

CHITUKUKO
SAVINGS AND CREDIT COOPERATIVE (SACCO) LIMITED
FINANCIAL STATEMENTS
For the year ended
31 December 2019

CHITUKUKO SACCO LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2019

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CHITUKUKO SACCO LIMITED

DIRECTORS REPORT

For the year ended 31 December 2019

The Directors have pleasure in submitting their report together with the annual financial statements of the Cooperative for the year ended 31 December 2019.

Nature of business

Chitukuko Savings and Credit Cooperative Society (SACCO) Limited is a Cooperative Society registered under the Cooperative Societies Act, 1998 and regulated by the Financial Services Act, 2010 and Financial Cooperatives Act 2011 to promote and engage in the socio economic status by mobilizing savings and offering easy access to affordable financial services.

The objectives of the Cooperative are to:

- Acquire funds through shares contribution and acceptance of deposits from members;
- Encourage thrift savings and member shares by providing means whereby such savings may receive a market rate of interest and competitive rate dividend;
- Provide relief to members in need by enabling them to obtain loans for productive and provident purposes at competitive interest rates and terms of repayment;
- Obtain loans from MUSCCO and any other registered institution if desirable, with due regard to the provisions of section 43 of the Cooperative Act No 36 1998.
- Educate its members in the management and control of money;
- Develop a sense of reliance in its members;
- Develop a sense of honesty and responsibility in its members; and
- Arouse interest in community development and its self help Programme.

The core activities of the Cooperative are saving and credit services to its members.

Financial performance

The results and state of affairs of Chitukuko SACCO Limited are set out in the accompanying statement of financial position, statement of profit or loss, statement of changes in reserves, statement of cash flows and notes to the financial statements. The Cooperative posted a profit of K35 million in the current year and profit of K23million in the previous year. This is attributable to net income increase of K21million and a reduction in finance costs by K4million. Further, expenses as a proportion of income reduced by 10%. The funding liabilities increased by K101million and much of these funds were directed towards loans and advances. Total assets increased to K694million from K569million in 2018.

As at year end the Cooperative was well capitalized and had adequate capital to carry on the business of the SACCO.

Registered office

The registered office of the Cooperative throughout the year was in Lilongwe Old Town, P.O Box 651 Lilongwe. The SACCO has a branch in Blantyre.

CHITUKUKO SACCO LIMITED

DIRECTORS REPORT

For the year ended 31 December 2019

The Directors who served during the year are listed below: -

Name	Designation
Diamond Chikhasu	President
Zaithwa Phambana	Vice President
Alexander Chikapula	Secretary
Ellen Bello	Treasurer
Neddy Mtambo	Vice Secretary
Peter Muona	Vice Treasurer
Paul Mzungu	Board member

Events After the Reporting Period

The directors are not aware of any other matter or circumstances arising since the end of the financial year.

Independent auditors

The independent auditors, Aleksandr Consulting, Certified Public Accountants and Business Advisors, have signified their willingness to continue in office and a resolution is to be proposed at the forthcoming Annual General Meeting in relation to their appointment as auditors in respect of the financial year ending 31 December 2020.

By Order of the Board

President

Board Member

DATE:

CHITUKUKO SACCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 2019

The directors are required under the Cooperative Societies Act, 1998, Financial Services Act 2010 and Financial Cooperatives Act 2011 and By-Laws of Chitukuko SACCO Limited to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Cooperative as at the end of the particular period and of the surplus or deficit of the Cooperative for that period.

The directors are also required to ensure that the Cooperative keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Cooperative and enable them to ensure that the financial statements comply with the relevant law and other related regulatory requirements.

In preparing these financial statements, the directors accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards, when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the Cooperative will continue existence for the foreseeable future.

The directors also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Cooperative and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities.

Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Approval of the Financial Statements

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Cooperative and of their operating results.

These financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
President

.....
Board Member

.....
Date



Aleksandr Consulting

Certified Public Accountants and Business Advisors

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHITUKUKO SACCO LIMITED

Opinion

We have audited the financial statements of Chitukuko SACCO which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cooperative as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of Financial Cooperatives Act 2011.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters are as stated below:



Aleksandr Consulting

Certified Public Accountants and Business Advisors



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Services: Accounting, Audit, Business Strategy, Company Secretarial Work, Company Turnaround, Insolvency Services, Loan Underwriting, Project Management, Risk Management, Strategic Management, Start Ups and Tax



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As disclosed in Note 1, the Cooperative recognised impairment on loans amounting to K15.7 million (2018: K11.7million) against loans and advances balance of K492million (2018: K325 million). This represents the shortfall between the present value of future expected cash flows, discounted at the original effective interest rate, and the carrying value of the advance in respect of loans and advances that exhibit indicators of impairment. Significant judgement is required by the directors in assessing the impairment against loans and advances to customers.

The judgements applied in determining the impairment include:

- The expected realisable value of the collateral securing the advance; and
- Estimates of expected time it will take to realise the value of security on impaired loans.

We considered impairment against loans and advances as a key audit matter because of the following:

- The determination of impairment uses significant judgements coupled with the fact that compliance with IFRS 9 *Financial Instruments* requirements is onerous; and
- Economic fundamentals in Malawi together with other factors may impact on the ability of customers to repay loans.

How the matter was addressed in the audit in evaluating the impairment against loans and advances, we assessed the judgements applied by the directors and our procedures included the following:

- Considering managements' credit control processes to identify impaired advances and testing of relevant key controls in the process;
- Examining on a sample basis the appraised fair value of the collateral securing impaired advances;
- Considering the qualitative factors that indicate impairment including the amount in arrears, period in arrears and the financial strength of the borrower;
- Assessing the adequacy of the impairment recorded based on the realisable value of collateral and the qualitative factors described above; and
- Assessing whether the determination of impairment against loans and advances is in line with IAS 9 *Financial Instruments: measurements*.

We found that the judgements applied in determining impairment against loans and advances were appropriate and that the amounts recorded were reasonable and complied with IAS 9 *Financial Instruments: measurements*. We further concluded that the financial statements disclosures in relation to impairment of loans and advances to customers are appropriate.





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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and for such internal control as management determines 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, management is responsible for assessing the Cooperative'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 management either intends to liquidate the Cooperative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cooperative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cooperative 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity's or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Cooperative's audit. We remain solely responsible for our audit opinion.

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 reasonably be thought to bear on our independence and where applicable, related safeguards.





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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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report 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 internal benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Aleksandr-Alain Kalanda - Malawi Accountants Board Registration # CA/RP/018

Per Aleksandr-Alain Kalanda MBA FCCA CA(M) BCom
Aleksandr Consulting
Certified Public Accountants and Business Advisors
Lilongwe (Malawi)

Date:



Aleksandr Consulting
Certified Public Accountants and Business Advisors



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CHITUKUKO SACCO LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

In Thousands Malawi Kwacha

	Note	<u>2019</u>	<u>2018</u>
ASSETS			
Loans and advances	1	572,885	476,966
Other assets	2	50,463	17,656
Cash and cash equivalents	3	15,048	10,711
Investments	4	39,291	49,447
Property plant and equipment	5	16,382	14,572
		-----	-----
Total assets		694,069	569,352
		-----	-----
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities due to members	6	125,342	73,482
Account and other payables	7	19,813	56,923
Member shares	8	459,749	372,574
		-----	-----
Total liabilities		604,904	502,979
		-----	-----
EQUITY			
Statutory reserves		20,938	12,216
Capital grants		1,855	3,710
Share capital		19,321	17,766
Retained earnings		47,051	32,681
		-----	-----
Total Equity		89,165	66,373
		-----	-----
Total liabilities and equity		694,069	569,352
		=====	=====

CHITUKUKO SACCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019
In Thousands Malawi Kwacha

