



State of Affairs Report FY 2019

Oneness, Power and Progress



**ONENESS,
POWER AND
PROGRESS**



301 HAG COOPERATIVE MULTIPURPOSE SOCIETY

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About Us



Our Vision

To enhance the standard of living of members and prepare them for a fulfilling post-service life



History

The 301 Heavy Airlift Group Cooperative Multipurpose Society (301HAGCMS), formally called the 88 Military Airlift Group Cooperative Multipurpose Society was established on 13 November 2003. It was initially established as a welfare support scheme to meet the

immediate and urgent need of both officers and airmen of its parent unit, on the order of the then commander, Air Vice Marshal SI Awofodu (rtd).

In its formative months, a committee was convened to oversee the running of the scheme. The Committee started by registering the first pioneer members and facilitated the commencement of monthly subscriptions. Following this was the inauguration ceremony and launching of a cooperative retail shop on 20 August 2004. By May 2004, the strength of the Society had increased to 156 members comprising of 11 officers, 144 airmen and one retiree. In October 2004, Group Captain AY Bello was appointed as the Chairman of the Society. Subsequently, a management committee headed by a chairperson came into place in July 2005.

On 6 June 2005, the First General meeting was held while the First Annual General Meeting (AGM) took place on 11 January 2006 with the attendance of the Area officer in charge of Cooperative Societies in Ikeja. This paved way for the approval of the Cooperative for supervision and development under the Lagos State Ministry of Agriculture and Cooperative Society with effect from 6 April 2006. Consequently, the society was registered as 88 Military Airlift Group Consumer Credit and Thrift Society. It then progressively metamorphosed into the 88 Military Airlift Group Cooperative Multipurpose Society, 201 Heavy Airlift Group Multipurpose Society, before adopting its current nomenclature 301HAGCMS. So far, the cooperative has had 11 AGMs. The last AGM took place on 6 July 2019.

We are a team driven since 2003 to enhance the standard of living of our members, and we remain passionate to continue this journey in 'oneness, power and progress'



Where We are Now

The 301HAGCMS has recorded tremendous growth over the years with significant impacts on the quality of life of its members. In recognition of these achievements, the Cooperative has received several awards such as the Lagos State Ministry of Commerce, Industry and Cooperatives Award for the Best Managed Industrial Based Cooperative Society in Lagos State (2107 and 2018) as well as Award for the Second Best Hosting Cooperative (2018). The pinnacle of these achievements was the receipt of the Best Managed Cooperative in Nigeria Award from the Cooperative Rating and Award Society of Nigeria in November 2018.



Awards Received in 2018



Awards Received in 2017

The 301HAGCMS currently has a membership base of about 11,000 members with an asset base in excess of 8 billion naira. The Cooperative has investments in real estate, money market instruments, agriculture and retail. Its most significant asset however, lies in its human resource. With a highly trained staff base cutting across various disciplines ranging from accounting, marketing, business management to corporate law, the Cooperative is effectively poised to offer the best possible services to its esteemed members



Looking Ahead

We strive to remain a leading cooperative in Nigeria. In this context, we are driven to institute measures to better understand and satisfy the self-fulfillment needs of our esteemed members through innovative schemes and prudent financial management strategies.

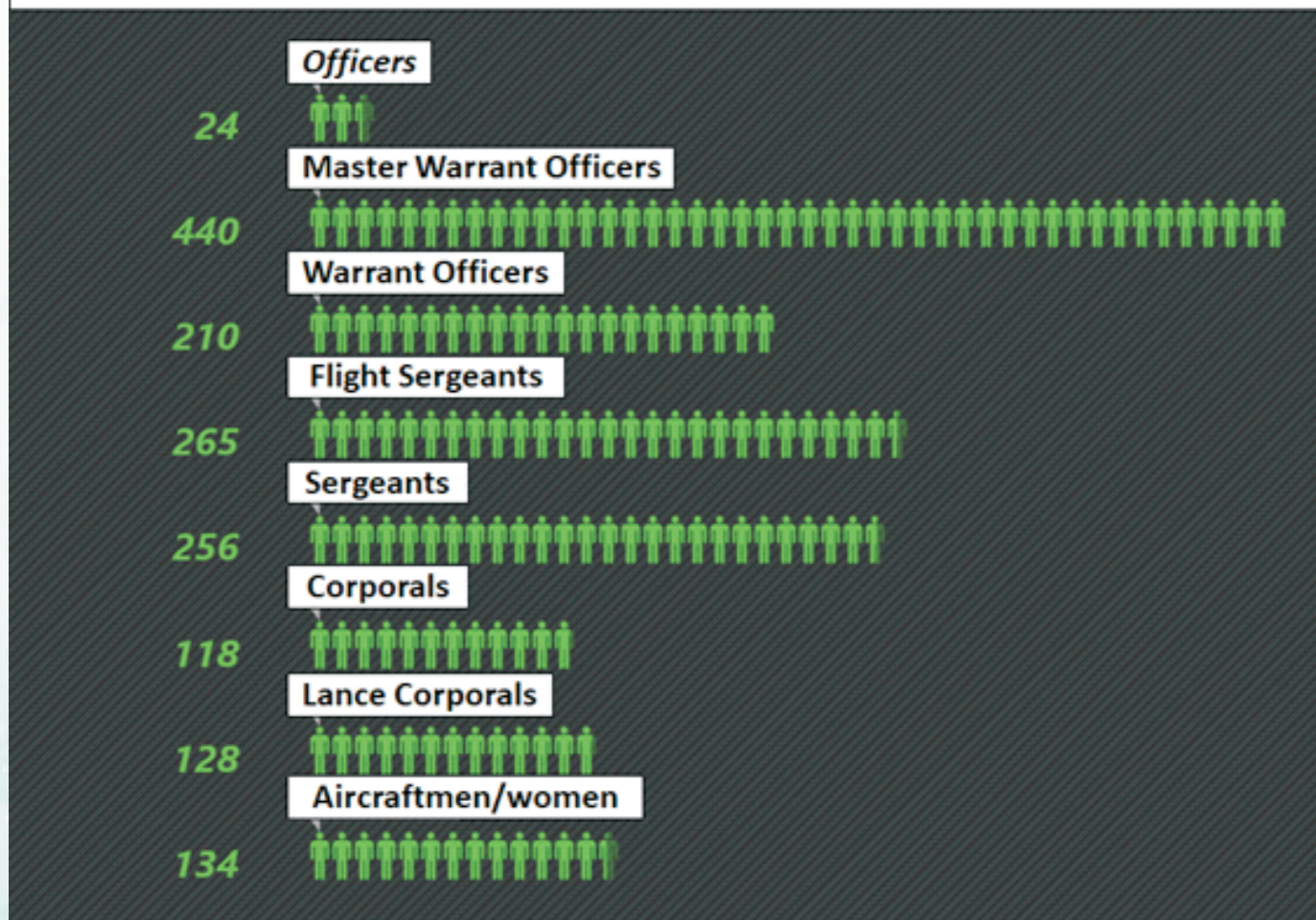
CONDUCT OF THE ELEVENTH AGM

The Eleventh Annual General Meeting was held on 6 July 2019 at the Air Force Primary School One, Sam Ethnan Air Force Base, Ikeja, Lagos. With the attendance of 1,575 members.

An analysis of the distribution of the attendees showed that MWOs and WOs formed the largest section of members who attended the event with officers having the least attendance overall. It was also, observed that the

attendance of ACMs/ACWs was not commiserate with their contribution to the overall membership strength of the Cooperative. Greater publicity of the AGM with emphasis on members serving outside the Lagos area as well as ranks which were poorly represented at the Eleventh AGM is being considered to correct this anomaly in future AGMs.

Distribution of the Eleventh AGM Attendees



The highlights of Eleventh AGM included the President's Address presented by Group Captain BR Amuda as well as the presentation of the 2018 Financial Report by the Cooperative's Treasurer, MWO L Dakogol. Thereafter, the members discussed issues arising from the President's Address and 2018 Financial Report before adopting the AGM's communique. Some

of the achievements from the Financial Year (FY) 2018 highlighted during the Eleventh AGM include:

1. Commencement of the fencing of the 60 acres of land situated at Magbon.

2. Increase in strength of the Cooperative from 9,600 members to 11,500 members.

Assistance of other sister service and tri-service units in establishing their cooperatives.

3. Deployment of a dedicated menu for 301HAGCMS on the Quickteller platform (<https://www.quickteller.com/301hagcms>) to aid members' cash payments.

A number of challenges, which limited the progress of the Cooperative in 2018, were also highlighted. Some the highlighted challenges include:

- 1. Failure of members to follow the standard withdrawal procedures.
- 2. Poor utilization of the Cooperative's online financial platform.
- 3. Submission of insufficient supporting details such as name, rank and service number during cash payments by members to the Cooperative accounts.

A number of observations were made regarding the conduct of the Eleventh AGM ranging from attendance to organization issues. A key organizational issue was the significant shortfall between the number of personnel that attended the event and the available souvenirs. Furthermore, it was noted that members from outside the Lagos area had limited representation. To this end, it was deduced that the scope for planning future AGMs would need to be significantly enhanced to address the observed shortcomings of the Eleventh AGM.



Venue of Eleventh AGM



Accreditation of Members



Cross section of Eleventh AGM Attendees



President's Address by the Immediate Past Cooperative President Group Captain BR Amuda



Presentation of Financial Statement by the Cooperative's Treasurer



Discussion Session



Delivery of Messages from the Cooperative's External Partners



Distribution of Souvenirs



CONDUCT OF THE TWELFTH AGM

The coronavirus disease (COVID-19) pandemic among other effects resulted in the slowdown of economic activities globally. In Lagos state, this was characterized by restrictions in inter and intra state movement, enforcement of social distancing measures and partial closure of businesses, culminating in a statewide lockdown on 30 March 2020. In line with this provision, the Director of Cooperative Services, Lagos State Ministry of Commerce, Industry and Cooperatives, on 23 March 2020, passed the following directive to all cooperatives operating within Lagos area: "All AGMs, ordinary general meetings and extraordinary general meetings should be suspended till further notice".

Following the lockdown, the Cooperative's secretariat was shutdown partially. Accordingly, the Cooperative shifted its operations to an offsite model, which is still in force as at the time of this report. The suspension of AGMs by the Lagos State Ministry of Commerce, Industry and Cooperatives is also still in place. To this end, 301 HAGCMS sought to make alternative arrangements for the conduct of its Twelfth AGM. The considered options included:

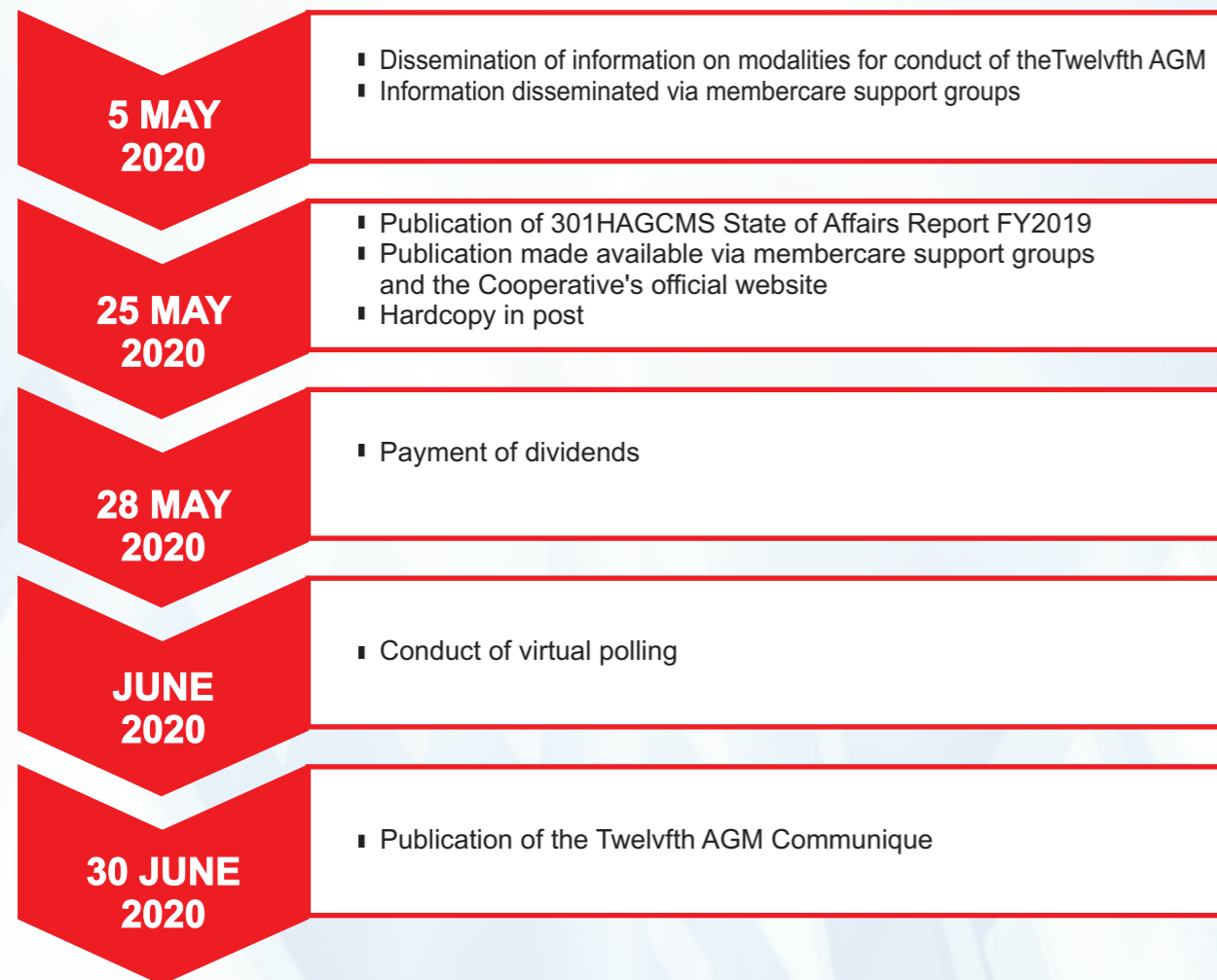
1. The postponement of the Twelfth AGM to 2021.
2. Conduct of the Twelfth AGM online via video conferencing or video broadcast tools.
3. Publication of the Cooperative's state of affairs report complemented by a virtual polling exercise.

Following a stakeholders meeting on 4 May 2020, option of publishing a state of affairs report option complemented by a virtual polling exercise was adopted. This was to ensure a greater reach to the Cooperative's members, allow the passage of more detailed information as well as permit an inclusive approach in making key decisions for the running of the Cooperative in the FY2020. The state of the affairs report is structured such that as much information as would have been made available in a traditional AGM would be provided to the members. On the other hand, feedback from the members on cogent issues would be provided through a virtual polling medium designed dedicatedly for the Cooperative's Twelfth AGM. The cost of producing the state of affairs report and AGM communique as well as hosting the virtual poll would be discounted from the funds initially earmarked for conducting the Twelfth AGM. The remaining AGM funds would then be shared equally to all the members.

