



**COOPERATIVE OF PROGRESS AND FINANCING
(CPF INEZA)**

**AUDIT REPORT FOR THE YEAR ENDED
31 DECEMBER 2023**

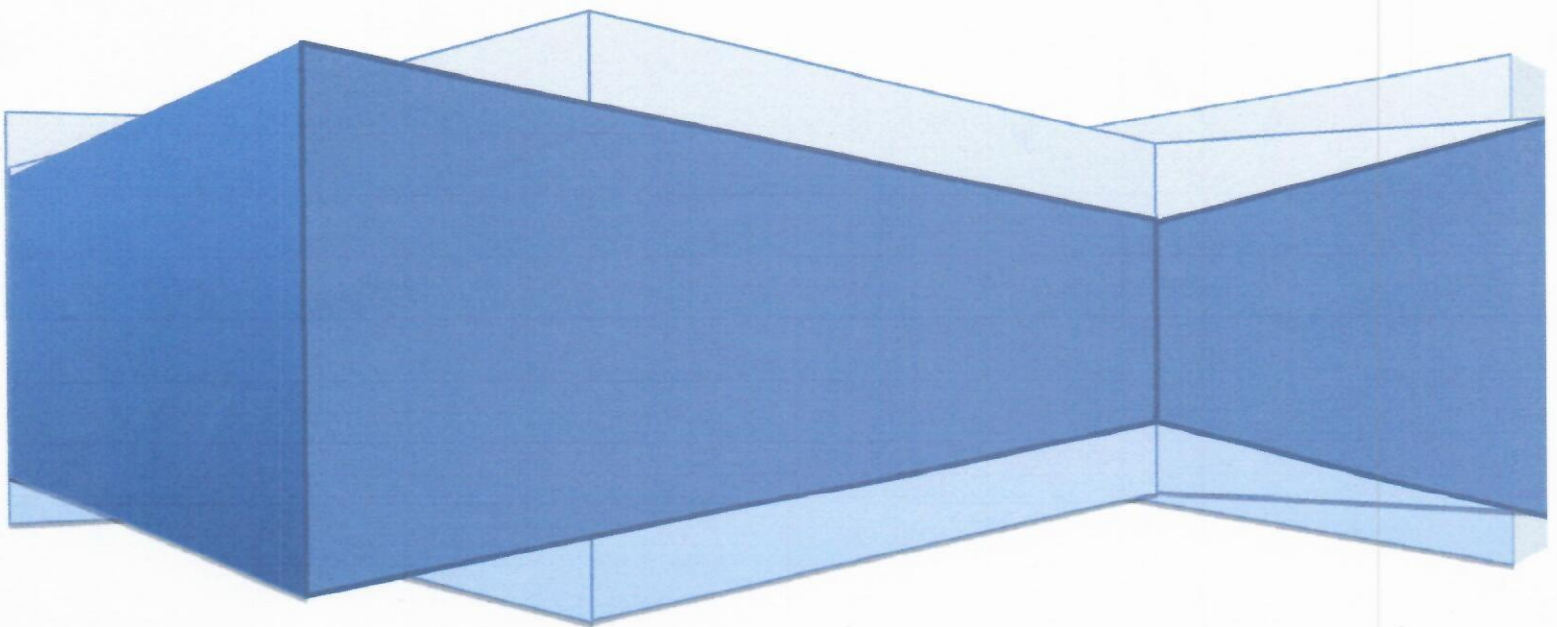


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PART I: ACCOUNTS' REPORT

1.1. GENERAL PRESENTATION OF THE INSTITUTION

1.1.1 INSTITUTION ADDRESS

Legal status: SACCO

License date: 8/16/2010

LOCATION OF THE MAIN OFFICE

Province : SOUTHERN

District : MUHANGA

Sector : NYAMABUYE

Branches :Muhanga , Rutobwe , Runda , Mugina , Nyabugogo

E-mail : cpfineza@gmail.com

Phone: (+250) : 0782553128 / 0788743637

Name of the Managing Director / Manager : UWAMARIYA Chantal

1.1.2. BOARD OF DIRECTORS

Name	Position
MUTAKWASUKU YVONNE	Chairman
KARAKE J BAPTISTE	V/Chairperson
NYIRAMINANI BEATRICE	Secretary
NTIRENGANYA FREDERIC	Advisor
HAKIZIMFURA SCHADRACK	Advisor