	Note	<u>2019</u>	<u>2018</u>
REVENUE			
Interest income on loans		139,879	117,278
Interest on investments		238	3,035
Interest expenses and similar charges		-2,835	-6,523
		-----	-----
Net interest income		137,282	113,790
Other income	9	28,422	31,240
		-----	-----
Operating income		165,704	145,030
		-----	-----
EXPENSES			
Administration expenses	10	34,566	42,293
Organization expenses	11	14,972	12,775
Member security expenses	12	3,150	7,176
Personnel expenses	13	68,128	57,683
		-----	-----
Total expenses		120,816	119,927
		-----	-----
Profit before recoveries and impairment losses on loans and advances		44,888	25,103
Impairment losses on loans and advances		-10,000	-4,000
Recoveries on impaired loans and advances		0	0
		-----	-----
Profit for the year		34,888	21,103
		=====	=====

CHITUKUKO SACCO LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

In Thousands Malawi Kwacha

	Statutory Reserves	Capital Grants	Retained Earnings	Share capital	Total
Year ended 31 December 2018					
Balance as at 1 January 2018	6,940	0	23,958	17,766	48,664
Profit for the year	0	0	21,103	0	21,103
Transfers	5,276	-1,855	-3,421	0	0
Addition	0	5,565	0	0	5,565
Addition shares	0	0	0	0	0
Dividend Paid	0	0	-8,959	0	-8,959
	-----	-----	-----	-----	-----
Balance as at 31 December 2018	12,216	3,710	32,681	17,766	66,373
	=====	=====	=====	=====	=====
Year ended 31 December 2019					
Balance as at 1 January 2019	12,216	3,710	32,681	17,766	66,373
Profit for the year	0	0	34,888	0	34,888
Transfers	0	-1,855	1,855	0	0
Addition	8,722	0	-8,722	1,555	1,555
Dividend paid	0	0	-13,651	0	-13,651
	-----	-----	-----	-----	-----
Balance as at 31 December 2019	20,938	1,855	47,051	19,321	89,165
	=====	=====	=====	=====	=====

CHITUKUKO SACCO LIMITED**STATEMENT OF CASH FLOWS**

For the year ended 31 December 2019

In Thousands Malawi Kwacha

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Profit for the year	34,888	21,103
Depreciation	3,320	10,742
Adjustment	-4,781	0
Change in other assets	-32,807	3,081
Change in liabilities	101,925	127,717
	-----	-----
Net cash generated from operating activities	102,545	162,643
	-----	-----
Cash flows from investing activities		
Purchase of plant and equipment	-349	-6,713
Change in loans and advances	-95,919	-163,254
Change in investments	10,156	-218
	-----	-----
Net cash flows from investing activities	-86,112	-170,185
	-----	-----
Cash flows from financing activities		
Proceeds of issue of member shares	1,555	0
Capital grants	0	5,565
Dividends paid	-13,651	-8,959
	-----	-----
Net cash flows from financing activities	-12,096	-3,394
	-----	-----
Net movement in cash and cash equivalents	4,337	-10,936
Cash and cash equivalents at the start of the year	10,711	21,647
	-----	-----
Cash and cash equivalents at the end of the year	15,048	10,711
	=====	=====

CHITUKUKO SACCO LIMITED

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

In Thousands Malawi Kwacha

1 GENERAL INFORMATION

Chitukuko Savings and Credit Cooperatives Limited principal activities include mobilizing savings from its members and using these to provide different types of loans and advances and other financial services to the members. This is in furtherance of the ideals of Co-operatives and the spirit of self-help (people helping people).

The registered office of the Cooperative throughout the year was in Lilongwe Old Town, P.O Box 651 Lilongwe. The SACCO has a branch in Blantyre and Zomba.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Cooperative has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 January 2019.

The adoption of the new standards did not have a significant impact on the financial results of the Cooperative.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The financial statements have been prepared in accordance with Cooperative Societies Act 1998 and the International Financial Reporting Standards (IFRS) for Small and Medium Entities (SMEs) issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

The financial statements are presented in Malawi Kwacha. They are prepared under the historical cost basis except for the revaluation of certain non-current assets and financial instruments. No other procedures are adopted to reflect the impact on the financial statements of specific price changes or changes in the general level of prices. The accounting policies of the Cooperative which are set out below, have been consistently followed in all material respects, unless otherwise stated.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to make

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

In Thousands Malawi Kwacha

judgments in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(b).

3.3 Interest Income and expense

Interest income on funds invested and interest expenses on borrowings are recognized in the statement of comprehensive income for all instruments measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

3.4 Fees and commissions income

Fees and commissions are generally recognized on receipt basis when the service has been provided.

