



ANNUAL REPORT

2023

CARE COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED

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HIGHLIGHTS

CSR Empowering Futures: CareCoop
Investing In Our Communities

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Member Growth
13.00%

Pg | 30



Share Float
11.01 M

Pg | 20



6%
Saving Portfolio

Pg | 28

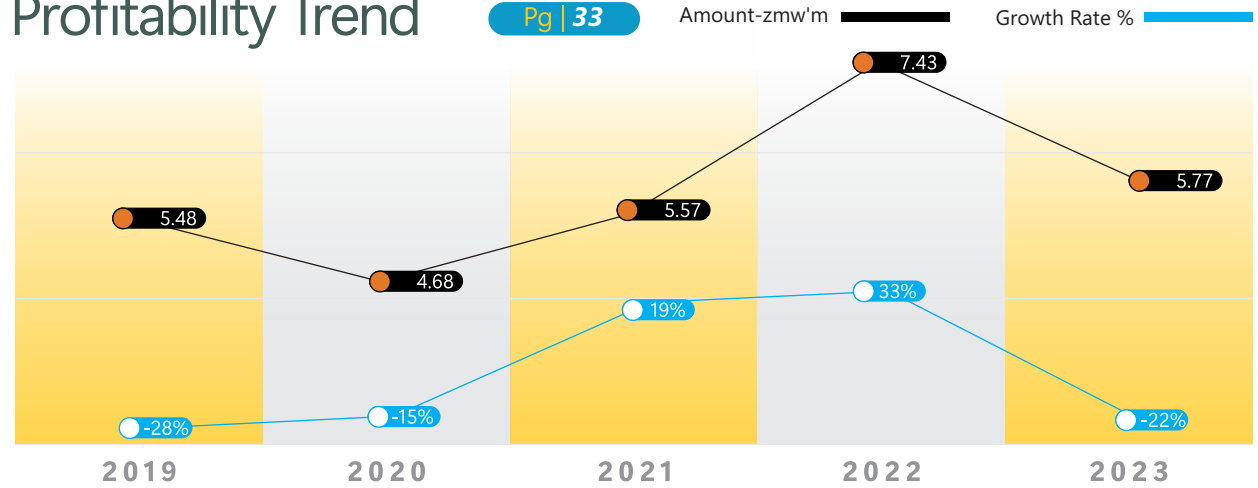
STRATEGIC PLAN LAUNCH 2024- 2028

In December 2023, we launched a five year Strategy covering 2024-2028. The strategic plan presents a vision that embodies our commitment to our members' financial well-being and our determination to embrace change and growth in a rapidly evolving world.

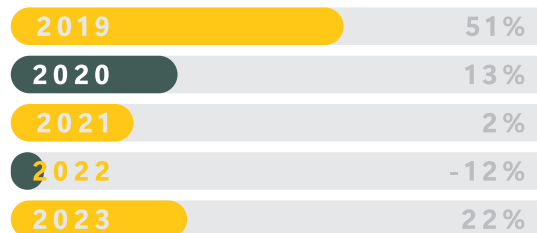
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Profitability Trend

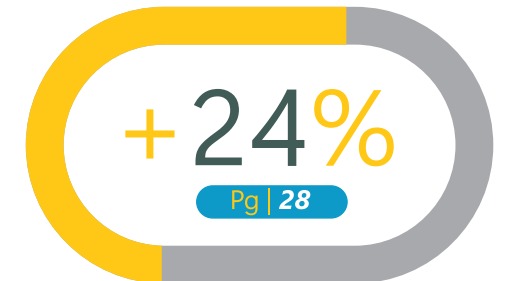
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Loan Portfolio Pg | 28



Loan Disbursement



WHO WE ARE

In 1996, Care Co-operative Savings and Credit Society Limited (CareCoop) embarked on its mission to provide a sustainable and secure platform for savings and loans to its members. Our enduring presence is a testament to our innovation and our ability to adapt alongside our members. Originating as a small Savings and Credit Co-operative (SACCO) with 50 members drawn from three founding organizations—Care International, Plan International, and Pulse Holdings Limited—CareCoop has evolved into one of the largest SACCOs in the country, offering a diversified portfolio of financial products and services, and a membership of over 7,000 individuals affiliated with more than 100 member organizations spread across the country.

Operating under the Co-operative Act of 1998, CareCoop is dedicated to offering affordable financial services and products. Our primary objective is to foster savings among our members and provide them with affordable loans so as to enhance their socio-economic status. With a diverse range of loan products featuring varying pricing and tenors, we aim to cater to the unique financial needs and statuses of our members.

Our Vision

Our vision is to be the leading and dynamic SACCO that empowers our members to attain their financial aspirations.

Our vision statement embodies our aspirations for the future. It serves as a beacon, guiding us toward a path where our members are at the forefront of everything we do. It is a vision of a stronger, more prosperous community, where financial security is a reality for all.



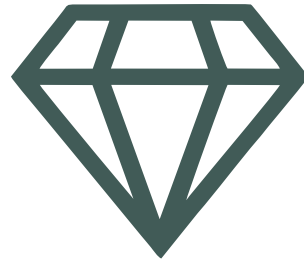
Our Mission

Our Mission is to empower our members by providing affordable, innovative financial products and services; and aspire to be the leading SACCO in Zambia.

Our mission is our promise to our members. It underlines our commitment to providing the best financial services, backed by appropriate technology and a team of experts who truly understand the unique needs of our members.



Our Core Values



ACCOUNTABILITY

All actions of the members, board, and staff shall be in the best interest of the Cooperative with zero tolerance to corruption, fraud, and theft.



TRANSPARENCY

We will maintain openness in all our dealings.



INTEGRITY

All members, board and staff will maintain the highest levels of honesty and truthfulness in all our day to day interactions.



RESPECT

We will hold in high esteem the values and opinions of all members and other stakeholders.

EXCELLENCE

We demand of ourselves the highest quality of service.



COMMITMENT

We pledge dedication and loyalty to the Co-operative



OWNERSHIP

Fostering a culture of responsibility and dedication among the Co-operative's internal stakeholders



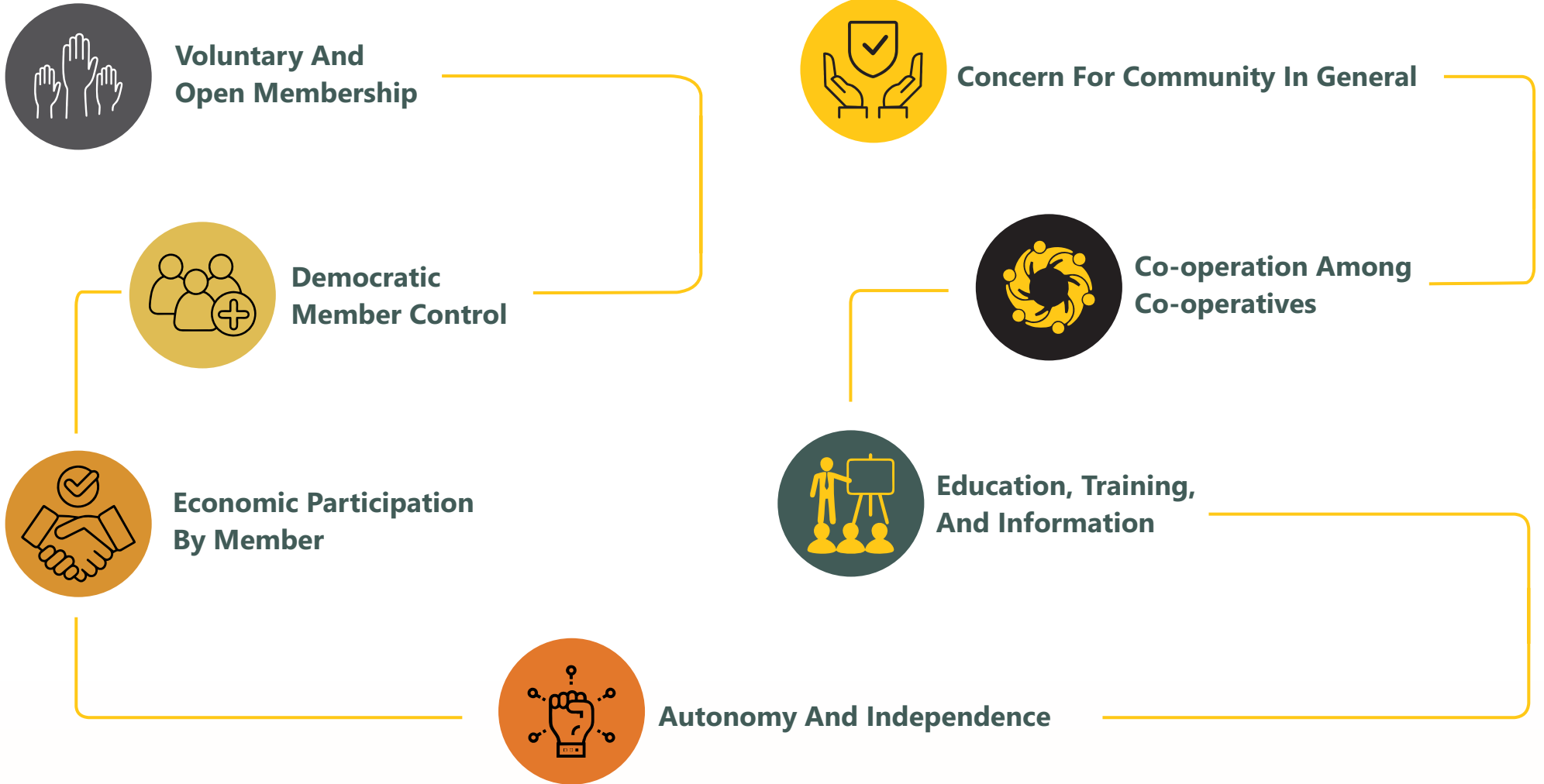
INNOVATION

We will continue to implement innovative solutions and technologies to enhance our service delivery



Cooperative Principles

CareCoop is guided by the following Cooperative principles:

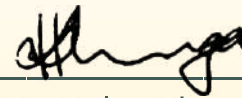


Notice of Annual General Meeting

NOTICE is hereby given that the **29th Annual General Meeting (AGM)** of the members of the **Care Cooperative Savings and Credit Society Ltd (CareCoop)** in respect of the year ended **31st December 2023**, shall be held on **Saturday, 30th March 2024**, at **Mulungushi International Conference Centre**, Kenneth Kaunda Wing, in Lusaka at **08:30** hours to transact the following business:

1. Welcome Remarks
2. Adoption of Agenda
3. Review, Correction and Adoption of 28th AGM Minutes
4. Board Chairperson's Speech
5. Speech by the Guest of Honour - Ministry of Small and Medium Enterprise Development
6. Auditor's Opinion on the 2023 Audited Financial Statements
7. Presentation and Adoption of the 2023 Audited Financial Statements
8. Declaration of Dividend
9. Appointment of Auditors
10. Update on CareCoop Building Project
11. Risk and Audit Committee's Report
12. Presentation of Strategic Plan Overview
13. Amendments to the By-Laws
14. Election of Board Members
15. Election of Board Chairperson and Vice Chairperson
16. Closing Remarks, Prayer, and Lunch

Issued by Order of the **Board** on **15th February 2024**



Ms. Helen Khunga Chirwa
BOARD SECRETARY

CHAIRMAN'S REPORT

Distinguished Shareholders and Other Stakeholders,

On behalf of the Board of Directors, I am pleased to share the results of our operations for the year ended December 31, 2023. The past year has been both intense and swift for CareCoop, and our achievements would not have been possible without the unwavering support and dedication of all stakeholders in our value chain.

There is no doubt that SACCOs play a crucial role in inspiring communities to adopt a savings culture, acting as intermediaries to accelerate financial inclusion and empowerment for those often overlooked by mainstream financial institutions. CareCoop's standing for over 27 years is a testament of the positive impact it has had on the lives of its members and, indeed, on the broader economy.

Performance in 2023

CareCoop's revenue performance recorded an increase from ZMW 32.24 million in 2022 to ZMW 32.79 million in the reporting period. It is however noteworthy that interest income amounted to ZMW 29.36 million, marking a decrease compared to the previous year's figure of ZMW 29.99 million. In spite of the notable interest income reduction, CareCoop recorded a surplus of ZMW 5.77 million compared to ZMW 7.43 million recorded in the previous year.

The earnings have been influenced by the impact of reduced loan interest rates as we responded to the downward loan price reduction call from members. Our commitment to debt recovery remains evident, as

reflected in the reduction of loan impairment costs from ZMW 2.27 million in 2022 to ZMW 1.36 million in 2023.

Significant progress in the preliminary building project prompted an impairment assessment of the buildings in line with the International Accounting Standard (IAS 36). This led to an impairment loss of ZMW 1.04 million. Despite this, I am pleased to observe a positive trajectory, in light of anticipated value gain upon completion of construction. It is critical now, more than ever, to adhere to the projected timelines for concluding the construction works.

MR JOHN SINYANGWE

CHAIRPERSON

Member Contributions

During the year under review, contributions from CareCoop members rose to ZMW 119.98 million, marking an increase from ZMW 113.07 million in 2022, reflecting a growth of 6%. This notable achievement is particularly commendable given the reconciliations that were conducted and, in many instances, resulted in debt swaps against defaulting member savings.

We continue encouraging and appealing to our members to prioritize savings. Our operating model relies on member savings contributions as a crucial source of funding, and we believe that a collective effort in saving will further strengthen our financial sustainability.

Membership Growth

During the review period, 12 member exits, equivalent to 0.17% attrition, were recorded, in contrast to the recruitment of 846 new members within the same time frame. The exits were primarily attributed to financial challenges.

The current membership stands at 7000 individual members and 112 member organizations as at the end of 2023. Recruitment drives in existing markets will continue with an ambitious expansion plan to increase outreach.

Loans

Loan disbursements experienced a significant increase of 24%, rising from ZMW 126.27 million in the previous year to ZMW 156.84 million in the year under review. The loan portfolio exhibited an increase, reaching ZMW 107.05 million, compared to ZMW 87.65 million in 2022, signifying a positive variance of 22%.

This is commendable especially because the loan book underwent reconciliations that led to the write-off of loans in the previous year and some loan closures during the reporting period.

Collections and Loan Recoveries

The management of outstanding debts underscores our dedication to ensuring that we safeguard the funds entrusted to us by our members. Our collection strategies yielded an average monthly collection rate of 97%, in line with our collection target. Additionally, we made several strides in addressing loans that have overtime stopped performing and this resulted in the reinstatement of 67% of the outstanding debt from the top 100 non-performing loans. When traditional methods failed, legal action was pursued in an effort to ensure recovery of outstanding amounts.

Launch of Share Float

In June 2023, CareCoop successfully launched its share float, aimed at expanding ownership, securing funds for growth, and promoting inclusivity in ownership. The enthusiastic reception highlighted CareCoop's commitment to advancing and involving its members by allowing them to actively participate in supporting the growth aspirations of CareCoop.

A total of ZMW 11.01 million was raised as at the close of the initial float on 30th November 2023. This was against a target of ZMW 11.00 million, and increased members' share capital to ZMW 3.12 million, representing a 45% increase against the previous year's report.

The share float was further extended in December 2023 to March 2024, to encourage more economic participation by members in line with our principles as a cooperative.

To safeguard the proposition made to members in the share prospectus, a strategic decision was made to pay dividends to members who purchased shares during the initial float which closed in November 2023. Share allotments that were made beyond this period would be eligible for dividend payout from the surplus that will relate to the 2024 financial year.

Strategic Plan Launch

A new five year strategy (2024-2028) was developed and focuses on positively impacting members and attaining operational efficiency. It proposes bold changes and aims to directly tackle various challenges that we have for a long time carried with us, specifically, those related to customer service delivery, and institutional capital. We have put up deliberate plans to ensure efficient service delivery by leveraging digital platforms, streamlined processes and we will embrace a culture of continuous improvement addressing bottlenecks that affect service delivery. We also look at building capital to grow our business and position ourselves to better provide affordable and relevant financial products and services.

