,032	871,032	-	-	-
MOBILE MONEY (INUKAPAP) WRITE-OFF	1,707,864	-	-	-	-
<b>SUB- TOTAL</b>	<b>29,564,280</b>	<b>41,594,032</b>	<b>45,765,000</b>	<b>38,565,000</b>	<b>38,635,000</b>
AS A % OF TURNOVER	22%	32%	30%	25%	22%

<b>SUMMARY</b>					
<b>TOTAL EXPENDITURE</b>	<b>58,738,304</b>	<b>78,802,928</b>	<b>85,342,177</b>	<b>79,778,317</b>	<b>81,055,274</b>
<b>SURPLUS/ (DEFICIT)</b>	<b>76,857,318</b>	<b>49,906,483</b>	<b>68,427,233</b>	<b>76,825,283</b>	<b>93,906,466</b>
<b>TOTALS</b>	<b>135,595,622</b>	<b>128,709,411</b>	<b>153,769,411</b>	<b>156,603,600</b>	<b>174,961,740</b>
AS A % OF TURNOVER					
TOTAL EXPENDITURE	43.3%	61.2%	55.5%	50.9%	46.3%
SURPLUS	56.7%	38.8%	44.5%	49.1%	53.7%
<b>CAPITAL EXPENDITURE BUDGET:</b>	<b>ACTUAL 2021</b>	<b>BUDGET 2021</b>	<b>BUDGET 2022</b>	<b>REVISED BUDGET 2022</b>	<b>BUDGET 2023</b>
<b>NAME</b>					
1 Laptop ProBook 450, 2 HP Desktops	406,958	436,662			469,307
Computers/Server Upgrade -Windows 2016, Memory, HDDs and Navision Upgrade	309,160	-	-	-	-
CCTV / Security System Upgrade	36,208	-	-	-	-
HP Proliant 380 G10 Server	1,022,417	1,068,414			
High Back Orthopaedic Mesh Chairs: 4 in 2022 & 12 in 2023 (Boardroom)	116,000	120,000	120,000	128,000	384,000
Network switch-48-port 10/100/1000baset	-	-	-	84,680	-
Mobile Banking	-	-	-	1,194,800	-
Interactive Voice Recording	-	-	-	75,000	-
Document Management System	-	-	-	1,500,000	-
<b>TOTAL</b>	<b>1,890,743</b>	<b>1,625,076</b>	<b>120,000</b>	<b>2,982,480</b>	<b>853,307</b>

## NOTES TO BUDGET 2023

<b>INCOME</b>	<b>Amount Ksh.</b>
<b><i>Interest from Members Loans</i></b>	<b>112,285,000</b>
This is interest chargeable on members long term loans as the main income of the society at 1% and 1.1% per month on reducing balance . Year 2022 is projected to generate interest to the tune of Ksh. 98.65m and 2023 will increase at 14% to Kshs. 112.2m when it is expected the loans uptake will have fully resumed after the effects of COVID-19.	
<b><i>Interest from Instant Loans</i></b>	<b>2,135,750</b>
Interest on instant loans is charged at 1.125% per month on reducing balance. It is estimated that in the year 2022 instant loans will generate interest income of Ksh. 1.86m which will increase to Ksh. 2.13m in the year 2023.	
<b><i>Interest from School Fees Loans</i></b>	<b>2,851,400</b>
Year 2023 interest on school fees loans is expected to increase to Ksh. 2.85m, a 15% increase from 2022.	
<b><i>Interest from Super School Fees Loans</i></b>	<b>1,301,190</b>
It is estimated that in the year 2023, super school fees loans interest will increase by 15% from Ksh. 1.13m in the year 2022 to Ksh. 1.3m.	
<b><i>Interest from Emergency Loans</i></b>	<b>7,357,000</b>
It is estimated that in the year 2023 interest on emergency loans will grow by 14% over the Ksh. 6.48m interest expected in 2022.	
<b><i>Interest from Mobile (Mjisort) Loans</i></b>	<b>1,200,000</b>
This product was put on hold in 2021 owing to challenges experienced with the service provider but it is expected that in the last half of 2022, the product will be offered and with full year patronage, the mobile loan will generate Ksh. 1.2m in year 2023.	
<b><i>Interest from Home Appliance</i></b>	<b>2,464,800</b>
It is estimated that in the year 2023, interest on home appliance loans will grow by 16% over the Ksh. 2.13M interest expected in 2022.	
<b><i>Sundry Income</i></b>	<b>300,000</b>
This is generated from sale of By-law booklets, polo shirts, sweaters and umbrellas , membership rejoining fees, demand savings withdrawal fees and charges on dishonored cheques. With a change in recruitment strategy, the income in 2023 will increase to Ksh. 300,000.	
<b><i>Interest on Dividend Advance</i></b>	<b>120,000</b>
Interest on dividend advance is charged at 5% of applied amount and it is expected to generate Ksh. 120,000 in 2023.	
<b><i>Interest from Investments</i></b>	<b>42,000,000</b>
The society will continue investing surplus funds in short term investments like the money market, fixed term accounts & government securities. In 2022 it is projected that we will earn Kshs. 40.5m which will increase to Ksh. 42m in the year 2023.	
<b><i>Bridging &amp; Consolidation Income</i></b>	<b>1,300,000</b>
Income from Bridging & Consolidation of loans is projected to increase to Ksh.1.3m in 2023 from Ksh.1.18m in 2022.	
<b><i>Interest on Salary Advance</i></b>	<b>150,000</b>
Interest on salary advance is charged at 3%. It is projected to increase by 50% in 2023 from Ksh. 100,000 in 2022 when members have more capacity to borrow.	
<b><i>Entrance Fee</i></b>	<b>300,000</b>
Entrance fee is charged at Ksh.1,000. This is projected to increase from Ksh. 200,000 in 2022 to Ksh. 300,000 in 2023 as recruitment drives are carried out per the strategic plan.	
<b><i>Rental Income</i></b>	<b>996,600</b>
Unlike 2021, the rental office is expected to be occupied whole year 2022 at about Ksh. 73.50 per square foot generating a total Ksh. 996,600 and similar amount in 2023.	

