



UTABIBU COOPERATIVE SAVINGS & CREDIT SOCIETY LTD  
A REGULATED NON-WDT-SACCO

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## UTABIBU SACCO 2020 AGM HELD AT THE CONCORD HOTEL ON 24<sup>TH</sup> APRIL 2021 AT 9:00 AM

### **BOARD MEMBERS PRESENT**

Chairman: Victor Yogo  
Secretary: Diana Kassaman  
Vice Chairman: Ephraim Nderitu  
Treasurer: Jack Wandollah  
Member: Joshua Kilonzo  
Member: Jason Wang'aha  
Member: Dorothy Muia  
Member: Philip Oketch

### **SUPERVISORY COMMITTEE**

Chairman: Daniel Adari  
Secretary: Millicent Rebbly

### **Nairobi County Cooperative Official**

Director of Cooperatives: Ms. Dolphin Aremo  
Sub county Cooperative Officer: MS. Margaret Kamau  
Assistant County Cooperative Auditor: Mr. Gerald Mwai

### **Contestants**

Ben Kaimenyi  
Maurice Otunga  
George Arogo  
Wilfred Waswani  
Daniel Adari  
Diana Kassaman

### **School Representatives**

Antony Mwitii  
Philemon Kilatya  
David Musyoka  
Christine Kaleji

Members were in attendance virtually via:

<https://escrowagm.com/utabibu/Login.aspx> and USSD code \*483\*560#

The meeting was called to order at 8.30 AM, but could not proceed due to a technical hitch (only 100 members could log in). The technocrats worked on it and at 11:04 am, the meeting successfully started with all members managing to log in.

**The Commissioner's Guidelines were presented by the Westlands Sub-County Cooperative officer Ms Margaret Kamau:**

- The meeting should take a maximum of two hours.
- Only hybrid/ virtual meetings were allowed. These are meetings whereby the Board of Directors assemble in one central place, while members join the meeting virtually.
- Ordinarily 1/3 of the Board and Supervisory Committee should retire annually but last year 2020, following the ban on public meetings as a result suspension of all Annual General Meetings those due for retirement could not. Therefore, only the Board members due to retire in 2020 would retire this year, however they qualify for re-election.
- The members should adopt the virtual meeting to transact the business for the day.
- Proposer: Ben Kaimenyi - 2199
- Secunder: George Arogo – 1057 and adopted

Due to time constraints, the elections agenda was fast forwarded to allow members enough time to vote. The Cooperative officer and also the Election Returning officer declared the three positions in the Board and two positions in the Supervisory Committee vacant so that members could start voting. Those who were retiring from the Board were: Diana Kassaman, Jack Wandollah and Charles Obiero and from the Supervisory Committee were Daniel Adari and Ben Kaimenyi.

She introduced the following contestants to the members and confirmed that they expressed their interest in the positions, were vetted according to the set criteria by the Nomination Committee and were found fit to lead the Society:

**Board of Directors:**

Jack Wandollah  
Ben Kaimenyi  
Daniel Adari  
Diana Kassaman

**Supervisory Committee:**

George Arogo  
Maurice Otunga  
Wilfred Waswani

**Minute 1: Previous AGM Minutes**

Hon. Secretary, Ms Diana Kassaman informed the members that because of limited time allowed for the meeting as earlier stated by the Cooperative Officer, she would not read

through the minutes as usual but proceed to matters arising. The minutes had also been shared on the member's portal before the AGM day.

Proposer: Philemon Kilatya Mno. 1214

Secunder: Antony Mwititi Mno. 2932 and adopted.

## Minute 2: Chairman's Report Presented by Mr. Victor Yogo

### Highlights

- He introduced the outgoing directors who had also offered to vie again and wished them well.
- On 16<sup>th</sup> of March 2020 all the public gathering was banned thus suspending all AGMs.
- 26<sup>th</sup> March 2020 the Commissioner of Cooperatives issued a circular to the Cooperatives authorizing those that had audited the 2020 books of Accounts to proceed and pay dividends and Interest on Deposits to members.
- 2019 rate of Dividend to members was 20% amounting to KSH 3,700,000 while
- 2019 rate of Interest on deposits was 10% amounting to KSH 86,000,000.
- 2019 honoraria paid to the Board of Directors and the Supervisory committee was KSH 1,600,000 and
- Bonus paid to the staff was KSH 550,000.