The Strategic Plan articulates how our mandate and vision will be implemented and actualized for greater impact. Our efforts will be geared towards achievement of realistic and measurable outcomes, and we are already seeing momentum building for positive change with efforts geared towards prioritization of members' needs, maintaining transparent communication, building institutional capital to grow the business, sustain a year-on-year reduction in loan interest rates, investment in technology infrastructure and complete the construction of our ultramodern office block.

Core Banking Platform

During the year under review, a new core banking platform, Savings Plus (SP5) was rolled out. This will address many of the challenges experienced with the old system. So far, the implementation has been successful

in stabilizing the processing environment and it is hoped that this will enable the successful roll out of various initiatives aimed at enhancing service delivery and introduction of new products.

Service Promise: Staying True to Our Mission

During our last service survey, members expressed their views on our pricing structures and the relevance of some of our products and requirements. We took the feedback positively and I am happy to say, we responded to it. We have

reduced our loan interest rates and have discontinued certain products and introduced new ones. It is part of our strategy to steadily continue to reduce loan interest rates in the next five years. We have also taken our first step in incorporating a risk based assessment model for our general members as we now consider their historical standing with CareCoop in their ability to access our full range of services without subjecting all general members to the same requirements regardless of the risk profile.

CareCoop Ultra-Modern Office Block

The ongoing real estate project, designed to diversify CareCoop's asset base and income portfolio while enhancing the cooperative's image, is currently in progress. The project is anticipated to have an estimated outlay of approximately ZMW 40.00 million spanning the period 2023 to 2026. Funds earmarked for the project, secured through investments in government securities, currently amount to ZMW12.00 million. Additionally, a total of ZMW11.00 million has been raised from the share float.

The plan is to invest a combined total of ZMW23.00 million, comprising the ringfenced funds and the funds raised from the share float. By the end of 2023, an initial investment of ZMW2.00 million was injected, based on detailed design activities. The final investment of ZMW15.00 million is projected by 2025, indicating a potential project period of 24 months.

Social Contribution

In 2023, CareCoop continued its commitment to Corporate Social Responsibility (CSR) as an integral part of our business values. The CSR initiative was geared towards education and is rooted in our steadfast belief in the transformative power of education. Acknowledging the significance of empowering young minds with the necessary tools for learning and development, CareCoop undertook the initiative to supply essential school materials, including textbooks, to Kamanga Primary school.

Leadership

During the 28th AGM convened in March 2023, a new Board was reconstituted. The AGM retained Director Monica Mutesa to serve her second and final term. Directors Chikwe Mbweeda, Memory Banda Simwaba, Isaac Mwape and Jobrith Mutembo were welcomed on the Board to commence their first term, while Director Lane-Lee Lyabola, Mary Banda, Dr James Zulu, and Kelly Siame departed the Board after completing their terms.

Directors Elizabeth Makeche Mbao and Angela Nkole Phiri have successfully completed their respective three-year terms on the Board. I would like to express my gratitude to the two Directors for the valuable contributions they made during their tenure. My second term on the Board also comes to an end at this AGM and it is with mixed emotions that I announce my retirement as both Board member and Chairman of the Board. Serving in this capacity has been an immense privilege, and I am grateful for the trust and support extended to me by each one of you and my fellow Board members. We have collectively steered the course of our cooperative, overcoming challenges and achieving remarkable milestones. Together, we have witnessed growth, resilience, and the positive impact CareCoop has had on the lives of our members.

My retirement comes with a sense of accomplishment and confidence in the capable hands of the new leadership that will guide CareCoop into the future. I have full faith in the dedication and capabilities of our Board members and Management, and I believe that under their stewardship, our cooperative will continue to thrive. I look forward to witnessing the continued growth and success of CareCoop.

Appreciation

It has been inspiring to see how everyone has pulled together in 2023, remained focused on the future and committed to do all that is necessary to transform CareCoop. I wish to extend my gratitude to my fellow Board members for their support in fulfilling our oversight and strategic role on CareCoop. Your able insights have been very helpful in dealing with the many challenges experienced during the year.

I do also wish to thank our Management and staff for the resourcefulness demonstrated in dealing with the operational challenges experienced. Your commitment is fully appreciated.

Our gratitude goes to our members, shareholders, and other stakeholders. We are grateful for your business and continued support. We commit ourselves to continue to strive to deliver an exceptional experience to you.



John Sinyangwe
BOARD CHAIRMAN

THE BOARD OF DIRECTORS

CareCoop has a committed and dedicated Board of Directors responsible for shaping the strategic direction of the organisation and managing its long-term development and success.



MR JOHN SINYANGWE
CHAIRPERSON



MS CHIKWE MBWEEDA
VICE CHAIRPERSON



MS HELLEN KHUNGA CHIRWA
SECRETARY



MR KUDAKWASHE MUCHEKA
TREASURER



MS MONICA MUTESA
BOARD MEMBER



MR MALAMA MWILA
VICE SECRETARY



MS BRENDA KAYUMBA
BOARD MEMBER



MS ANGELA NKOLE PHIRI
BOARD MEMBER



MS MEMORY BANDA SIMWABA
BOARD MEMBER



MR ISAAC MWAPPE
BOARD MEMBER

AUDIT & RISK COMMITTEE



MS ELIZABETH MAKECHE MBAO
COMMITTEE CHAIRPERSON



MS MATILDA NKASHI
COMMITTEE MEMBER



MR JOBRITH MUTEMBO
COMMITTEE MEMBER

SENIOR MANAGEMENT



MS MUTINTA SHITAZE LUMAYI
CHIEF EXECUTIVE OFFICER



MR SYDNEY KANYATA
HEAD FINANCE & ADMINISTRATION



MS PRUNELLA KAPINGA KALELA
HEAD BUSINESS DEVELOPMENT



MR FRED MUSONDA
HEAD RISK & INTERNAL AUDIT



MS TINA CHILENGI MULANGU
EXECUTIVE & BOARD LIAISON OFFICER



CORPORATE GOVERNANCE STATEMENT



MR JOHN SINYANGWE

CHAIRPERSON

The Board embraces best practice principles in its governance approach based on the understanding that sound governance practices are fundamental to earning the trust of the various stakeholders. This is critical to sustaining CareCoop's performance and preserving shareholder value. The Board strives to embrace relevant local and international best practice and is committed to upholding the fundamental tenets of governance which include independence, social responsibility, discipline, transparency, accountability, and fairness to all stakeholders. In the year under review, CareCoop complied with all applicable laws, rules, regulations, and guidelines on corporate governance.

CareCoop's governance framework enables the Board to fulfil its role of providing oversight and strategic counsel in balance with its responsibility to ensure conformity with regulatory requirements and risk tolerance. It also provides the parameters for delegating its authority.



MR KUDAKWASHE MUCHEKA

TREASURER

Board Of Directors

The Board of Directors plays an oversight role in CareCoop's operations, with the responsibility to deliver value to its shareholders. Directors are elected by the shareholders at the Annual General Meeting (AGM) which is the supreme decision-making body. CareCoop board structure is such that the roles of Chairperson and Chief Executive are separate and distinct. The number and caliber of Directors on the Board ensures that Board decision-making is sufficiently informed by independent perspectives.

Strategy

The Board is responsible for CareCoop's strategic direction. The strategic plan is reviewed, and any updates presented by management annually are discussed and agreed with the Board. The Board ensures that the strategy takes account of any associated risks and is aligned with the vision, mission, values, and set objectives.

Once the financial, governance and risk objectives for the following year have been agreed, the Board monitors performance against these objectives on an ongoing basis. Financial and business performance is monitored through quarterly reports from management, and risks are monitored by the relevant committees, and reviewed by the Board.

Delegation of Authority

The Board retains effective control through a well-developed governance structure that provides the framework for delegation. Board committees facilitate the discharge of the Board's responsibilities by providing in depth focus on specific areas of Board responsibility.

The Board delegates authority to the Chief Executive Officer (CEO) to manage the business and affairs of CareCoop. The CEO is tasked with the implementation of Board decisions and there is a clear flow of information between Management and the Board, which facilitates both the qualitative and quantitative evaluation of CareCoop's performance.

Board Composition & Committees

During the year under review, the Board of Directors was composed of 10 members, and 3 members of the Audit & Risk Committee giving a total of 13 Directors. Mr John Sinyangwe was the Board Chairperson, Ms Chikwe Mbweeda-Vice Chairperson, Mr Kudakwashe Mucheka-Treasurer, Ms Helen Khunga Chirwa-Secretary, Mr Malama Mwila-Vice Secretary, with Ms Monica Mutesa, Ms Brenda Kayumba, Ms Memory Banda Simwaba, Ms Angela Nkole Phiri and Mr Isaac Mwape as members. The Chief Executive Officer, Ms Mutinta Shitaze Lumayi is ex officio of the Board. Members of the Audit & Risk Committee (ARC) included Ms Elizabeth Makeche Mbao, Ms Matilda Changwe Nkashi and Mr Jobrith Mutembo.

Board Committees operate in terms of mandates provided in the By-Laws. Each committee's mandate sets out the roles, responsibilities, scope of authority, and composition.



Education & Shares Committee (ESC)

The ESC plays a crucial role in overseeing and managing various aspects related to member education and information dissemination including customer service. The specific roles and responsibilities of the committee are laid out in the By-Laws.

The ESC was chaired by Mr Malama Mwila, while Ms Brenda Kayumba and Ms Chikwe Mbweeda were members of the Committee.

Loans & Savings Committee (LSC)

The LSC ensures that effective governance on loans and savings is in place in order to provide for adequate management, measurement, monitoring, and control of credit risks.

The LSC was chaired by Ms Angela Nkole Phiri with Ms Monica Mutesa and Ms Memory Banda Simwaba as its other members.

Finance & Operations Committee (FOC)

The Finance & Operations Committee plays a critical role in overseeing and advising on financial and operational matters within the organization. The specific roles and responsibilities of the Committee are laid out in the By-Laws and include, financial oversight, budget approval, risk management, capital expenditure approval, compliance, internal controls, cashflow management, human resource, and operations oversight.

Ms Helen Khunga Chirwa was the Chairperson of the Committee while Mr Kudakwashe Mucheka and Mr Isaac Mwape were members.

Audit & Risk Committee (ARC)

The ARC provides oversight on the management of risks across the organisation. The role of ARC is to assist the Board in reviewing CareCoop's financial position and to safeguard its assets independently. This includes assessing the integrity and effectiveness of the accounting, financial, compliance and internal control systems. It reviews and assesses the integrity of the risk management systems and ensures that risk policies and strategies are effectively and efficiently managed. It also ensures the independence and effectiveness of the internal audit function.

The ARC was chaired by Ms Elizabeth Makeche Mbao with Ms Matilda Nkashi and Mr Jobrith Mutembo as its other members.

Risk Management and Internal Control

The Board is responsible for maintaining sound risk management and internal control systems and determining the nature and extent of the risks that CareCoop is willing to take to achieve its strategic objectives. With the support of the Audit and Risk Committee, the Board carries out a regular review of the effectiveness of its risk management framework and internal control systems, covering all material controls including financial, operational and compliance controls.

Risk registers, based on a standardized methodology, are used to identify, assess and monitor the key risks (both financial and non-financial) faced by CareCoop.

Board Evaluation

The Board is committed to continuous improvements for its effectiveness and performance. The Board's performance and that of its committees is assessed annually against their respective mandates and/or key performance indicators. The objective of these evaluations is to assist the Board and committees to constantly improve their effectiveness by addressing areas needing improvement and providing Directors with the necessary training. The results of this assessment are then considered by the Board.

To assess the extent to which the Board achieved its goals against the set objectives, the Board assessed its

performance and that of its committees in 2023. The evaluations assessed performance in terms of structure, process, and effectiveness. The review of the Board revealed that the performance of the Board and its committees continue to be effective and fit for purpose and relevant action points were also noted for implementation.

In 2023, focus was placed on ensuring exposure through benchmarking visits with SACCOs outside and in country so as to understand best practice and implement learnings. This is an ongoing Board and Management exposure program which will continue into 2024.

Board Education And Induction

Ongoing Board education remains a focus to keep the Directors abreast of all applicable legislation and regulations, changes to rules, standards, and codes, as well as relevant sector developments, which could potentially impact CareCoop and its operations.

On appointment, each new Director receives an induction pack that includes all relevant governance information such as mandates, management structures, significant reports, important legislation, and policies. In addition, one-on-one meetings are scheduled with management to introduce new Directors to CareCoop and its operations. The induction also includes an explanation of the Directors fiduciary duties and responsibilities as stipulated in the Board Charter.

The Board Secretary is responsible for the induction and ongoing education of Directors. Board training conveys the knowledge and understanding needed by Board members in order to carry out their roles effectively and efficiently. During the year under review, Board training was conducted to equip the Board with knowledge and skills in various trending matters pivotal to successful implementation of CareCoop's Strategy.





Connecting With Stakeholders

Regular, pertinent communication with stakeholders is part of CareCoop's fundamental responsibility to improve stakeholder relationships. CareCoop's relevance to its members, SACCO movement and society in which we operate depends on continued and meaningful engagement with all stakeholders.

Several stakeholder engagement initiatives took place during the year, and these will continue in the coming year to build and maintain good relationships with our members, the Apex body, and other stakeholders. This helps in managing the expectations of stakeholders, minimize reputational risk and form strong partnerships, which all underpin business sustainability.

Ongoing engagements with members were facilitated by Management and the Board with topics covered during these interactions being, the Coop's strategic direction, financial literacy, investment options, estate administration (wills and intestate), trust funds, product awareness, customer service standards, CareCoop digital initiatives, election standards and risk generally. The Board Chairman and Directors were available at these meetings to address pertinent areas of concern for members and respond to questions. CareCoop also participated in various training facilitated by the Apex body, National Association of Savings and Credit Unions (NASCU).



MS MUTINTA SHITAZE LUMAYI
CHIEF EXECUTIVE OFFICER

2023 OVERVIEW

As at end of 2023, CareCoop stands as a thriving SACCO that has successfully balanced growth with responsible financial management and remains committed to satisfy its members. The positive trajectory in key performance indicators positions CareCoop for continued success and impact in the years ahead

Successful Share Float Marks Milestone for CareCoop in June 2023

In a strategic move aimed at bolstering growth and enhancing shareholder participation, CareCoop conducted a successful share float in June 2023. This milestone event marked a significant chapter in CareCoop's journey, reinforcing its commitment to transparency, expansion, and value creation. The share float, presented a unique opportunity for our members to become part of the CareCoop shareholding family, sharing in the Coop's successes and contributing to its future endeavours. By making a portion of its shares available to the members, CareCoop sought to diversify its ownership base and generate additional capital to fuel ambitious plans and projects.

Part of the funds raised were earmarked for the construction and development of an ultra-modern office block. A move which not only signifies CareCoop's commitment to expansion of its income base, but also underscores its dedication to providing a state-of-the-art workspace that reflects innovation, sustainability, and a forward-looking corporate culture.

The issuance of new shares was not just about raising funds, it was a strategic decision to democratize ownership and engage a broader shareholder base in the Coop. Throughout the share float process, CareCoop prioritized transparency and communication. A detailed prospectus, member engagements and other informational materials were disseminated to provide members, and indeed, potential shareholders with comprehensive insights into the financial health, strategic objectives, and the market landscape in which CareCoop operates. The response from the members was overwhelmingly positive, raising ZMW 11.01 million out of the floated ZMW 11.00 million worth of shares, indicating strong member confidence in CareCoop's prospects

Benchmarking for Organizational Excellence

During the past year, we proactively engaged in benchmarking activities both domestically and internationally. The primary aim of this strategic initiative was to assess and compare our operational performance against industry standards and best practices. The insights gained from this comprehensive benchmarking endeavor have proven to be a valuable tool for continuous improvement and informed strategic decision-making. We sought to evaluate our performance comprehensively by comparing it to industry standards both within our local landscape and on an international scale.

