

KENTOURS SACCO SOCIETY LTD
REVISED BUDGET 2019 & BUDGET 2020

A/C NO.	NAME	ACTUAL 2018	BUDGET 2018	BUDGET 2019	REVISED 2019	BUDGET 2020
	INCOME					
071	INTEREST FROM NORMAL LOANS	93,581,135	114,000,000	129,500,000	104,810,872	118,436,285
072	INTEREST FROM INSTANT LOANS	2,137,192	1,550,000	1,500,000	2,300,000	2,500,000
080	INTEREST ON SCHOOL FEES LOAN	1,267,068	1,050,000	1,150,000	1,500,000	1,650,000
077	INTEREST ON SUPER SCH FEE	1,087,316	1,180,000	1,390,000	1,180,000	1,250,000
	INTEREST ON EMERGENCY LOAN	4,232,654	2,800,000	3,200,000	5,000,000	5,500,000
	INTEREST ON MOBILE (MJI SORT) LOANS	776,813	-	-	1,500,000	2,100,000
079	INTEREST ON HOME APPLIANCE LOANS	1,773,834	1,600,000	1,780,000	1,900,000	2,000,000
081	SUNDRY INCOME	259,289	350,000	375,000	350,000	375,000
	INTEREST ON DIVIDEND ADVANCE	150,242	155,000	160,000	160,000	165,000
078	INVESTMENT INCOME	22,409,763	14,009,700	12,000,000	25,000,000	27,000,000
082	BRIDGING INCOME	2,328,714	3,450,000	3,900,000	2,500,000	2,700,000
088	INTEREST ON SALARY ADVANCE	62,615	74,000	85,000	70,000	74,000
087	ENTRANCE FEE	547,000	600,000	650,000	550,000	600,000
	EQUITIES REVALUATION GAIN	-	-	-	-	-
	RENTAL INCOME	262,755	-	1,263,770	747,450	996,600
	CALL ACCOUNT INTEREST	476,154	432,000	440,000	480,000	510,000
	TOTAL INCOME	131,352,544	141,250,700	157,393,770	148,048,322	165,856,885
	STAFF EXPENSES	ACTUAL 2018	BUDGET 2018	BUDGET 2019	REVISED 2019	BUDGET 2020
131	SALARIES TO PERMANENT STAFF	8,789,240	9,227,060	10,231,683	9,882,972	10,669,289
132	CASUAL & CONTRACTED LABOUR	197,551	465,600	380,000	300,000	150,000
133	STAFF HOUSING ALLOWANCE	1,664,307	1,740,260	1,896,748	1,906,861	2,090,102
134	STAFF MEDICAL	1,125,675	1,497,461	1,557,461	1,474,574	1,595,872
135	PENSION,N.S.S.F& LONG SERVICE &FINAL DUES	824,878	875,930	911,353	966,783	1,028,956
136	STAFF TRAVEL & LEAVE EXPENSES	817,987	862,141	905,248	803,824	844,015
139	STAFF INSURANCES	230,691	256,884	288,803	276,099	302,266
137	STAFF BONUSES	710,850	802,939	844,307	831,881	889,107
	STAFF EDUCATION AND TRAINING	153,700	200,000	250,000	178,100	187,005
140	STAFF LEAVE- UNUTILIZED DAYS	342,818	100,000	100,000	100,000	100,000
	SUB TOTALS	14,857,697	16,028,274	17,365,603	16,721,094	17,856,613
	AS A % OF TURNOVER	11%	11%	11%	11%	11%