3.5 Financial assets

The Cooperative classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The accounting policy for each category is as follows:

3.5.1 Amortized cost

These assets arise principally from the provision of goods and services to customers (e.g trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

From time to time, the Cooperative elects to renegotiate the terms of trade receivables due from customers. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

In Thousands Malawi Kwacha

effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income.

The Cooperative's financial assets measured at amortised cost comprise **trade and other receivables and cash and cash equivalents** in the statement of financial position.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

3.5.2 Fair value through other comprehensive income

The Cooperative has investment in unlisted entity which is not accounted for as subsidiary, associate or jointly controlled entity. For this investment, the Cooperative has made an irrevocable election to classify the investment at fair value through other comprehensive income rather than through profit or loss as the Cooperative considers this measurement to be the most representative of the business model for these assets. The investment is carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

3.6 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Cooperative after deducting all other liabilities.

Customer deposits are recognized initially at fair value, being the issue proceeds or fair value of consideration received net of transaction costs incurred. These are

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

In Thousands Malawi Kwacha

subsequently stated at amortized cost; any difference between net proceeds and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest rate method. Other liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

3.7 Impairment

3.7.1 Financial assets

A financial asset not carried at fair value through the Statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include:

- (a) default or delinquency by a debtor;
- (b) restructuring of an amount due to the Cooperative on terms that the Cooperative would not consider otherwise;
- (c) indications that a debtor or issuer will enter bankruptcy;
- (d) the disappearance of an active market for a security; and
- (e) for an investment in an equity security, a significant or prolonged decline in its fair value below its cost.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in in statement of comprehensive income and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of comprehensive income.

When a loan is uncollectible, it is written off against related provision for loan impairment. Such loans are written off after all the necessary procedures have

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

In Thousands Malawi Kwacha

been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the statement of comprehensive income. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statement of comprehensive income.

3.7.2 Non-financial assets

The carrying amounts of the Cooperative's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are boarded together into the smallest board of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in statement of comprehensive income. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.8 Income tax

The Cooperative is being treated as being exempt from Income taxes under the first schedule, subsection (ix) to the Taxation Act.

CHITUKUKO SACCO LIMITED

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

In Thousands Malawi Kwacha

3.9 Member shares

Member shares do not earn interest. Instead dividends are paid to members from the accumulated reserves.

Shares in MUSCCO do not earn interest but dividends are received from MUSCCO upon declaration.

3.10 Property, Plant and equipment

3.10.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in comprehensive income. When re-valued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

3.10.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Cooperative, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of comprehensive income as incurred.

CHITUKUKO SACCO LIMITED

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

In Thousands Malawi Kwacha

3.10.3 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Cooperative will obtain ownership by the end of the lease term. Land and capital work in progress are not depreciated.

Surpluses and deficits on revaluation of fixed assets are transferred to capital reserve. On realization of the asset, the appropriate portion of the capital reserve is transferred to statement of comprehensive income. Surpluses on revaluation of property, plant and equipment included in the capital reserve are amortized over the lives of the assets. The estimated useful lives for the current and comparative periods are as follows:

The estimated useful lives for the current and comparative periods are as follows:

Furniture and Fittings	-	10 years
Computers	-	3 years
Vehicles	-	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.11 Pension scheme

The Cooperative contributes to a defined contribution pension plan for employees. Contributions are charged to the statement of comprehensive income as incurred.

A defined contribution plan is a pension plan under which the Cooperative pays fixed contributions into a separate entity. The Cooperative has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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3.12 Provisions

Provisions are recognized when the Cooperative has a present obligation as a result of a past event and it is probable that the Cooperative will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current year.

4 CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Cooperatives accounting policies described above management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods.

(i) Critical judgements in applying the Cooperative's accounting policies

There were no critical judgment, apart from those involving estimations that management has made in the process of applying the Cooperative's accounting policies and that have significant effect on the amounts recognized in the financial statements.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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(ii) Key sources of estimation uncertainty

(a) Residual values and useful lives of property, plant and equipment

The Cooperative tests annually whether the useful life and residual value of its property, plant and equipment were appropriate and in accordance with its accounting policy. Residual values of property, plant and equipment are based on current estimates of the value of these assets at the end their useful lives. The estimated residual values of the assets have been determined by the directors based on their knowledge of the industry.