At the end of the virtual polling exercise, decisions arrived at after the collation of members' votes would form the overall resolutions of Twelfth AGM. These resolutions would be released as the AGM communique on 30 June 2020. It is also pertinent to note that elections were due to be conducted during the Twelfth AGM to replace the current set of electable executive members. Due to the current conditions however, the elections would be postponed to the Thirteenth

DISBURSEMENT OF AGM FUNDS

Total AGM Organization Funds	– N25,000,000.00
Production of State of Affairs Report/ Communique and Hosting of Virtual Poll	- N1,000,000.00
Remainder AGM Funds for Disbursement	-N24,000,000.00
Funds Accruable to each Member (Distributed equally to 10,825 members)	–N2,217.00



Timeline for the Conduct of the Twelfth AGM

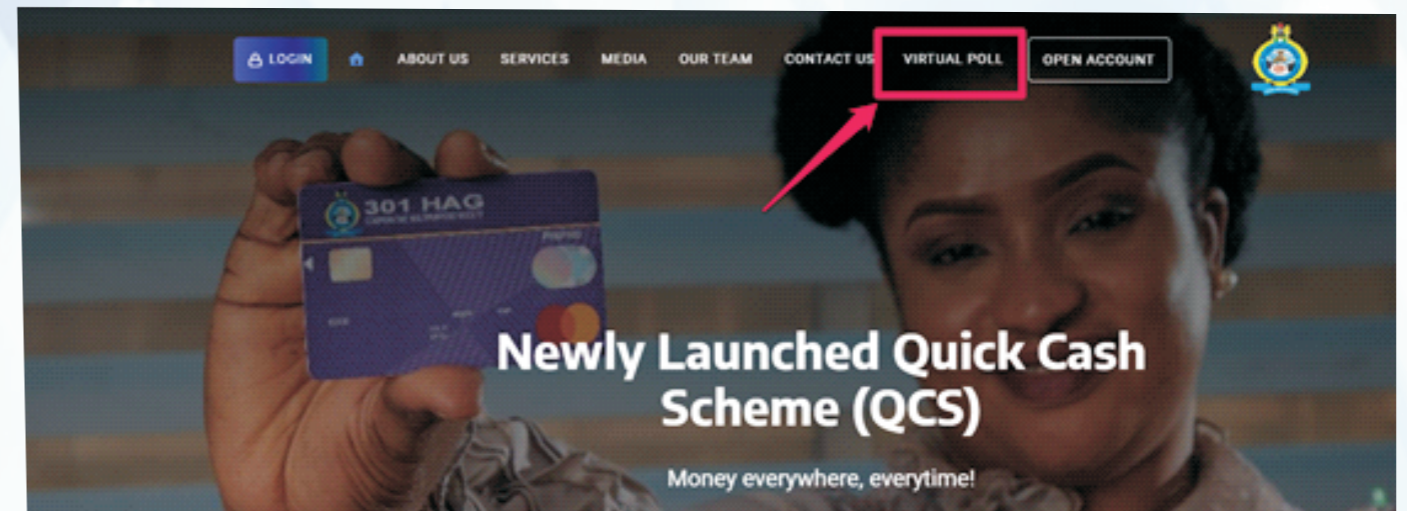
VIRTUAL POLLING

The virtual polling initiative was borne out of the need to obtain a fair representation of the opinions of the members on key cooperative issues in the absence of the physical polling means. Essentially, the virtual polling exercise is an internet-based voting instrument which would be hosted on the Cooperative official website. The process for the virtual polling would begin in the first week of June 2020 with the education of members on modalities for the poll. The summary of the poll questions to be expected are included in this report.

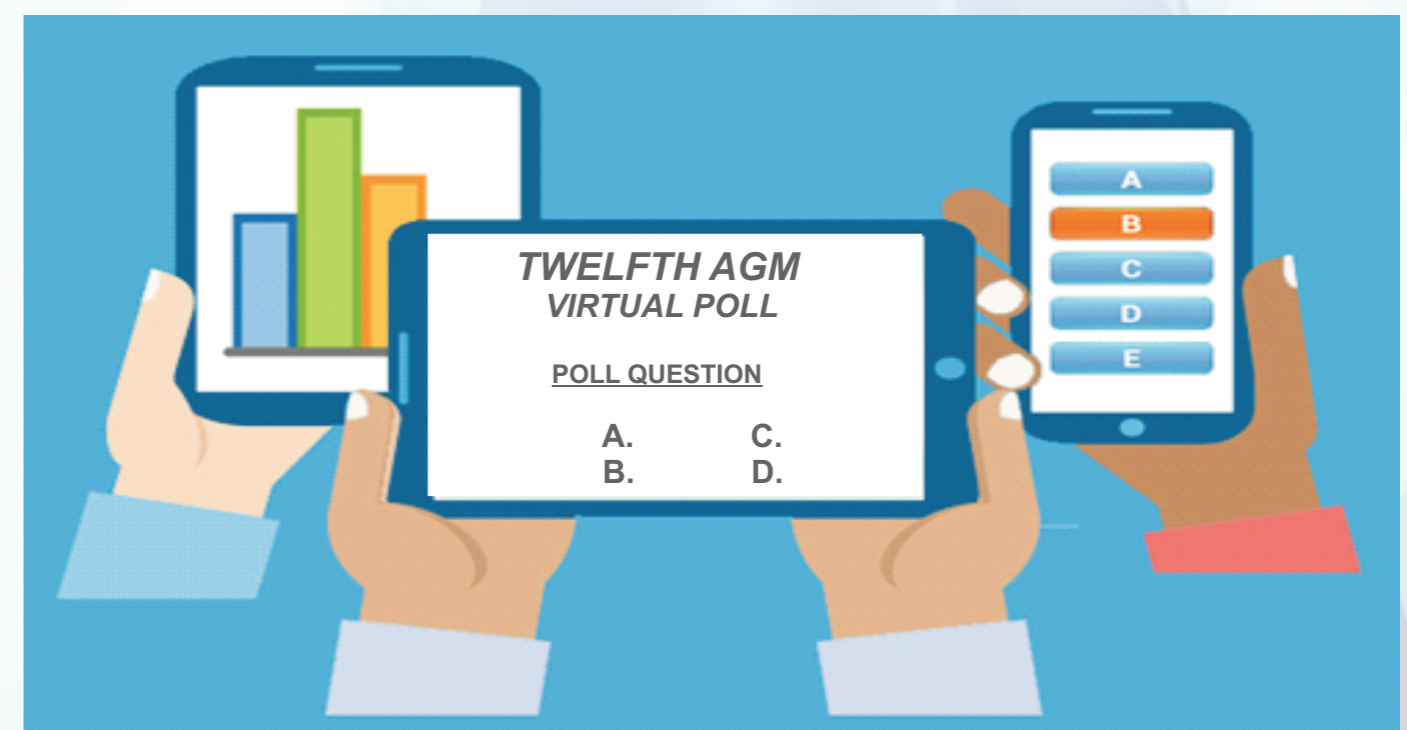
Following the education of members on conduct of virtual polling, access credentials would be provided to individual members. This is to ensure that each

member is entitled to only one voting cycle. Access credentials would include the members' individual username and/or randomly generated passwords. The next phase of the exercise would comprise the actual voting. In this phase, members would be required to make their choices across the various poll questions.

The voting platform would be opened to members for a period of one week. Immediately the voting period ends the polling results would be made available on the Cooperative's official website. Finally, analysis of the voting results would be carried out to produce the Twelfth AGM communique.



Official Website Homepage with Virtual Poll Link Highlighted



2019 FINANCIAL STATEMENT**STATEMENT OF INCOME AND EXPENDITURE FOR FY2019**

	2019	2018
	(N)	(N)
Trading		
Sales Commodities	18,885,618.00	15,925,000.00
Less Purchase of Commodities	18,690,330.00	15,790,000.00
Closing stock	(35,000.00)	-
Gross Profit	230,288.00	135,000.00
Income		
Consumer Operation	230,288.00	135,000.00
Loan Interest	240,528,855.07	188,001,198.37
Electronic Loan Interest	20,499,119.00	15,931,478.00
Fixed Deposit Interest	189,737,460.29	129,216,501.19
Poultry Business Returns	559,365.00	-
Shop Rent Received	900,000.00	-
Bank Interest	376,147.46	250,783.00
Excess Bank Charges Recovery	5,839,837.72	-
Total	458,671,072.54	333,534,960.56

Info Tech Exp	1,693,600.00	1,259,850.00
Repair & Maintenance Exp	854,300.00	917,400.00
Administrative Exp	921,650.00	1,126,400.00
Communication Exp	660,000.00	475,000.00
Travelling & Transport Exp	416,500.00	705,000.00
Donation & Gift Exp	1,931,920.00	975,000.00
Staff Gratuity	2,000,000.00	2,000,000.00
Union Due Exp	110,000.00	60,000.00
Area Office Exp [Processing Fee]	650,000.00	700,000.00
Raffle Ticket Exp	50,000.00	200,000.00
Printing & Stationary Exp	521,650.00	475,900.00
Commission Paid Exp	469,821.06	-
Dep 2% Coop Shop	405,826.62	414,108.80
Dep 25% Office Equipment	2,017,163.73	1,338,101.64
Dep 25% F/Fittings	1,880,981.50	1,208,492.14
Total	47,632,561.52	38,997,865.60
Net Surplus	411,038,511.02	294,537,095.10
DISPOSAL OF SURPLUS FUNDS	2019	2018
	(N)	(N)
Net Surplus	411,038,511.02	294,537,095.10
Reserve Fund [25%]	102,759,627.75	73,634,273.78
Education Fund [2.5%]	10,275,962.77	7,363,427.37
Members Dividend [64.3%]	264,372,920.50	196,189,393.95
Honorarium [2.1%]	8,630,000.00	7,350,000.00
AGM Prov [6.1%]	25,000,000.00	10,000,000.00
TOTAL	411,038,511.02	294,537,095.10

FINANCIAL POSITION AS AT 31 DECEMBER 2019

	2019 (N)	2018 (N)
Non-Current Asset		
Land Account	210,265,652.00	157,764,000.00
Coop Shop	20,291,331.20	20,705,440.00
F/fittings	7,523,926.00	4,833,968.56
Office Equipment	8,068,654.92	5,352,406.56
Less DEP	(4,303,971.85)	(2,960,702.44)
Total	241,845,592.27	185,695,112.68
Current Asset		
Shares in non-coop	4,323,574.41	4,323,574.41
Loan A/C	4,645,463,673.23	3,884,966,921.00
Electronics Loan A/C	208,551,015.90	145,270,395.00
Housing Loan Account	82,930,723.00	-
Stock	35,000.00	-
Trade Debtors	12,327,100.00	12,355,800.00
Fixed Deposit A/C	1,963,956,650.62	1,556,110,452.27
Reserve Fund Funded A/C (Polaris)	317,031,649.76	356,706,376.45
Bank Balance UBA Current 1	44,741,422.04	440,433,407.00
Account Receivable	512,204,526.00	-
Bank Balance UBA Savings & others	366,867,957.27	284,970,285.38
Business Investment [Poultry & Abj Hsg]	-	83,400,000.00
Poultry Business (AGRO Allied Farms)	2,801,800.00	-
Total	8,161,235,092.23	6,768,537,211.51
Grand Total	8,403,080,684.50	6,954,232,324.19

Equity & Liabilities	2019	2018
Members Ord Savings	7,513,001,801.92	6,280,058,977.26
Reserve Fund	485,060,961.03	382,301,333.28
Edu Fund	23,236,530.06	17,782,280.98
Stabilization fund (Dev. Fund)	27,935,260.00	27,935,260.00
Total	8,049,234,553.01	6,708,077,851.52
Current Liabilities		
ASF Due	4,528,312.34	3,335,349.61
Members Dividend Prov	264,372,920.50	196,189,393.95
Honorarium Prov	8,630,000.00	7,350,000.00
Creditor A/C	37,464,898.65	17,429,728.65
Staff Gratuity Prov	13,850,000.00	11,850,000.00
AGM Prov	25,000,000.00	10,000,000.00
Total	353,846,131.49	246,154,472.21
Grand Total	8,403,080,684.50	6,954,232,323.73
BANK BALANCE		
UBA Current Account I	44,741,422.04	440,433,407.10
UBA Savings Account & Others	27,979,685.03	40,022,784.77
UBA (Edu A/C)	12,059,458.98	11,950,354.11
UBA (Dev. Fund)	8,117,159.96	27,939,322.79
UBA Staff Gratuity	9,940,494.43	9,859,086.79
Polaris (Polaris Civilian)	95,543,701.21	15,120,631.35
Polaris (Investment)	1,653.74	657.74
Zenith Dividend A/C	4,341,593.24	20,491,058.49
Zenith Investment A/C	526,995.39	19,187.38
Keystone Bank	48,690,321.08	-
Unity Bank	100,727.96	871.14
FCMB	-	148.57
Fidelity	14,783.00	14,799.00
ASO Savings	159,551,383.25	159,551,383.25
TOTAL	366,867,957.27	725,403,692.48
Reserve Funded A/C (Polaris Bank)	317,031,649.76	308,667,059.50

FIXED DEPOSIT	2019	2018
UBA (1)	5,015,722.87	1,000,083,393.66
UBA (2)	1,112,062,706.45	4,757,245.13
BRENT MORTGAGE	158,407,169.32	134,310,342.48
Polaris Bank	126,595,825.32	20,000,000.00
CORDROS (Fund Manager)	114,949,900.00	-
Zenith Bank	112,313,566.79	93,886,559.61
Unity Bank	119,000,000.00	107,034,191.50
Fidelity Bank	98,642,395.69	89,016,746.12
FCMB	116,969,364.18	107,021,973.77
TOTAL	1,963,956,650.62	1,556,110,452.27
DEPRECIATION		
Coop Shop 2%	405,826.62	414,108.80
Office Equipment 25%	2,017,163.73	1,338,101.64
Furniture/Fittings 25%	1,880,981.50	1,208,492.14
TOTAL	4,303,971.85	2,960,702.58

SUMMARY OF 2018/2019 FINANCIAL STATEMENT

ACCOUNTS

- Fixed assets was ₦185,695,112.68 in 2018 after 25% annual depreciation. As at December 2019, fixed assets stood at ₦241,845,592.27. This component consists of 60 acres of land at Magbon, furniture and fittings, office equipment and the Cooperative's shops. This represents a 30% increase in fixed assets.
- Value of current assets was ₦6,768,537,211.51 as at December 2018. This value has risen by 20% to ₦8,161,235,092.23 in 2019. This component is made up of loan to members, investments in money markets and bank balances.
- At the end of December 2018 total assets, which is the summation of fixed and current assets, stood at ₦6,954,232,323.73. On the other hand, as at December 2019, the total worth of 301 HAGCMS stood at ₦8,403,080,684.50. This represents an increase of 21% over the previous FY2018.
- General expenses in 2018 summed up to ₦38,997,865.60 whereas at the end of December 2019, the total expenses was ₦47,632,561.52. This represents an increase of 22% over the previous year.
- Total income in 2018 was ₦333,534,605.56 while in 2019, it increased to ₦458,671,072.54 in spite of the currently difficult economic environment. This is an increment of 38% over the total income recorded in 2018.
- Surplus at the end of the FY2018 was ₦294,537,095.10. This figure rose by 39.6% to ₦411,038,511.02 at the end of the FY 2019.