We used benchmarking as a catalyst for identifying areas of strength, including those requiring enhancement and enabled us to critically assess our organizational performance in key areas, offering a clear understanding of our standing within the industry. We successfully identified our organizational strengths, which were acknowledged and further leveraged to maintain and enhance our competitive edge. Concurrently, we pinpointed areas that required enhancement, providing a roadmap for strategic planning and resource allocation.

Building on the insights garnered, we have actively adopted industry best practices to improve overall efficiency and effectiveness. Our operations have been realigned to adhere to industry standards and incorporate current trends, ensuring our sustained competitiveness within the marketplace. The benchmarking data served as a foundation for implementing targeted improvements in various facets, including processes, services, and overall organizational performance. By aligning our operations with benchmarking findings, we have fortified our position in the industry and ensured relevance in a dynamic business environment.

The adoption of best practices and the implementation of targeted improvements underscore our commitment to excellence. We remain dedicated to the principles of continuous improvement and adaptation to industry benchmarks, ensuring sustained competitiveness in the ever-evolving business landscape.



STRATEGIC PLAN LAUNCH 2024-2028

In December 2023, we launched a five year Strategy covering 2024-2028. The strategic plan presents a vision that embodies our commitment to our members' financial well-being and our determination to embrace change and growth in a rapidly evolving world. We aspire to be the leading and fastest growing SACCO in Zambia providing affordable and diverse financial products and services, and this is evident in the strategies envisioned in the plan. The strategy outlines initiatives meant to ensure that CareCoop is fully compliant with the cooperative model and provide meaningful value for members and contribute to economic growth. The strategic plan is anchored on specific focus areas which include:

Member centricity:

Members being placed at the centre of what we do. Efforts will be geared towards prioritization of members' needs, maintaining transparent communication, and investing in member engagement, education, and financial literacy. To this effect, Processes will be streamlined and strengthened at all levels to ensure efficient customer service delivery.

Growth:

Growth being one of the core objectives, the strategic plan renews the commitment to expand and strengthen our presence in the market. Focus is placed on growing the membership base, diversifying product and service offerings, and expanding reach.

Digital Integration:

The world is becoming increasingly digital, and we are determined to not only keep pace but to lead in this area. Deliberate investment in digitization and innovation has been planned and the strategic plan is well-timed as it comes when we upgraded our IT capability through an enhanced and robust core banking system, Savings Plus. Investment in modern technology to enhance member experience, streamline operations, and ensure the security of financial transactions will continue.

Financial Resilience:

The plan takes cognizance of our need to grow institutional capital as a strategic imperative for financial stability and expansion. Various initiatives meant to raise institutional capital necessary to fuel business growth, leverage economies of scale resulting in reduction of annual loan interest rates, investment in technology infrastructure, and complete construction of the ultra-modern CareCoop office block have been put in place.

The strategic plan also considered changes that are constantly impacting proficiency in the areas of security, cost management and institutionalization of risk management. In today's rapidly changing world, adaptability and foresight are key. Our strategic plan is designed to equip us with the tools and mindset needed to thrive in this dynamic environment.



Empowering Futures: CareCoop Investing In Our Communities

CareCoop is committed to making a meaningful impact beyond profits, it proudly spearheads a CSR initiative focused on education – specifically, the distribution of school materials to local community schools. We identify schools and areas where the need is greatest and ensure that our efforts are aligned with the specific needs of each community, thereby maximizing the positive impact of our initiative. Our belief in the transformative power of education serves as the driving force behind this initiative. Recognizing the importance of equipping young minds with the tools they need to learn and grow, CareCoop took the initiative to provide essential school materials in the form of textbooks to Kamanga Primary School.

The primary goal of this CSR campaign was to address the educational disparities that exist in our communities. By ensuring that every child has access to basic learning resources, we aim to contribute to a more inclusive and equitable educational environment. We believe that education is the cornerstone of societal progress, and every child, regardless of their socio-economic background, deserves the opportunity to learn and succeed



Improving Our Customer Service

We recognize that there is more work to be done to consistently meet and exceed member needs. To improve customer service which fell below our expected standards in 2023, we have invested in a number of initiatives with some already rolled out and others underway. We intend to retrain our customer service staff, use digital channels to improve our service delivery, and, to this end, a Call Centre will be launched and resources deployed to ensure members have easy access to our services including providing us with instant feedback after each interaction. Our engagement with our members will continue on a monthly basis combining both virtual and in person roadshows. We will continuously address member concerns and the insights derived from the feedback will enable us to devise strategies, and ultimately create and deliver value.

Member Engagement Sessions: Fostering Collaboration and Communication

To better understand the needs, expectations, and pain points of our members, we launched a series of initiatives among them, member engagements.

Member engagement sessions play a vital role in fostering a strong and interactive relationship between us and our members; and active member involvement plays a significant role in shaping CareCoop's direction and success. We organized a series of member engagements twice a month as a platform for open communication, feedback, and collaboration.

These engagement sessions included informative segments that contribute to financial literacy and awareness, legal matters, presentations on CareCoop initiatives, updates, and Q&A sessions all meant to empower members with relevant financial knowledge.

Customer Grievance Redressal Mechanism

Complaints & Feedback Procedure



If you have a concern or are dissatisfied with our service, you have the right to report using any of the following ways:

01	Contact Customer Service by emailing customerservice@carecoop.co.zm or Call 0971425310 (Airtel) or 0961425310 (MTN)
02	Still not happy after 24 hours? Email or Call the Head Business Development through: Hbd@carecoop.co.zm or Call: 0776447566 (Airtel) - 0764322869 (MTN)
03	Still not satisfied after 48 hours? Email or Call the CEO through ceo@carecoop.co.zm or 0763055341

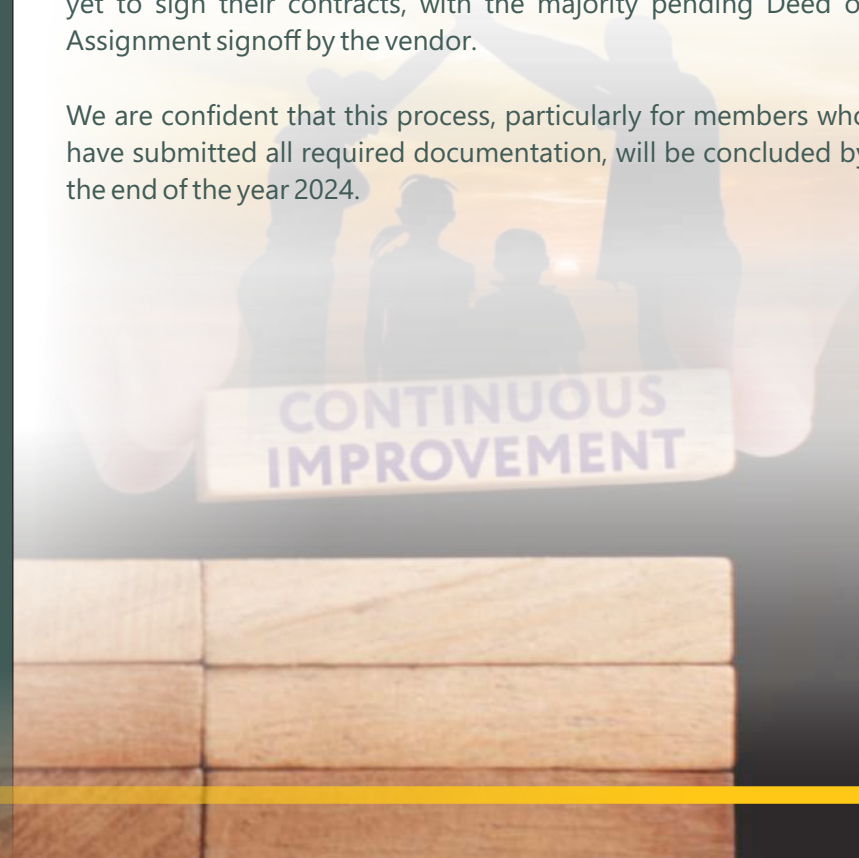
We seek to treat our members fairly and provide transparency in our product and service offerings. We make continuous efforts to improve, and we have a well-defined escalation procedure to ensure that member complaints are appropriately addressed within stipulated timelines. All complaints received are recorded and tracked for end-to-end resolution. The Education and Shares Committee of the Board diligently oversees customer service at various levels, reinforcing our dedication to providing exceptional service to our members.

Coop Villa and Mungule Titling Progress

The Coop Villa and Mungule land projects have encountered delays in the conclusion of deliverables, extending beyond initial projections, primarily related to the processing of title deeds. While substantial progress was achieved in Mungule titling in the previous year, the same cannot be said for Coop Villa.

The transition of the Ministry of Lands from its old land management system to a new electronic system further contributed to the slowdown in the process. However, there has been notable progress this year in Coop Villa, with 17 out of 50 properties having their title deeds processed. Some members are yet to sign their contracts, with the majority pending Deed of Assignment signoff by the vendor.

We are confident that this process, particularly for members who have submitted all required documentation, will be concluded by the end of the year 2024.





2023

BUSINESS OPERATIONS REPORT

This report provides a comprehensive overview of the business operations of CareCoop during the 2023 reporting period. It covers key performance indicators, and strategic initiatives undertaken during the year.

Growth in Loans and Savings

CareCoop's loan book grew by 22 % from ZMW 87.65 million in 2022 to ZMW 107.05 million in 2023. We recorded ZMW 156.84 million in disbursements in the year compared to ZMW 126.27 million in the previous year, representing a positive 24% variance between the two periods. The introduction of new loan products is expected to improve the loan book in the year 2024. Savings grew by 6% to close at ZMW 119.98 million up from ZMW 113.07 million in 2022.

Loan Disbursement

2022  ZMW 126.27M > 2023  ZMW 156.84M

Gross Loan Portfolio

2022  ZMW 87.65M > 2023  ZMW 107.05M

Savings Portfolio

2022  ZMW 113.07M > 2023  ZMW 119.98M



MS ANGELA NKOLE PHIRI

LOANS & SAVINGS
COMMITTEE CHAIRPERSON

Debt Collection

The debt collection status demonstrates our commitment to effectively managing outstanding debts while maintaining compliance and debtor relationships. By employing a combination of communication strategies, negotiations, and legal actions, we have navigated challenges and made strides in improving debt recovery rates. Generally, we recorded an average monthly collection of 97%, similar to what was reported in the previous year. In addition, out of the ZMW 9.24 million outstanding from the top 100 non-performing loans, we successfully reinstated 67% in our continuous efforts to ensure intensive debt recovery. In instances where debt collection engagement did not yield positive results, legal action was initiated and associated costs of such recovery efforts were borne by the defaulting members.

Strategic Partnerships

Establishing strategic partnerships is a key component of CareCoop's approach to member empowerment and these partnerships provide opportunities that directly benefit our members. Strategic partnerships pursued are tailored to the needs of our members and create a holistic ecosystem of support, offering varied benefits. In the year under review, we forged alliances in areas of land empowerment under the Leopard's Hill land project where two partners were engaged- one next to Nkwashi and another in Palabana road area, both off Leopard's Hill road.

Product Revamp and Loan Price Reduction

The revamping of existing loan products was pivotal in shaping CareCoop's growth trajectory. This strategic move was aimed at diversifying our offering, catering to evolving member needs, and ensuring sustained competitiveness in the SACCO movement. The new product offering included introduction of relevant new loans and savings products, and most importantly, saw a reduction in loan interest rates.

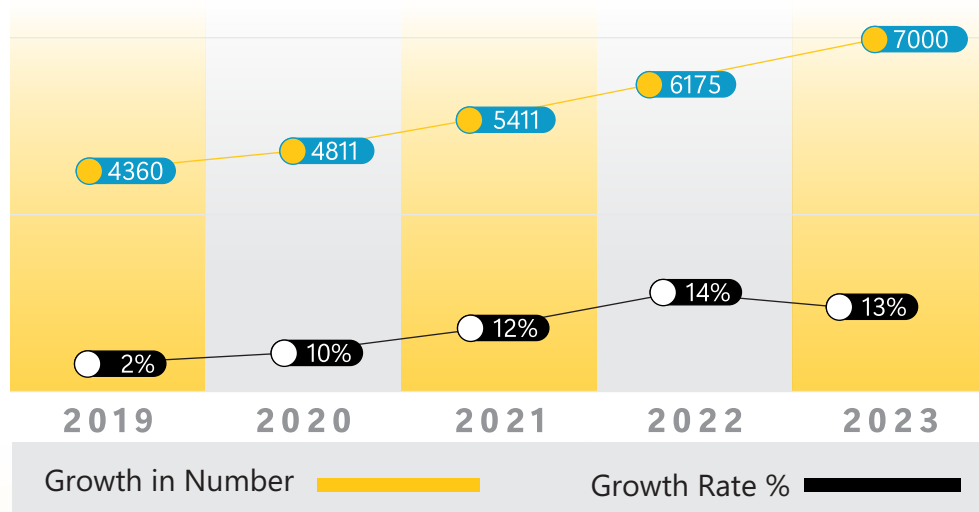


Growth in Membership

Our individual membership recorded a growth of 13% from 6175 in 2022 to 7000 in 2023. In addition, member organisations also recorded a steady growth from 103 at the beginning of the year to 112 by the end of 2023. CareCoop is expecting to continue on this growth trajectory as member organizations are expressing interest in joining CareCoop and attractive services and offers are planned for 2024 to attract members.

Membership Figures

MEMBERSHIP GROWTH TREND



MR MALAMA MWILA
 EDUCATION & SHARES
 COMMITTEE CHAIRPERSON



Customer Satisfaction

We remain committed to delivering a positive experience to our members and believe that exceptional customer service is the cornerstone of our success. While we have achieved success in various aspects of our operations, we acknowledge that our performance in customer satisfaction did not meet the high standards we set for ourselves. Our customer satisfaction score was 71% against a target of 80%. The score recorded an improvement of 9.23% from 65% satisfaction score reported in the previous year. This however is still below the targeted score and CareCoop has continued to provide feedback platforms for members to identify specific member pain points and develop solutions that seek to address these challenges.

Through a thorough analysis, we have identified specific areas that contributed to the decline in customer satisfaction. This includes

longer-than-desired response times, instances of miscommunication, challenges in issue resolution and delays in loan turnaround time. We recognize that these issues have impacted the overall experience for our members.

In response to these challenges, we have already implemented action steps. Our customer service team is undergoing additional training to enhance their communication skills and problem-solving abilities. We are also investing in technology to streamline our processes and reduce response times.

While we acknowledge the challenges we faced this year, we are optimistic about the steps we are taking to rectify them. We appreciate the patience and understanding of our members as we work diligently to enhance the customer experience.

Know Your Customer (KYC) Update

The key objectives set for the Know Your Customer (KYC) update process was to ensure alignment of objectives with organizational standards and best practice requirements. Ultimately, this exercise is meant to improve customer service as we plan to adopt intelligent digital innovations that will firstly, avoid repetitive requests for personal requirements and secondly, manage associated risks. Some of the challenges experienced during this exercise related to member resistance to KYC updates, failure to reach all the members in our database with some members reporting system failure to update data despite successful submission. Technology upgrades were made to enhance KYC processes and a portal was created for the same.

The ongoing KYC update initiative is currently at 55% completion and has, to some extent, impacted the timelines for the core banking system migration. Throughout the year, we continued to strongly urge our members to proactively participate in the KYC update process. The cooperation of our members will not only enable us to enhance our services but also minimize potential delays when members utilize our services.