(b) Estimated impairment of property, plant and equipment

The Cooperative tests annually whether property, plant and equipment have suffered any impairment, in accordance with the accounting policy stated in note vi. These calculations require the use of estimates.

(c) Estimated impairment loss on receivables

The Cooperative reviews its account receivables to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in statement of comprehensive income, the Cooperative makes judgements as to whether there is any observation data indicating that there is a measurement decrease in estimated cash flows from a portfolio of account receivables. Directors use estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019
In Thousands Malawi Kwacha

	<u>2019</u>	<u>2018</u>
1. LOANS AND ADVANCES		
Normal loans	598,602	492,683
	-----	-----
	598,602	492,683
Provision for impairment	-25,717	-15,717
	-----	-----
Total loans and advances	572,885	476,966
	=====	=====
Maturities		
Within 1 year	538,742	443,415
More than 1 year	34,143	33,551
	=====	=====

All non-current receivables are due within 2 years of 31 December 2019. None of these receivables have been subject to a significant increase in credit risk since initial recognition and, consequently, 12 month expected credit losses have been recognised, and there are no non-current receivable balances lifetime expected credit losses.

The main factors considered by the Credit Risk Committee in determining that the amounts due are impaired are that the customers are unlikely to be able to continue in employment for some time, the debts are 11 months or more past due and there is currently uncertainty over whether the insurance claim related to the credit will be paid.

At 31 December 2019 the lifetime expected loss provision for trade receivables is as follows

	Current	More than 11 Months past due	Loss	Total
Expected Loss Rate		35%	100%	
Gross Carrying Value	525,125	73,477		598,602
Loss Provision	0	25,717	0	25,717

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019 In Thousands Malawi Kwacha

Movements in the impairment allowance for trade receivables are as follows:

	<u>2019</u>	<u>2018</u>
At the start of the year	15,717	11,717
Adjustment	0	0
Write off during the year	0	0
Provision reversed	0	0
Increase during the year	10,000	4,000
	-----	-----
As at the close of the year	25,717	15,717
	=====	=====

The movement in the impairment allowance for loans and advances has been included in in the statement of comprehensive income. Credit risk for these assets has not increased significantly since their initial recognition.

2. OTHER ASSETS

Payroll receivables	33,000	0
Staff loans	15,538	16,489
Other receivables	1,925	1,167
	-----	-----
Total other assets	50,463	17,656
	=====	=====

3. CASH AND CASH EQUIVALENTS

Cash at bank	14,414	8,320
Cash in hand	634	2,391
	-----	-----
Total cash and cash equivalents	15,048	10,711
	=====	=====

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019 In Thousands Malawi Kwacha

	<u>2019</u>	<u>2018</u>
4. INVESTMENTS		
Term deposits-CFF	1,241	7,653
MUSCCO shares	15,606	15,606
Alliance Capital Fixed Deposit	2,959	2,959
Continental Asset Management	16,769	16,769
Old Mutual deposits	716	4,460
Statutory reserves	1,000	1,000
MFI Hub Shares	1,000	1,000
	-----	-----
Total investments	39,291	49,447
	=====	=====

These investments are carried at amortised cost using the effective interest rate method. MUSCCO shares are non-interest bearing and are regulated as disclosed in note 3.9

5. PROPERTY, PLANT AND EQUIPMENT

	Computers	Furniture & Equipment	Motor vehicles	Total
Cost or valuation				
As at 1 January 2019	13,068	4,711	4,750	22,529
Adjustment	2,000	1,894	887	4,781
Additions	105	244	0	349
Disposals	0	0	0	0
	-----	-----	-----	-----
As at 31 December 2019	15,173	6,849	5,637	27,659
	-----	-----	-----	-----
Depreciation				
As at 1 January 2019	3,759	2,111	2,087	7,957
Charge for the year	2,154	456	710	3,320
Disposals	0	0	0	0
	-----	-----	-----	-----
As at 31 December 2019	5,913	2,567	2,797	11,277
	-----	-----	-----	-----
Carrying amounts				
As at 31 December 2019	9,260	4,282	2,840	16,382
	=====	=====	=====	=====
As at 31 December 2018	9,309	2,600	2,663	14,572
	=====	=====	=====	=====