APPROPRIATION OF SURPLUS FUND IN THE FINANCIAL YEAR 2019

- RESERVE FUND:** 25% of the net surplus goes into the reserve fund account. This is in accordance with the Cooperative's Bye Law Provision of Article 11.3, which states that a minimum of one quarter of the surplus shall be appropriated annually as reserve fund.
- EDUCATION FUND:** 2.5% of the net surplus is the statutory sum set aside as education fund in the financial year under review (Bye Law Section 11.1.3). 50% of this amount is payable to

Lagos State Cooperative Federation while the remaining 50% is to be utilized by our society to develop and train our members in the area of Cooperative Education.

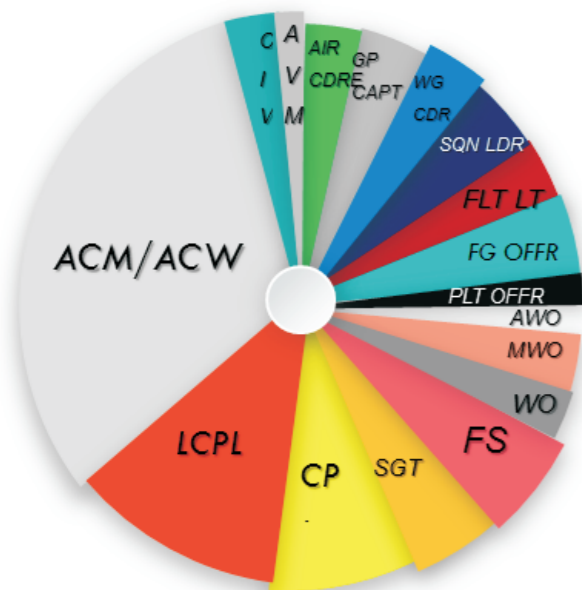
3. MEMBERS DIVIDEND: Total sum of ₦264,372,920.50 has been provided as dividend to members for the financial year under review (Bye Law Section 11.2). This represents 64.3% of the net surplus as against 66.6% paid in 2018 ₦196,189,393.95.

4. HONORARIUM: 2.1% of the net surplus has been earmarked for honorarium to the Management Committee for the financial year under review as against 2.5% used in 2018 (Bye Law Section 11.1.4).

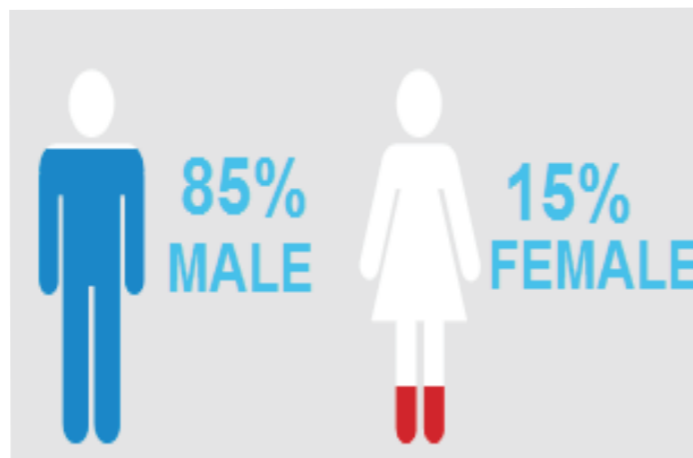
5. ANNUAL GENERAL MEETING Provisions for Twelfth AGM is ₦25,000,000 as against the ₦10,000,000 allocated in the Eleventh AGM. Due to the prevalent COVID-19 pandemic, which prompted the Government to place a ban on gathering of more than 20 persons, the Cooperative Society would not hold the Twelfth AGM under the traditional settings. Therefore, the funds that had previously been earmarked for the conduct of the AGM would be shared to all current members of the Cooperative at a flat rate payable not later than 3 days after the payment of dividends.

TRENDS IN COOPERATIVE AFFAIRS

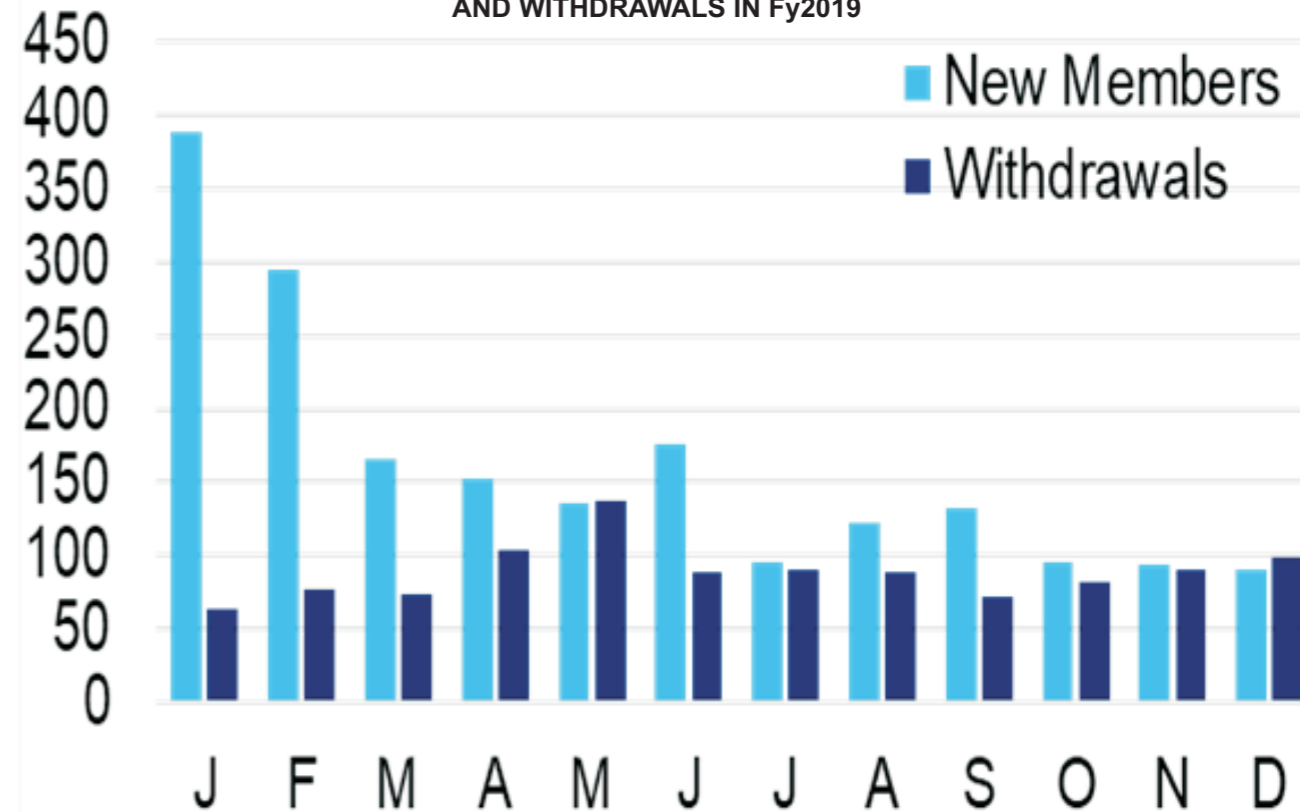
DISTRIBUTION OF 301HAGCMS MEMBERS BY RANK



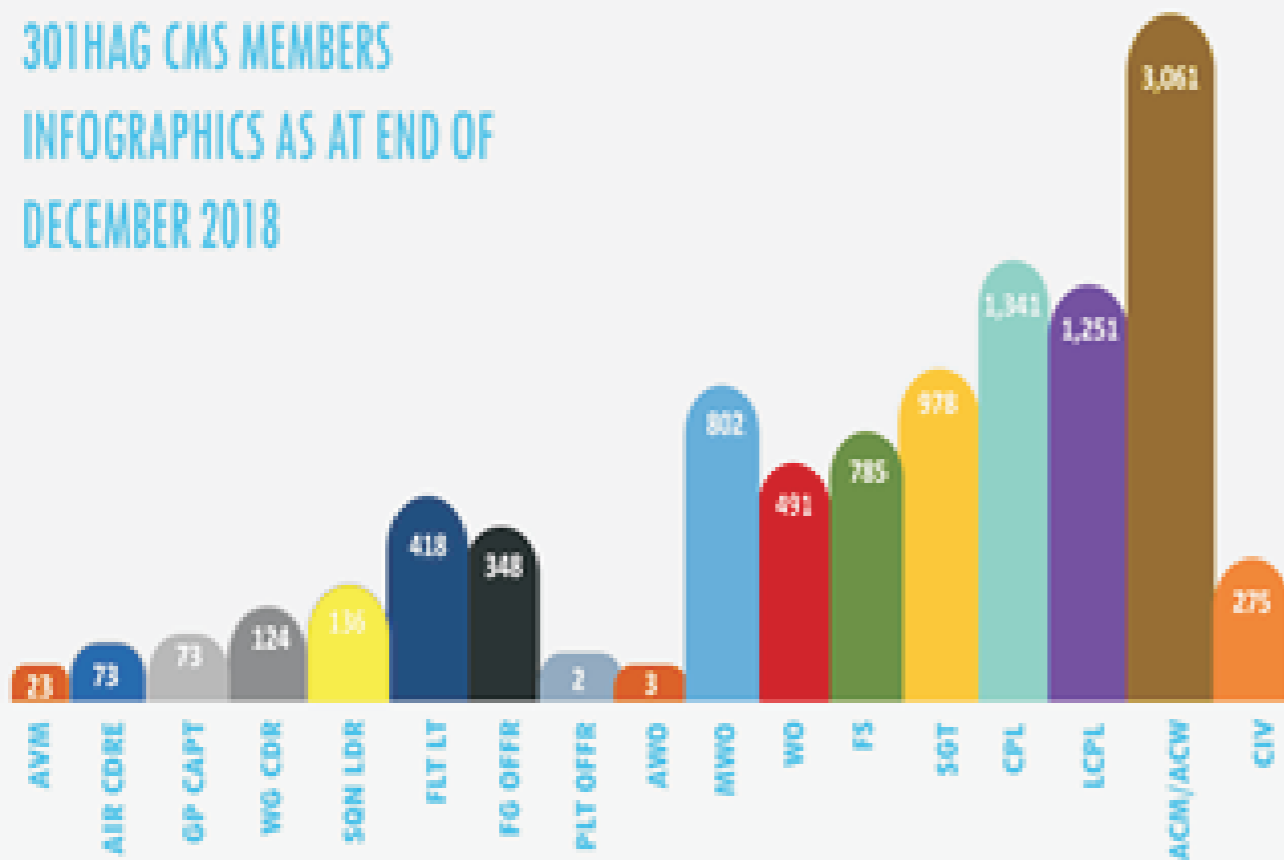
DISTRIBUTION OF 301HAGCMS MEMBERS BY GENDER



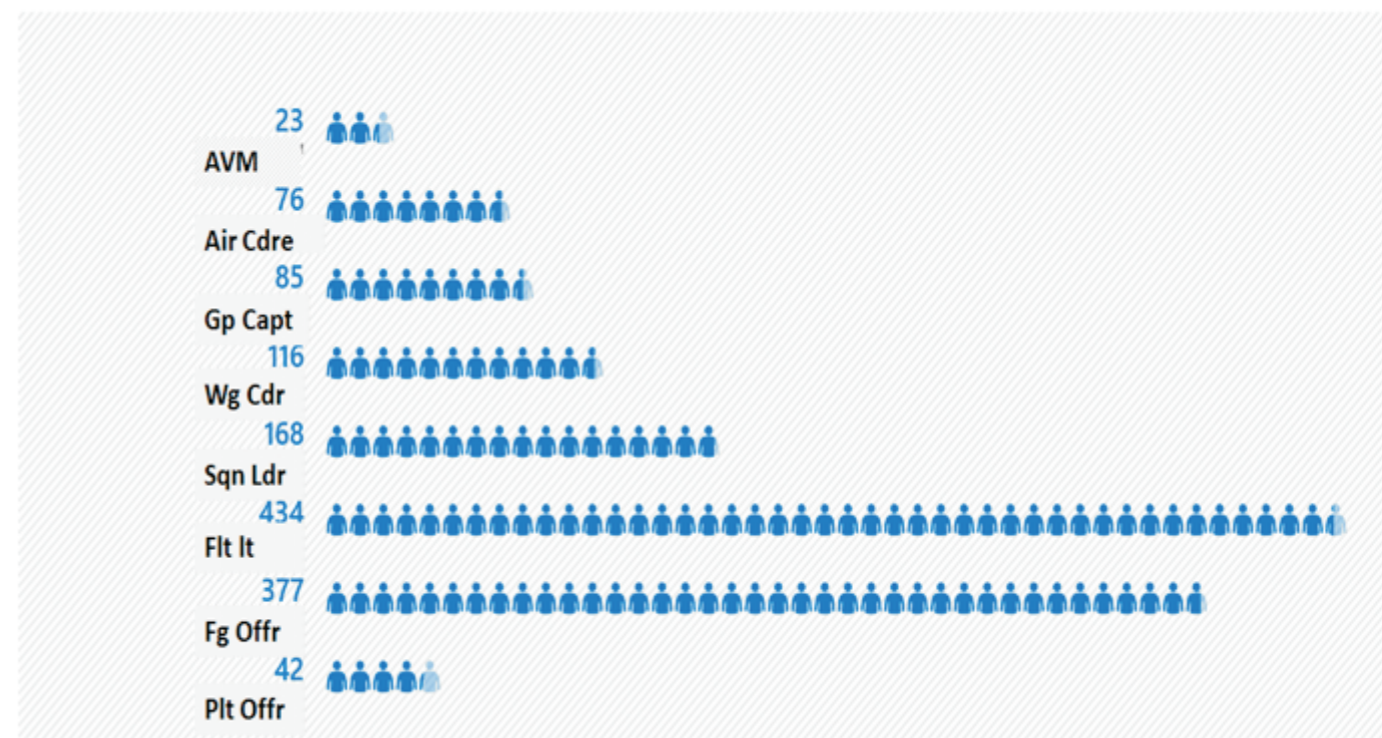
COMPARISON OF MEMBER INFLUX AND WITHDRAWALS IN Fy2019



301HAG CMS MEMBERS
INFOGRAPHICS AS AT END OF
DECEMBER 2018



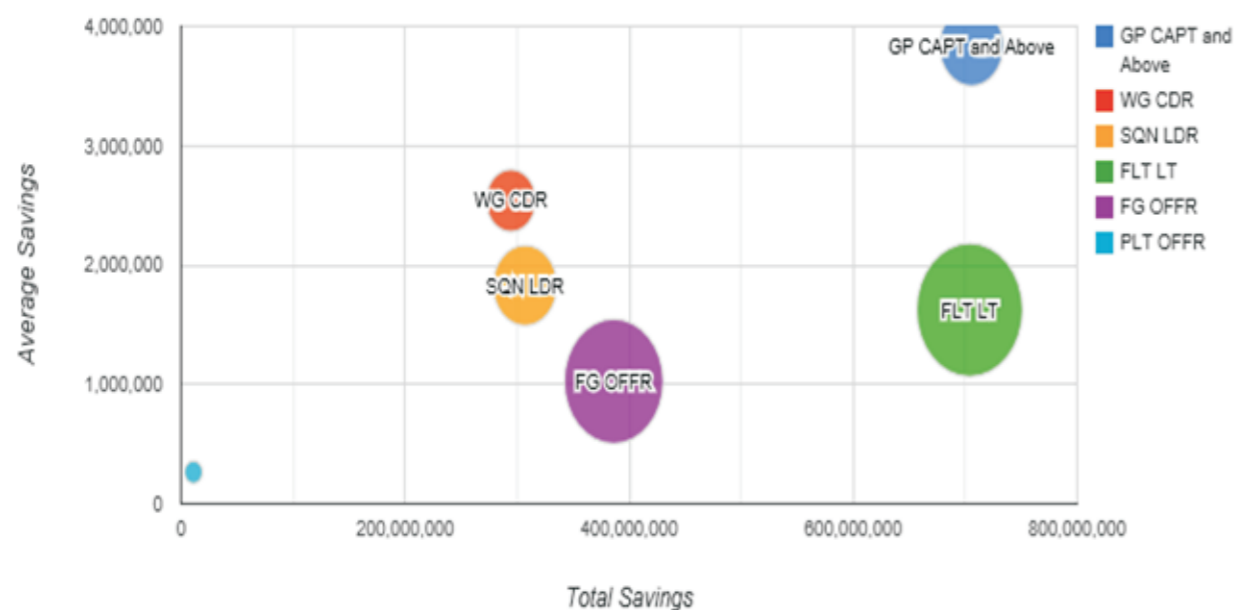
Membership Disposition - Officers.