FINANCE & ADMINISTRATION REPORT

Financial Performance

Balance Sheet

Our balance sheet has recorded strong performance during the year; Total assets have increased from ZMW 129.00 million in 2022 to ZMW150.00 million. This was anchored on the strong loan disbursements to our members and our Savings mobilization as well as share float in which ZMW11.01 million was raised as share capital. Loans and advances was recorded at ZMW107 million (2022, ZMW87.65 million) representing a growth of 23% from the year 2022 and was mainly funded by our internal resources and the increased member deposits which grew by 6% from ZMW113.00 million to ZMW120.00 million.

Liabilities and payables grew from ZMW 117.00 million to ZMW125.00 million as a result of the increase in the member savings and other payables related to our land partnerships.

Share Capital and Reserves grew from ZMW 12.00 million in 2022 to ZMW 25.00 million in 2023 as a result of the issuance of shares to support the growth of the business and the diversification plan. A total of 20,316 shares were fully subscribed to and paid for, growing the number of issued and authorized shares which were fully paid for from 42,981 ordinary shares to 63,297.

Revenue Performance

Total Interest income decreased by 2% moving from ZMW 30.00 million in 2022 to ZMW 29.00 million in the current reporting period. The reduced interest revenues was driven by our decision to give back to our members by giving them access to affordable loan products offerings. Our fee and Other income recorded positive variances of 10% and 83% attributable to the increased investments in our loan portfolio.



MS HELLEN KHUNGA CHIRWA

**FINANCE & OPERATIONS
COMMITTEE CHAIRPERSON**

Operating Costs

CareCoop continues to invest in the business by ensuring adequate availability of resources to support the business operations by investing in the most cost effective and efficient processes and systems.

Administrative expenses was increased from ZMW13.61 million in the year 2022 to ZMW15.35 million in 2023. The increased expenditure is attributed to the general increase in the cost of doing business in the economy driven by the increase in the cost of energy, fuel and the depreciation of the currency. Board and Governance costs increased by 11% as a result of the repositioning of the business that resulted in the development of the new strategic plan for the period 2024-2028 and Share float which resulted in the raising of ZMW11.01 million to the share capital.

Interest expense on member deposits increased by 4% from ZMW 7.79 million in the previous year to ZMW 8.13 million in the year under review. This is attributed to an increase in the savings portfolio which grew by 6% from ZMW 113 million in 2022 to ZMW120 million in 2023.

Loan impairment charge reduced from ZMW2.27 million to ZMW 1.36 million as a result of the efforts employed in the period to ensure effective loan recovery from defaulting members.

As part of the Real Estate project which will result into the re-development of our office block into an extra-modern building, CareCoop assessed its buildings for Impairment in line with International Accounting Standards (IAS 36) and the resulting impairment loss of ZMW1.04 million was passed in the year.

Surplus for the year

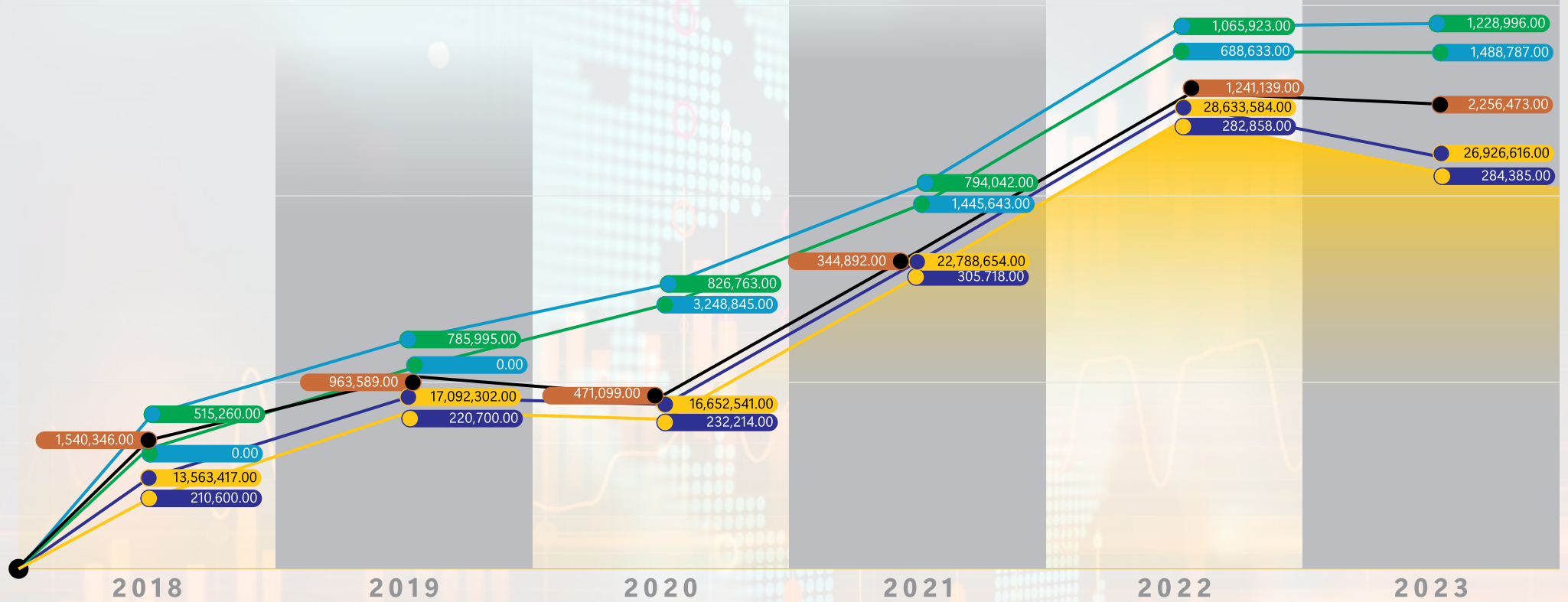
The Surplus for the year of ZMW 5.77 million was recorded compared to ZMW 7.44 million in 2022. This is indicative of a of 22% decline. The decline was driven by the Impairment of the Landed property as required under IAS 36, coupled with our interest revenue reduction after our decision to lower interest rates on the loans impacting the Surplus negatively.

CareCoop Investment Portfolio

We consistently explore opportunities to invest excess funds in medium to short-term instruments, with the goal of generating additional income. CareCoop maintains a high sensitivity to risk and exclusively invests its funds in Financial Institutions regulated by the Central Bank. Our guiding principle in investment placements is a strict adherence to safety, liquidity, and returns, in that order. Before any investment decision is made, thorough risk evaluation is conducted.

While various investment opportunities arise, our steadfast commitment lies in prioritizing investments in our loan portfolio. This strategic focus ensures that our members can consistently access financial services at favorable rates.

CareCoop Income Streams



Amount-ZMW'

Interest Income

Partnerships

GRZ Bonds

Other Earnings

Rental

Our People

We believe that human capital equipped with the necessary skill sets, and culture is critical for the sustainability of CareCoop. An organized set of trainings and exposures offered to existing and new employees at all levels is bearing fruit and it is expected to serve as a fuel for ongoing efforts to realize our vision.

The plan under implementation is intended to increase employee engagement at all levels and create an exemplary organizational culture by employing necessary capacity building tools, meritbased rewards, and performance management practices. Furthermore, practices related to improving competence of our staff for their next responsibility through succession planning are underway as the capacity of our human resource defines the quality of service, we are focused on providing to our members.

During the year under review, we managed to recruit 1 full time employee and 1 temporary employee. This put the total human resource strength of CareCoop at 23 as of end of year.

Information Technology and Digital Innovation

The integration of technology into our operations is viewed as a great enabler in our quest to deliver better services to our members and ensure efficiency in our operations. With the rising dependency on technology for service delivery and running of services, our IT infrastructure is continuously being upgraded and a digital innovation strategy has been put in place. The digital initiatives pursued are aimed at enhancing value and offering members greater convenience and improved service levels while optimizing costs.

Some of the initiatives in the plan include upgrade of our remote facilities to ensure business continuity, improved delivery and customer interaction channels, customer relationship management system, core banking upgrade and IT security.

The core banking system, Savings Plus, has been rolled and promises to improve our operations including aiding the deployment of innovative products and services. We launched an online share trading platform. This portal allows

members to buy and sale shares amongst themselves in a more transparent manner. Internally, we successfully implemented a digital workflow system that resulted in the elimination of paper-based approval processes. The transition to a digital workflow has significantly improved operational efficiency, reduced turnaround times, and enhanced overall collaboration among teams.

The following digital initiatives were implemented during the period of reporting:

KYC Portal

Carecoop embarked on ensuring that all member information is captured accurately and allowed members to provide information with their consent to ensure that KYC information is captured accurately, timely and conveniently. This was done through a web portal that was developed by CareCoop.

Digital Signing of Loans

A platform called Nitro sign was tested and implemented and was deemed to be an initiative that enhanced our operational efficiency sustainably as CareCoop is now completely paperless and all loans are processed digitally through this platform.

Digital Filing

We also understood that digital documents need to be digitally filed and hence embarked on utilizing Sharepoint on the features it has to offer. By doing so it allows us to rely on all the benefits of utilizing sharepoint and sharing information instantly when needed.

Digital Certificates

CareCoop started issuing digitally sealed Share Certificates and this was successful through the platform of Nitro Sign. All shares purchased or sold have a digitally signed seal that provides authenticity towards shares purchased or transferred.

e-voting

In 2023 the electronic voting platform called election buddy at the 28th AGM was used to select the board Chair and board of directors. This was a big success towards IT as this was never tested or implemented before 2023.

Digital Advertisement

Carecoop has utilized social media as a platform to disseminate information to members. All member engagements for 2023 have been on MS teams and this has been successful in terms of communication and engagement.

The digital strategy is based on the following set of guiding principles:

Superior customer convenience



Alignment of technology to business strategy



Flexible and modular IT infrastructure that enables inter-operability



Adoption of emerging technologies to facilitate innovation



Collaborative approach to providing solutions across all stakeholders



Optimization of processes and superior decisioning by simplification and use of data.



AUDIT & RISK REPORT

As a financial cooperative, CareCoop is exposed to various risks, primarily credit risk, market risk, liquidity risk, operational risk, information technology risk, compliance risk, legal risk, and reputation risk.

The Audit and Risk Management team diligently assessed and monitored the internal controls, risk landscape, and overall governance framework of CareCoop. Where specific areas for improvement were identified, the necessary remedial action was taken, and progress is monitored.

Notable Audit Activities included:

Financial Audit:

Conducted a thorough examination of financial statements for accuracy, completeness, and compliance with relevant accounting standards.

Operational Audit:

Assessed operational processes and identified opportunities for increased efficiency. Reviewed compliance with operational policies and procedures, recommending adjustments where necessary.

Risk Assessment:

Conducted a comprehensive risk assessment to identify, evaluate, and prioritize potential risks. Collaborated with business units to update and enhance the risk register.

Internal Control Evaluation:

Reviewed and evaluated the design and effectiveness of internal controls. Provided recommendations to strengthen internal control mechanisms.



MS ELIZABETH MAKECHE MBAO

COMMITTEE CHAIRPERSON



Disaster Recovery:

Played a critical role in helping CareCoop assess, enhance, and maintain its IT disaster recovery capabilities, thereby reducing the risk of significant disruptions to business operations in the event of a disaster.

Compliance Review:

Ensured adherence to regulatory requirements and internal policies. Addressed non-compliance issues through corrective actions.

Awareness Programs:

Implemented fraud awareness programs to educate employees on potential risks and preventive measures.

Follow-Up:

Tracked the implementation of previous recommendations from the last audit and ensured closure of action items.

Identified Emerging Risk Areas: Cyber Security

Considering the rapid digitization, increasing transaction intensity and connectivity to networks and ecosystems, cyber security is an important risk focus within CareCoop. It is vital to protect CareCoop assets and ensure continued trust of all stakeholders. CareCoop will need to formulate robust security standards, processes and protocols which will also be proactively reviewed and enhanced in the backdrop of an ever-evolving cyber security landscape. Development of such a comprehensive framework will ensure adequate security of assets on a continuous basis.

Looking ahead, the Audit and Risk team will continue to adapt and respond to emerging risks, enhance internal controls, and collaborate with business units to promote a culture of risk awareness and compliance.

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report on the financial statements of Care Cooperative Savings and Credit Society Limited for the year 31 December 2023

01 Incorporation
 The Cooperative was incorporated on 11 March 1996 and obtained its certificate to commence business on the same day.

02 Principal Activities
 The Cooperative offers savings and credit facilities to its members. There has been no material changes to the nature of the Cooperative’s business from the prior year.

03 Review of financial results and activities
 The financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently to the prior years.
 Full details of the financial position, results of operations and cash flows of the Company are set out in these financial statements. A summary is presented below;

Results

	2023 ZMW	2022 ZMW
	-	-
	-	-
Surplus for the year	5,772,159	7,435,534

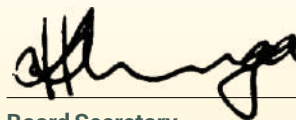
04 Dividend
 The directors propose a final dividend of ZMW 60.08 per share (2022: ZMW 112.45 per share) amounting to a total of ZMW 3,751,903 (2022: ZMW 4,833,097).

05 Directors
 The directors who held office during the year and to the date of this report are shown on page 3. A board member cannot hold a position for more than 6 years.

06 Directors' interests in contracts
 During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

07 Independent Auditor
 The Cooperative's auditor, PKF Zambia Chartered Accountants continued during the year and has indicated its willingness to continue in office.

By order of The Board



Board Secretary

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors of the Cooperative are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Cooperative at the end of the financial year and of its profit or loss for that year. The directors are also required to ensure that the Cooperative keeps proper accounting records that are sufficient to show and explain the transactions of the Cooperative; that disclose, with reasonable accuracy, the financial position of the Cooperative and that enable them to prepare financial statements of the Cooperative that comply with the International Financial Reporting Standards. The directors are also responsible for safeguarding the assets of the Cooperative and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards. They also accept responsibility for:

- i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) Selecting and applying appropriate accounting policies; and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances

The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Cooperative as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Having made an assessment of the Cooperative's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Cooperative's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

So far as each of the directors is aware, there is no relevant audit information which the auditor is unaware of, and each of the directors has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is aware of that information.

The financial statements set out on pages **7 to 38**, which have been prepared on the going concern basis, were approved by the directors on **March 16, 2024**, and were signed on their behalf by:

Approval of financial statements



Board Member



Board Member

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Care Cooperatives Savings and Credit Society Limited (the Cooperative) set out on pages 7 to 38, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other 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 financial statements present fairly, in all material respects, the financial position of Care Cooperatives Savings and Credit Society Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 the Cooperative in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zambia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zambia. 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 judgment, were of most significance in our audit of the 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 matter. The key audit matters are summarised in the table below:

Key Audit Matters

As described in the notes to the financial statements, the impairment losses have been determined in accordance with IFRS 9 "Financial Instruments."

This was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgement to determine the impairment reserve.

Key areas of judgement included:

The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Cooperative's expected credit loss model.

How the Matter was addressed

Our audit procedures included understanding and testing of the design and operating effectiveness of the key controls over the Cooperative's impairment process - for example:

- » Controls over identification of which loans are impaired. For individually significant loans, this included controls over credit grading and the monitoring process.
- » We assessed the modelling techniques and methodology against the requirements of IFRS 9; and
- » Controls over the completeness and accuracy of data input into the impairment model.

Key Audit Matters

- » The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Cooperative's expected credit loss model.
- » Assumptions used in the expected credit loss

Reperforming certain credit procedures for individually significant advances as follows:

- » performing a credit assessment of a sample of advances assessed as non performing in credit risk Stage 3 and determining whether the evaluation was appropriate and assessing the reasonableness of the amount and timing of the estimated cash flows including realisable value of collateral; and
- » performing a credit assessment of a sample of loans assessed as Stage 2 and Stage 3 to determine whether their grading was appropriate. Assessing whether the disclosures in the financial statements appropriately reflect the Cooperative's exposure to credit risk.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CARE COOPERATIVES SAVINGS AND CREDIT SOCIETY LIMITED (CONTINUED)

Key Audit Matters

- » The Cooperative is highly dependent on information systems and controls over access rights to such systems as well as completeness of information held in and derived from such system are critical and therefore represent a key audit matter.