Proposer: Elijah Mulwa - 0739

Secunder: Jared Odhiambo – 3710 and adopted

- In the year 2020 the asset base grew to 1.1B; chairman appreciated the members for patronizing the SACCO products.

	2020 KSHS '000,000'	2019 KSHS'000,000'
Asset Base	1,147	1,020
Loans to Members	976	841
Members' Deposits	945	854
Highest Saver's Deposits	9.8	8.8
Interest on Loans	127	111
Total Revenue	140	121

- As measure to improve liquidity, the board introduced loan banding in the year 2020.
- 85% of the SACCO assets are loans to members.

SASRA – SACCO Societies Regulatory Authority

All Societies that meet the following conditions should register with SASRA

	Conditions
1.	Non-deposit taking business in which the total non-withdrawable deposits from members Is equal to or exceeds the sum of one hundred million shillings (100,000,000)

2.	Non-deposit taking business in which the SACCO society mobilises membership and subscription to its share capital through digital or other electronic platforms
3.	Non-deposit taking business in which the SACCO society mobilises membership and subscription to its share capital from persons who are ordinarily resident outside the country.

### SASRA Requirements

- Capital Adequacy

	Standard Rate	Rate as at 30/12/2020
Core Capital/Total Assets	8%	6.0%
Core Capital/Total Deposits	5%	7%
Institutional Capital/Core Capital	50%	53%
Institutional Capital/Total Assets	8%	3%

- Previously Dividends capitalization target was to raise the minimum share capital per member to KSH 10,000. Therefore, in the year 2018 and 2019 dividend worth KSH 3,074,000 and KSH 3,518,000 were capitalized respectively.
- Retained earnings in the year 2020 was 16 Million compared to the previous years which have been less than 1 Million.
- The main objective for retention is to improve liquidity, thus loan disbursement and deposit refunds will take very short time.
- International Financial Reporting Standards (IFRS) and SASRA require provision for probable loss. Therefore, provision for loan loss was KSH 5.2 Million and KSH 2.3 Million for the year 2020 and 2019 respectively.
- **Consequences for failure to obtain authorization**

	The authority shall:
1	Issue an order prohibiting the SACCO Society from taking any further non-withdrawable deposits from the date of the order;
2	Notify the public and employers to cease making any remittances of non-withdrawable deposits to the SACCO society;
3	Direct bankers and other payment services providers to cease receiving funds on the accounts of or on behalf of that SACCO society;
4	Publish a notice stating that the SACCO society is not authorised to take any further non-withdrawable deposits; and
5	Initiate the appropriate enforcement action against any officer of the SACCO society in accordance with the Act and these Regulations.

- He encouraged the Board to uphold the law.
- The Authority requires the SACCO society to:

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1	Amend the By-laws
2	Review the Policies
3	Register with SASRA
4	Develop a 3 years business plan
5	Develop a service charter
6	Review the Strategic plan

#### **Dividend and interest on deposits**

- 2020 Dividends and interest on non-withdrawable deposits if approved shall be calculated on a flat rate.
- Subsequent interest on non-withdrawable deposits shall be calculated on a pro rata basis up to the time that such deposits are fully refunded to the member upon withdrawal from membership (SASRA 72(2)).
- Regarding Sectorial loan classification (SASRA 72 (2)(i)), he appealed to the members to observe this requirement by specifying the purpose(s) for the loan.

#### **Product development**

- Due to economic hardship experienced last year 2020 as a result of the pandemic, the board introduced the following products:
  - Special emergency loan payable in 24 monthly instalments with the interest rate of 14% per annum on reducing balance.
  - Deposit Booster loan at an interest rate of 10%.
  - Revised interest rate on Instant loan from 10% up front to 3.33% per month.