	MEMBERS EXPENSES	ACTUAL 2018	BUDGET 2018	BUDGET 2019	REVISED 2019	BUDGET 2020
150	COMMITTEE SITTING ALLOWANCE	1,284,250	1,433,093	1,504,747	1,436,850	1,508,693
151	COMMITTEE TRAVELLING EXPENSES	1,106,900	1,216,425	1,277,246	1,216,005	1,276,805
152	COMMITTEE SEMINARS	302,200	550,000	570,000	807,100	670,000
153	OTHER COMMITTEE EXPENSES	490,596	481,800	490,000	516,800	532,304
155	ANNUAL GENERAL MEETING EXPENSES	2,021,994	2,430,705	2,576,547	2,897,205	2,400,000
154	MEMBERS EDUCATION	2,340,384	2,831,120	3,029,298	3,172,956	3,331,604
156	UNIT REPRESENTATIVES ALLOWANCES & TRAINING	941,395	1,301,955	1,406,111	1,413,025	1,483,676
202	BOARD MEMBER'S RETIREMENT	100,000	100,000	100,000	100,000	100,000
	SUB TOTALS	8,587,719	10,345,098	10,953,950	11,559,941	11,303,082
	AS A % OF TURNOVER	7%	7%	7%	8%	7%
	GENERAL EXPENSES	ACTUAL 2018	BUDGET 2018	BUDGET 2019	REVISED 2019	BUDGET 2020
174	ASSET INSURANCE	189,364	213,327	246,881	233,668	251,644
175	DEPRECIATION & AMORTIZATION	2,258,141	3,872,670	3,184,790	3,405,075	2,901,260
181	REPAIRS , MAINTANANCE	1,519,506	1,132,193	1,190,000	1,316,600	1,542,430
184	LEGAL FEES AND CONSULTANCY	81,200	300,000	450,000	250,000	275,000
185	AUDIT AND SUPERVISION	167,391	180,000	195,000	180,000	198,000
186	PRINTING AND STATIONERY	435,113	420,000	450,000	450,000	472,500
	POSTAGE, TELEPHONE, INTERNET & WEBSITE	529,013	649,400	681,870	640,000	665,600
187	PUBLIC RELATION & ADVERTISEMENT	829,240	1,062,000	1,115,100	1,235,000	1,405,001
	MARKETING	223,320	300,000	320,000	250,000	260,000
188	SERVICE CHARGE	570,138	525,450	427,140	440,700	427,140
189	OTHER GENERAL OFFICE EXPENSES	494,456	502,000	527,100	521,000	536,630
138	SOFTWARE MAINTENANCE EXPENSES	363,473	363,462	640,300	421,472	429,200
203	MOTORCYCLE FUEL & MAINTENACE	36,206	42,000	45,000	40,000	43,000
	SUB- TOTAL	7,696,561	9,562,502	9,473,182	9,383,515	9,407,405
	AS A % OF TURNOVER	6%	6%	6%	6%	6%

	FINANCIAL EXPENSES	ACTUAL 2018	BUDGET 2018	BUDGET 2019	REVISED 2019	BUDGET 2020
171	BANK CHARGES	230,238	234,000	240,000	235,000	246,750
194	INTEREST ON DEMAND SAVINGS	251,597	165,000	175,000	260,000	273,000
206	INVESTMENT EXPENSES	133,896	125,000	130,000	140,000	150,000
	LOSS ON DOUBTFUL LOANS	-	1,509,146	1,600,000	1,400,000	1,500,000
	LOSS ON REVALUATION/DISPOSAL	1,243,710	-	-	-	-
	SUB- TOTAL	1,859,441	2,033,146	2,145,000	2,035,000	2,169,750
	AS A % OF TURNOVER	1%	1%	0.7%	1.4%	1.3%
	SUMMARY					
	TOTAL EXPENDITURE	33,001,418	37,969,020	39,937,735	39,699,550	40,736,850
	SURPLUS/ (DEFICIT)	98,351,126	103,281,680	117,456,036	108,348,772	125,120,035
	TOTALS	131,352,544	141,250,700	157,393,770	148,048,322	165,856,885
	AS A % OF TURNOVER					
	TOTAL EXPENDITURE	25.1%	24.5%	23.8%	26.8%	24.6%
	SUPLUS	74.9%	75.5%	76.2%	73.2%	75.4%
A/C NO.	CAPITAL EXPENDITURE BUDGET:	ACTUAL 2018	BUDGET 2018	BUDGET 2019	REVISED 2019	BUDGET 2020
	NAME					
	Water Dispenser (A. Meyer)	17,495	16,000			
	1 Laptop ProBook 4540s, 2 HP Desktops	407,438	272,000		161,078	284,655
	New Systems Software	-	7,800,000		7,800,000	
	Scanners	16,500	-			
	Computer Server	1,102,882	1,211,000			
	Office Safe & Cabinet	486,272	522,000			
	2 Office Chairs	50,000	-			
	Office Floor Repair	-	368,000			
	Laser Jet Printer	58,325	60,000		429,200	
	Website Development	244,700	450,000			
	TOTAL	2,138,912	10,699,000		8,390,278	284,655