How the Matter was addressed

- » We tested the design and implementation of the Cooperative's controls around the information technology environment and operating effectiveness for controls that were critical to databases within the scope of our audit and the financial reporting process. Where our procedures identified deficiencies, we assessed the design and implementation of any controls that mitigated the identified risks and extended the scope of our tests of operating effectiveness of controls and/or substantive audit procedures.

As described in the note 29, the Cooperative has an investment property and buildings which it uses for its offices. The Cooperative has taken a decision to redevelop its office space into an ultra-modern office facility. This redevelopment will lead to the following;

- » The Cooperative tenant vacating the rental office-no future cashflows from rental income
- » CareCoop shifting to a new office space in April 2024
- » The investment property being reclassified to Property, plant and equipment.
- » Possible demolition of the old office property.

The factors above are possible indicators of impairment. The Cooperative has consequently carried out an impairment assessment and made the relevant adjustments and disclosures in the financial statements

We assessed the reasonableness of the assumptions and estimates used by management in their impairment tests, including future cash flows, discount rates, and costs of disposal.

Obtained and reviewed documentation of the Cooperative's plans for demolition, including approvals, timelines, and expected costs.

For the office building, we verified the fair value less the costs associated with demolition and any legal or environmental obligations.

We examined the residual value attributed to the Investment property and buildings that may be demolished or repurposed.

For the investment property expected to be idle, we assessed how this impacts the asset's ability to generate future cash flows and the recoverable value upon completion of the new office buildings. We reviewed the financial statement disclosures related to impairment testing to ensure they are complete, accurate, and in accordance with the requirements of IAS 36.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Detailed Income Statement. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CARE COOPERATIVES SAVINGS AND CREDIT SOCIETY LIMITED (CONTINUED)

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Cooperative or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (i). 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.
- (ii). ii. 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 Cooperative's internal control.
- (iii). iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- (iv). Conclude on the appropriateness of the directors' 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.
- (v). 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.

We communicate with the directors 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.

The engagement partner responsible for the audit resulting in this report of the independent auditor is **Steve Chibwe** - practicing certificate number. **AUD/F000370**.

Chartered Accountants

2023

Our reference: **AR/LSK/007/23**

Steve Chibwe

Steve Chibwe



STATEMENT OF **INCOME AND EXPENDITURE** AND OTHER **COMPREHENSIVE INCOME**

	Notes	2023 ZMW	2022 ZMW
Interest Income	2	29,363,772	29,990,137
Fees	3	1,048,313	950,509
Interest Expense	4	(8,131,526)	(7,790,390)
Impairment Of Loans And Advances	5	(1,357,966)	(2,273,829)
Operating Surplus		20,922,593	20,876,427
Fair Value Gain On Investment Property	13	604,820	329,679
Write Back/(impairment) Of Receivables And Payables		(1,040,714)	(33,130)
Administrative Expenses	Sch 1	(15,348,543)	(13,610,743)
Board And Committee Expenses	Sch 1	(872,936)	(789,577)
Finance Costs	6	(266,233)	(308,613)
Net Operating Surplus		3,998,987	6,464,043
Other Income	7	1,773,172	971,491
Surplus Before Tax		5,772,159	7,435,534
Income Tax Expense	9	-	-
Surplus for the year		5,772,159	7,435,534

Other comprehensive surplus:

Items that will not be reclassified subsequently to profit or loss:

Surplus on revaluation of property, plant and equipment

Total other comprehensive surplus

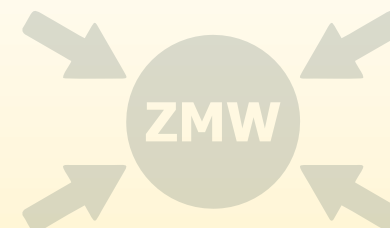
Total comprehensive surplus for the year

Total comprehensive surplus for the year is attributable to:

- Retained earnings	3,751,903	4,833,097
- Capital funds	577,216	743,553
- General reserves	1,154,432	1,487,107
- Educational fund	288,608	371,777
- Revaluation reserves	152,872	208,321
	5,925,031	7,643,855

Dividend:

Proposed dividend for the year



Notes	2023 ZMW	2022 ZMW
12	152,872	208,321
	152,872	208,321
	5,925,031	7,643,855
27	(3,751,903)	(4,833,097)

STATEMENT OF CHANGES IN EQUITY

	Capital Reserve ZMW	Insurance Fund ZMW	General Reserves ZMW	Educational Fund ZMW	Total Reserves ZMW	Members' Shares ZMW	Share Premium ZMW	Revaluation Reserves ZMW	Proposed Dividends ZMW	Retained Earnings ZMW	Total ZMW
31 December 2022											
At start of year	3,021,495	-	(15,798,715)	1,520,943	(11,256,277)	2,141,550	12,470,220	1,069,122	-	3,619,960	8,044,575
Diversification plan property development	(92,063)	-	-	-	(92,063)	-	-	-	-	-	(92,063)
Issue of shares	-	-	-	-	-	7,500	70,465	-	-	-	77,965
Dividends - Paid	-	-	-	-	-	-	-	-	-	(3,619,960)	(3,619,960)
- Proposed	-	-	-	-	-	-	-	-	-	-	-
Movement	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive surplus	743,553	-	1,487,107	371,777	2,602,437	-	-	208,321	-	4,833,097	7,643,855
At end of year (restated)	3,672,985	-	(14,311,608)	1,892,720	(8,745,903)	2,149,050	12,540,685	1,277,443	-	4,833,097	12,054,372
31 December 2022											
At start of year	3,672,985	-	(14,311,608)	1,892,720	(8,745,903)	2,149,050	12,540,685	1,277,443	-	4,833,097	12,054,372
Utilised	(107,115)	-	-	(37,140)	(144,255)	-	-	-	-	-	(144,255)
Asset impairment - Credit loss	-	-	-	-	-	-	-	(905,013)	-	-	(905,013)
Capital utilisation diversification project	-	-	-	-	-	973,400	9,439,535	-	-	-	10,412,935
Dividends - Paid	-	-	-	-	-	-	-	-	-	(4,833,097)	(4,833,097)
Total comprehensive surplus	577,216	-	1,154,432	2,88,608	2,020,256	-	-	152,872	-	3,751,903	5,925,031
At end of year	4,143,086	-	(13,157,176)	2,144,188	(6,869,902)	3,122,450	21,980,220	525,302	-	3,751,903	22,509,973

STATEMENT OF FINANCIAL POSITION

	Notes	2023 ZMW	2022 ZMW		Notes	2023 ZMW	2022 ZMW
Assets				Equity And Liabilities			
Property, Plant And Equipment	12	538,901	2,541,161	Capital And Reserves			
Investment Property	13	4,755,221	4,150,401	Members' Shares	10	3,122,450	2,149,050
Intangible Assets	14	9,934	16,040	Share Premium		21,980,220	12,540,685
Right of use Assets	15	712,915	567,931	Revaluation Reserves		525,302	1,277,443
Cash And Bank Balances	16	20,947,175	16,985,160	Capital Fund		4,143,086	3,672,985
Loans And Advances	17	107,049,271	87,651,999	General Reserves		(13,157,176)	(14,311,608)
Other Financial Assets	18	11,411,425	16,011,478	Educational Fund		2,144,188	1,892,720
Other Receivables	19	2,018,360	631,774	Retained Earnings		3,751,903	4,833,097
Total Assets		147,443,202	128,555,944			22,509,973	12,054,372
				Liabilities			
				Members' Saving	20	119,977,542	113,068,361
				Lease Liability	21	42,960	30,849
				Other Payables	22	4,912,726	3,402,361
						124,933,228	116,501,571
				Total Equity And Liabilities		147,443,202	128,555,944



The financial statements were approved and authorised by the board on the 16th of March 2024 and were signed on its behalf by:

Aucheka

BOARD MEMBER

[Signature]

BOARD MEMBER

STATEMENT OF CASH FLOWS

Notes	2023 ZMW	2022 ZMW
Operating activities		
Operating surplus for the year	5,772,159	7,435,534
Adjusted for:		
Depreciation on property, plant and equipment	468,199	314,697
Depreciation on right of use assets	7,888	7,888
Impairment of Property, plant and equipment	1,040,714	33,130
Amortisation of intangible assets	6,104	6,772
Net increase in fair value of investment property	(604,820)	(329,679)
Operating profit before changes in operating funds	6,690,244	7,468,342
Increase in loans and advances to members	(19,397,272)	11,960,904
Increase in other receivables	(1,386,586)	(275,677)
Increase in other payables	1,522,476	317,494
Net cash used in operating activities	(12,571,138)	19,471,063

Cash flow from investing activities

Purchase of property, plant and equipment	12	(411,666)	(538,201)
Purchase of financial assets (maturing after 91 days)	17	4,600,053	(10,003,946)

Net cash in inflow/ (out flow) from investing activities

4,188,387 (10,542,147)

Cash from financing activities

Net increase in members' savings		6,909,181	6,789,018
Net increase in members' shares		973,400	7,500
Net increase in share premium account		9,439,535	70,465
Net increase in insurance reserves		(144,253)	116,258
Dividends paid	27	(4,833,097)	(3,619,960)

Net cash inflow from financing activities

12,344,766 3,363,281

Increase/decrease in cash and cash equivalents

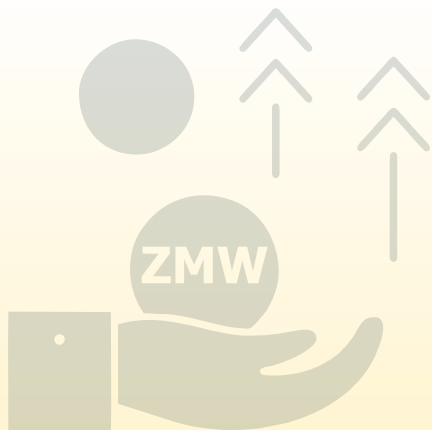
3,962,015 12,292,197

Movement in cash and cash equivalents

Increase/decrease in cash and cash equivalents		3,962,015	12,292,197
Cash and cash equivalents at the beginning of the year		16,985,160	4,692,963

Cash and cash equivalents at the end of the year

16 **20,947,175 16,985,160**



MINUTES OF THE 28TH AGM

MINUTES OF THE 28th ANNUAL GENERAL MEETING (AGM) OF MEMBERS OF THE CARE COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED (CARECOOP) HELD ON **SATURDAY, 25th MARCH 2023**, AT THE **MULUNGUSHI INTERNATIONAL CONFERENCE CENTRE**, LUSAKA, **10:00 HRS. to 18:00 HRS.**

1.0 Welcome Remarks

The 28th Annual General Meeting (AGM) of the Care Cooperative Savings and Credit Society Limited (CareCoop) formally started at 09:57 Hrs., after the delegates sang the National Anthem, followed by a prayer. Dr James Zulu, CareCoop Board Secretary, welcomed the guest of Honour, Honourable Engineer Elias Mubanga, Minister of Small and Medium Enterprises Development, and all delegates who were present at the AGM.

The Board Secretary introduced himself as Director of Ceremonies and stated that he would be assisted by Ms Helen Chirwa, CareCoop Board Vice Secretary.

2.0 Adoption Of Agenda

The 28th CareCoop AGM Programme and Agenda Items were as follows:

1. Welcome Remarks
2. Adoption of Agenda
3. Review, Correction and Adoption of the 27th AGM minutes
4. Board Chairperson's Speech
5. Speech by the Guest of Honour – Hon Engineer Elias Mubanga, Minister of Small and Medium Enterprises Development
6. Presentation and Adoption of 2022 Audited Financial Statements
7. Declaration of Dividends and Interest
8. Appointment of Auditors

9. Audit and Risk Committee Report
10. Presentation of Appeals to the AGM
11. Amendment to the By-Laws
12. Election of Directors of the CareCoop Board
13. Closing Remarks, Prayer and Lunch

Adoption of the 28th CareCoop AGM Agenda Items:

After several deliberations on how the review and corrections of the 27th AGM minutes would be done, the members reached a consensus to first review and make corrections to the minutes before adopting them and following on with matters arising, Dr Zulu further went on to read out the proposed agenda for the 28th AGM.

Mr Gerald Muche from CIDRZ proposed that the 27th AGM resolution on the limitation of Board of Directors members from one organisation to 30% further be included as an agenda item and be discussed during the 28th AGM.

Ms Memory Banda from NGOCC stated that the new proposed voting platform had been planned to be operationalised at the 28th AGM, but the platform was aborted at the 11th hour without proper explanations to the members. She requested that the issue of the voting platform be included for discussion as an Agenda item. She further stated that the new voting platform had provisions for virtual voting. Ms Alice Lungu from Plan International Zambia seconded the motion.

Proposer: Following the inclusion of the additional agenda items, Ms Grace Mwendapole from Save the Children put forward the motion and proposed that the agenda items be adopted for the 28th CareCoop AGM.

Seconded: Mr Isaac Mwape a general member seconded the motion.

AGM Resolution: That the proposed agenda for CareCoop 28th AGM be adopted with the inclusion of the proposed agenda items.

3.0 Review, Corrections, Matters Arising, And Adoption Of The 27th Annual General Meeting Minutes.

The 28th CareCoop AGM reached a consensus that the minutes of the 27th AGM be reviewed, corrected, and adopted as a true reflection of the proceedings of the 27th AGM, before following up on the Matters Arising from the 27th AGM.

3.1 Review, Corrections, and Follow-ups on the 27th CareCoop AGM Minutes

On the first paragraph of Page 42 of the minutes, Ms Memory Banda from NGOCC corrected that the latter part of the sentence should read “Why CareCoop cannot invest in Government Bonds” and not “why CareCoop cannot invest in treasury Bills”.

On the table of the list of deceased people, the name of “Matilda Kafusa” from CIDRZ was corrected to read “Matilda Kafusha”

The 28th AGM delegates noted that the 27th AGM minutes followed the outline of the Annual Report and not the outline of the agenda items and requested that this be corrected in the 28th AGM minutes.

Discussions ensued on whether to adopt the minutes. Mr Fidelity Milambo of CRS and Dr Veneranda Ngandu general member, emphasized that a key consideration

should be whether what truly transpired at the 27th AGM was captured in the AGM minutes and not making corrections based on what should have happened.

Following discussions and counterproposals on whether to adopt the 27th AGM minutes, the AGM reached a consensus that the 27th AGM minutes be adopted considering the corrections made, with a view that the issues raised during the review of the 27th AGM minutes be discussed in the 28th AGM.

Adoption of the 27th CareCoop AGM minutes

Proposer: Ms Sarah Ngoma, general member, put forward the motion that the minutes be adopted as a true reflection of the proceedings of the 27th CareCoop AGM

Seconded: Mr Moses Mumba of Care International seconded the motion.

AGM Resolution: That the 27th CareCoop AGM minutes be adopted considering the amendments made.

MATTERS ARISING

Mr Abel Muwowo, general member wanted to find out whether CareCoop had started investing in Government bonds as proposed by Memory Banda of NGOCC at the 27th AGM.

The Board responded that, CareCoop has always invested in various regulated investments which include fixed-term deposits and Government bonds as well as Treasury Bills. CareCoop has in place a policy guideline on investment of excess funds, and this takes into account maturity tenures among others, so that the primary operations of loan issuance are consistently prioritized.