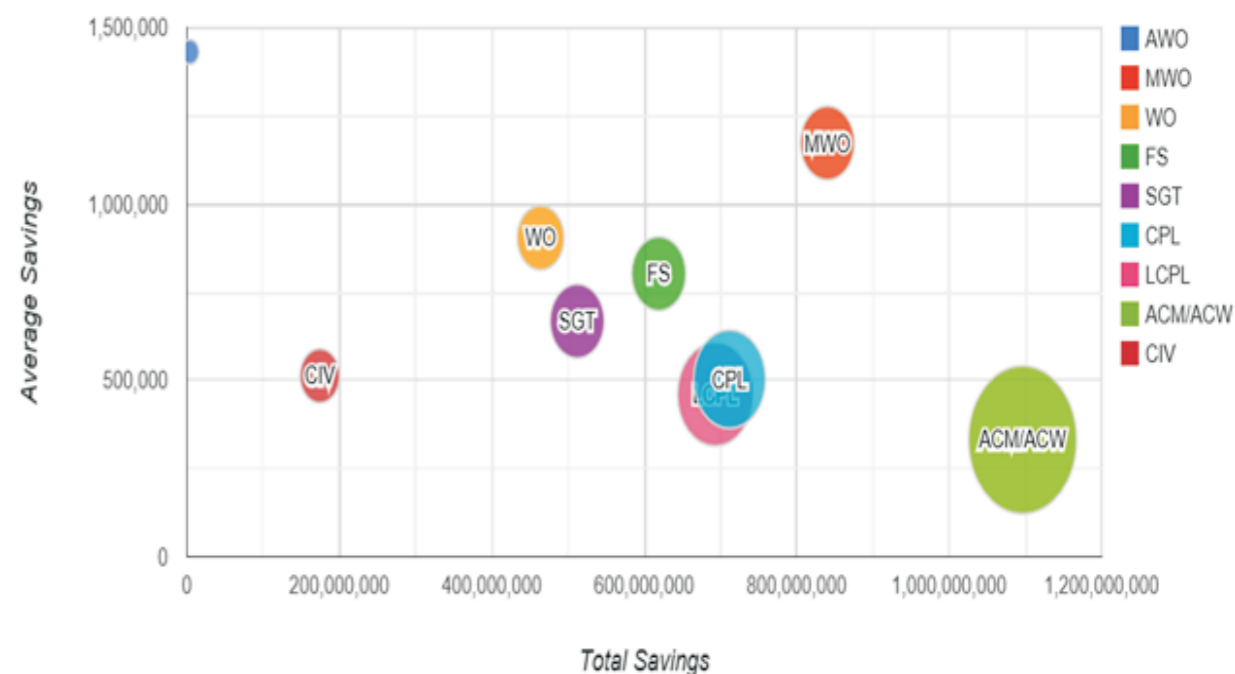
MEMBERS' DISPOSITION - AIRMEN AND CIVILIANS



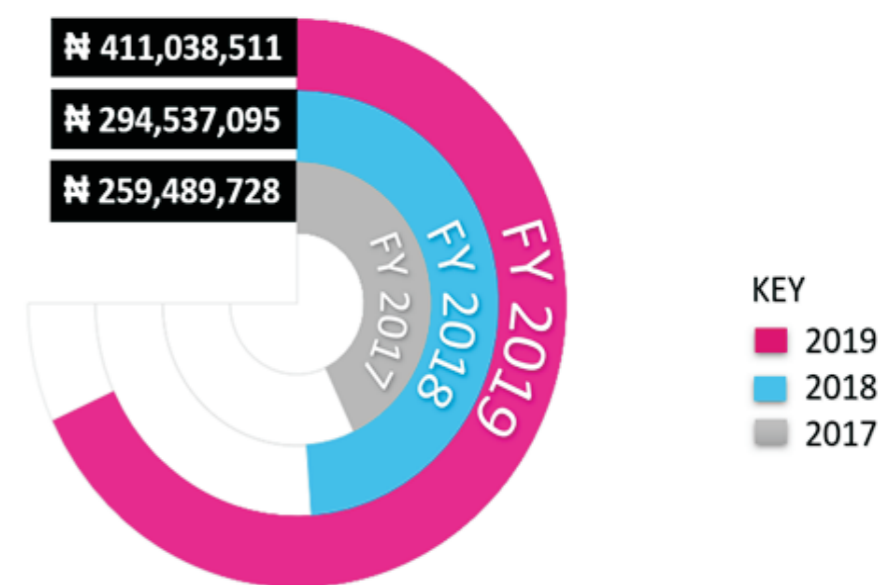
MEMBERS FINANCIAL POSITION BY RANK (OFFRS)



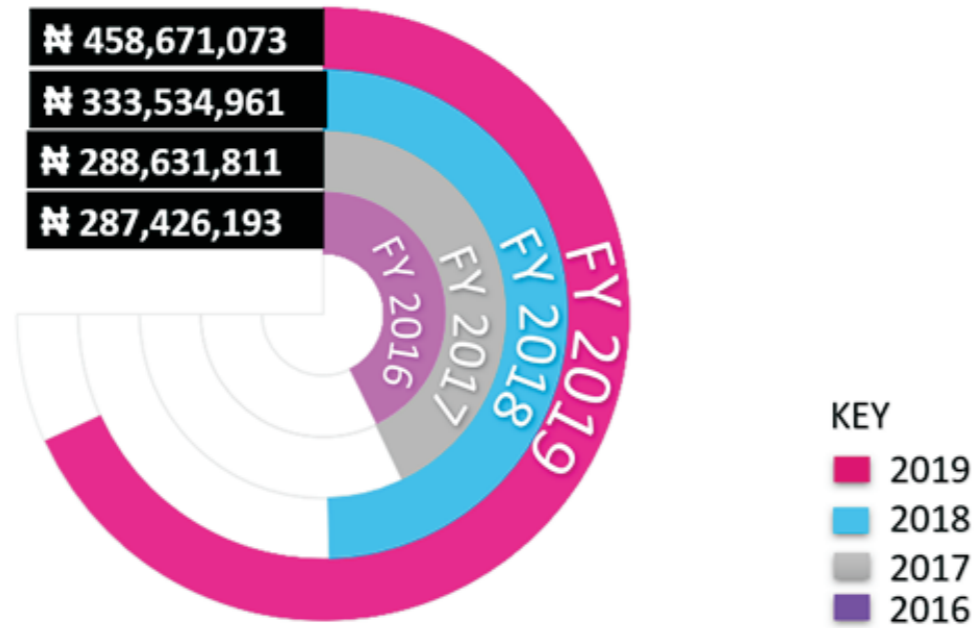
MEMBERS FINANCIAL POSITION BY RANK (AIRMEN & CIVILIANS)



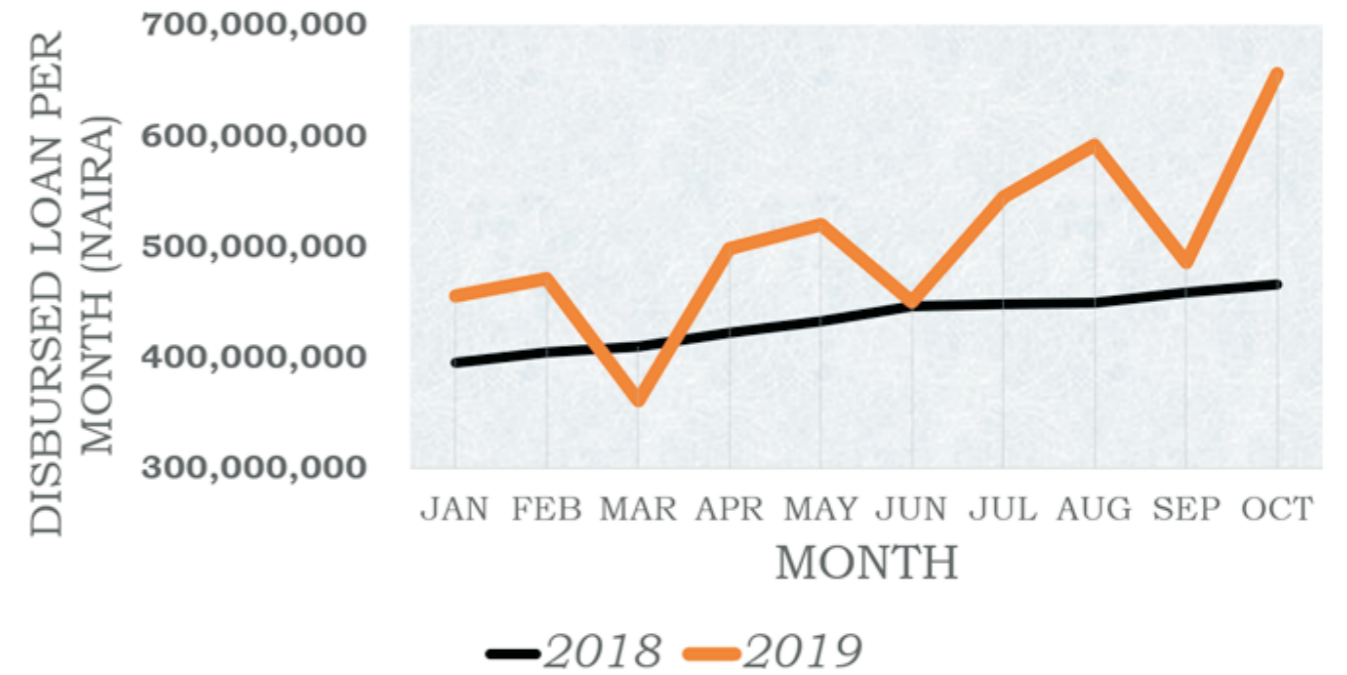
COMPARISON OF 301HAG CMS NET SURPLUS (2017 – 2019)



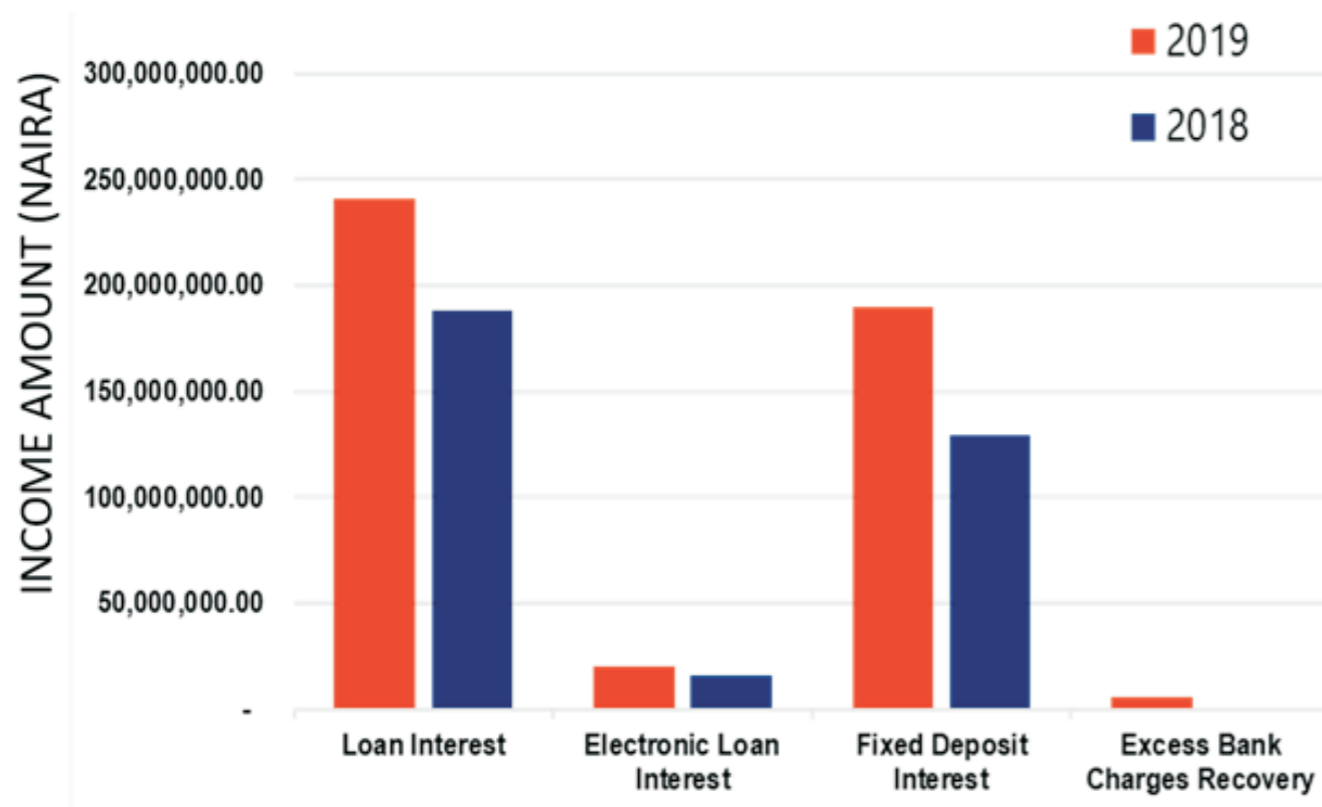
COMPARISON OF 301HAG CMS INCOME (2016-2019)