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019
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	<u>2019</u>	<u>2018</u>
6. LIABILITIES DUE TO MEMBERS		
Member Ordinary deposits	120,992	73,482
Fixed deposits	4,350	0
	-----	-----
Total member deposits	125,342	73,482
	=====	=====
7. ACCOUNT AND OTHER PAYABLES		
MUSCCO payables	0	37,500
Pension	1,772	1,000
Payables to other SACCOs	0	6,325
Insurance benefits	6,081	6,737
Tax	2,958	1,739
Interbranch transactions	0	57
Other payables	9,002	3,565
	-----	-----
Total account and other payables	19,813	56,923
	=====	=====
8. MEMBER SHARES		
As at the start of the year	372,574	303,487
Net additions	87,175	69,087
	-----	-----
As at the end of the year	459,749	372,574
	=====	=====
9. OTHER INCOME		
Entrance and renewal fees	1,823	2,510
Loan Processing Fee	22,235	26,311
Sundry	45	0
Rent received	4,319	2,419
	-----	-----
Total other income	28,422	31,240
	=====	=====

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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	<u>2019</u>	<u>2018</u>
10. ADMINISTRATION EXPENSES		
Depreciation	3,320	10,742
Computerization	8,786	6,012
Motor vehicle	331	0
Telecommunications	2,922	2,268
Printing and Stationary	2,028	3,981
Transport	887	1,747
Rent	11,071	11,414
Utilities	1,145	1,346
Office expenses	4,076	4,783
	-----	-----
Total administration expenses	34,566	42,293
	=====	=====
11. ORGANIZATION EXPENSES		
Annual General Meeting	2,805	2,301
Board Expenses	2,719	3,096
Other meetings	1,059	1,220
MUSCCO dues	900	900
Marketing	6,097	3,679
Welfare	117	199
Chapter dues	1,275	1,380
	-----	-----
Total organization expenses	14,972	12,775
	=====	=====
12. MEMBER SECURITY		
Life and savings premiums	0	2,864
Audit and supervision	1,570	1,607
Premises security	1,130	1,260
Legal	450	1,445
	-----	-----
Total member security expenses	3,150	7,176
	=====	=====

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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	<u>2019</u>	<u>2018</u>
13. PERSONNEL EXPENSES		
Employees' salaries	48,343	44,584
Pension	4,952	3,643
Staff travel allowances	3,734	2,856
Employee benefits	8,557	5,111
Staff training	2,542	1,489
	-----	-----
Total personnel expenses	68,128	57,683
	=====	=====

14. CAPITAL COMMITMENT
The Cooperative has no capital commitments

15. CONTINGENT LIABILITY
There are no contingent liabilities as at year end.

16. FINANCIAL INSTRUMENTS
The table below sets out the Cooperative's classification of each class of financial instrument.

At 31 December 2019

		Total
Financial Assets		
Cash	Amortised cost	634
Balances from banks	Amortised cost	14,414
Investments	Amortised cost	39,291
Loans and advances	Amortised cost	572,885
Other assets	Amortised cost	50,463

Total Financial Assets		677,687
Liabilities to members	Amortised cost	585,091
Other liabilities	Amortised cost	19,813

Total Financial Liabilities		604,904
		=====

NOTES TO THE FINANCIAL STATEMENTS
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The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

17. FINANCIAL INSTRUMENTS: RISK MANAGEMENT

In common with all other businesses, the Cooperative is exposed to risks that arise from its use of financial instruments. This note describes the Cooperative's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Cooperative's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Cooperative's risk management framework. The board has established the supervisory committee, credit committee, education committee and executive committee, which are responsible for developing and monitoring Cooperative's risk management policies in their specified areas. All Board committees have non-executive members and report regularly to the board of directors on their activities.

The Cooperative's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Cooperative's financial performance.