Mr Gerald Muche of CIDRZ revisited the issue of the 27th AGM Resolution on the 30% limitation of Board members from one organisation and stated that it lacked legitimacy to back how it was voted into the By-laws. He raised concerns as follows:

- »» *The number of member organisations that subscribe to CareCoop are many and any person standing on the Board represents all members and not the organisation s/he comes from; and that*
- »» *If a Board member resigns as an employee of a member organisation and joins another category which is already at maximum limit in its board representation, then they would need to be replaced on the board.*
- »» *Adequate information to back how this quota system would operate was necessary before effecting it.*

The 30% quota system was already in the By-Laws as having been voted in at the 27th AGM and in effect at the 28th AGM. However, Mr Gerald Muche further stated that adopting the resolution would require changes in the By-Laws by way of voting by the members at the AGM and obtaining a twothird (2/3) majority.

The AGM reached a consensus to follow up and further discuss the 30% quota together with appeals proposed for amendment of the CareCoop By-laws under Section 14.0 of the 27th AGM minutes.

4.0 BOARD CHAIRPERSON'S SPEECH

The Board Secretary called on Mr Lane Lee Lyabola, the outgoing CareCoop Board Chairperson to deliver his remarks for the 28th CareCoop AGM.

4.0 Introduction

In his introductory remarks, the Board Chairperson welcomed all the members to the 28th CareCoop AGM. He further acknowledged the presence of the Guest of Honour and thanked the Honourable Minister for gracing the 28th AGM

Operating Environment

Mr Lyabola acknowledged that 2022 was a difficult year due to the operating environment having been affected by the COVID-19 aftermath but stated with the advent of vaccinations COVID-19 subsided. He also acknowledged that the global fallout of Russia's invasion of Ukraine indirectly impacted local economic growth partly due to increased costs of fuel. The Board Chairperson informed the delegates that despite the challenges faced during the year, CareCoop experienced remarkable growth.

CareCoop Performance

The Board Chairperson informed the members that during 2022, CareCoop continued to grow, posting commendable results and demonstrating leadership in the Savings and Credit Cooperative movement. He stated that the Board was encouraged by the resilience that CareCoop management and members showed during 2022 with the revenue growth surpassing pre-COVID-19 pandemic levels.

Profitability

The Chairperson informed the AGM members that CareCoop generated revenues of ZMW 32.24 million, representing 24% increase from ZMW 26.06 million in 2021. He further stated that despite an increase in operating expenses to ZMW 24.81 million in 2022 from ZMW 20.50 million in 2021, CareCoop recorded a 33% increase in net profit from ZMW 5.56 million in 2021 to ZMW 7.44 million in 2022.

Dividend and Savings

Mr Lyabola informed the members that a dividend payment of ZMW 112.45 per share was recommended for the shareholders to approve at the 28th AGM, which was an increase of 33% from the ZMW 84.52 paid out in 2021. On savings, Mr Lyabola announced that member savings stood at ZMW 113.07 million from ZMW 106.28 million in 2021, representing a 6% growth.

Loans

The Board Chairperson stated that loans disbursements for the year reduced by 5% from ZMW 132.51 million in 2021 to ZMW 126.27 million in 2022 and attributed this to various factors within the CareCoop business dynamics, such as shortened contract terms for members as well as non-renewal of member employment contracts by some member organisations. He reported that this and the ongoing loan book clean-up impacted the CareCoop loan portfolio, recording a decrease of 12% from ZMW 96.61 million in 2021 to ZMW 87.65 million in 2022. He however assured the AGM members that with the various interventions CareCoop has put in place, the Board of Directors is confident that CareCoop is headed on a trajectory of steady and sustainable growth in all the core parameters.

Portfolio at Risk

Mr Lyabola informed members that the loan provision expense increased by 2% with an impairment of ZMW 2.27 million being provided during 2022, compared to ZMW 2.22 million in 2021. He stated that to address this negative trend, CareCoop management, and the Board proactively worked on the delinquent portfolio with the availability of a dedicated resource undertaking loan recovery.

Membership, Attrition, and Diversification

The Board Chairperson informed the members that CareCoop recorded growth in member numbers to 6,175 in 2022, from 5,411 members in 2021, representing a 14% increase. He stated that during 2022, the Cooperative experienced 10 member exists, representing 1% attrition, compared to 770 members who were newly recruited during the same period, reflecting an improvement of 17.88% in attrition from 2021. He explained that the attrition was mainly on account of financial challenges due to loss of employment.

In relation to diversification, the Chairperson informed the AGM members that CareCoop continued to pursue a diversification strategy in real estate which was embarked on in 2021, and added that the design, data analysis on payback

period, internal rate of return, as well as the net present value (NPV) had already been approved by the Board, with implementation scheduled to commence during 2023.

Strategic Plan Implementation

The Board Chairperson informed the AGM members that one year into the three-year strategic plan implementation, the Board and management were pleased with the exceptional performance of the CareCoop business which has seen strong revenue growth, consistent growth in shareholder value, and support to over 6,000 members across the country. He stated that this result has led to an uplift in the standard of living for CareCoop members, and CareCoop as an organisation, in addition to greater accountability to CareCoop shareholders and society.

Digitisation

In relation to digitisation, Mr Lyabola informed the members that the primary purpose of digitisation was to better meet the CareCoop members' individual needs and simplify the service access platform while making the operations and processes even more efficient. He informed the members that CareCoop had devised a digitisation plan and that significant strides have been made regarding this, with the acquisition of a new core banking system, Savings Plus. He further informed the delegates that migration to Savings Plus has already commenced and has led to an increase in various operational backend work dealing with various member account reconciliations meant to enhance the integrity of member data. The Board Chairperson assured members that just like any financial institution, CareCoop was having to adapt rapidly to technology-led changes and that the Board appreciates the fact that technology is not only a game-changer in business operations but a driver of innovation and that this is reflected in the organisation's digital transformation agenda.

Membership Engagement

To provide opportunities for member engagement and participation, CareCoop organised virtual engagements focusing on financial education so as to empower members to gain financial freedom and enhance their social security status.

Leadership

The Board Chairperson informed the members that the 27th AGM held in March 2022 saw the reconstitution of a new Board of Directors when the AGM retained Directors Helen Khunga Chirwa, Kudakwashe Mucheka, and Matilda Nkashi to serve their second and final terms. Further, Directors Brenda Kayumba and Mwila Malama were welcomed on the Board to begin their first term, while Director Isaac Mwape left the Board after serving one term. He further announced that Directors Monica Mutesa and Dr James Zulu had completed their first term on the Board and thanked them for their impactful first term. The Chairperson also thanked retiring Directors, Kelly Siame and Mary Banda for their service and valuable contribution to what CareCoop has become.

Mr Lyabola informed the members that he was also retiring after serving two terms on the Board, with three years as Chairperson. He stated that it was gratifying to have led the growth and witnessed how the Board and its Committees have performed outstandingly well, not only in fulfilling their duties, but in proactively supporting management, delegating with responsibility and transparency, and applying its collective mind and skills to meet the challenges and maximize the opportunities that have been made apparent over the years. He stated that serving on the CareCoop Board has been an honour and that he was confident that CareCoop has a brilliant and skilled leadership team to keep steering CareCoop to even greater heights.

Outlook

Mr Lyabola stated that in looking ahead, 2023 presents CareCoop with fresh winds of opportunity, as there is increased confidence in the prospects for the economy. He urged CareCoop members to support all areas that have a positive and significant impact on the achievement of CareCoop strategic goals and to be innovative so as to remain resilient.

He gave highlights of some of the milestones achieved during his tenure in office as follows:

- » *Transitioned accounts from manual to electronic –member can monitor their accounts through the online member portal.*
- » *Moved CareCoop to a new platform level in banking – members can access emergency loans within 48 hours.*
- » *Improved competitive conditions of service for CareCoop management and staff.*
- » *Implementation of the CareCoop Strategic Plan and investing in real estate, leading to improved business prospects.*
- » *Facilitating equality among all members in terms of access to benefits such as loans.*

Mr Lane Lee Lyabola ended his remarks by thanking the membership for the support rendered to him during his tenure of office. He challenged new Board members to produce and deliver results and to follow CareCoop policies and rules as enshrined in the Cooperatives Act and CareCoop By-Laws. He invoked the members to vote Board members out if they did not perform.

Minute of Silence for Deceased CareCoop Members

Ms Helen Chirwa, CareCoop Board Vice Secretary stated that the CareCoop family lost several colleagues during 2022 and read out the list of the deceased as follows:

No.	NAME OF MEMBER	NAME OF ORGANISATION
1.	Nzala Siwabu	FINCA
2.	Innocent Munene	CIDRZ
3.	Pauline Zulu	NGOCC
4.	David Mwanambiya	SVA
5.	Roy Lukama	JSI Discover
6.	Wiseman Muyila	COMACO

5.0 SPEECH BY THE GUEST OF HONOUR, THE HONOURABLE MINISTER, MINISTRY OF SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

5.1 Remarks by the Honourable Minister

The Board Secretary, Dr James Zulu, requested the Chairperson to invite the Honourable Minister of the Ministry of Small and Medium Enterprises Development Hon Engineer Elias Mubanga to come forward and give a keynote speech.

The Hon Minister commended CareCoop for consistently holding the Annual General Meetings and ensuring transparency. He stated that AGM are a requirement by the Cooperative Act and CareCoop By-laws reflect the same. He went on to state that this helps to provide checks and balances on operations and promote accountability.

The Minister expressed confidence in CareCoop's trajectory noting the growth in membership at 14%, revenue – at 24% growth, Net Profit – at 33%, despite the prevalence of the COVID-19 pandemic. He stated that the New Dawn Government encourages the formation of Cooperatives for income generation, employment, and poverty reduction, among other reasons. He further commended CareCoop for the resilience shown and encouraged the Cooperative to be on the path to increased growth by using technology in the Cooperative.

The Hon Minister urged the Board and management to document lessons learnt from other SACCOs arising from the ACCOSCA conference held in Zimbabwe and encouraged cooperatives to forge partnerships.

He concluded his remarks by thanking the Board, CareCoop management, and staff, for holding the AGM, and encouraged members to have fruitful discussions at the 28th AGM.

In acknowledging the remarks by the Hon Minister, the CareCoop Board Secretary stated that CareCoop is one of the most successful SACCOs in Zambia and thanked the Minister for the encouraging remarks.

6.0 PRESENTATION AND ADOPTION OF 2022 AUDITED FINANCIAL STATEMENTS

The Board Secretary invited the Treasurer, Mr John Sinyangwe, to make a presentation on the 2022 Audited Financial Statements.

Mr Sinyangwe informed the AGM members that the presentation was for the period January to December 2022. Before proceeding with the presentation, the Board Treasurer called upon Mr Chibwe, the representative of PKF Zambia Chartered Accountants, to give their opinion on the 2022 CareCoop audited financial statements.

Audit Opinion - Mr Chibwe read out the PKF opinion which partially stated that "...We have audited the financial statements of the Care Cooperatives and Credit Society Limited (the Cooperative)... which comprise the statement of financial position as of 31st December 2022, the statement of profit and loss, and other comprehensive income, statement of changes in equity, statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. ...". Mr Chibwe further read out the PKF Zambia Chartered Accountants basis for opinion stating that. "...In our opinion, the financial statements present fairly, in all material respects, the financial position of the Co-operative as of 31st December 2022, and of its financial performance and cash flows for the year ended by International Financial Reporting Standards (IFRS) and the requirements of Cooperatives Society Act of 1998" Thereafter Mr Sinyangwe made a presentation of the highlights of the CareCoop 2022 financial performance as reflected in the 2022 Financial Statements. Table 1.0 below shows highlights of selected financial performance indicator comparisons for 2021 and 2022 and some explanations, where necessary.

In his presentation, the Board Treasurer explained that CareCoop has grown exponentially since its inception in 1995. He went on to state that CareCoop had embarked on an internal data clean up exercise which was aimed at reconciling the loan book in readiness for the data migration to the new system. Arising from this, unwarranted loan interest (interest which was being applied in perpetuity), as well as incorrect loan balances were written off. CareCoop further brought in a team of forensic auditors to look at the overdue loan balances before effecting write offs.

Questions and Answers Session – Presentation of Financial Statement

Question 1: Mr Chimuka Muyuni from Norwegian Church Aid asked why CareCoop has a negative balance of general reserves and wondered why the Treasurer had specially cited the period 2015 in his presentation.

Response: In response, the Board Treasurer stated that there are several reasons for the negative general reserve balances, and these were necessitated by the write-off that was made for all interest earned in perpetuity as unwarranted earnings that had been recorded over the years (specifically, between 2015 and 2019). Ordinarily, the write-offs could have affected subsequent dividend payout and not reserves, however, a decision was made to write off against reserves and this is the result. However, a plan was put up to ensure the negative position is normalised. In addition, the Treasurer went on to state that the negative reserve position does not affect CareCoop's going concern due to the following;

- (i) CareCoop is very liquid as shown in the financial statements;
- (ii) CareCoop has enough asset cover; and
- (iii) CareCoop has adequate cashflow.

He further responded that 2015 was cited because that was the year when CareCoop transitioned to a new system.

Question 2: Ms Helen Banda of NGOCC noted the share reconciliation note and did point to a good performance in terms of collections at 97%. She further noted that the impairment of loans has increased, despite the decrease in the loan book wondering why this was the case.

Response: The Treasurer responded that the share increases were due to the reconciliations undertaken and that the increase in the impairment of loans was because the impairment model used (IFRS 9) is more forward-looking and can be used to accurately ascertain the probability that a member will default even before actual default.

Question 3: Mr Rueben Chongo, a general member referred the members to the key performance metrics on Page 16 of the 2022 Annual Report. He stated that all the indicators related to profit, dividends per share, savings, loan disbursements, and membership were either on target or exceeded the target. He however expressed concern at the indicator on Customer Satisfaction Score which was at 65% when CareCoop had targeted 80%. His concern related to how CareCoop would attract and recruit more members at such satisfaction levels.

Response: In response the Treasurer stated that it was true that the satisfaction score was low and attributed this to the ongoing loan book reconciliation activities which in turn caused loan processing delays. He also went on to urge members, especially general members to ensure that they capture their full names, NRC, or member numbers as they make bank deposits into CareCoop bank accounts to ease the reconciliation of entries and ensure statements are updated. He stated that reconciliations are ongoing and thanked the Education and Shares Committee for undertaking the survey that informed the Board and management to take corrective action.

Question 4: One of the members present observed that the ZMW 16 million reflected as Other financial assets in the 2022 Annual Report is on the high side and requested the Treasurer to break down the figure and explain other financial assets and other financial liabilities.

Response: The Treasurer responded that this included non-tangible physical assets including liquid cash and investment in real estate. He further explained that other liabilities included credit of ZMW 13,600, accrued expenses of ZMW 2 million, accrued audit fees, interest expenses, balance purchase of land in Coop Villa, statutory liabilities, etc.

Question 5. Mr Chimuka Muyuni from Norwegian Church Aid noted that the Loan Portfolio at ZMW 86.65 million did not meet the 2022 target of ZMW 109.57 million and that it had decreased from the 2021 value. He wondered whether this is because CareCoop loans are expensive and that CareCoop members pay more compared to other institutions. He further wondered whether CareCoop is recruiting people who do not know CareCoop’s core business.

Response: In response Mr Sinyangwe informed the members that loan access and underwriting is tied to individual member’s contract periods and that during 2022 most members had 1-year contracts. This curtailed their ability to borrow beyond their contractual periods. In addition, the write-off of unwarranted interest also affected the portfolio growth. However, the actual loan disbursements in the year did have a positive variance. In relation to the interest rates, the Treasurer assured the members that CareCoop rates are competitive and that on arriving at the rates to charge, comparisons are made with prevailing market rates and other SACCOs. However, as a continuous process, these are reviewed.

Question 6: Mr James Mpande from CIDRZ proposed that there is a need to come up with an annex/appendix at the end of the report or circulate a full set of financials to members since the Annual Report only shows an abridged version.