NOTES TO BUDGET 2020

INCOME

Amount

Interest from Members Loans

This is interest chargeable on members loans as the main income of the society at 1% and 1.1% per month on reducing balance . Year 2019 is projected to generate interest to the tune of Ksh. 104.8m and 2020 will increase at 13% to Kshs. 118.4m.

Ksh.
118,436,285

Interest from Instant Loans

Interest on instant loans is charged at 1.125% per month on reducing balance. It is estimated that in the year 2019 instant loans will generate interest income of Ksh. 2.3m which will decrease to Ksh. 2.5m in the year 2020.

2,500,000

Interest from Super School Fees Loans

It is estimated that in the year 2020, super school fees loans interest will increase by 6% from Ksh. 1.18m in the year 2019 to Kshs. 1.25m.

1,250,000

Interest from Investments

The society will continue investing surplus funds in short term investments like the money market. In 2019 it is projected that we will earn Kshs. 25m which will increase to Ksh. 27m in the 2020 as loan demand has continued to decrease thereby increasing the surplus available for investments

27,000,000

Interest from Emergency Loans

It is estimated that in the year 2020, interest on emergency loans will grow by 10% over the ksh 5m interest expected in 2019.

5,500,000

Interest from Mobile (Mjisor) loans

This loan was introduced in March 2018 on test basis but opened to majority of members towards end of the year. It is therefore projected to generate 1.5m in 2019 and a 40% increase in 2020

2,100,000

Interest from Home Appliance Loans

It is estimated that in the year 2020, interest on home appliance loans will grow by 5% over the ksh1.9M interest expected in 2019.

2,000,000

Interest from School Fees Loans

Year 2020 interest on school fees loans is expected to increase to 1.65m, a 10% increase from 2019.

1,650,000

Sundry Income	375,000
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. The income in 2020 will increase by 7% from 2019 as new members join.	
Bridging Income	2,700,000
Bridging of loans continues to be popular and it is projected that in 2020 the income will increase by 8% from the 2019 amount.	
Entrance Fee	600,000
This is projected to increase from 550,000 to 600,000.00 in 2020 as the industry continues to be more stable.	
Interest on Salary Advance	74,000
Interest on salary advance is charged at 3%. It is projected to increase by 6% in 2020 from Ksh. 70,000 in 2019.	
Rental Income	996,600
It is projected that the extra space in the new sacco offices will be let at about shs 73.49 per square foot from March 2019. The income in 2020 is expected to increase as occupation will be for 12 months	
Call Account interest	510,000
Dividend Advance Interest	165,000
TOTAL REVENUE	165,856,885
EXPENSES	
Salaries to Permanent Staff	10,669,289
Salaries paid to permanent staff are estimated to increase by 8% in the year 2020 based on increase in cost of living and inflation rate.	
Casual & Contracted Labour	150,000
Casual labour is projected to drop by 50% in 2020 as implemetation of a management information system will have been completed.	
Staff Housing Allowance	2,090,102
This is housing allowance for permanent staff. It is estimated to increase by 10% in 2020	

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

1,595,872**N.S.S.F, Pension & Long Service Awards**

The Society contributes towards the National Social Security Fund and towards a pension scheme at 7.5% on basic salary. The account also includes provisions of long service awards.

It is estimated 2020 costs will increase by 6% from the amount projected in 2019.

1,028,956**Staff Travel and Leave Expenses**

This caters for staff travel expenses while on society duties and 15% of one month's basic salary annual leave travel allowances. Year 2020 costs will increase by 5% on ksh 803,824 for 2019.