(b) Credit Risks

Credit Risk refers to financial loss if counter parties will be unable to meet their obligations when they fall due. It arises from lending to individuals, deposits with financial institutions and transactions with suppliers.

Management has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis so that timely corrective action can be taken should circumstances demand. Credit evaluations are performed on all customers requiring credit over certain amount. The Cooperative requires collateral in respect of loans and advances.

The credit committee is responsible for oversight of the credit risk including:

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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- Formulating credit policies in consultation with management, covering collateral requirements, credit assessment, reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.
- Establishing the authorization structure for approvals and renewals of credit facilities. Authorization limits are provided to the board for approval.
- Reviewing and assessing credit risk. The credit committee assesses all credit exposures and prepares a watch list which includes all those that have exceeded their limits and repayments are lagging behind.

MUSCCO internal audit undertakes regular audits of the business and credit processes.

The Cooperative's credit risk is primarily with attributable to loan to members and other loans and advances.

The credit risks on balances with financial institutions are limited because the counterparties are financial institutions with high credit ratings.

The table below shows maximum exposure to credit risk by class of financial instrument.

	<u>2019</u>	<u>2018</u>
Gross Maximum exposure		
Cash with banks	15,048	10,711
Investments	39,291	49,447
Loans and advances	572,885	476,966
Other receivables	50,463	17,656
	-----	-----
	677,687	554,780
Secured by		
Member shares	459,749	372,574
	-----	-----
Unsecured	217,938	182,206
	=====	=====

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rate and credit spreads will affect the Cooperatives income or value of holdings of

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Cooperative adopts a policy of ensuring that its exposure to changes in interest rates on secure loans is on a fixed rate basis subject to market changes.

Interest rate gap

At 31 December 2019

	1-3 months	3-12 months	over 1 year	Total
Assets				
Cash balances	15,048	0	0	15,048
Investments	0	21,969	15,606	37,575
Loans and advances	0	538,742	34,143	572,885
	-----	-----	-----	-----
Total assets	15,048	560,711	49,749	625,508
Liabilities				
Liabilities to members	0	125,342	0	125,342
	-----	-----	-----	-----
Total liabilities	0	125,342	0	125,342
Gap	15,048	435,369	49,749	500,166
Cumulative gap	15,048	450,417	500,166	

At 31 December 2018

	1-3 months	3-12 months	over 1 year	Total
Assets				
Cash balances	10,711	0	0	10,711
Investments	0	28,381	15,606	43,987
Loans and advances	0	443,415	33,551	476,966
	-----	-----	-----	-----
Total assets	10,711	471,796	49,157	531,664
Liabilities				
Liabilities to members	0	73,482	0	73,482
	-----	-----	-----	-----
Total liabilities	0	73,482	0	73,482
Gap	10,711	398,314	49,157	458,182
Cumulative gap	10,711	409,025	458,182	

(d) Liquidity risk

Liquidity risk refers to the risks of a financial institution not being able to fund its operations due to mismatches in the cash flows of assets and liabilities within the statement of financial position. It includes the risk of excessively high interest costs or the institution being forced to sell assets at a loss in order to meet its obligations. It is predominant and usually results from failure to maintain sufficient cash and marketable securities to meet the short-term cash requirements, failure to access capital markets in order to raise the required funds and failure to close out or liquidate market positions.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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Prudent liquidity risk management implies maintaining sufficient cash to meet the financial obligations from a diverse funding base. The Cooperative's approach is to raise funds from deposits, member shares and credit lines to limit dependence on any one source of funds and lower cost of funds. It also maintains a balance between continuity of funding and flexibility through use of liabilities with a range of maturities. In addition the Cooperative has a portfolio of liquid assets as part of its liquidity risk management strategy.