1.1.3. AUDIT COMMITTEE

NAME	POSITION
JYAMBERE Laurien	Chairman
-	V/Chairperson
MUCYO JEAN Claude	Secretary

1.1.4. CREDIT COMMITTEE

NAME	POSITION
TUYISENGE Oswald	Chairman
BARARWEREKANA Marc	V/Chairman
UWAJENEZA Clementine	Secretary
MUREMANGANGO Aphrodice	Advisor
MUKESHIMANA Charlotte	Advisor

1.1.5 MANAGEMENT/STAFF

SN	NAME	FONCTION
1	UWAMARIYA Chantal	Manager
2	MPAYIMANA Jean Pierre	Accountant
3	RWASANGABO Innocent	Internal Auditor
4	MUJYAKERA Martin	Loan Officer
5	NIYIGABA Benoite	Branch Manager
6	NYIRAGATESI Clemence	Branch Manager
7	KUBWIMANA Viateur	Branch Manager

1.1.6. BANKERS

BANK OF KIGALI
 BANQUE POPULAIRE DU RWANDA
 COGEBANQUE
 KCB

1.1.7. EXTERNAL AUDITOR

RSK ASSOCIATES LTD
 PO BOX 6556 KIGALI
 KIGALI-RWANDA

1.2. REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED ON 31st December 2023.

The Board of Directors have a pleasure to submit the report with the audited financial statements for the financial year ended on 31st December 2023.



1.2.1 INTRODUCTION

CPF INEZA is a Microfinance Institution (SACCO) located at Nyamabuye Sector, Muhanga District, and South Province. It was licensed by the Rwanda Cooperative Agency (RCA) as Cooperative regulator since 16//8/2010 and by the National Bank of Rwanda to operate microfinance operations since 13/12/ 2010

1.2.2 FINANCIAL STATEMENTS

The financial statements are presented on pages 11 to 14 of this report.

1.2.3 DIVIDENDS

The legal status of CPF INEZA is a SACCO . The directors of CEPF INEZA do not recommend to distribute any incentive to its members from its accumulated benefits .

1.2.4 DIRECTORS

A list of Directors who served during the financial year 2023 is presented on page 3 above

1.2.5 EXTERNAL AUDITORS

RSK ASSOCIATES LTD was appointed as External Auditor in 2023 for a three years' term . RSK ASSOCIATES LTD is a BNR licensed external auditor for MFIs.

1.2.6 APPROVAL OF THE FINANCIAL STATEMENTS

The audited financial statements were approved during the BoD meeting held on 06 /03/2024.

By Order of the Board of Directors

MUTAKWASUKU YVONNE
Chairman of BoD

Date:/03/2024



1.3. REPORT OF THE AUDITOR TO THE MEMBERS OF CPF INEZA.

We have audited the accompanying financial statements of CPF INEZA for the year ended December 31, 2023, which comprise the income statement and the balance sheet as at December 31, 2023.

Our audit work has been undertaken so that we might state to the members of CPF INEZA the matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and regulations, we do not accept or assume responsibility to anyone other than the SACCO and the SACCO's members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors of CPF INEZA are responsible for the preparation of financial statements that give a true and fair view in accordance with the Microfinance institutions' Law in Rwanda, other microfinance regulations from BNR and with Generally Accepted Accounting Principles including International Financial Reporting Standards (IFRSs).

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with relevant legal and regulatory requirements and International Standards on Auditing (ISAs).

BASIS OF AUDIT OPINION

We conducted our audit in accordance with laws, regulations, and audit standards and practices generally accepted in Rwanda, together with ISAs. An audit comprises examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of accounting principles used as well as evaluating the overall financial statement presentation.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. We believe that the



audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements on pages 8 to 18 present fairly, in all material respects, the financial position of CPF INEZA as at 31 December 2023, and its income statement for the year then ended in accordance with the Microfinance institutions' Law in Rwanda, other microfinance regulations from BNR and with Generally Accepted Accounting Principles.