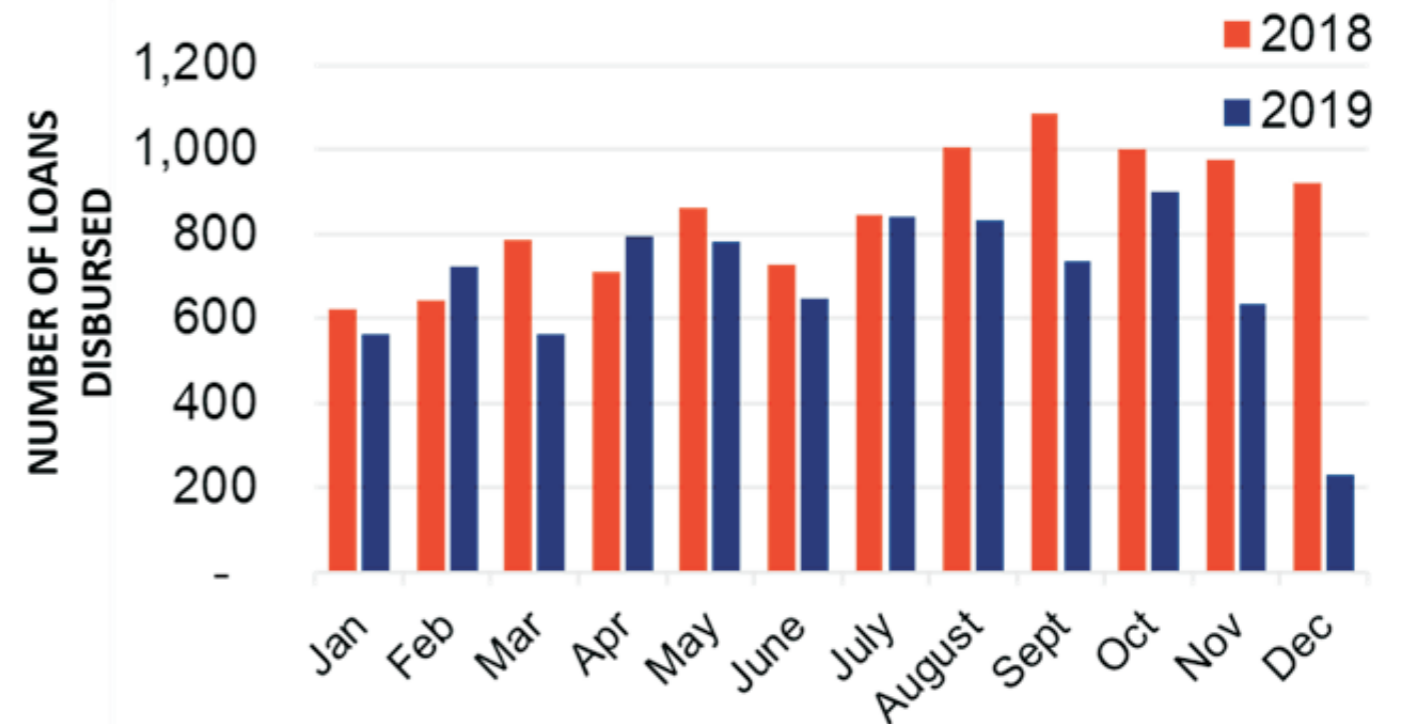
301HAG CMS LOAN TREND FOR 2018 & 2019



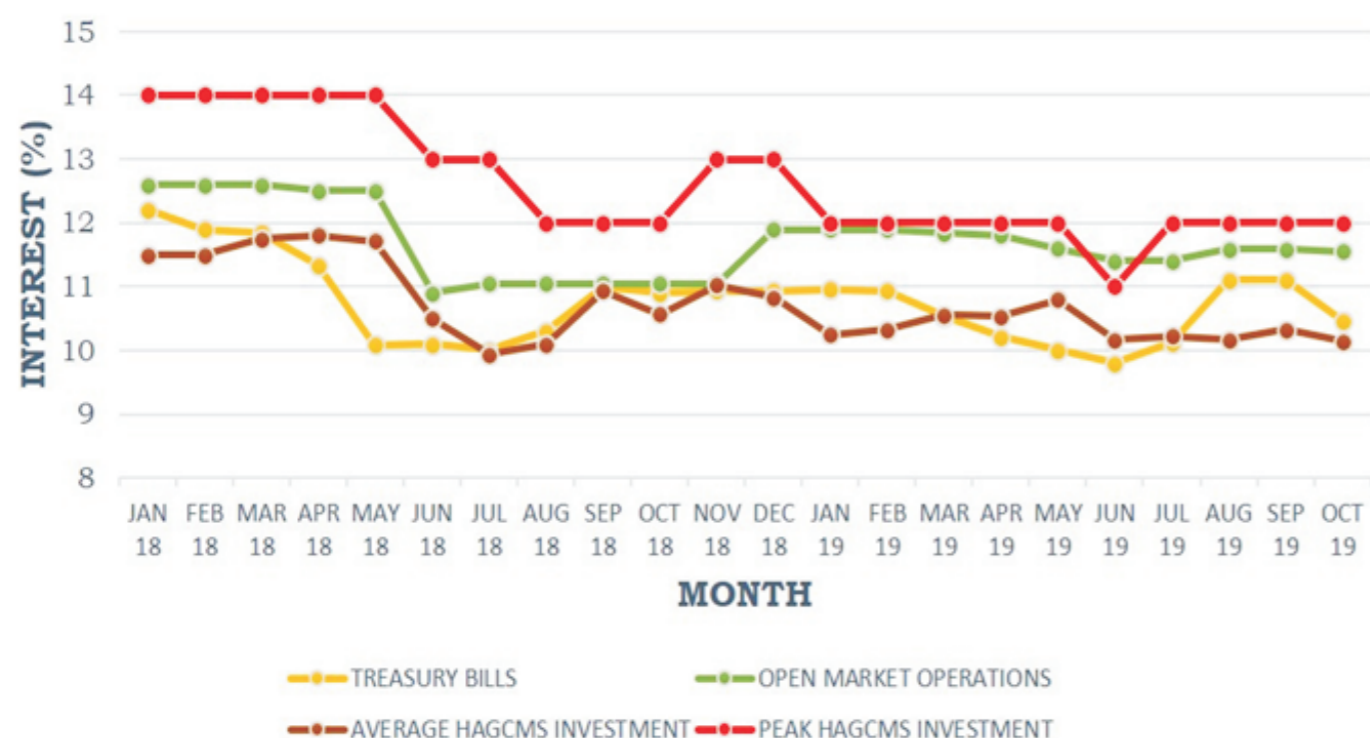
COMPARISON BETWEEN FY2018 AND FY2019 INCOME



COMPARISON BETWEEN NUMBER LOANS DISBURSED IN FY2018 AND FY2019



COMPARISON BETWEEN VARIOUS INVESTMENT PORTFOLIOS



MODALITIES FOR DIVIDENDS

The sharing of dividends from generated surplus funds is a fundamental aspect of the Cooperative's affairs (Bye-Laws Section 11.1.5).

For the FY 2019, the declared funds for members' dividends is N264,372,920.50 only. A number of

options were considered in determining the basis of apportioning dividends to members.

The selected option is based on sharing of dividends according to the individual member average savings in FY 2019 as illustrated below

Month	Savings with the Cooperative				
	Member A (N)	Member B (N)	Member C (N)	Member D (N)	
January	1,000,000	3,500,000	0	400,000	
February	1,100,000	0	0	600,000	
March	1,200,000	0	0	800,000	
April	1,300,000	0	0	1,000,000	
May	1,400,000	0	0	1,200,000	
June	1,500,000	0	0	1,400,000	
July	1,600,000	0	0	1,600,000	
August	1,700,000	0	0	1,800,000	
September	1,800,000	0	1,800,000	2,000,000	
October	1,900,000	0	1,900,000	2,200,000	
November	2,000,000	0	2,000,000	2,400,000	
December	2,100,000	0	2,100,000	2,600,000	
				TOTAL	
Closing Savings	2,100,000	3,500,000	2,100,000	2,600,000	10,300,000
Average Savings	1,550,000	291,667	650,000	1,500,000	3,991,667
	Using (Individual Closing Savings/Total Closing Savings)				
Dividends Quotient (%)	20.39	33.98	20.39	25.24	100
	Using (Individual Average Savings/Total Average Savings)				
(%)	38.83	7.31	16.28	37.58	100

The reasons for the adoption of the average savings apportionment basis are as follows:

- Sharing of dividend according to the average savings instead of using the closing savings of members ensures a more equitable representation of members savings in the Cooperative across the entire year. In the illustration provided, Member B (representing a member who closed his account at the beginning of the year) would receive the highest percentage of the declared dividends if the apportionment uses the members' closing balance as

a basis for sharing.

This is despite Member B having his funds in the Cooperative for only one month during the entire financial year. Similarly, Member C (who joined the Cooperative in September) would have the same share of the dividends with Member A because their closing savings as at December were the same, even though he had funds in the Cooperative for

only 4 months. By using average savings in computing dividends instead, the effects of these irregularities are mitigated thus promoting equity.

- By adopting a 100% saving basis for sharing of dividend, the Cooperative is placing premium on savings. This is with a view towards encouraging increased savings from members. In previous years, there was a need to encourage loans from members. However, loan facilities are currently oversubscribed. In some cases, it was observed that loan facilities were taken with the sole purpose of increasing accrued dividend. This has an adverse effect of denying such funds to members who require loan facilities to meet genuine needs. This trend needs to be discouraged.

- Sharing dividends using savings as basis provides a high level of transparency in efforts to explain the basis for apportioning dividends to the Cooperative's membership base.

Notwithstanding the current emphasis on members' savings, the Cooperative continues to value the significance of loans in generating a

significant portion of its income. To this end, the Cooperative is proposing 2 options as basis for apportionment of dividends going forward. The first option is the 100% savings basis utilized for FY 2019 while the second option is the dedication of 5-15% of declared dividends as reward for loans serviced within the financial year.

It is noteworthy that 10,481 members had an increase in their dividends compared to the FY2018. Of the 5.3 percent of members whose dividend reduced compared to the preceding year, the majority experienced such reductions because they closed their accounts before the end of the financial year. Very few of the members experienced a decrease in dividends due to change from the part-savings, part-loans dividend apportionment formula used in FY2018 to the 100% members' savings basis utilized in FY2019.

DIVIDENDS APPORTIONMENT FORMULA FOR FY2019

Individual Member Dividend = Member Quotient × Total Dividends

$$\text{Member Quotient} = \frac{\text{Individual Member's Average Savings}}{\text{Overall Average Savings}}$$

Overall Average Savings for FY2019 = ₱6,424,691,947

Total Dividends for FY2019 = ₱264,372,920.50

A matrix showing expected dividends based on amount of savings with the Cooperative is presented below.

Serial	Member's Average Savings (N)	Expected Dividend
(a)	(b)	(c)
1.	15,000,000 and Above	Over 600,000
2.	10,000,000 - 15,000,000	400,000 – 600,000
3.	5,500,000 – 10,000,000	226,000 – 400,000
4.	5,000,000 - 5,500,000	205,000 – 226,000
5.	4,500,000 – 5,000,000	185,000 – 205,000
6.	4,000,000 - 4,500,000	164,000 – 185,000
7.	3,500,000 – 4,000,000	144,000 – 164,000
8.	3,000,000 - 3,500,000	123,000 – 144,000
9.	2,500,000 – 3,000,000	102,000 – 123,000
10.	2,000,000 - 2,500,000	82,000 – 102,000
11.	1,500,000 – 2,000,000	61,000 – 82,000
12.	1,000,000 - 1,500,000	41,000 – 61,000
13.	500,000 – 1,000,000	20,000 – 41,000
14.	250,000 - 500,000	10,000 - 20,000
15.	Below 250,000	Below 10,000

POLL QUESTION

What apportionment formula should be used by 301HAGCMS for sharing of dividends in FY2020?

- 100% Savings Basis used in FY2019
- 5% of declared dividends should be reserved for loan reward
- 10% of declared dividends should be reserved for loan reward
- 15% of declared dividends should be reserved for loan reward

MIGRATION TO THE IPPIS PLATFORM

The Integrated Payroll and Personnel Information System (IPPIS) is an information Communications Technology (ICT) project initiated by the Federal Government of Nigeria (FGN) to improve the effectiveness and efficiency of payroll administration for its ministries, departments, and agencies.

In November 2019, the payment of NAF personnel basic salaries was migrated to the IPPIS platform. As part of the teething issues encountered with this migration, monthly deductions for members' loan repayments could not be made in November 2019. This was rectified in December 2019 although the Cooperative's deductions were confined to members' basic salaries payable from the IPPIS platform.

Since the migration of members' deductions to the IPPIS platforms, there have been a number of issues

which have had some effects on the efficiency of the Cooperative's operations. Firstly, the maximum amount which can be deducted from members' salaries has been reduced with the attendant effect that the maximum loans that members can access has also reduced accordingly. Secondly, considering that the cooperatives do not have direct access to IPPIS, response time in addressing key issues has understandably been relatively slower. There has also been the odd case where errors have been made in the deduction schedule leading to large-scale anomalies in deductions for members' salaries as witnessed in April 2020. It is hoped that such issues would be abated within the shortest time. In the meantime, the Cooperative would continue to pursue mitigating measures in conjunction with relevant stakeholders to ensure service delivery to our esteemed members remain unaffected.

MAXIMUM AMOUNT DEDUCTABLE FROM THE IPPIS PLATFORM

Serial	Rank	Max Deduction (N)
(a)	(b)	(c)
1.	Air Vice Marshal	733,106.75
2.	Air Commodore	459,054.40
3.	Group Captain	251,012.74
4.	Wing Commander	209,511.10
5.	Squadron Leader	174,622.23
6.	Flight Lieutenant	167,707.98
7.	Flying Officer	140,972.01
8.	Pilot Officer	130,228.50
9.	Air Warrant Officer	130,899.30
10.	Master Warrant Officer	119,979.02
11.	Warrant Officer	70,872.12
12.	Flight Sergeant	54,219.05
13.	Sergeant	45,578.34
14.	Corporal	43,440.30
15.	Lance Corporal	42,151.45
16.	Aircraftman/woman	37,702.01
17.	Civilians/Retiree	Not Applicable

Due to the current challenges experienced with the IPPIS platform, consideration was given towards migrating the Cooperative's deduction back to the PAG platform. Initial assessments of this option however, revealed a few details that need to be ascertained. For instance, it was discovered that the basic salaries of some members were higher than their allowances, while the reverse is the case in other instances. In

view of this, 081 PAG has graciously commissioned an exercise to simulate members deduction across the various cooperatives on both the basic salary maintained by IPPIS and the non-regular allowance maintained by PAG. The result of this simulation is been awaited and members would be kept abreast of progress made in this regard.

POLL QUESTION

What is your preference for the Cooperative's deductions from members' salaries#

- A. IPPIS Based.
- B. PAG Based.

NEW LOAN REGIME PROPOSALS

The limitations occasioned by the migration of the Cooperative's members' deductions to the IPPIS platform has, among other effects, reduced the maximum amount of loans accessible to the members. A major issue resulting from this situation is the inability of some sections of the Cooperative's members to access up to 200% of their savings as loans within the confines of the 20 months repayment period. This has necessitated

measures to provide relieve

The current situation has necessitated the institution of an expanded loan repayment regime to provide relieve to members especially during exigencies when they are unable to meet the standard 20 months repayment period. The Exigency Loan is therefore, proposed repayable in 20 - 30 months with an interest of 10%.

Serial	Loan Type	Repayment Period	Loan Interest (%)	Remarks
1.	Short Term Loan	1 – 10 Months	5%	
2.	Regular Loan	11 – 20 Months	6%	
3.	Exigency Loan	20 – 30 Months	10%	Verifiable exigencies only
4.	Emergency Loan	Maximum 20 months	6%	Loan top-up reserved mainly for medical emergencies

Poll Question

Should the exigency loan be instituted into the Cooperative's operations?