<b>Call Account interest</b>	<b>200,000</b>
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This is interest earned from bank account that holds any amounts in excess of Ksh. 5m from the current account at the prevailing rate to ensure bare minimum amounts are left in current account which does not earn any interest.

	<b>TOTAL REVENUE</b>	<b>174,961,740</b>
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## EXPENSES

<b>Salaries to Permanent Staff</b>	<b>10,977,446</b>
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Salaries paid to permanent staff in 2022 are expected to remain at same rates as 2019 and to increase in 2023 by 8% when effects of COVID-19 will have reduced and after a salary cut implemented in 2020 and 2021.

### Casual & Contracted Labour

Casual labour is provided at Ksh. 220,000 in 2022 to cover for Reception & Customer Care Assistant while recruitment is in the process and any other need that may arise. This will reduce to Ksh.100,000 in 2023.

**100,000**

### Staff Housing Allowance

This is housing allowance for permanent staff. It is estimated to increase by 8% in 2023 while 2022 remains at 2019 rates.

**2,101,706**

### Staff Medical Expenses

The society insures the permanent staff for an inpatient medical cover with a medical insurance service provider and directly re-reimburses outpatient expenses per limits set out in the sacco policy.

**1,516,194**

### N.S.S.F, Pension & Long Service Awards

The Society contributes towards the National Social Security Fund and towards a provident fund at 7.5% on basic salary. The account also includes provision for long service awards. It is estimated 2023 costs will increase by 8% from the amount projected in 2022.

**1,019,603**

### Staff Travel and Leave Expenses

This caters for staff travel expenses while on society's duties and 15% of one month's basic salary annual leave travel allowances. Year 2023 costs will increase to ksh. 751,691 from Ksh. 683,356 in 2022.

**751,691**

### Staff Token

It caters for staff end of year token which is based on one month's basic salary.

**909,287**

### Staff Insurances

Staff insurances as per the labour laws and employment act are provided. This includes WIBA, GPA and Employee Group Life. A 7% increase in 2023 from the projected figure for 2022 has been provided for.

**347,652**

### Staff Education & Training

It caters for staff seminars and training cost on tuition of job-related courses for the Society's staff.

**402,800**

### Staff Leave

This is a provision for any accumulated leave days not utilised by the end of the year. The accounting standards require that staff liabilities due are provided for. The assumption is that staff will have less than a quarter of their leave days due by end of the year.

**100,000**

### Committee Sitting Allowances

This caters for allowances payable to Committee members during meetings to discuss society's matters. It is expected the number of meetings will be higher with normal business resuming fully therefore an increase of 10% is projected in 2023.

**1,120,900**

### Committee Traveling Expenses

To cater for transport allowances for committee members while attending society meetings and other functions. In 2023 it is projected to increase by 10% over 2022 amount.

**995,280**

### Committee Seminars

This is provided for to enable the committee members attend co-operative training programs, NITA fees, committee workshops, policies and strategic plan reviews. A few policies are due for review in 2022. There will also be board induction training besides the normal workshops. The budget for 2023 will reduce by 20% after the policies review in 2022.