Done at Muhanga on 06/03/2024

RSK Associate

External Auditor



1.4. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2023

1.4.1. STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST December 2023

	Notes	31-DEC-2023 Frw	31-DEC-2022 Frw
Interest Income	2	482,094,655	359,527,661
Interest expense	3	(30,884,082)	(31,604,263)
NET INTEREST INCOME		451,210,573	327,923,398
Provision for loan losses (PPL)	4	(89,539,526)	(54,578,125)
Provision on loans written off	4	(567,287)	(6,276,681)
Recovery on loans	5	96,655,495	69,402,575
Other operating revenue	6		
Operating expenses	7	(296,647,957)	(215,579,829)
OPERATING INCOME		161,111,298	120,891,338
Operating profit		161,111,298	120,891,338
Grant Income	8		
Non -operating income	9	6,419,222	4,875,062
Non- operating expenses	10		
PROFIT BEFORE TAXATION		167,530,520	125,766,400
TAXATION CHARGE	11	(50,532,301)	(37,729,920)
PROFIT AFTER TAXATION		117,016,768	88,036,480

Signed on behalf of CPF INEZA by:

MUTAKWASUKU Yvonne

Chairman of the BOARD

UWAMARIYA Chantal

Manager



1.4.2. STATEMENT OF FINANCIAL POSITION AS AT 31st December 2023

	Notes	31-Dec-23 Frw	31-Dec-22 Frw
ASSETS			
Cash in Vaults	12	62,895,437	42,821,593
Cash held in Banks and Other Financial Institutions	13	653,351,410	495,323,554
Loans and advances to customers	14.1	2,024,644,134	1,779,744,897
Provision for loan losses	14.2	-11,358,289	-11,026,037
Equity Investment	16	85,000,000	85,000,000
Other Assets	17	96,346,080	48,309,687
Property and equipment	18	152,383,061	41,238,978
Depreciation of fixed assets		-89,118,740	
Intangible Assets	19	29,109,992	
Depreciation of Intangible asset			
Total Assets		3,003,253,085	2,481,412,672
LIABILITIES			
Customer deposits	20	1,884,449,271	1,680,285,805
Borrowings	21	389,991,656	263,770,292
Other liabilities	22	26,247,735	63,900,880
Total liabilities		2,300,688,662	2,007,956,977
EQUITY			
Share capital	23	164,039,000	140,661,500
Capital grant	24	38,683,810	483,100
Legal Reserves	25	-	-
Other reserves	26	-	-
Revaluation reserves	27	-	-
Retained earnings	28	332,311,093	244,274,612
Profit/loss for the year		167,530,520	88,036,481
Total equity		702,564,423	473,455,693
Total Liabilities and equity		3,003,253,085	2,481,412,670

Signed on behalf of CPF INEZA by:

MUTAKWASUKU Yvonne

Chairman of the BOARD

UWAMARIYA Chantal

Manager



1.4.3. STATEMENT OF CHANGE IN EQUITY AS at 31st DECEMBER 2023

Description	Share capital Frw	Retained earnings Frw	Subsidies Frw	Total Frw
At 31 DECEMBER 2021	118,350,000	244,274,612	483,100	363,107,712
At 01 January 2022	118,350,000	244,274,612	483,100	363,107,712
Issue of shares	22,311,500			22,311,500
Grant capital			-	0
Comprehensive income for the year		88,036,481		88,036,481
At 31 DECEMBER 2022	140,661,500	332,311,093	483,100	473,455,693
At 01 January 2023	140,661,500	332,311,093	483,100	473,455,693
Issue of shares	24,119,000	-	-	24,119,000
Uncompleted shares to be received	(741,500)			(741,500)
Grant capital	-	-		
Retained earnings	-		38,200,710	38,200,710
Comprehensive income for the year		167,549,070		167,549,070
At 31 DECEMBER 2023	164,039,000	499,860,163	38,683,810	702,582,973

During the year 2023, CPF INEZA received additional share capital amounting to 24,119,000 Rwf

Signed on behalf of CPF INEZA by:

MUTAKWASUKU Yvonne

Chairman of the BOARD

UWAMARIYA Chantal

Manager



1.4.4. STATEMENT OF CASH FLOW

	31-Dec-23 Frw	31-Dec-22 Frw
Profit before taxation	167,530,520	125,766,400
Adjustments for:		
Depreciation	89,539,526	1,711,856
Amortization		(1,507,500)
Prior year adjustment		204,356
Loss or gain on disposal of fixed assets	-	-
Working Capital changes:		
Loans and Advances to customers	244,566,985	(12,606,687)
Other Assets	48,036,393	15,707,030
Tax claimable	12,699,979	
Customer deposits	204,163,466	(2,497,193)
Other Liabilities	(63,900,880)	31,123,764
Cash generated(used) From operations	92,029,275	153,208,840
ASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from/(used in) operating activities	92,029,275	153,208,840
Tax paid	51,612,648	(4513925)
Net cash used in operating activities	143,641,923	148,694,915
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	79,112,898	
Proceeds from disposal of equipment	(66,350)	-
Equity investment	-	10,000,000
Net cash Used in investing activities	64,462,675	10,000,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Repayments of borrowings	152,469,099	-763949
Dividend Received	-	
Grant received	38,200,710	
Proceeds from issuance of share capital	23,377,500	1,437,000
Donated loan fund	-	-
Dividends paid	-	-
Net cash generated from financing activities	214,047,309	673,051
Net Increase/decrease in cash and cash equivalents	293,226,557	139,367,966
Cash and cash equivalents at the beginning of the year	538,145,147	183,682,418
Cash and cash equivalents at end of the year	716,246,847	538,145,147



During the year 2023, CPF INEZA increased in share capital for 23,377,500 Rwf . On the other hand, CPF INEZA received capital grant amounting to 38,200,710 Rwf.

Signed on behalf of CPF INEZA by:

MUTAKWASUKU Yvonne

Chairman of the BOARD



UWAMARIYA Chantal

Manager



1.5. NOTES ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st DECEMBER 2023

NOTE 1: Main Accounting Policies

(a) Base of preparation

The financial statements are prepared and established following the principle of the historical cost.

(b) Recording of Income & Expenses

All income are recorded at the time of receipt, while the expenses are recorded as soon as they are initiated, during the accounting year.

(c) Provisions for loan losses

According to the National Bank of Rwanda regulation, the Non-performing loans are provided for according to the risk category (class) and following the rates are applied to the loans in the stated class:

- Risk category and provision rate applied for loans:
 - Class A (1-29 days): 0%
 - Class B (30-89 days) of delay: 25%
 - Class C (90-179 days) of delay: 50%
 - Class D (180-365 days) of delay: 100%;
- Risk category and provision rate applied to overdrafts:
 - Class A (1-29 days): 0%
 - Class B (30-89 days) of delay: 75%
 - Class C (90-179 days) of delay: 100%
- Renegotiated loans:
 - Overdue for 1 day and more: 100%

(d) Fixed Assets and Depreciation

Fixed assets are recorded at their historical cost, i.e. at their acquisition cost. The depreciation is calculated to amortize the fixed asset on a linear basis over their estimated duration. The linear rates of depreciation used for this purpose are as follows:

- ✓ Buildings: 6 -7%
- ✓ Intangible assets: 10%
- ✓ Vehicles: 25%
- ✓ Office equipment & furniture: 10% ,25%
- ✓ IT equipment: 50%

(e) Loans

Loans are generally shown on the balance Sheet at their current balance in principal less the accumulated provisions for loss on loans. The provision for loss on loans is increased by the



provision made, and decreased by the recoveries realized, during the accounting year. The rates are set up by the National Bank of Rwanda.

SPECIFIC NOTES ON FINANCIAL STATEMENTS

2. FINANCIAL INCOME

The balance of financial income is made of interest from operations with banks and other financial institutions, interest from loan portfolio, commissions on loans and other financial revenue from different investment and operating income. On 31st December 2023, the breakdown of that income is as follows:

Description	31-DEC-2023 Frw	31-DEC-2022 Frw
Income on ops with banks & other Financial Inst.	22,602,845	16,349,558
Interest on loan portfolio	400,690,297	283,284,314
Fees & commissions on loan portfolio	40,606,747	39,352,104
Financial revenue from Investment	5,680,947	4,762,396
Other operating income (transaction fees, passbooks, etc.)	12,513,819	15,779,289
TOTAL	482,094,655	359,527,661

3. FINANCIAL EXPENSES

In CPF INEZA, the financial expenses are made of interest and fees paid on different deposits and savings, interest paid on borrowings, and other financial expenses and commissions paid.

Following are the financial expenses of CPF INEZA at 31st December 2023 :

DESCRIPTION	31-DEC-2023 Frw	31-DEC-2022 Frw
Interest and fees expenses on deposits/savings	2,607,254	8,872,192
Interest and fees expenses on borrowings	25,404,743	19,551,538
Other financial expenses and Commission paid	2,853,535	3,180,533
Total	30,865,532	31,604,263

4. LOSS ON LOANS

The loss on loans are essentially those resulting from the provision for non-performing loans and provisions related to written off loans. Those provisions were as follows on 31st December 2023.