Liquidity risk management At 31 December 2019

	1-3 months	3-12 months	over 1 year Total	
Assets				
Balances from banks	15,048	0	0	15,048
Investments	0	21,969	15,606	37,575
Loans and advances	0	538,742	34,143	572,885
Other assets	0	50,463	0	50,463
	-----	-----	-----	-----
Total assets	15,048	611,174	49,749	675,971
Liabilities				
Liabilities to members	0	125,342	459,749	585,091
Other liabilities	0	19,813	0	19,813
	-----	-----	-----	-----
Total liabilities	0	145,155	459,749	604,904
Gap	15,048	466,019	-410,000	71,067
Cumulative gap	15,048	481,067	71,067	

At 31 December 2018

	1-3 months	3-12 months	over 1 year Total	
Assets				
Balances from banks	10,711	0	0	10,711
Investments	0	28,381	15,606	43,987
Loans and advances	0	443,415	33,551	476,966
Other assets	0	17,656	0	17,656
	-----	-----	-----	-----
Total assets	10,711	489,452	49,157	549,320
Liabilities				
Liabilities to members	0	73,482	372,574	446,056
Other liabilities	0	56,923	0	56,923
	-----	-----	-----	-----
Total liabilities	0	130,405	372,574	502,979
Gap	10,711	359,047	-323,417	46,341
Cumulative gap	10,711	369,758	46,341	

The Registrar of Cooperatives sets and monitors the liquidity requirements for the Cooperative. The Registrar requires the Cooperative to maintain a minimum ratio of 10% of total liabilities. The ratio was 9 % (13% in 2018)

CHITUKUKO SACCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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(e) Capital Management

The risk that an institution is unable to absorb losses, maintain public confidence and support reasonable growth.

Capital risk is the risk of an institution being exposed firstly to another risk which then results in the capital base being threatened. Thus, prudent management of all financial risk is essential to the overall management of capital risk.

The Registrar of Cooperatives sets and monitors the capital requirements for the Cooperative. The Registrar requires the Cooperative to maintain a minimum ratio of 10% of total capital to risk weighted assets. The regulatory capital is analyzed as follows:

	<u>2019</u>	<u>2018</u>
Shares	19,321	17,766
Capital grants	1,855	
Statutory reserves	20,938	12,216
Retained earnings at the start of the year	32,681	23,958
Net income (50% of net income)	17,444	10,552
	-----	-----
Total regulatory capital	92,239	64,492
	=====	=====
Risk weighted assets	678,037	555,515
	=====	=====
Total capital	14%	12%
Minimum requirement	10%	10%
Surplus	24,435	8,940

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Cooperatives processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from the operations and are faced by all business entities.

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The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management and the following things are assured:

- Appropriate segregation of duties including independent authorization of transactions
- Reconciliation of control accounts and monitoring
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Periodic assessments of various risks and adequacy of controls to address identified risks
- Development of contingency plans
- Training and professional development
- Ethical and business standards and
- Risk mitigation

A program of periodic review done by the Supervisory committee and MUSCCO internal audit supports compliance with best practice and Cooperative standards. The results of the internal audit reviews are discussed at board level.

(g) Compliance risk

The compliance function is performed by the manager who ensures that the Cooperative's know your customer policies and procedures are adhered to in order to comply with the Registrar's directives and anti-money laundering legislation.

23. RELATED PARTIES

The Cooperative has a related party relationship with its members, Directors and senior managers. All transactions with the Cooperative are at arms' length basis. These transactions relate to member deposits, loans and advances and shares as disclosed in the other notes to these accounts.

24. SUBSEQUENT EVENTS

Subsequent to the Statement of financial position date no events have occurred necessitating adjustments to or disclosures in the financial statements.

CHITUKUKO SACCO LIMITED

SUPPLEMENATRY INFORMATION

For the year ended 31 December 2019

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SUPPLEMENTARY INFORMATION

The following pages do not form part of the statutory financial statements.

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SUPPLEMENATRY INFORMATION

For the year ended 31 December 2019

In Thousands Malawi Kwacha

Development Statistics

	31-12-2019	31-12-2018	movement	%
Membership		3,089	(3,089)	-100%
Member Shares	459,749	372,574	87,175	23%
Member Loans	572,885	476,966	95,919	20%
Member Deposits and redeemable shares	585,091	446,056	139,035	31%
Income Collection	165,704	145,030	20,674	14%
Expenses	130,816	123,927	6,889	6%
Delinquent Loans	25,717	15,717	10,000	64%
Delinquent Rate	4.49%	3.30%	0.01	36%
Total Assets	694,069	569,352	124,717	22%