- A. Yes**
- B. No**

INFRASTRUCTURAL UPGRADE OF SECRETARIAT

Ensuring a safe and comfortable environment for staff and members to transact is one of the key considerations at 301HAGCMS. In this respect, the last major renovation of the Cooperative's secretariat was carried out over 5 years ago. The renovation/upgrade of the infrastructure at the Cooperative's secretariat was thus, considered imperative. This was informed by the need to improve the working conditions of the staff, provide a conducive environment for members to conduct onsite transactions as well as project a positive corporate image of the Cooperative. In this respect, the following upgrades were made at the Cooperative's secretariat:

3. Replacement/overhaul of furniture.
4. Upgrade of access doors.
5. Set up of a secretariat conference room.
6. General painting of the secretariat.
7. Roof maintenance.
8. Lighted signposts design and installation.

1. Tiling of the Secretariat's main business hall floor.
2. Installation of banking hall styled counters/tellers.

Since the completion of the upgrade, the main business hall has become much more conducive for operations and given the Cooperative a much more positive corporate image. This has placed 301HAGCMS in good standing with its members and external partners. The conference room has been particularly useful in enhancing the efficiency of the Cooperative in areas such as training, executive meetings, and weekly staff briefings.



PRE-UPGRADE OUTLOOK OF THE COOPERATIVE SECRETARIAT



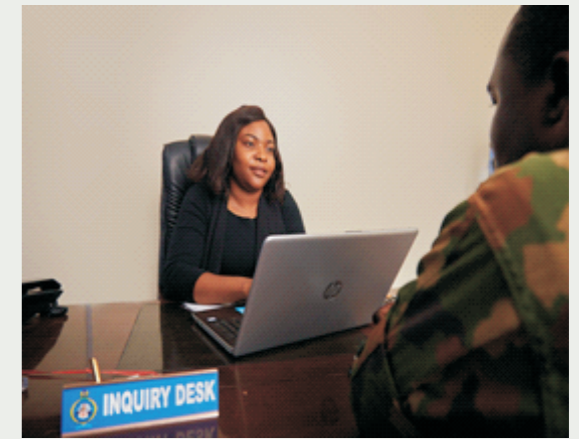
SECRETARIAT UPGRADE WORK IN PROGRESS



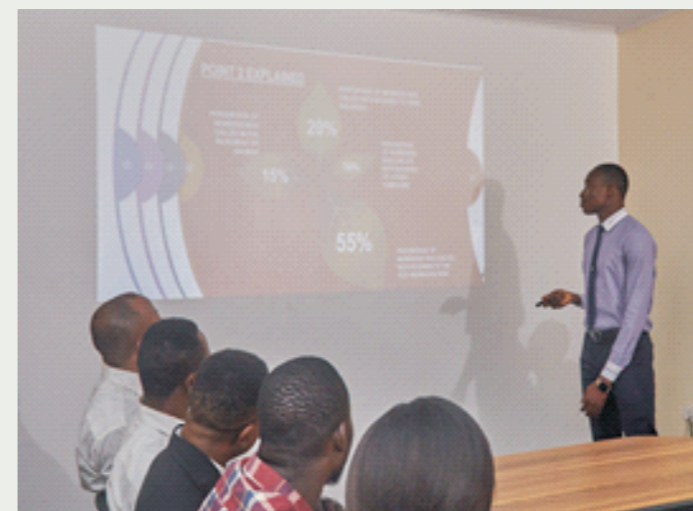
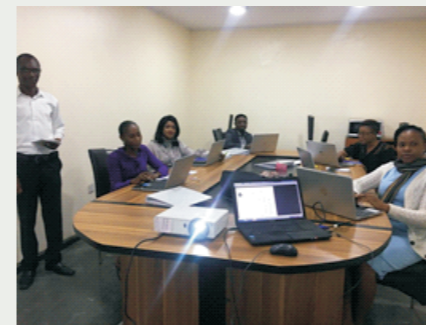
SECRETARIAT UPGRADE WORK IN PROGRESS



POST-UPGRADE OUTLOOK OF THE SECRETARIAT



POST-UPGRADE COOPERATIVE BUSINESS HALL UTILIZATION



POST-UPGRADE CONFERENCE ROOM UTILIZATION

REFORM OF ORGANIZATIONAL STRUCTURE

The requirement to optimize efficiency in service delivery necessitated a reform of the Cooperative's organization structure. In the previous structure, the cooperative staff reported directly to the supervisor who was answerable to the executive members. Individual executive members also had some supervisory roles although such oversight functions were only loosely linked to the members of staff. In addition, specialized roles such as account management/audit, members care service and legal services were not effectively undertaken.

To address these functionality gaps, the cooperative staff were reorganized into 6 departments namely: operations, accounts, member care, IT, legal service and facility management.

Each of these departments are headed by a senior member of staff with some supervisory function

provided by at least one executive member. Furthermore, staff emolument was reviewed upward by about 40% as part of measures to motivate the staff to effectively fulfil their expanded responsibilities.

1. OPERATIONS DEPARTMENT

The Operations Department is tasked with the daily running of the Cooperative's business hall, processing of loans, new membership applications, cash payment and withdrawals. Aided by the upgraded facilities in the secretariat, the Operations Department has significantly enhanced the quality of onsite operations. Gains from the establishment of the Operations Department have led to reduced time between application, approval and disbursement of loan facilities as well as improved member service experience during onsite operations.



Tunde Oshorinde
Operations Manager



Ochai Victor A.
Asst. Operations Manager



Praise Smart Agwu
Financial Rep



Kemi Dada
Financial Rep.



Fauziya Umar M.
Financial Rep.



Jayeola Olabisi
Financial Re.



Onibudo Joshua
Financial Re.

2. ACCOUNTS DEPARTMENT

The Accounts Department is responsible for the preparation and maintenance of the Cooperative's financial statement. The long-term goal of the Accounts Department is to reduce time required for the production of the Cooperative's account statements from weeks, which was previously the case to an account preparation period of under one hour. Some benefits of having a dedicated accounts

department include greater transparency in the maintenance of the Cooperative's account and a more proactive posture in handling the Cooperative's investment within the currently highly dynamic economic environment. The Accounts Department is further tasked with tracking the performance of the various Cooperative's investments and advising the management team appropriately.



Abidoye Gbenga
Accounts Manager



Adesina Omolara T.
Asst. Accounts Manager



Olaide Hotonu
Accounts Officer



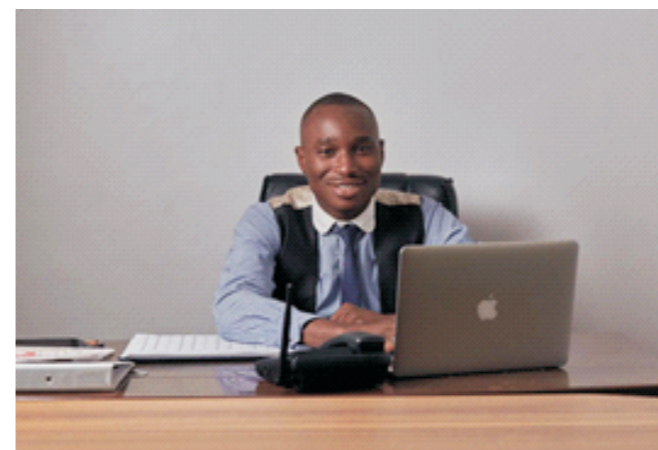
Adesana Oladunn
Account Officer

3. MEMBER CARE DEPARTMENT

Many of the Cooperative's members are based outside the Lagos area. This section of the membership base cannot be readily provided with onsite member support.

expanded from its dedicated staff to also include staff members from the operations, IT and accounts departments in order to provide a wholly off-site member support base. Some benefits derived since the establishment of the Member Care Department include greater reach to the Cooperative's membership base especially those outside the Lagos area. There is also greater responsiveness to the specific demands and preferences of the various member categories.

The member care department addresses this service gap. Since the beginning of the lockdown in Lagos state and the partial closure of the Cooperative's Secretariat, the Member Care Department has been



Ndubueze Praise
Member Care Rep



Okadigbo Nnidi
Member Care Rep

4. IT DEPARTMENT

The IT unit was previously in existence. It has however been expanded to incorporate additional responsibilities such as maintenance of the Cooperative's in-house server and database,

maintenance of the Cooperative's local area network and generation of the monthly SMS alert. Since the beginning of the lockdown, the IT department has also, been tasked with maintaining the Cooperative's social media member support groups.



Olatunji Yakub
IT Consultant



Shodiya Ahmed Olarewaju
IT Rep



Salman Abdulbasit
IT Rep



Olufemi Taiwo
IT Rep

5. LEGAL DEPARTMENT

The Legal Department was established to among other ends ensure that the Cooperative's diverse transactions are within the ambits of the law. Transactions covered by the legal unit include, estate prospecting and development, loan transactions, dealings with external financial institutions and human resource transactions. Of particular note, the Legal Department has since its inception aided the cooperative in avoiding estate investments, which would have had questionable legal outcomes.



Ruth P Mike, Esq
Legal Assistant



Akor Samuel
FMP



Abayomi Oseni
FMP

6. FACILITY MANAGEMENT DEPARTMENT

The facility management department is tasked with maintaining the Cooperative's physical infrastructures. These infrastructures include facilities at the Cooperative's secretariat, poultry farm, Red Bricks Estate Bwari (until November 2019) and Magbon Estate.

EXECUTIVE MEMBERS



AIR CDRE MN ONYEBASHI DSS MSS psc fwc MDS
PATRON



Flt Lt RB Kamalu
Vice President



Wg Cdr FI Oyenusi
President



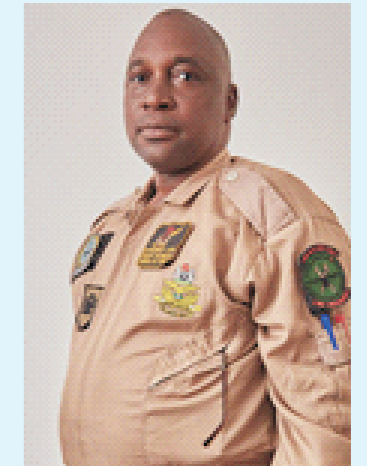
SqN Ldr OO Oshinowo
General Secretary



SqN Ldr C Ojukwu
Legal Officer



Flt Lt PU Ori
Asst Gen Secretary



MWO Leo D
Treasurer



MWO Kareem A
Home App Manager



MWO Alex A
Coop Plaza Manager



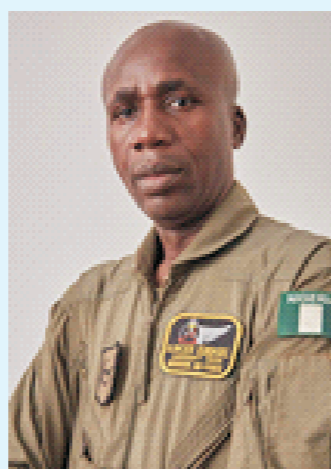
MWO Aina A
Estate Manager



WO Bassey N
Coop PRO



WO Madu G
Asst Coop Plaza Manager.



WO Awodi J
Asst Estate Manager



FS Ideni A
Financial Secretary.



SGT David N
Asst Home App Manager

INFORMATION TECHNOLOGY DEVELOPMENTS

The effectiveness of the Cooperative's service delivery is highly reliant on information technology (IT). Based on this premise concerted efforts were made to match the Cooperative's service delivery goals with its IT infrastructure. The developments in this regard included:

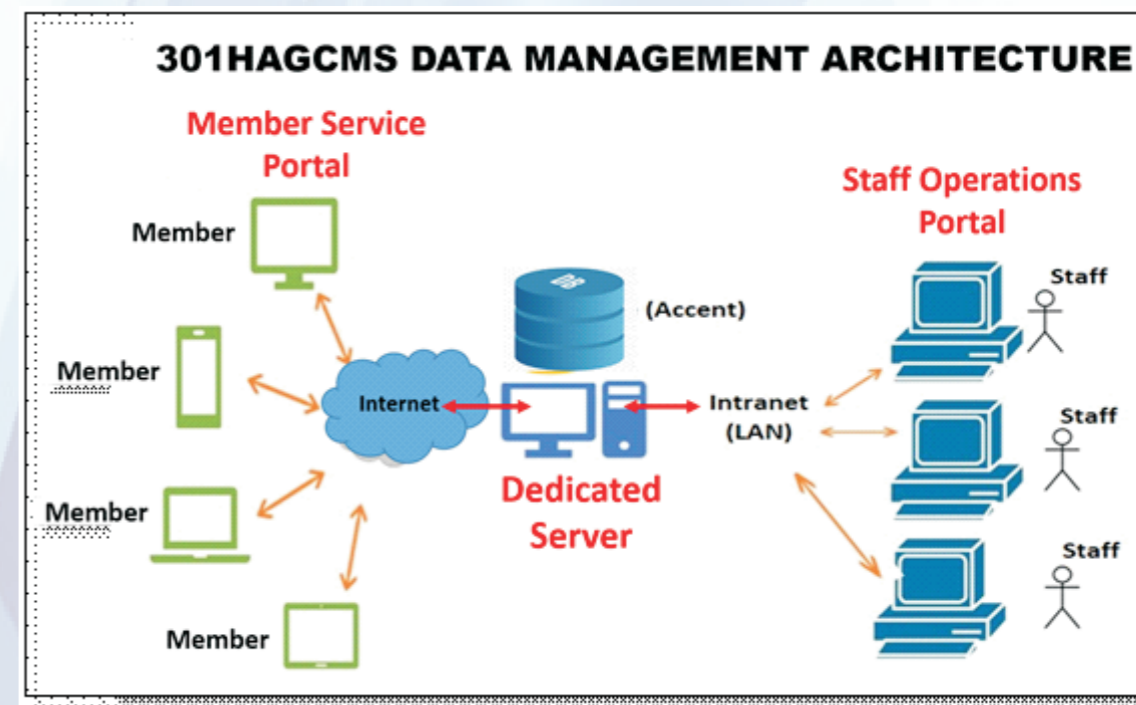
- Acquisition of a dedicated server for the Cooperative's IT operations.
- Replacement of the member data management software.
- Overhaul of the Cooperative's official website.
- Setup of a monthly SMS alert system to provide summaries of members' financial statements.
- Setup of corporate voice call numbers for member care service.
- Overhaul of the Cooperative secretariat's intra-communication system.