#### **Technology**

- During this year 2021 the Board will roll out the mobile money loan which will be acquired through USSD code.
- Integration of the SACCO system with the bank system to ensure funds deposited in the bank account are updated in the Member's Personal Account (MPA) immediately.

#### **Corporate governance**

- The board also hired the following officers in the year 2020:
  - the Receptionist: Ms. Purity Mutegi, and
  - the Chief Executive Officer: Mr. Willis Julah
- He requested members to observe a minute of silence for the SACCO members who departed in the year 2019, 2020 and 2021:
  - Beatrice Njeri
  - Charles King'ori
  - Lydia Ombati
  - Veronica Waceke
  - Boniface Shitambasi
  - Shakeel Muradali
  - Patrick Muya

He pointed out that the Insurance Company do settle the outstanding loan/s for the member in addition pay last expense of KSH 120000, 100000, and 80000 for the principal member, spouse and child respectively.

This is courtesy of the monthly contribution of KSH 200 for benevolent fund.

He appealed to the members to update their Nominee Cards.

Proposer: Wilfred Waswani – 2953

Secunder: Christine Kaburu – and adopted

### **Minute 3: Supervisory Committee Report Presented by the Chairperson- Millicent Oriaro**

- Petty Cash: system is well managed.
- Compliances: all statutory deductions were done and filed accordingly within the stipulated time.
- The cash books were updated and also reconciled.
- The Board have continuously reviewed the Strategic Plan.
- The SACCO's assets are well maintained and also insured.
- Ushirika Day was not marked in the year 2020 due to the COVID pandemic.
- Board and staff were well trained in the year 2020 and the courses were relevant to enhance performance.
- The hiring process for the Chief Executive Officer and the Receptionist was transparent.
- Ruiru Plots: The SACCO was compensated by ten plots at Kajiado.
- Loan repayment from Utabibu Investment Cooperative is up to date and according to the terms of the Agreement.

Proposer: Aida Majid - 2049

Secunder: John Obuya and adopted.

### **Minute 4: The Director of Cooperatives Nairobi County: Madam Dolphine Aremo**

- Cooperative Sector signed a Memorandum of Understanding with the Ethics and Anti-Corruption Commission (EACC) to strengthen corporate governance thus safe-guard the members' funds.
- The Cabinet Secretary of the Ministry of Agriculture, Livestock, Fisheries and Cooperatives SACCO Societies Regulations into law thus becomes enforceable with effect from June 2021.
- It has been noted in the Sector that the COVID 19 pandemic affected return on investments for many Societies.
- She clarified that the County will continue its advisory role and also to promote growth and development of cooperatives.
- She emphasised that general meetings are only allowed virtually provided that a request is made to and authorized by the Commissioner for Cooperatives.
- She informed the members that all SACCOs have challenges regarding the staff and Directors but they should have solved them amicably.

**Minute 5: Auditors' Report for the financial year ended 31<sup>st</sup> December 2020 Presented by Mr Gerald Mwai**

**Comprehensive Statement of Income & Expenditure**

Key area	<u>2020</u> <u>KSH</u>	<u>2019</u> <u>KSH</u>
Interest on Loans	127,998,753	111,214,437
Interest Expense	86,720,829	90,916,571
Administrative Expenses	28,092,968	24,935,294
Statutory Reserve Fund	4,779,922	709,747
Surplus to Retain Earnings	16,469,684	688,989

**Statement of Financial Position**

	<u>2020</u> <u>KSH</u>	<u>2019</u> <u>KSH</u>
Cash and Cash Equivalent	71,457,481	42,210,219
Loans to Members	976,383,286	841,602,099
Total Assets	1,147,581,258	1,020,679,356
Deposits	945,356,828	854,566,529
Rebates to members	86,000,000	9,040,000
Shareholders' Fund	69,595,939	39,974,799

Proposer: Consolata Kalafa- 0942

Secunder: Samuel Kimeu-1790 and adopted.