844,015**Staff Bonuses**

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

It is expected that 2020 will increase by 6% on year 2019.

889,107**Staff Insurances**

Staff insurances as per the labour laws and employment act are provided. This includes WIBA, GPA and Employee Group Life. A 9% increase in 2020 from the projected figure for 2019 has been provided for.

302,266**Staff Education & Training**

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

187,005**Staff Leave**

This is a provision for 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 matters. An increase of 5% is projected in 2020.

1,508,693**Committee Traveling Expenses**

To cater for transport allowances for committee members while attending society meetings and other functions. In 2020 it is projected to increase by 5% over 2019 amount.

1,276,805

Committee Seminars	670,000
This is provided for to enable the committee members attend co-operative training programs and committee workshops. The amount caters for policies review in 2019 and strategic plan review in 2020.	
Other Committee Expenses	532,304
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 2020.	
Education to members	3,331,604
To cater for expenses during members education days per education plan	
Annual General Meeting	2,400,000
To meet the AGM expenses such as hire of venue, food, drinks and allowances for unit representatives . 2020 cost is estimated to decrease by 17% from the 2019 amount which includes 35th anniversary celebrations.	
Units Representatives Allowances & Training	1,483,676
Employer companies representatives are paid a quarterly allowance for inconveniences as they coordinate between members and the office. It also covers their training. An increase of 5% has been provided for in 2020.	
Board Members' Retirement Token	100,000
This is a token to board members who have served for three years and more, as per the sacco policy.	
Assets Insurance	251,644
This covers Insurance for the Society assets, the budget increases by 8% in 2020 due to additional assets to be bought per the capital expenditure budget.	
Depreciation	2,901,260
This is a provision for wear and tear of office furniture, machines and equipment and building as per the assets depreciation schedule. Amortization of software is also included here.	
Repairs and Maintenance	1,542,430
For repairing of office fittings, equipment and machines, contracting for office cleaning services, security system, anti virus, electricity bills, CCTV & ACs maintenance.	

Legal & Consultancy Fees	275,000
For hiring legal, consultancy, and debt collection experts where the society may experience situations which require these experts.	
Audit and Supervision	198,000
To pay for the annual fees for the external auditors and government agencies supervision which has been estimated at 10 % increase on 2019 amount.	
Printing and Stationery	472,500
To cater for stationery for the day to day use in the office.with projected increase in membership, 5% increase is projected in 2020.	
Postage and Telephone	665,600
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 1,600 per month	
Public Relations and Advertisement	1,405,001
CSR, subscription to apex bodies, Co-operative movement celebrations, cost of producing Sacco magazine employer cocktail and advertisement costs. An increase of 14% in 2020 has been provided for.	
Marketing	260,000
This covers marketing officer's expenses of putting up customer care desks at various employer companies and visiting potential companies for member recruitment.	
Service Charge	427,140
This will cater for service charge for the Sacco office which is currently at sh 15.00 per sq ft per month . A 5% decrease is projected for 2020 as it is assumed the rental office will be fully occupied in the year thus payment of service charge will be taken over by the tenant.	
Other Office Expenses	536,630
This is to provide for office tea, drinking water, toiletry, newspapers, end year party, and any other staff related expenses not provided for above. A 3% increase on 2019 has been provided for.	
Software Maintenance Expenses	429,200
This is to take care of software maintenance cost as per the purchase contract	
Motorcycle Repairs & Maintenance	43,000
The Sacco owns a motorcycle. The amount in the budget covers fuel & maintenance.	

Bank Charges 246,750
Bank charges arising out of bank account transaction fees, cheque books, service fees etc.
A 5% increase on 2020 has been projected to take care of increased bank transactions.

Interest on Demand Savings. 273,000
We project a 5% increase in 2020 over the cost for the year 2019.

Investment Costs 150,000
Year 2020 amount is projected to increase by 7% .

Loss on doubtful loans 1,500,000
This is based on a provision at 1.5% on the projected total loan portfolio given the sacco's experience.

Total Expenditure 40,736,850

Total Surplus 125,120,035