Overhaul of the Cooperative's Online Member Data System

The data access system previously utilized by the Cooperative had several issues among which were poor user friendliness, incoherent data structure and limited availability of the database administrator. Due

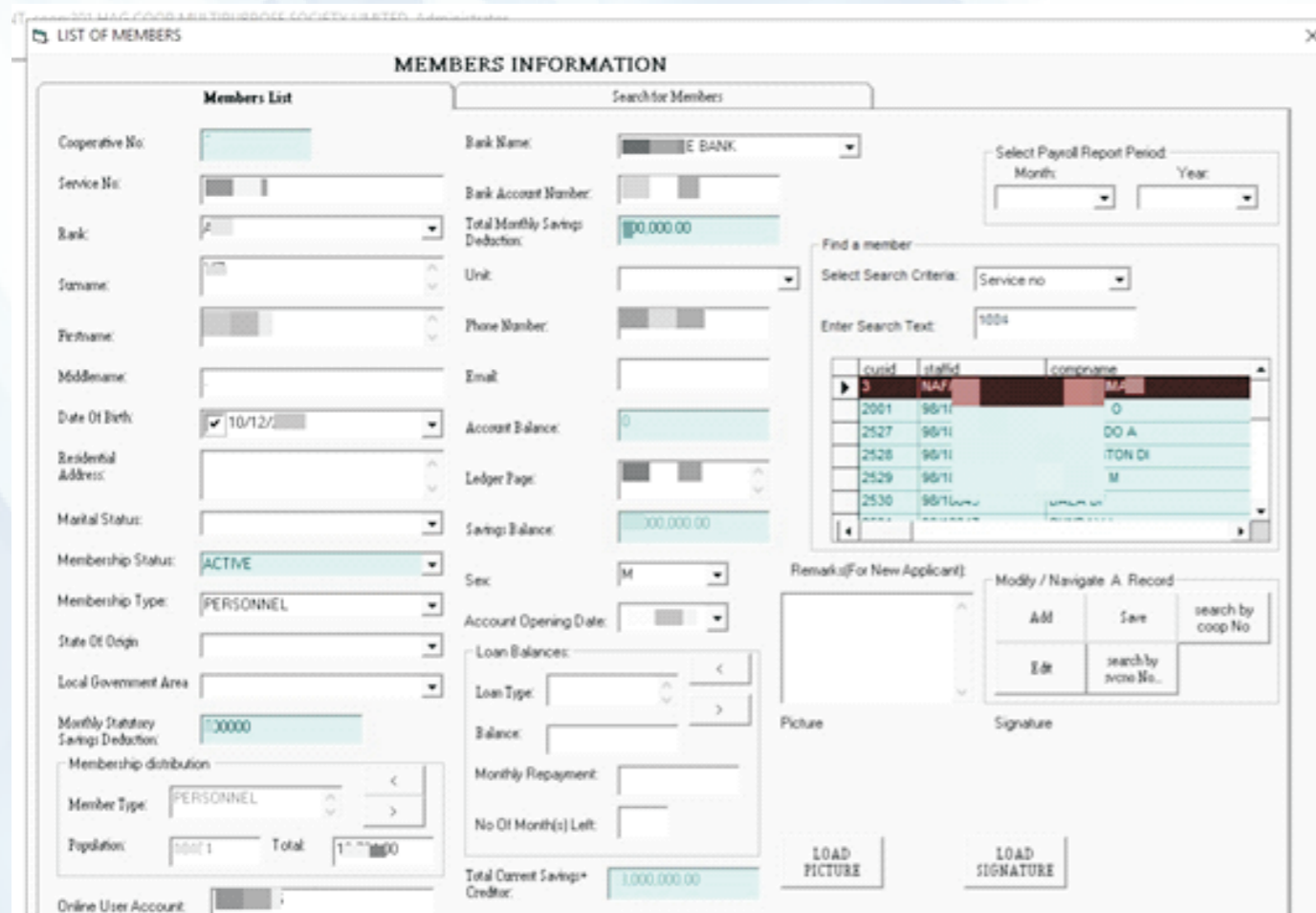
to these issues and the need to enhance the Cooperative's online presence, an overhaul of the data management system was carried out. The Cooperative installed a dedicated server and replaced its member data management software. The 301HAGCMS official website was also overhauled. Hosting the Cooperative's data on a dedicated server domiciled within its secretariat enhances confidentiality of members' information while optimizing responsiveness in data management. The new member data management software utilized by the Cooperative is the Accent Enterprise™ developed by Soft Circuits Nigeria Limited. The new software platform allows more effective tracking of cash flow, storage of member information and generation of reliable financial reports for on-time decision making.

A client service was also integrated into the base software to allow multiple access to the server by the Cooperative staff via a LAN network. An online portal was also created to provide members with direct access to the server for the purpose of viewing individual account details. A dedicated portal for 301HAGCMS on the Quickteller platform is also available to the members. Login credentials for the Quickteller platform are the member's service number and a functional email address. Payments possible on the Quickteller platform include savings, loan payoffs and retail commodity payments.

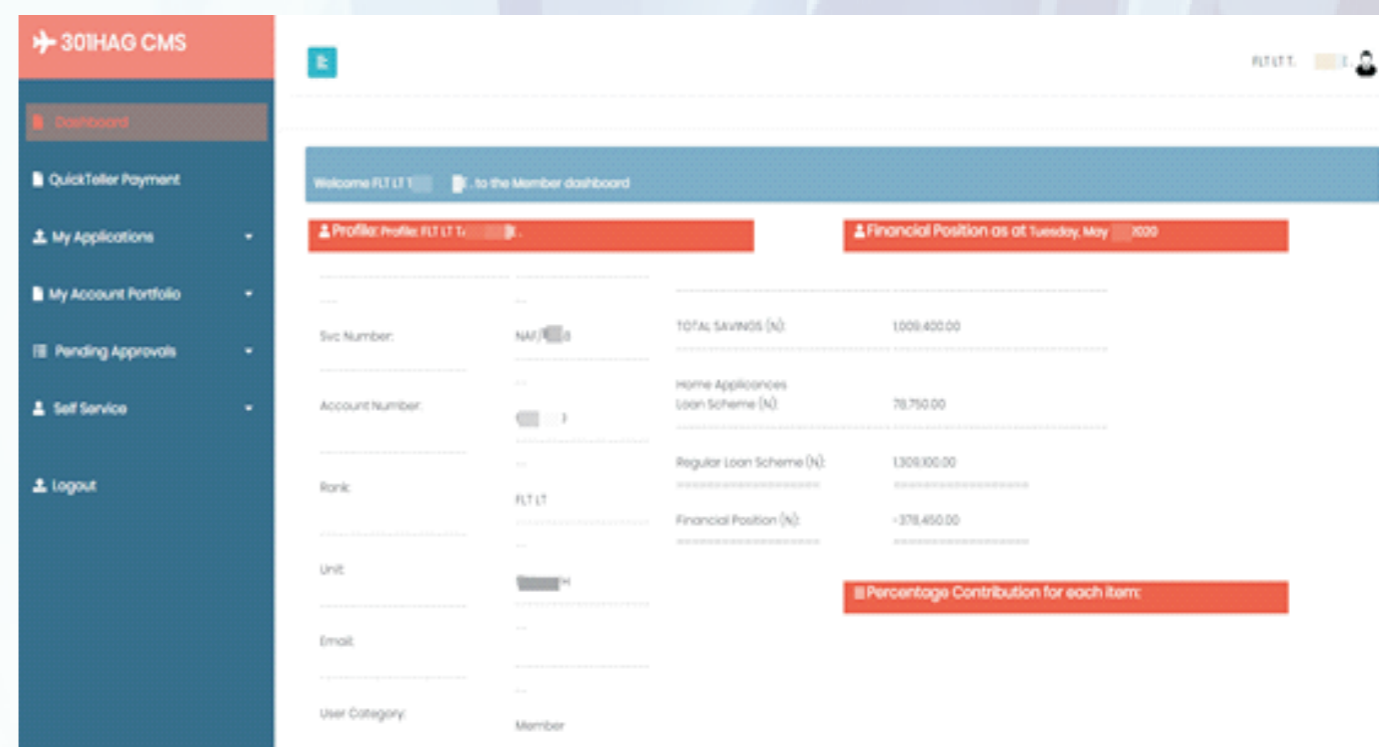




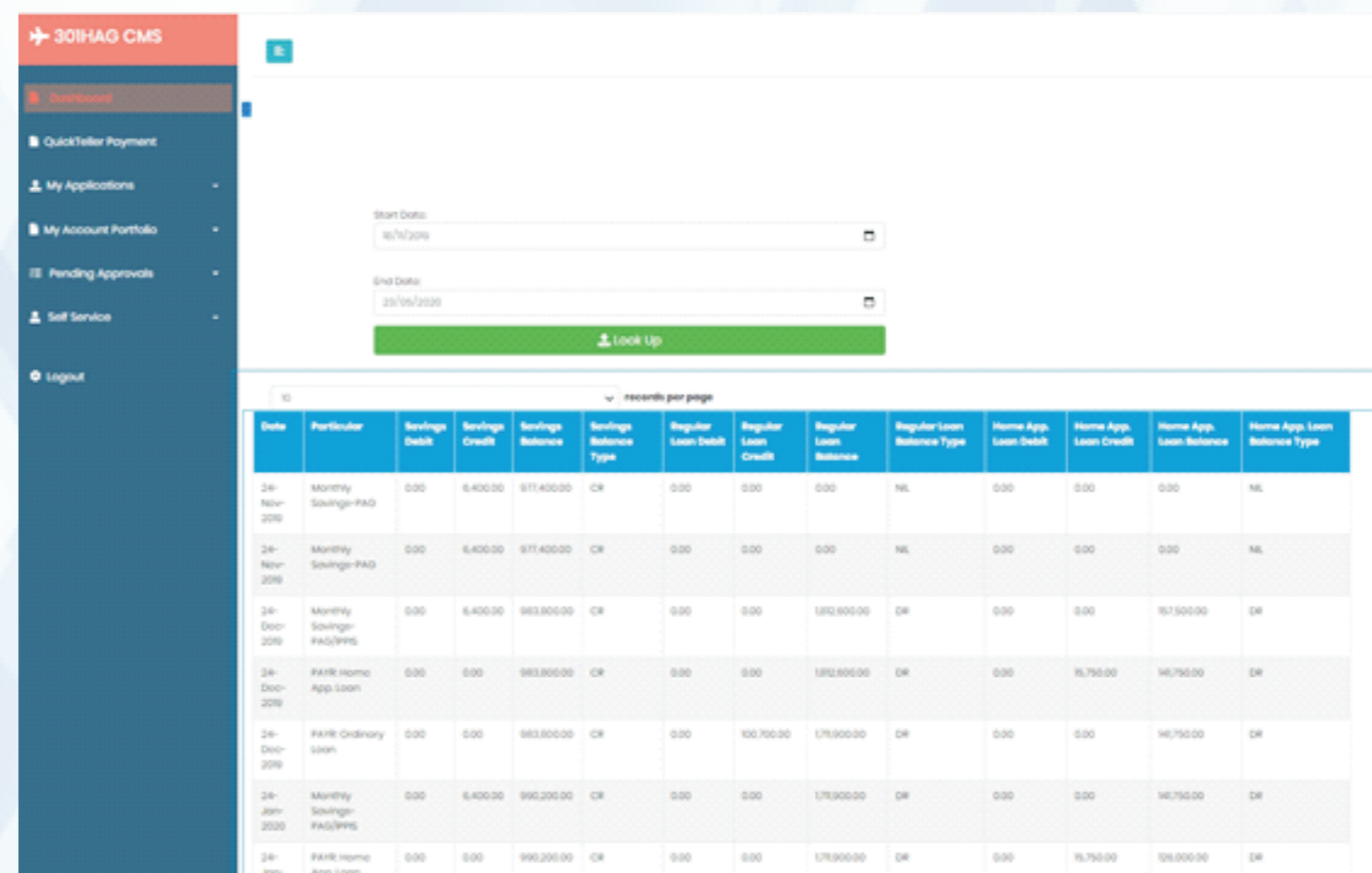
301HAGCMS Official Website Homepage



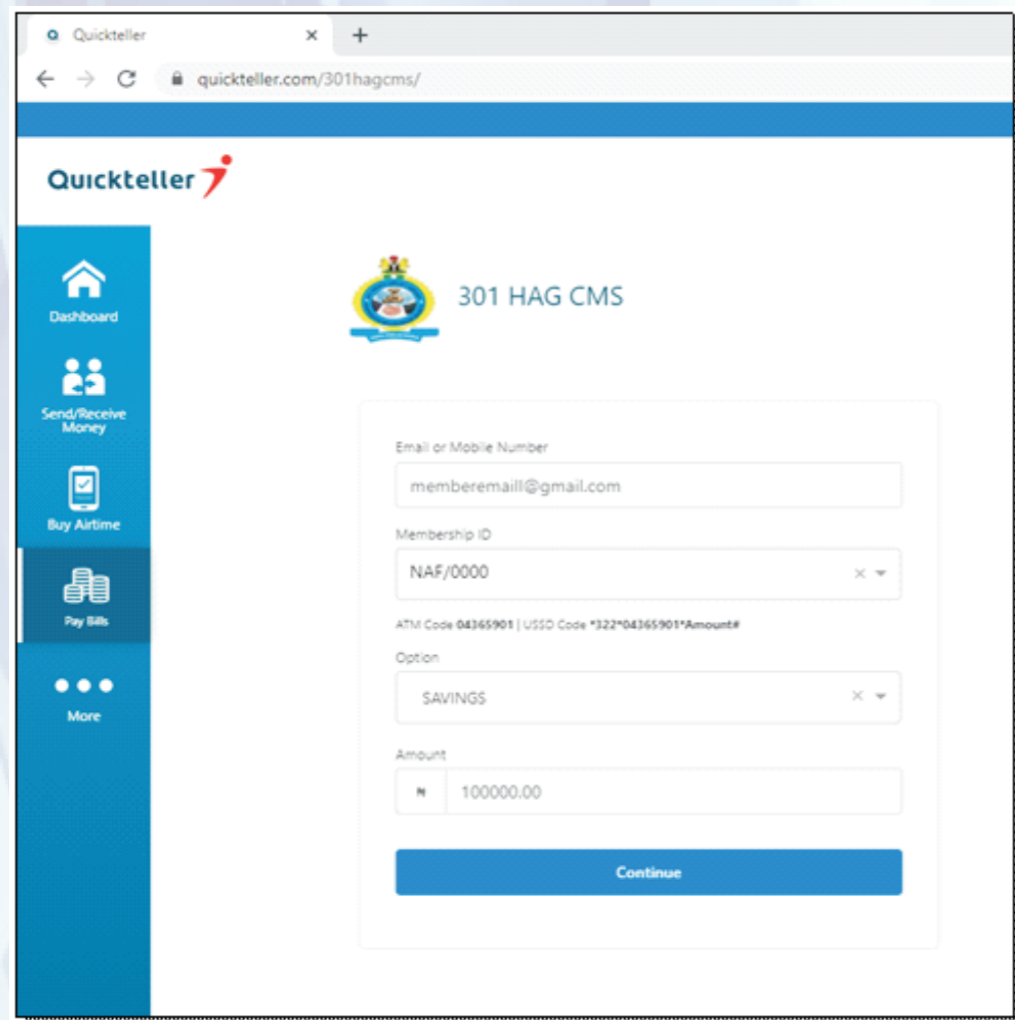
301HAGCMS Staff Data Management Portal



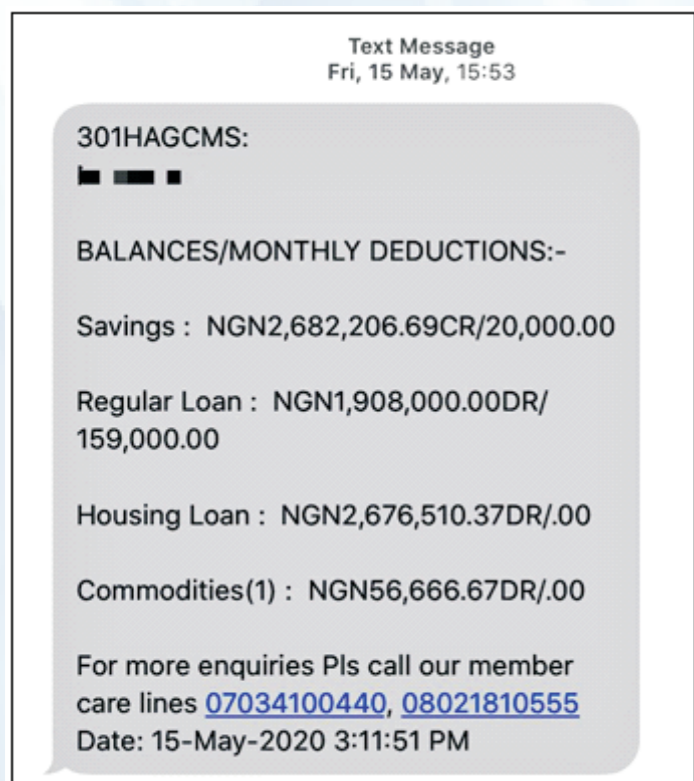
Member Service Portal - Dashboard



Member Service Portal – Detailed Account



301HAGCMS Quickteller Portal



Sample of 301HAGCMS Member Financial Summary SMS

Monthly SMS alert for Members.