DESCRIPTION	31-DEC-2023 Frw	31-DEC-2022 Frw
Provision expense for the period	89,539,526	54,578,125
Loan Written off expenses	567,287	6,276,681
TOTAL	90,106,813	60,854,806

5. RECOVERIES ON LOANS

The recovery on loans are made of amounts written back especially from the specific provision early constituted on the non-performing loans. They come also from the amounts recovered on the written off loans. As at 31st December 2023 those amounts were as follows:

DESCRIPTION	31-DEC-2023 Frw	31-DEC-2022 Frw
Provisions written back	88,402,874	54,313,114
Recovery from loans written off	8,252,621	15,089,461
Total	96,655,495	69,402,575

6. OTHER OPERATING INCOME

DESCRIPTION	31-DEC-2023 Frw	31-DEC-2022 Frw
Rental Income	-	-
Other revenue(SUBVENTION D'EXPLOITATION RECUE)	6,419,222	4,875,062
Total	6,419,222	4,875,062

7. OPERATIONAL EXPENSES

Those are expenses incurred by the institution in order to run smoothly its operations. On 31st December 2023, CPF INEZA had spent 296,647,957 Rwf in operating expenses against 215,579,829 Rwf on 31st December 2022 .

DESCRIPTION	31-DEC-2023 Frw	31-DEC-2022 Frw
Personnel expenses*	149,193,453	102,681,470
Taxes (other than taxes on profit)	1,007,500	1,148,839
Office rent	9,336,000	20,440,454
External services (consultancies)	5,499,307	6,056,813
Other Administrative expenses*	103,700,484	68,136,750
Depreciation and Amortization expenses	27,911,213	17,115,503
Total	296,647,957	215,579,829



7.1 PERSONNEL EXPENSES

The personnel expenses are composed of following items:

Description	31-DEC-2023	31-DEC-2022
	Frw	Frw
Salaries and wages(gross amount)	128,924,839	87,253,418
Social Security, Employer Contribution	6,161,453	4,482,857
Contributions to health insurance (RSSB 7.5%)	6,494,619	4,376,755
Other staff cost	7,612,542	6,568,440
	149,193,453	102,681,470

7.2. OTHER ADMINISTRATIVE EXPENSES

The composition of other administrative expenses is as follows:

DESCRIPTION	31-DEC-2023	31-DEC-2022
	Frw	Frw
Transport costs	10,433,857	6,296,219
Mission & reception	8,481,659	4,715,672
Printing and stationary	7,864,325	3,829,359
Communication expenses	17,257,686	7,035,170
Repair, renovation and maintenance	6,343,295	5,945,730
Marketing et publicity	9,061,128	9,820,809
Electricity, Water and Fuel	4,309,766	4,436,441
Other expenses research and training	7,837,940	7,181,954
Contribution to professional organizations	7,124,108	8,830,517
Security offices	13,458,006	13,291,000
Frais de transport pour les organs	3,927,346	4,294,700
Insurance	1,446,963	1,494,389
General Assembly	4,977,504	5,632,550
Other administrative expenses	1,176,901	1,873,040
Total	103,700,484	68,136,750

8. GRANT INCOME

During the year 2023, no amount was received by CPF INEZA as grant income (donations or subsidies).

9. NON OPERATING INCOME

During the year 2023, no amount was received by CPF INEZA as an exceptionnel income.



10. NON OPERATING EXPENSES

During the year 2023, no exceptional expense like fines and penalties was incurred by CPF INEZA.

11. TAXATION CHARGE

	31-DEC-2023
DESCRIPTION	Frw
Loss 2022(a)	
Profit 2023 before tax(b)	167,530,520
Profit/Loss after 2023 (b - a)	167,530,520
Subsides received	
Profit net of subsidies	<u>167,530,520</u>
Non-admissible expenses	
Water, electricity and fuel	861,953
Communication	3,451,537
Fines and penalties	
Total expenses to add back	<u>4,313,490</u>
Tax basis	<u>171,844,010</u>
Tax for the period	<u>50,532,301</u>
Advance payment on CIT 2022	38,912,669
Withholding tax 2022 to be recovered	4,867,654
Autoes summers à reservoir de l'Etat	
Tax payable/(claimable)	6,751,978

On 31st December 2023 , CPF INEZA was required to pay tax charge amounting to **50,532,301** Rwf. However, as they had in their books the prepaid income tax of 2023 for 38,975,764 Rwf not yet recovered and paid withholding taxes amounting to 4,867,654 Rwf; the amount payable is 6,867,654 Rwf.