Response: In response the Treasurer acknowledged that he would raise the issue with the Board to look into how best to improve the presentations. The financials are however circulated to members prior to the AGM.

Question 7. Mr Chitanda Rhodwell, a general member, requested the Treasurer to enlighten the AGM on some of the circumstances CareCoop management and Board consider before writing off a loan.

Response: The Treasurer stated that there exists a policy guideline on the same and some of the circumstances that lead to write-offs relate to: (i) performance of the loans such as prolonged delays in repayments with member’s circumstances having significantly changed. He informed the AGM that CareCoop has put in place stringent loan recovery mechanisms including engagement of debt collectors and lawyers to recover debts. He also pointed out that write-off does not mean a debt stops being pursued, it continues to be pursued as all members are obligated to pay back what they borrow.

Motion for Adoption of the CareCoop 2022 Financial Statements.

Following the Question-and-Answer session, the Treasurer moved a motion for the AGM to adopt the 2022 CareCoop financial statements as a true reflection of the financial position of CareCoop as of 31 December 2022.

Proposer: Ms Elizabeth Sitali of CIDRZ proposed the motion that the 2022 CareCoop financial statements be adopted as a true reflection of the financial position of CareCoop as of 31 December 2022.

Seconder: Ms Cynthia Mulenga of CIDRZ seconded the motion.

28th AGM Resolution: That the 2022 CareCoop audited financial statements be adopted as a true reflection of the financial position of CareCoop as of 31 December 2022.

7.0 DECLARATION OF DIVIDEND AND INTEREST

On behalf of the CareCoop Board of Directors, the Board Treasurer moved a motion and proposed declaration of a dividend of ZMW 112.45 per share to be issued out to shareholders.

Proposer: Ms Modesta Chileshe, a general member proposed that a dividend of ZMW 112.45 be declared to be distributed.

Seconded: Ms Rejoice Munganzi of EFC seconded the motion.

AGM Resolution: A dividend of ZMW 112.45 be declared to be distributed to all shareholders based on the 2022 financial statements.

8.0 APPOINTMENT OF AUDITORS

Mr Chibwe of PKF expressed interest to continue providing audit services to CareCoop during 2023. Following the presentation, the Board Treasurer moved a motion to retain PKF as auditors.

Proposer: Ms Elizabeth Kanyemba of NGOCC proposed that PKF be retained as auditors.

Seconded: Ms Exilda Mpuku, a general member, seconded the motion that PKF be retained to continue as auditors for the year 2023.

AGM Resolution: That PKF be retained as auditors for CareCoop for the year 2023.

9.0 PRESENTATION OF THE AUDIT AND RISK COMMITTEE REPORT

Mr Kelly Siame, Chairperson of the Audit and Risk Committee (ARC) made a presentation of the 2022 ARC report. In his introductory remarks, he stated that CareCoop remains committed to continually improving risk, governance, and controls as the cooperative strives to build an enduring organisation that exceeds stakeholder expectations.

He stated that the Strategic Plan implementation for the first year was successful, with key performance indicators all met and exceeded on profitability.

The ARC Chairperson presented key highlights from the report in the following areas:

Risk Management and Information Technology:

He stated that digital transformation remained a key strategic initiative for CareCoop designed to meet the continuously evolving member needs and preferences. He stated that following the purchase of the new core banking system, Savings Plus, the data migration commenced and that the internal audit function is working with the Project team to ensure that risks are managed during the migration period.

He added that the adoption of digital innovation provided benefits to CareCoop and its members while at the same time exacerbating existing risks. He stated that CareCoop has invested significant time in ensuring that its risk management capabilities are in lockstep with the innovation strategies, including deploying risk tools to provide data designed to identify and respond timely to risks.

Members were informed that the Committee considered and reviewed reports from management on risk management, including reports on incidents and their bearing on financial reporting as well as the ongoing concern assessment. The Committee also considered updates on internal and external audit findings in relation to the information technology (IT) control environment.

Operational and Credit Risk Review.

Mr Siame informed the members that as part of the Operational and Credit Risk Review, the Committee ensured that CareCoop operations continued to be guided by the risk appetite parameters as laid out in the risk management framework. He explained that under credit risk, the risks were orchestrated by loan repayment defaults observed under some categories of members and delinquency, which slowed down CareCoop's momentum during 2022. The Committee further reviewed the plans and work outputs of the internal function as well as compliance and financial controls and concluded that these were adequate to address all significant financial and operational risks facing the organisation.

Legal Regulatory and Compliance Review.

As part of the Legal Regulatory and Compliance Review, the Committee monitored compliance with the Cooperative and Societies Act of 1994, By-Laws and reviewed reports from internal audit, compliance, and external auditors detailing the extent of compliance.

Mr. Siame summarised the principal findings of the 2022 audit as follows:

- » ***The default rate of members in loan repayment arrears was valued at ZMW 1.14 million.***
- » ***Default on savings contributions by members as observed by some inconsistencies in some members' savings accounts.***
- » ***Delayed debt swaps for member loans in the past due category.***
- » ***Delayed postings of member organisation schedules; and***
- » ***Delayed collection of collateral documentation for previously secured loans after full loan repayment.***

He ended his presentation by stating that CareCoop has put in place enhanced risk mitigating factors which included recruitment of debt recovery officer, engagement of a consultant to reconcile the loan and savings portfolios before migration of balances into the new system and constant compliance of checks by the Audit and Risk team.

On prospects for 2023, he assured the members present at the 28th AGM that the Board and Management will continue to explore and align CareCoop strategic focus with various opportunities in a bid to create enhanced value for CareCoop stakeholders.

Question and Answer Session to the Audit and Risk Committee

Question 1: Mr Chimuka Muyuni from Norwegian Church Aid observed that the risks presented are repetitive and not new and wondered whether the delegates can be assured that the risks will be followed up on and finalised.

Question 2: Ms Patricia Malasha a general member further stated that the default on loans and savings contributions reflects a lack of efficiency on the part CareCoop, can this be addressed.

Response: In response to the two questions, the Board indicated that the repeat audit findings relate to the system capability and these would only be resolved once full migration and roll out of the new system is done. The current system in use has failed to be enhanced by the vendor who supports us locally. In response to the second concern, debt swaps are done during the reconciliation and a debt recovery officer as well as legal recoveries have all been put in place to address challenges in collections and recoveries.

Question 3: Mr James Mpande of CIDRZ observed that one of the contributing factors of missing contributions from members could be that there are times when employees leave employers and are reinstated in employment leading to gaps in contributions by members.

Question 4: Mr Kabinda Kabinda of Discover Health wondered whether CareCoop flat interest rate computation charged members higher effective interest rate compared to reduced balance computation practiced by other financial institutions.

Response: In response to the issue, the Board informed the members that when revising the interest rates, CareCoop Board and management compare with other SACCOs prevailing rates and that the pricing considers the fact that CareCoop is a cooperative aimed at empowering members.

10.0 AMENDMENT OF CARECOOP BY-LAWS

Presentation of Appeals

The AGM referred to the list of appeals made to the AGM.

Appeal No. 1: 30% quota system- Clause 8.1.7 Election of the Board of Directors. The AGM was informed that on 22 November 2022, some members from CIDRZ petitioned the Board to remove the clause from the By-Laws and this was supported by 126 signatures, 59 of which were shareholders. Upon receiving the petition, the Board held an extra-ordinary meeting on 26th November 2022 to review the petition and resolved that the petition be rejected as this was part of the current By-Laws. However, the Board wrote to the Registrar of Cooperatives to inform him about the Board Decision and for any further guidance. The Registrar's Office reaffirmed the Board's decision to have been in line with the approved By-Laws guiding further that if a section of the membership was uncomfortable with the clause, they could follow the existing procedure to amend the By-laws accordingly.

The Board sent its response to the CIDRZ petitioners. Upon receipt of the response, the CIDRZ petitioners wrote back to the Board and the Office of the Registrar, stating that the addition of the clause to the By-Laws did not follow procedure citing that the two-third majority as required was not met. The petitioners further stated that CIDRZ employees are also CareCoop members and have rights and that the amendment lacked the necessary approval by the highest CareCoop policy-making organ – the Annual General Meeting – through the ballot box. The petitioners further stated that the Amendment of by-laws is an AGM matter and that the proposed change in the by-law should be subjected to a

two-thirds majority vote at the 28th AGM.

Mr James Mpande of CIDRZ stated that the illegality taken by the Board to the Registrar was a huge misconduct and that the Board should have resigned. He further demanded that the AGM should withdraw the illegality.

In response to Mr James Mpande's remarks the Board Chairperson, Mr Lane Lyabola stated that there is need for all CareCoop members to be respectful and polite to each other. He stated that the clause was raised at the previous AGM where it went unopposed and the matter had been deliberated at both board level and with the Registrar. He also indicated that the Registrar guided as the by-law was passed at the and AGM that only the AGM could withdraw the by-law.

Mr Fidelity Milambo of CRS and former CareCoop Board Chairperson urged the members to focus on developing the Cooperative and look at the greater good and not individual benefit. He brought to the attention of the 28th that AGM the current board composition where six (6) CareCoop Board of Directors out of thirteen (13) are all from one CareCoop member organisation (CIDRZ) out of a total of 102 organisations. He further cited that, it is only democratic and representative that a quota system is adopted to allow for divergent views and avoid dominance by one member organisation.

Following lengthy deliberations, the delegates reached a consensus to vote on the motion to amend the 30% Clause that was in effect at the 28th AGM. The implication was that it would then apply at the 28th AGM but if changed, the change would then be in effect at the 29th AGM. The motion initially put forward was to remove the By-law clause on the 30% quota system. However, during the deliberations, a counter proposal was put forward aimed to limit the representation of any member organisation in Clause 8.2.8 from 30% to not more than 20% or three, and this would have the effect of reducing the number of representatives of the CareCoop Board of Directors to 20% or three Directors from a member organisation or the general membership category.

Motion: Qualifying members from one member organisation or from the General Members shall hold a maximum of 20% or three (3) seats on the Board. This entails that, employees from one-member organisation or the general membership shall not occupy more than 20% or three (3) seats on the Board of Directors including Audit and Risk Committee. The number of members who voted in favour of the motion was 81 against 38 who were not in favour representing 68% for those in favour.

Board Resolution - To limit the number of representatives by any CareCoop member organisation on the CareCoop Board of Directors to not more than 20%- Qualifying members from one member organisation or from the General Members shall hold a maximum of 20% or three (3) seats on the Board. This entails that, employees from one-member organisation or the general membership shall not occupy more than 20% or three (3) seats on the Board of Directors including the Audit and Risk Committee.

Appeal 2. Dr Zulu had made an appeal for election nomination to the Board to stand for the second term in line with provisions of Clause 8.2.8 of the By-Laws. The AGM was informed that the Board disqualified Dr. Zulu from standing for the second term based on the 30% quota provision in the ByLaw as CIDRZ had reached maximum limit representation on the Board. John Nyemba, a general member sought clarification on whether the law was binding at the time Dr Zulu was applying. In response, Director Malama Mwila stated that the clause in the by-law was in effect as it was approved at the 27th AGM where it went unopposed- technically a 100% vote- and was taken to the Registrar of Cooperatives for inclusion in the By-Laws, following which it came into law and was adopted at the 27th AGM. As such, it was binding on Dr Zulu.

Proposer: Mr Lawrence Mwenge from ZAMBART proposed that the initial decision not to allow Dr James Zulu to contest on account of the limitation clause be upheld.

Seconded: Ms Alice Lungu from Plan International seconded the motion.

AGM Resolution: That the appeal for disqualification for Dr James Zulu to stand for nomination for the second term be withheld as the AGM upheld the initial decision.

By Law Changes

By Law Change 1: Proxy, Virtual, and Electronic Voting

A motion was put forward to have proxy voting and allow virtual AGM attendance and voting as part of the provisions of the CareCoop By-Laws. The members present at the CareCoop 28th AGM deliberated on these issues and reached a consensus that the Cooperative is operating in an advanced digital and technological environment and that there is a need to be abreast with technology and innovation for growth. The delegates further agreed that it is very difficult to have over 6,000 CareCoop members in one place at the same time, particularly since some of the Cooperative members reside outside Lusaka. The members unanimously voted in favour of the CareCoop shareholders to be attending virtually AGM and that by-laws should have provisions for hybrid physical and electronic voting.

On shareholders voting by proxy, the agreed AGM that there were no provisions for this in the Cooperative Act and that there would therefore be a need to align the new by-law provisions to be in line with the provisions of the Act.

By Law Change 2:

Clause 3.3.1.5 of the By-Laws which partly read ". A person formally employed by a member organization and has not terminated their contract membership and did not acquire shareholder status...." and proposed that should change and read "... A person formally employed by a member organization should provide clearance and recommendation from the member organisation to apply as a shareholder..." and requested the AGM to vote on the Appeal.

Dr Ngandu noted that Item 3 in the Clause which prescribes getting a recommendation from a former employer member-organisation should be removed because it is very difficult to go to a former employer to obtain a recommendation. To this, Musonda, a general member added that international NGOs at times fold up and at times it becomes very difficult to trace them and get contacts for recommendations. Ms Rose Lungu, a general member, referred to the Roman numerals bullet (i) in the Clause which states that a general member should wait for 5 years before they can access loan products to be discriminatory and that it should be removed. She proposed that members should qualify upon joining and effecting the savings deductions.

Ms Chibwe Imasiku of Plan International proposed that Clause 3 be amended/dropped, while Mr Chilufya Julius of Chemonics proposed that Bullet 1 be amended, and Bullet 3 be dropped completely. Mr Chimuka Muyuni from Norwegian Church Aid proposed that the AGM retains the main Clause but that all the 3 bullet points be dropped off.

In concluding the debate on the Appeal, the AGM proposed that the Board and management facilitate the reconstruction of the clauses based on the discussions and allow a person formally employed by a member organization and has not terminated their membership and did not acquire shareholder status before to be allowed to buy shares and become a shareholder.

By Law Change 3:

An unsuccessful candidate after dissatisfaction with Board elections results. The proposed amendment initially stated that ... "...an unsuccessful candidate may appeal in writing to the Board within two (2) working days following receipt of the feedback from Board of Directors..." All the 142 delegates unanimously voted to have Clause 8.2.7.5 state that ..." ...an unsuccessful candidate may appeal in writing to the Board within five (5) working days following receipt of the feedback from Board of Directors.."

The Board Vice Secretary reminded the members present at the 28th AGM that the details of the revisions made to the by-laws will be in effect at the 29th AGM as they will need to be incorporated in the By-Laws and taken to the Registrar for admission.

Announcement of CareCoop Awards

The Board Vice Secretary, Ms Helen Khunga Chirwa announced the 2022 award winners as follows:

Award No.	1.0	Highest Number Of Shares	Ms Bridget Kakuwa
Award No.	2.0	Directors' Award Full term	Mr Lane Lee Lyabola
Award No.	3.0	Directors' Award Full term	Dr James Zulu
Award No.	4.0	Directors' Award Full term	Ms Mary Banda
Award No.	5.0	Directors Award Full Term	Ms Monica Mutesa
Award No.	6.0	Directors Award Full Term	Mr Kelly Siame
Award No.	7.0	Highest Saver	Dr Chilunga Puta
Award No.	8.0	New member with highest savings	Dr Izukanji Sikazwe
Award No.	9.0	Most consistent member organisation	Project Concern Zambia
Award No.	10.0	Most consistent member organisation	Children International
Award No.	11.0	Most consistent member organisation	Zambia Electronic Clearing House (ZECH)
Award No.	12.0	Most consistent member organisation	British High Commission Department of Foreign and Commonwealth
Award No.	13.0	CareCoop Employee of the Year	Ms Juliet Malukutila

12.0 ELECTION OF CARECOOP BOARD OF DIRECTORS

The Board Vice Secretary invited the Registrar of Cooperatives to preside over the elections of the Board of Directors. The Registrar introduced himself as Mr Evans Kapekele and informed the AGM

Mr Justin Mwansa, former Registrar had retired. Mr Kapekele commended the AGM for the democratic traits exhibited during the deliberations of the AGM.