There were no questions for the Auditor, Mr Mwai therefore he left.

**Minute 6: Budget Presented by Jack Wandollah**

	<b>2021</b> Amount in KSHS	<b>2022</b> Amount in KSHS
<b>Expected Income</b>	<b><u>153,433,717</u></b>	<b><u>166,988,467</u></b>
Financial Expenditure	9,831,953	10,640,785
Board Expenditure	5,427,659	5,807,595
Staff Expenses	14,813,430	16,288,383
Other Expenses	2,489,956	1,973,712
Members Expenses	3,921,947	4,196,483
<b>Total Expenses</b>	<b><u>41,951,821</u></b>	<b><u>44,655,679</u></b>
<b>Expected Net Surplus before Tax</b>	<b><u>111,481,896</u></b>	<b><u>122,332,788</u></b>

Proposer: Eric Nyakundi- 2994  
 Secnder: Joshua Odero- 3212 and adopted

**Minute 6: Resolutions**

		<b>Proposal</b>	<b>Proposer</b>	<b>Secnder</b>
1	Borrowing Powers	KSHs 60,000,000	Mary Mathenge-0157	Sylvia Edalia – 4410
2	Indemnity	KSHs 1,000,000	Rose Otili 3736	Dorcas Satia 2843
3	Distribution of Surplus to members in cash	Kshs 79,552,000 At the rate of 8.4% on Deposits	Cyprian Ombati 2585	Samuel Njogu 1559
4	Capitalization of Dividends	KSH 6,447,000	Emily Shiundu-3840	Loyce Kihungi-0221
5	Honoraria	KSHs 2,000,000	Consolata Kalafa 0942	Samuel Njogu -1559
6	Staff Bonus	KSHS 650,000	John Mburu – 2543	Solomon Mbogani – 0518
7	By-laws Review		Rose Nyabera – 4480	Joyce Wanjohi – 2561
8	Approval of Virtual Meetings and electronic voting		Cornelia Ouma – 3504	Hannington Kimaka – 3308
9	Regulation by SASRA		Jemimah Kimeu – 0448	Stephen Muli – 1406
10	Appointment of External Auditors	Qualified by SASRA	Francis Kiroro – 3497	Jared Odhiambo – 3710
11	Membership Maturity period	Change from 6 months to 3 months	Andrew Githui – 4026	Amos Wesonga – 2450
13	Use of scanned forms for share transfers		Sophie Onyango	Rose Mutwiwa -061
14	Appointment of Auditor <ul style="list-style-type: none"> <li>• Henry Smith gathered 17 votes</li> <li>• Ronal LP gathered 7 votes</li> <li>• Mutua and Associate gathered 1 vote</li> </ul>			Therefore Henry Smith was appointed the Auditor for the two Financial years ending 31 <sup>st</sup> December 2022.

**Minute7: Rotational retirement**



All the votes casted for each contestant through the USSD code and link were tallied.  
<https://escrowagm.com/utabibu/Login.aspx> and USSD code \*483\*560#

Board of Directors	Proposer	Secunder	Votes
Diana Kassaman	Daniel Adari-808	Christin Kaleji-1294	287
Jack Wandollah	Ben Kaimenyi - 2199	Victor Yogo- 2369	349
Daniel Adari	Diana Kassaman-415	George Arogo- 1057	261
Ben Kaimenyi	David Musyoki- 1616	Joshua Kilonzo -2685	386

#### Board of Directors

Ben Kithinji, Jack Wandollah and Diana Kassaman were thus elected to the Board of Directors for a period of three years.

#### Supervisory Committee

Supervisory Committee Contestant	Proposer	Secunder	Votes
George Arogo	Philemon Kilatya-1214	David Musyoki- 1616	282
Maurice Otunga	Eunice Maithya-463	Otili Lilian - 3736	269
Wilfred Waswani	Irene Grace Atieno-1270	Gitonga Kenneth-	304

George Arogo, and Wilfred Waswani were elected to the Supervisory Committee to serve.