12. CASH IN VAULT

On 31st December 2023, the cash amount in vault was 62,895,437 Rwf, but on 31st December 2023, it was 42,821,593 Rwf .

	31-DEC-2023	31-DEC-2022
	Frw	Frw
VAULT	62,895,437	42,821,593
	62,895,437	42,821,593



13. CASH HELD IN BANKS AND OTHER FINANCIAL INSTITUTIONS

13.1. Cash on current accounts with banks and other financial institutions

The respective bank balances of CPF INEZA were respectively as follows: on 31st December 2023 and 31st December 2022.

BANK NAME	31-DEC-2023 Frw	31-DEC-2022 Frw
BANQUE DE KIGALI	90,860,072	66,685,231
BANQUE DE KIGALI RUYENZI	40,987,795	69,801,267
BANQUE POPULAIRE DU RWANDA	107,722,535	81,284,318
BANQUE POPULAIRE RUNDA	29,428,797	36,520,120
BANQUE POPULAIRE MUGINA	17,303,636	20,706,131
KCB	11,713,354	3,511,254
Mobile Money MTN	54,285,912	27,458,341
COGEBANQUE	1,013,200	9,323,200
	353,315,301	315,289,862

13.2. Placements with banks and other financial institutions

BANQUE DE KIGALI	300,000,000	180,000,000
COGEBANQUE	36,109	33,692
TOTAL	300,036,109	180,033,692
TOTAL CASH IN BANK	653,351,410	495,323,554

14. LOANS AND ADVANCES TO CUTOMERS/MEMBERS

14.1. LOAN PORTFOLIO

	31-DEC-2023 Frw	31-DEC-2022 Frw
a) Gross loans and advances		
Gross loans and advances	2,024,644,134	1,742,971,293
Accumulated impairment losses	(11,358,289)	(11,026,037)
Net loans and advances	2,013,285,845	1,731,945,256



14.2. ANALYSIS OF GROSS LOANS PER RELATIONSHIP**b) Analysis of gross loans by relationship**

	31-DEC-2023	31-DEC-2022
	Frw	Frw
External customers	1,956,552,088	-
Directors	7,277,611	-
Staff	60,814,435	-
Total	2,024,644,134	1,742,971,293

14.3. LOAN ANALYSIS PER OBJECT**c) Loan analysis per object**

Overdraft & Treasury	1,445,097,753	1,269,583,689
Equipment loans	10,873,886	11,740,718
Consumer Loan	100,286,407	82,105,577
Mortgage Loan	425,745,733	379,541,309
Non-Performing Loan	42,640,355	36,773,604
Provision	(11,358,289)	(11,026,037)
Total	2,024,644,134	1,768,718,860

14.4. PROVISIONS FOR LOAN LOSSES**d) Provisions for Loan Losses**

At the start of the period	919,365	1,754,969
Increase (Decrease) during the year	3,823,285	(1,293,845)
At 31 December	4,742,650	919,365

14.5. LOAN ACCORDING TO DAYS OVERDUE**E) Loans According Days Overdue**

	31-DEC-2023	31-DEC-2022
	Frw	Frw
Current Loans	1,626,217,648	1,543,751,742
Portfolio at risk 1-29 days	342,920,337	195,666,810
Renegociated loan(current)	12,865,794	3,552,741
Portfolio at risk 30 to 89 days	19,932,866	30,079,883
Portfolio at risk 90 to 179 days	14,890,348	2,633,945
Overdraft (31-90 days) 75%		68,340
Overdraft at risk >=90 <180days		-
Portfolio at risk 180 to 364 days	7,817,141	3,991,346
LOANS OUTSTANDING	2,024,644,134	1,779,744,807
Portfolio At Risk >29 days (NPL)	42,640,355	36,773,514



15. FINANCIAL INVESTMENT

No financial investment was made by CPF INEZA during the year ended 31st December 2023 .

16. EQUITY INVESTMENT

On 31st December 2023, CPF INEZA had 85,000,000 Frw .

17. OTHER ASSETS

The other assets was made of receivables and stock of office furniture. The respective amounts for each of those items is displayed in the below table.

17.1. Receivables accounts

	31-DEC-2023	31-DEC-2022
	Frw	Frw
CIT recoverable	38,912,669	19,504,197
Autres sommes à recevoir de l'Etat	3,009,565	3,009,565
Taxe sur la valeur ajoutée à récupérer	4,867,654	6,688,192
Assurance protection credit - SORAS	1,675,845	713,079
Other receivables	148,362	150,000
Total	48,614,095	30,065,033

17.2. Other assets

On 31st December 2023, CPF INEZA had no stock of material .