**948,700**

**Other Committee Expenses**

To cater for other committee expenses such as refreshments during meetings and business entertainment allowances covering for expenses board members incur when they entertain guests on behalf of the Sacco if they meet outside the Sacco offices. An increase of 3% is budgeted in 2023.

**588,854**

**Annual General Meeting**

To meet the AGM expenses such as hire of venue, food, drinks and to facilitate attendance by Unit Representatives based out of Nairobi. 2023 is estimated to increase by 5% on 2022.

**2,401,035**

**Members Education**

To cater for expenses during members education days per the Education Committee's plan

**3,833,193**

**Units Representatives Allowances & Training**

Employer companies representatives are paid a quarterly allowance for inconveniences as they coordinate between members and the office. Provision is made based on total number of reps who are paid after filling self evaluation forms for performance assessment. It also covers their training. An increase of 8% has been provided for in 2023 in anticipation of increased number of employer units.

**2,185,056**

**Board Members' Retirement Token**

This is a provision for token to board members who have served for three years and more, as per the sacco policy.

**60,000**

**Assets Insurance**

This covers Insurance for the Society assets, the budget increases by 6% in 2023 due to additional assets to be bought per the capital expenditure budget.

**169,097**

**Depreciation & Amortization**

This is a provision for wear and tear of office furniture, Computers, other office equipments, motor cycle and building as per the assets depreciation schedule. Amortization of software is also included here.

**2,667,529**

**Repairs and Maintenance**

For repairing of office fittings, equipment and machines, contracting for office cleaning services, security system, anti-virus, electricity bills & ACs maintenance. 2023 will reduce by 8% from 2022. Office painting expenditure has been provided for in 2022.

**1,512,600**

**Legal & Consultancy Fees**

For hiring legal, consultancy, and debt collection experts where the society may experience situations which require these experts. 2022 budget includes provision for cost of arbitration for mobile money service breach by Inukapap Ltd.

**120,000**

**External and Internal Audit**

To pay for the annual fees for the external and internal audit services in compliance with regulations

**428,820**

**Supervision Fee, Licence Renewal & Regulatory Levies**

To pay for Sacco Societies Regulatory Authority (SASRA) annual levy at 0.10% on deposits effective 2023, licence renewal fee and any other government agencies supervision fees.

**877,750**

**Printing and Stationery**

To cater for printing & stationery for the day to day use in the office. With projected increase in activities, 10% increase is projected in 2023.

**348,938**

**Postage and Telephone**

To pay for postage, courier services, internet access and telephone bills including telephone expenses reimbursement to board and supervisory committee members at a rate of Khs.1,600 per month.

**699,724**

**Public Relations and Advertisement**

This includes CSR expenses, subscription to apex bodies, Co-operative movement celebrations, cost of producing Sacco magazine, employer cocktail and advertisement costs. An increase of 6% in 2023 has been provided for.

**2,538,950**

**Marketing**

This covers marketing officer's expenses of putting up customer care desks at various employer companies and visiting potential companies for member recruitment per our new strategic plan.

**308,000**

**Service Charge**

This will cater for service charge for the Sacco office which is currently at Ksh.15.00 per sq ft per month.

**406,800**

**Other Office Expenses**

This is to provide for office tea, drinking water, toiletry, newspapers, end year party, and any other staff related expenses not provided for above. It also includes single business permit costs payable to the county government.

**813,248**

**Software Maintenance Expenses**

This is to take care of software maintenance costs. 2023 will increase by 15% to take care of mobile money system maintenance cost once it is in place.

**1,125,920**

**Motorcycle Repairs & Maintenance**

The Sacco owns a motorcyle. The amount in the budget covers fuel & maintenance with a 4% increase in 2023.

**43,500**

**Bank Charges**

Bank charges arising out of bank account transaction fees, cheque books, service fees etc. An increase of 9% on 2022 has been projected to take care of increased bank transactions

**250,000**

**Interest on Jipange Savings.**

This is interest paid to members Jipange (previously Demand) savings accounts at 6% p.a. We project a 27% increase in 2023 owing to expected increase in number of members patronizing this service.

**190,000**

**Investment Costs**

These are costs incurred in meeting fund managers' fees. Year 2023 amount is projected to increase by 5% owing increased level of transactions expected in the year.

**195,000**

**Loss on doubtful loans**

This is to be in compliance with IFRS 9 on general provision for loans loss.

**38,000,000**

**Total Expenditure** **81,055,274**

**Total Surplus** **93,906,466**

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