The 28th AGM advised that voting for shareholders would involve use of the electronic voting for registered shareholders present and that there would be no use of manual ballots. Delegates were also informed that there would be a need for internet connection quickly also stating that booths would be used for those who may experience challenges with electronic voting.

The Board announced that there were four (4) positions to be filled on the CareCoop Board of Directors and one in the Audit and Risk Committee. The Vice Secretary announced the names of the successfully registered eligible candidates as follows:

No.:	Name	Title and Institution
1.	Ms Chikwe Mbweeda	Country Director, Care International
2.	Mr Isaac Mwape	Accountant, General Member
3.	Ms Monica Mutesa	Reproductive Health Director, Path
4.	Ms Alice Lungu	Sponsorship Manager, Plan International,
5.	Ms Memory Banda	Accountant, NGOCC

Under Audit and Risk Committee

No.:	Name	Organization
1.	Mr Jobrith Abraham Mutembo	Consultant, General Member
2.	Ms Rose Lungu	IT Specialist, General Member

Announcement of CareCoop Awards

The candidates were given one minute each under which they were requested to present their manifestos before voting.

Election Results.

The results of the elections for the Board members were as laid out in Table 2.0 below

Table 2.0: Results of the 28th AGM elections for Board Member Candidates

No.:	Name	No. of Votes Received
1.	Ms Chikwe Mbweeda	134
2.	Ms Memory Banda	133
3.	Mr Isaac Mwape	112
4.	Ms Monica Mutesa	105
5.	Ms Alice Lungu	104

Audit & Risk

No.:	Name	No. of Votes Received
1.	Mr Jobrith Abraham Mutembo	75
2.	Ms Rose Lungu	72

Ms Chikwe Mbweeda, Ms Memory Banda Simwaba, Mr Isaac Mwape and Ms Monica Mutesa were successfully voted onto the board of directors. Mr Jobrith Abraham Mutembo was also successfully elected for the position of member of the Audit and Risk Committee.

The Board Vice Secretary requested nominations for the sitting Board of Directors to express interest in the positions of Chairperson of the CareCoop Board of Directors and Vice Chairperson.

Nominations were requested for the position of Board Chairperson. Mr John Sinyangwe was proposed for nomination by Dr James Zulu from CIDRZ, seconded by Cecilia Namuyemba from CIDRZ. Ms Chikwe Mbweeda was nominated by Mr Isaac Mwape a general member seconded by Ms Audrey Mutemwa from Save the Children. Ms Monica Mutesa was nominated by Chimuka Muyuni from Norwegian Church Aid and seconded by Mr Kelvin Muyuni from Path. Mr Isaac Mwape was nominated by Ms Deborah K Milimo from Zambart and seconded by Ms Cynthia Kunda a general member.

The candidates were given one minute each under which they were requested to present their manifestos before voting.

Election Results.

The results of the elections for the Board Chairperson were as laid out in Table 3.0 below:

Table 3.0: Results of the 28th AGM elections for Board Chairperson

No.:	Name	No. of Votes Received
1.	Mr John Sinyangwe	48
2.	Ms Chikwe Mbweeda	40
3.	Ms Monica Mutesa	31
4.	Mr Isaac Mwape	4

Board Resolution. That Mr John Sinyangwe, General member be declared the new Chairperson of the CareCoop Board of Directors at the 28th AGM.

Nominations were requested for the position of Vice Chairperson. A proposal to get the runner up to the Chairperson position as Vice Chairperson was made but guidance was given that this trend should not be allowed. Instead, new proposals

should be made, and votes done. Ms Chikwe Mbweeda of Care International was proposed by Mr Isaac Mwape, a general member for the position of Vice Chairperson and was seconded by Ms Exildah Mpuku a general member. There being no other nominations, Ms. Chikwe Mbweeda was elected Vice Chairperson of the CareCoop Board of Directors

Board Resolution. That Ms Chikwe Mbweeda be declared the new Vice Chairperson for the CareCoop Board of Directors at the 28th AGM.

The newly elected Board members were congratulated and called to sit at the high table.

6.0 CLOSING REMARKS AND PRAYER

The Vice Secretary invited the new Board Chairperson to give a few remarks as part of the closing remarks.

In his remarks, Mr Sinyangwe stated that he was pleased to be elected to the CareCoop Board and this time around as the Board Chairperson. He promised to bring about radical positive change considering the positive ground laid by his predecessor.

Following the Chairperson-elect's remarks, the AGM members sang the National Anthem, following which Director Malama Mwila gave a closing prayer.

The 28th CareCoop Annual General Meeting was formally closed at 18:07 Hrs.

SIGNED:



Helen Chirwa
BOARD SECRETARY



John Sinyangwe
BOARD CHAIRPERSON

2023 ATTENDANCE REGISTER

No.:	Name
1.	Aaron Mwale
2.	Aaron Nkhoma
3.	Abel Muwowo
4.	Abiud Mumba
5.	Ackim Chimbala
6.	Adjoa Parker Ameyaa
7.	Agnes Bwalya
8.	Aikayo Florence Mulenga
9.	Akufuna Muyunda
10.	Alan Kalandala
11.	Alfred Chitomfwa
12.	Alinedi Daka
13.	Alumanda Shakankale
14.	Alexander Mvula
15.	Angela Chilufya Nkole
16.	Angela Mulongo
17.	Angelina Kwiliko
18.	Annie B Njovu
19.	Anthony Willombe
20.	Austin Kamunjomwa Vwaali
21.	Beatrice Daka
22.	Beauty S Hachiboloma
23.	Beauty Tembo
24.	Bernadette Lungu
25.	Bersnart Ngandu
26.	Berston Maambo
27.	Betina Shangwela
28.	Blackwell Kunda
29.	Boyd Maswau
30.	Bweupe Consolata Sakala
31.	Brenda Chibawe
32.	Brenda Kayumba
33.	Brenda Machisa
34.	Brenda Musonda
35.	Bridget Chishimba Mkumba
36.	Bridget Mwamba

No.:	Name
37.	Bright N Jere
38.	Bright Sikaala
39.	Bwile Musonda
40.	Carol Sakala
41.	Carolyn Chibundi
42.	Changwe Matilda Nkashi
43.	Charlton Kakene
44.	Chibi Miyanda
45.	Chiinza Jojomba
46.	Chinyama Kalama
47.	Chinyama Luundu
48.	Chinyama Manze
49.	Chileshe Catherine Kasonde
50.	Chileya Kalasa
51.	Chimunka Miyanda
52.	Chipepo Chifuti Musonda
53.	Chirwa Brian
54.	Chispine Chola
55.	Christine Chongo
56.	Christine Imasiku
57.	Christine Munalula
58.	Christopher Mukalula
59.	Chitembeya Annie Sinyangwe
60.	Clement Mwakamui Simataa
61.	Clement Mwale
62.	Clifford Nickson Mayaba
63.	Conas Mapulanga
64.	Chonstance Kalumbano
65.	David Kombe Musangu
66.	David Tembo
67.	Diamond Daka
68.	Debbie Sibayuni
69.	Deborah Kaluba Milimo
70.	Douglas Chiyesu
71.	Doris Bwalya
72.	Dziko Williams Phiri

No.:	Name
73.	Edina Kambole
74.	Edrick Maseka
75.	Edward Nkula Goma
76.	Elimus Phiri
77.	Elizabeth Kanyemba
78.	Elizabeth Maseki Makeche
79.	Elizabeth Mbinga
80.	Emily Chongo
81.	Emmanuel Chungu
82.	Emmanuel Lumbwe
83.	Esnart Mumba
84.	Ethel Mukosa
85.	Euphrasia Phiri Mtonga
86.	Ezechias Matabaro
87.	Fackson Salimu
88.	Faustina Makiko
89.	Febby Banda Kawamya
90.	Fetherstone Mangunje
91.	Florence Mende Lufunsa
92.	Fordson Kafweku
93.	Francis Mwape
94.	Fred Musonda -Care Coop
95.	Freddy Kasweka
96.	Geoffrey Ndandanda
97.	George Kamboz
98.	Gerald Manda
99.	Gerald Muche
100.	Gertrude K Musonda
101.	Getrude Musonda
102.	Gilbert Jikubi
103.	Godwin Chingande
104.	Gordon Mwanza
105.	Grace Bwalya (Cidrz)
106.	Gregory Saili
107.	Harry Banda
108.	Harry Ngoma

No.:	Name
109.	Helen Khunga
110.	Hilary Mpande
111.	Humble Sibooli
112.	Immaculate N.S Chinyemba
113.	Isaac Muleba
114.	Isaac Mwape
115.	James Chipalaya
116.	James Zulu
117.	Jacqueline Mutale
118.	Janet Chinyama
119.	Jimmy Mukungu
120.	John Sinyangwe
121.	Josephine Mboози
122.	Josephine Mutakwa
123.	Josiah Subakanya
124.	Joyce Dube
125.	Jule Kwacheya
126.	Julien Phiri
127.	Juliet Kapoma Malukutula
128.	Kasalika Mulenga
129.	Kelly Siame
130.	King Syachika
131.	Levi Mbulo
132.	Levison Phiri
133.	Lewis Mukuni
134.	Lloyd Simutowe
135.	Loveness Mulongo
136.	Kelvin Muyuni
137.	Kudakwashe Mucheka
138.	Lane-Lee Lyabola
139.	Lankie Ngulube
140.	Lawrence Muuma
141.	Lubasi Imasiku
142.	Luka Muzumara
143.	Luwi Masumba
144.	Luyando Hanjalika

No.:	Name
145.	Malama Mwila
146.	Maimbo Kalonge
147.	Martha Mwaba Kambalakoko
148.	Martha Mwendafilumba
149.	Martha Zulu
150.	Margaret Lungu
151.	Margaret Kamanga
152.	Mary Banda
153.	Mary Phiri
154.	Masozzi Moyo Ndhlovu
155.	Maston Kalubenyi
156.	Mattew Kamangala
157.	Maureen Mtepuka Mzumara
158.	Mavis Tembo
159.	Mbao Joe
160.	Memory Banda
161.	Michelo Mwango
162.	Milimo Delhan Hamomba
163.	Mike Matokwani
164.	Monica Mutesa
165.	Monica Phiri Tembo
166.	Monicah Nkonde Mwachande
167.	Moses Malamamfumu
168.	Moses Simwaka
169.	Moses Zimba
170.	Muhau Mulilo

No.:	Name
171.	Mumbuwa Nalishuwa
172.	Mumbuwa Njamba Nalishuwa
173.	Munje Mumba
174.	Mutinta Lumayi
175.	Mwamba Mwenge Mwila
176.	Mwangelwa Mubiana Mbewe
177.	Mwansa Mwape
178.	Mwansa Sakala
179.	Mwendapole Grace Mwila
180.	Naadi Tozeyana Ndhlovu
181.	Namatama Simatele
182.	Namwene Cheepa
183.	Naomi Ziba
184.	Nebby Musanje
185.	Nedso Theu
186.	Nelia Sakala
187.	Ngosa Mumba
188.	Nicholas Shiliya
189.	O'Brien Luneta
190.	Odwell Simalambo
191.	Osborn Shiwela
192.	Owen Malambo
193.	P Justin Bwalya
194.	Patrick Kapaya Musunga
195.	Patricia Sita

No.:	Name
196.	Patrick Kabwita
197.	Paul Kalichini
198.	Paul Kilumba Somwe
199.	Pendasambo Sichone
200.	Pharon Manda
201.	Philip Songwe
202.	Precious Mpashi
203.	Prunella Kapinga
204.	Queen Tembo
205.	Quintino Shamande
206.	Rabson Liobeka
207.	Raymond Chilala
208.	Reuben Melele Chongo
209.	Rhodah Mwanza
210.	Rodgers Siyingwa
211.	Rollah Chunga
212.	Rose Chirwa
213.	Rose Lungu
214.	Rose Lungu - UNC
215.	Rosemary Zulu Phiri
216.	Ruth Yikona
217.	Saasa Akende
218.	Salome Mangala Namutami
219.	Samson Musonda
220.	Sarah Nyirongo Ngoma

No.:	Name
221.	Sharon Mufwempa
222.	Simone Msimuko
223.	Sishwau Likando
224.	Stanley Mwale
225.	Susanna Mwachande
226.	Sydney Kanyata
227.	Sydney Mwale
228.	Sydney Sichivula
229.	Tamara Moyo
230.	Taurai Milimo
231.	Tephillot Bwali
232.	Thelma KM Chulu
233.	Thelma Mwansa
234.	Tina Chilengi
235.	Venerandah Nhandu
236.	Veronica Nyirongo
237.	Vivian Banda Peterson
238.	Westone Kangungu
239.	William Besa
240.	Winter Siambuli
241.	Yakobe Phiri
242.	Zamine Kawamya
243.	Zude Zyambo

OBITUARIES

No.	NAME OF MEMBER	NAME OF ORGANISATION
1.	Mulenga Chewe	JSI Discover Health
2.	Sarah Namumba	General Member
3.	Joan Nkama	General Member

It is with great **sadness** and **heavy hearts** that we lost **our beloved members** may their **souls rest in peace.**



COOPERATIVE INFORMATION

BOARD OF DIRECTORS

John Sinyangwe
Chikwe Mbweeda
Helen Khunga Chirwa
Malama Mwila
Kudakwashe Mucheka
Isaac Mwape
Jobrith Mutembo
Memory Banda
Brenda Muletambo Kayumba
Angela Nkole
Matildah Nkashi
Monica N Mutesa
Elizabeth Makeche

DESIGNATION

Chairperson
Vice Chairperson
Secretary
Member
Treasurer
Member
Member
Member
Member
Member
Member
Member
Member

DATE OF ELECTION

27 March 2021
25 March 2023
26 March 2022
26 March 2022
26 March 2022
25 March 2023
25 March 2023
26 March 2022
25 March 2023
26 March 2021
26 March 2022
29 August 2020
29 August 2021

BOARD OF DIRECTORS WHO LEFT

Lane Lee Lyabola
Kelly Siame
Mary Banda
James Zulu

DESIGNATION

Chairperson
Member
Member
Secretary

DATE OF LEAVING

25 March 2023
25 March 2023
25 March 2023
25 March 2023

CHIEF OFFICERS

Mutinta Lumayi
Sydney Kanyata
Fred Musonda
Prunella Kapinga Kalela

DESIGNATION

Chief Executive Officer
Head Finance & Administration
Head Risk & Internal Audit
Head Business Development

DATE OF APPOINTMENT

1 July 2019
1 June 2020
5 November 2016
3 August 2019

BOARD COMMITTEES

Finance and Operations Committee

Helen Khunga Chirwa

Loans and Saving Committee

Angela Nkole

Risk and Audit Committee

Elizabeth Makeche

Education and Shares Committee

Malama Mwila

MEMBERS

Kudakwashe Mucheka
Isaac Mwape
Memory Banda
Monica N Mutesa
Matildah Nkashi
Jobrith Mutembo
Chikwe Mbweeda
Brenda Muletambo Kayumba

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Plot No. 9696
Chudleigh
Lusaka, Zambia

INDEPENDENT AUDITOR

PKF Zambia Chartered Accountants
P.O. Box 31290
Lusaka, Zambia

PRINCIPAL BANKERS

ABSA Bank Zambia Plc
Kafue House
P. O. Box 31936
Lusaka, Zambia

First Nation Bank Zambia
Manda Hill Branch
P. O. Box 36187
Lusaka, Zambia

LAWYERS

Shamwana and Company,
Advocates and Notaries
Cedar Road, Woodlands
P. O. Box 32369
Lusaka, Zambia





2023

CARE COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED

 www.carecoop.org