	31-DEC-2023	31-DEC-2022
	Frw	Frw
Stock of material		
Rent prepaid	7,764,000	1,416,000
Fuel prepaid	100,000	155
Insurance	514,775	805,000
Other deposit (caution)	4,730,000	500,000
Transit Account (debit)	6,471,920	4,078,910
Cash deficit UMUGWANEZA Christiane	60,000	60,000
Interest to be received	28,091,290	7,657,912
Total	47,731,985	14,517,977



18. NON-CURRENT ASSETS -PPE

Year Ended:	Safe	Motor	Equipment	Installation	Office	IT equipment	Software	Total
31-Dec-23		vehicles	(Generator)	and Fixture	Equipment			
	Rwf	Rwf		Rwf	Rwf	Rwf	Rwf	Rwf
Depreciation rate	0.1	0.25	0.25	0.25	0.25	0.5	0.1	
Cost								
At 01st January 2023	1,241,467	4,236,900	5,001,312	15,566,464	10,491,369	36,799,001	29,109,992	102,446,505
Additions		8,352,542		60,150,513	849,333	9,760,510		79,112,898
Disposal								
Adjustment				(16,350)		(50,000)		(66,350)
At 31st December	1,241,467	12,589,442	5,001,312	75,700,627	11,340,702	46,509,511	29,109,992	181,493,053
Depreciation								
At 01st January	(423,297)	(4,236,900)	(4,352,932)	(9,752,169)	(4,721,010)	(31,516,073)	(6,205,146)	(61,207,527)
Charge for the year	(124,147)	(2,088,136)	(162,095)	(14,094,710)	(1,654,923)	(7,496,719)	(2,290,485)	(27,911,213)
At 31st December 2023	(547,444)	(6,325,036)	(4,515,027)	(23,846,879)	(6,375,933)	(39,012,792)	(8,495,631)	(89,118,740)
Net Book Value								
At 31st December 2022	694,023	6,264,407	486,285	51,853,749	4,964,769	7,496,719	20,614,361	92,374,313



19. INTANGIBLE ASSETS

The accounting software is the only intangible assets that CPF INEZA acquired for 29,109,992Rwf. On 31st December 2023, the accumulated depreciation is 8,495,631Rwf

20. CUSTOMER/MEMBERS' DEPOSITS

The customer/members deposits are made of balances of demand deposits and term deposits received from members of CPF INEZA. On 31st December 2023, the situation of those deposits was as follows:

	31-DEC-2023	31-DEC-2022
	Frw	Frw
Demand Deposits	301,109,552	267,452,786
Compte a terme de 3 Mois	16,571,401	6,840,848
Compte a terme de 6 Mois	9,393,939	13,508,966
Compte a terme de 9 Mois	150,000	15,036,284
Compte a terme de 12 Mois	2,240,000	1,730,000
Total Term deposits	11,783,939	30,275,250
Total	329,464,892	304,568,884

21. BORROWINGS

On 31st December 2023 , CPF INEZA has a borrowing amounted to

	31-DEC-2023	31-DEC-2022
	Frw	Frw
Financial Borrowing	144,709,560	79,637,499
Other Borrowings	245,282,096	184,132,793
Total borrowings	389,991,656	263,770,292

22. OTHER LIABILITIES

The other liabilities are essentially the amounts to be paid to different creditors of CPF INEZA. Their respective balances as at 31st December 2023 are displayed in the following tables:

22.1. TAX PAYABLE

	31-DEC-2023	31-DEC-2022
	Frw	Frw
TAXES		
PAYE Payable	6,299,059	4,072,242
RSSB Payable	2,871,212	1,292,987
Other amount due to Government	343,293	338,743
	9,513,564	5,703,972
CIT Payable	6,751,978	-



22.2. OTHER PAYABLES

	31-DEC-2023	31-DEC-2022
	Frw	Frw
Other payables		
Life Insurance Premiums	24,000	-
Incomplete share capital	1,978,592	1,974,092
Adjustment on DAT	6,797,242	4,127,038
Charges à payer	896,800	2,500,118
Comptes transitoires ou d'attente Créditeurs	3,756,846	1,385,033
Cash surplus UWAMAHORO Vestine	1,578,278	1,311,962
Medical insurance	69,538	857,486
Other payables	1,632,875	3,136,775
Total	16,734,171	15,292,504

23. SHARE CAPITAL

During the year ended 31st December 2023, only new members were enrolled in CPF INEZA for 24,119,000 Frw.