All the candidates were finally issued by Election certificates.

#### Minute 8: Questions and Answers

Member Number	Name	Question/s	Response
		Share Capital	
		Increase Loan Multiplier to 4	
958	Evaline Sipia Inzera	Why you employed 2 staff in the year 2020	Victor: Job evaluation and SASRA requirements.
691	Mary Wambui	Why restructure the Interest on Instant Loan from 10% for three months to 33.33% per month	Victor: Business and security to the SACCO. There is no proper debt collection. Guarantors at risk
3736	Rose Otili	Good job	

		Open up membership to non Aga Khan University employees.	Victor: membership is already open to the members, spouses and children
		Can the out of common bond join the Board	Victor: No, due to the registered by-laws as at now.
449	Jemima Kimeu	It is mandatory to retain the entire 16m at once or we can approve half and the other half this year? This would slightly raise amount shared to members from 8.4%  Why was this retention not done gradually within an agreed time frame?	SASRA has defined timelines to achieve the ratios
3212	Joshua Odero	Increase the board indemnity to ksh 1.5 M and deposit requirement for eligibility to Ksh 1.5M	This was not discussed
2715	Ann Christine Kaburu	Cost cutting on the budget	The budget is never exhausted it guides/cautions the BOD
	Benson Muiruri	Thank you for early dividend	
2049	Aida Majid	Well done BOD and Staff	
3155	Mark Onyango	Commission for introducing a member should be paid immediately.	Noted
4616	Johnson Ongechi Omache	Reserves, best move towards loaning stability and SASRA compliance	
	Francis	Is it possible in future to open up Utabibu membership to other people other than those	Board opened the bond to former employees of AKUH, N

		<p>who have joined while working in AKU?</p> <p>Can members who left AKU present themselves for elective posts within Utabibu SACCO?</p> <p>Is it possible to extend the deadline of requests for dividends/interest income to be channelled to the payment of loans?</p>	<p>By law only allows those within common bond.</p> <p>By law only allows those within common bond.</p> <p>Yes</p>
3289	Dorcas Kyove	I think the extensions worked for the benefit of the SACCO because the loans actually brought more interest	Correct
3736	Lillian Otili	This far, it's commendable job done. Kudos team.	Acknowledged
	Mwamburi	<p>Restructuring of FOA appreciated but banks are offering similar product at 8%.</p> <p>How does Utabibu plan to compete with the banks?</p>	<p>It was a business decision. The guarantors are at risk.</p>
958	Inzera	<p>Why did you employ a front office staff?</p> <p>Was it because someone left or what?</p> <p>We should cut on costs by all means please.</p>	Due to job evaluation and SASRA regulations

3155	Mark Onyango	I wish we can raise the share capital to between 15,000 to 20,000	Victor: This can be discussed and resolved in an open meeting
2689	George Ongete	With strong SASRA regulation, can we get loans 4 times on the share deposits?	Victor: The board would carry out a survey and consider launching
		Do we have a maximum limit on share capital and how do you inform members there are shares which are up for sale?	Victor: Maximum is 20% of the total Society shares. Informing members-member leaving would seek buyers.
		What is the minimum share capital requirement per member as per SASRA?	This is based on assets to core capital ratios of the society. BOD will advise.
		Can we consider an incentive based honoraria (% of income) as opposed to arbitrary proposal?	This can be considered, that is paying a % of the income.
1111	Dr. Isaac Kihurani	Kindly work on the communication bit which is what is lacking regarding available shares. Thank you for the feedback.	We commit to improve on our communication

#### Chairman's closing remarks

He appreciated all the participants for making the meeting a success.

Closing prayers were led by Mr. Philemon Kilatya.

**Meeting adjourned at 2.37 pm.**

Signed as a true record of the proceedings:

Victor Yogo (Chairman) 

Jack Wandollah (Treasurer) 

Diana Kassaman (Hon Secretary) 