	31-DEC-2023	31-DEC-2022
	Frw	Frw
CAPITAL PAID UP		
Previous year	140,661,500	118,310,000
Uncompleted shares to be received	-741,500	-
Sale of new share	24,119,000	22,351,500
Value at the end of the year	164,039,000	140,661,500

24. GRANT CAPITAL

	31-DEC-2023	31-DEC-2022
	Frw	Frw
SUBSIDY		
Subsidies on 1 st January	483,100	483,100
CURRENT YEAR /MEMBERS CONTRIBUTION		
	38,200,710	-
Value at the end of the year	38,683,810	483,100



25. RETAINED EARNING

During the year 2023, the retained earnings account recorded was amounting to 332,311,093 Rwf

DESCRIPTION	31-DEC-2023 Frw	31-DEC-2022 Frw
RETAINED PROFIT 1 ST JANUARY	332,311,093	244,274,612
CURRENT YEAR MOVEMENTS		88,036,481
RETAINED PROFIT 31ST DECEMBER	332,311,093	332,311,093



PART II: COMPLIANCE WITH THE LAW AND REGULATIONS

2.1 LAWS AND REGULATIONS ON MICROFINANCE INSTITUTION

2.1.1 GOVERNANCE

CPF INEZA has a Board of Directors composed of 5 members who were all approved by the National Bank of Rwanda. None of the members of the Board is part of the permanent staff of the SACCO.

2.1.2 PRUDENTIAL RATIOS

2.1.2.1 LIQUIDITY RATIO

All microfinance are required to keep the liquidity ratio at a minimum rate of 30%. For INGASHA SACCO, we notice that at 31st December 2023 that ratio was at **38.01%** against 32.03% as at 31st December 2022 .

Description of item	2023	2022
Cash and cash equivalent	716,246,847	538,145,147
Current account and Term deposits up to 3 months	1,884,449,271	1,680,285,805
Percentage	38.01%	32.03%

From the results above, we realize that CPF INEZA was far over the minimum limit of liquidity required by National Bank of Rwanda on 31st December 2023 and on 31st December 2022.

2.1.2.2 SOLVENCY RATIO

Description of item	2023	2022
Net equity	702,582,973	473,455,693
Total assets	3,003,253,085	2,481,412,672
Percentage	23.39%	19.08%

The level of solvency ratio of CPF INEZA was improved in the year 2023. It passed from 19, 08% on 31st December 2022 to 23.39% on 31st December 2023.



2.1.2.3. Non-performing loans' ratio

CPF INEZA manages to keep the Non-performing loan ratio at an understandable level as it was respectively at 2.07% and 2.11% on 31st December 2022 and 31st December 2023.

According to National Bank of Rwanda, the NPL ratio should not exceed 5% of the total loan portfolio; which means that CPF INEZA is in comfortable situation.

Description	31-Dec-23	31-Dec-22
	Frw	Frw
Total Non-performing loans	42,640,355	36,773,514
Gross loans	2,024,644,134	1,779,744,897
Non-performing loan ratio	2.11%	2.07%

2.1.2.4. LOANS TO RESOURCES RATIO

Description	31-Dec-23	31-Dec-22
	Frw	Frw
1. Gross loans	2,024,644,134	1,779,744,897
2. Resources		
Customer deposits	1,884,449,271	1,680,285,805
Share capital	164,039,000	140,661,500
Capital grant	38,683,810	483,100
Legal Reserves	0	0
Other reserves	0	0
Retained earnings	332,311,093	244,274,612
Profit/loss for the year	167,549,070	88,036,481
Total resources	2,587,032,244	2,153,741,498
Percentage	78.26%	82.64%

On 31st December 2023, the total loans granted to members of CPF INEZA was representing 78.26% of its long and medium term resources against 82.64% on 31st December 2022. According to BNR, the total loans should not exceed 80% of the total resources of any MFI or SACCO. For CPF INEZA, its medium and long term resources are today utilized in short term Bank Placements.

2.2 OTHER LAWS AND REGULATIONS

CPF INEZA complies with laws concerning the tax payment and social security funds contribution for its employees. The payment of those taxes and contributions is made on time and adequately.