It was discovered that majority of the members' inquiries from the member care service related to information on their financial status.

To meet this demand, the Cooperative instituted a monthly SMS alert system to provide members with up-to-date information about their financial dispositions with the Cooperative.

This has significantly reduced the number of members visiting the Cooperative Secretariat to make basic inquiries such as account balances, while providing easily accessible reference to members on their financial position in the Cooperative.

Member Care Lines.

Corporate member care lines were procured to build customer relationship, maintain and manage exiting members account, respond to customer enquiries, resolve and where necessarily refer complex issues to the management.

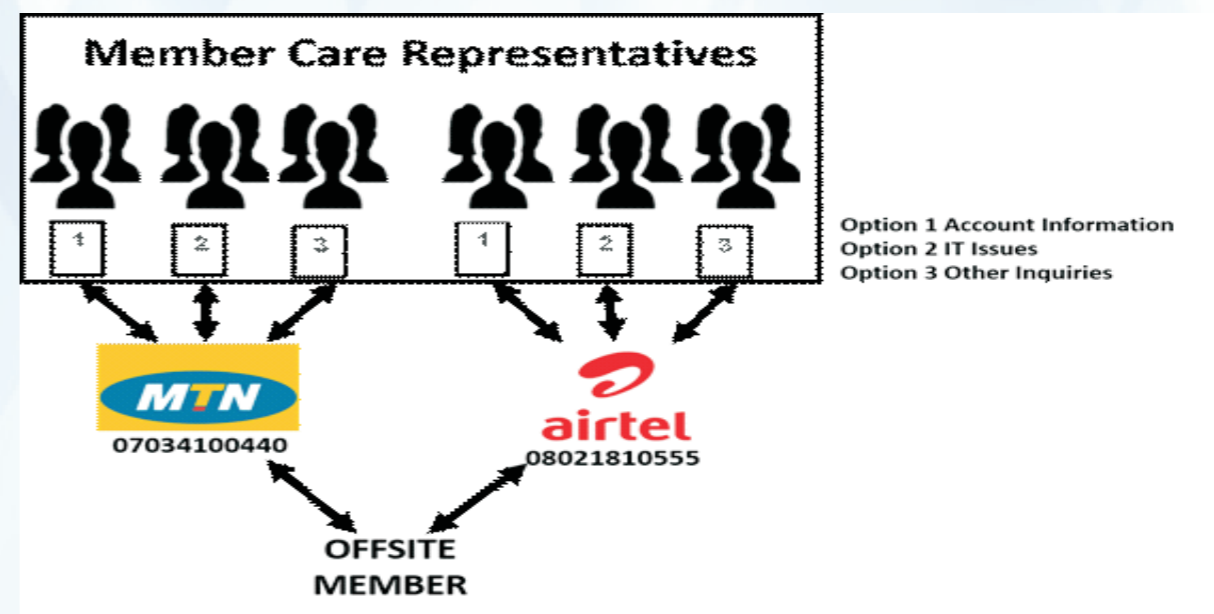
This was achieved by obtaining corporate call assist numbers from 2 different voice call network providers. These numbers branch out to a total of 16 member care points managed by different members of staff to ensure effective service delivery.

On dialing any of the numbers, the members now have the choice to select from the available range of services following which they would be attended to in the shortest possible time.

The member care lines are:

MTN - 07034100440

Airtel - 08021810555



Architecture of 301HAGCMS Member Care Service

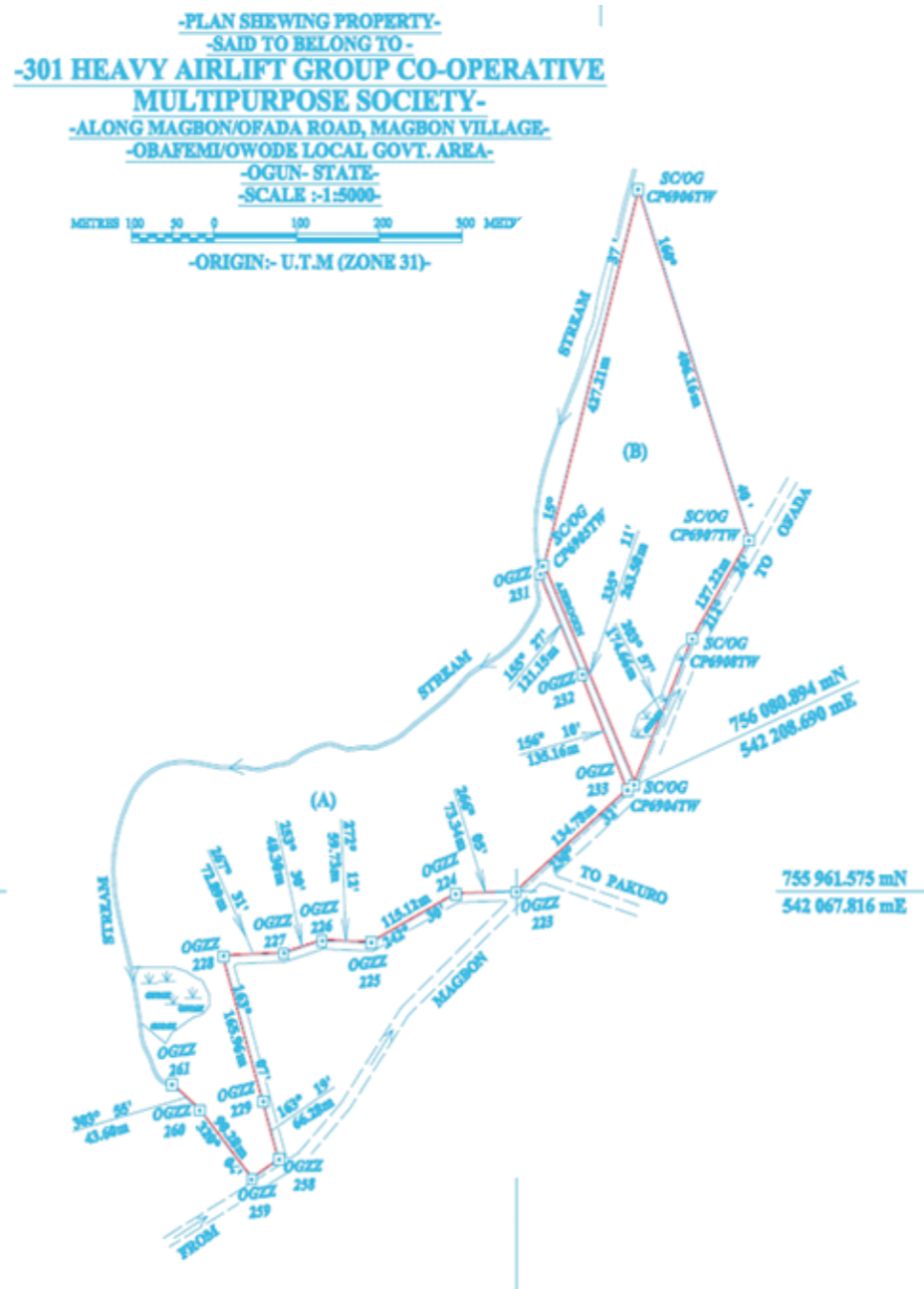
ESTATE DEVELOPMENTS

One of the key objectives of the Cooperative is to aid its members to acquire post service housing. As a first step, the Cooperative is currently engaged in the development of 2 estate located in Magbon Ogun State and Bwari-Abuja, respectively. Both estates are been developed under considerably different models. Magbon Estate

At the 2018 AGM, members were informed that the cooperative had commenced the fencing of the Cooperative's land at Magbon.

The property is divided into two parts, of 40 acres and 20 acres respectively. Fencing work on the 40 acres has been completed while the fencing of the 20 acres portion is 60 percent completed. With the fencing of the 40 acres part completed, the Cooperative has commenced work towards installing an appropriate gated entrance while efforts are still ongoing to finalize the supporting papers and appropriate settlements for the 20 acres section of the land.

The plan view of the Cooperative's land at Magbon as well as progress of work on the fencing project are illustrated below.



INITIAL CLEARING OF THE LAND



FABRICATION OF BLOCKS, EXCAVATION AND FOUNDATION WORK



BLOCK WORK



COMPLETED SECTIONS OF THE FENCE



PICTORIAL VIEW OF BOUNDARY FENCES SEPARATING THE 40 AND 20 ACRES PORTIONS OF THE LAND





301HAGCMS SIGNPOSTS AT THE SITE

Considerations are being made for an appropriate name for the Magbon Estate. A shortlist of 3 proposed names are as follows:

- 301HAGCMS Nigerian Air Force Estate Magbon
- NAF 301HAGCMS Estate Magbon
- 301HAG NAF Cooperative Estate Magbon

Furthermore, a number of design options were considered for the Magbon Estate's gated entrance. Presented below are 3-D illustrations of the chosen design option for the gated entrance.



Currently the property at Magbon lacks infrastructure such as road network, electricity, water and drainage. This makes the immediate allocation of this land to members premature. A 3-phased development/allocation plan is proposed. In Phase One, the Cooperative intends to develop some of the needed basic infrastructures. Funds for the provision of this infrastructure could be generated by utilizing the land for crop and livestock farming. In Phase 2, portions of the property with sufficient basic infrastructure would be developed/allocated to interested members while the remaining parts of the land would continue to be used for agriculture to provide the necessary funds for infrastructural development. In the last phase, all the land would be allocated/developed. It is envisaged that the last phase of the project would have been completed by end of FY2024.

Red Bricks Estate Bwari

In 2019, the Cooperative secured few units of one-bedroom and 2-bedroom houses from ASO Savings and Loans Plc in exchange for part of its savings with the bank. These housing units were utilized to test the workability of an estate provisioning model which the Cooperative seeks to institutionalize. Under this model, the Cooperative could facilitate the acquisition of low-cost housing units for its members. In the trial scheme, housing units acquired from ASO Savings & Loans Plc were made available to members at a competitive price which would be repaid to the Cooperative in installments. With the success of the trial project, this model would continue to be pursued. Talks are already ongoing to identify and procure similar housing units with credible legal papers and affordable prices.



PICTURES OF THE RED BRICKS ESTATE BWARI

Poll Question
Preference for official name for Magbon Estate

- A. 301HAGCMS Nigerian Air Force Estate Magbon
- B. NAF 301HAGCMS Estate Magbon
- C. 301HAG NAF Cooperative Estate Magbon

MORTGAGE PLANS

The 301HAGCMS leveraging the experiences from the Magbon and Bwari estates, is seeking opportunities to provide mortgage to its members to aid the acquisition of post service housing. It is proposed that such mortgage financing could be provided jointly by the Cooperative, select commercial mortgage banks and the Federal Mortgage Bank of Nigeria. There are 3 categories of mortgage plans that are currently under consideration for the benefit of the Cooperative's members:

1. Short term mortgage loans of less than ₦1million financed by the Cooperative for low cost ventures such as the procurement of undeveloped plots of land.
2. Medium term mortgage loans up ₦5 million financed jointly by the Cooperative and select commercial mortgage banks for acquisition of

low-cost housing units.

3. Long term mortgage loans up to ₦15 million financed jointly by the Cooperative, select commercial mortgage banks and the Federal Mortgage Bank of Nigeria.

Modalities are being drawn to facilitate short and medium-term mortgage loans to members in the near future. Joint ventures with commercial mortgage banks, such as Brent Mortgage Bank, are at the early stages towards meeting this end. Such loans could be utilized to fund potential beneficiaries of plots of land and houses in the Magbon Estate, for instance. Following the Bwari Estate model, competitively priced housing units with verified land documents in various locations are being surveyed with the intent of supporting members to acquire such properties.



Consideration is also been given to acquire land properties similar to the Magbon Estate model. The main challenge in this respect has been obtaining competitively priced properties with genuine land documents.

It is noteworthy that the Cooperative is also receptive towards pursuing interests in properties in other parts of the country, information about which could also be provided by the members.

The Cooperative stance in this regard is to always stake on the side of extreme caution regarding acquiring or aiding the acquisition of land. This has led to the discontinuation of interest in multiple land properties which the Cooperative considered during the review period. Some land prospects that are still under review include the Goldfield Estate in Geri-Abuja and the Horizontal Garden Estate in Ibeju-Lekki.

Priority and utmost consideration would however be placed on the credibility of the land documents. Members would be kept abreast of developments in these respects.

QUICK CASH SCHEME

The ready availability of cash to members in the form of an overdraft scheme was mooted in the last quarter of 2019. It was reasoned that a means through which members could obtain soft credit facilities without passing through the rigours of the Cooperative's standard loan application process was desirable.

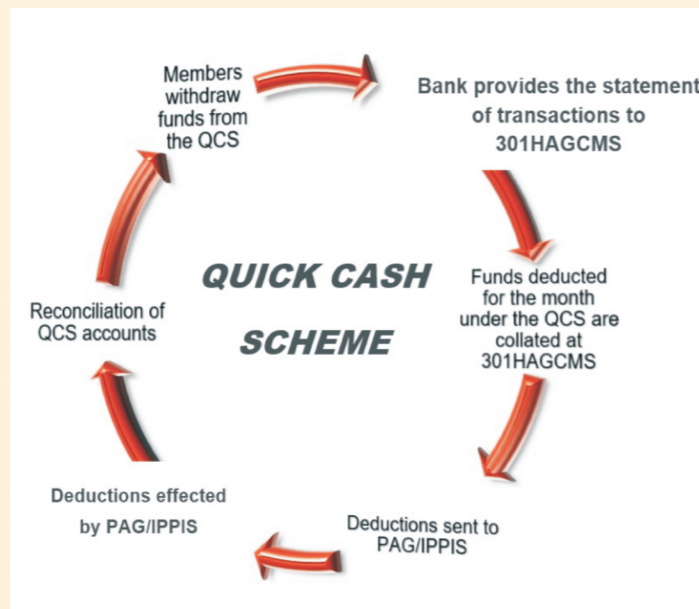
Such a facility could be considerably valuable to members in dire need of quick funds or during late payment of salaries. The Quick Cash Scheme (QCS) was initiated to fill this gap. The scheme is jointly operated by 301HAGCMS and Keystone Bank.



Executive members led by the Vice President receiving the premier set of QCS Cards from senior management staff of Keystone Bank led by its Head of the Lagos State Midland Division

The scheme's major instrument for transaction is a Mastercard enabled credit card issuable to individual members. The card could be used on any Automated Teller Machines (ATMs) globally, POS facilities as well as online retails shops such as Amazon and Jumia. Limited withdrawals using the individual credit cards are charged directly to the Cooperative's funds with Keystone Bank.

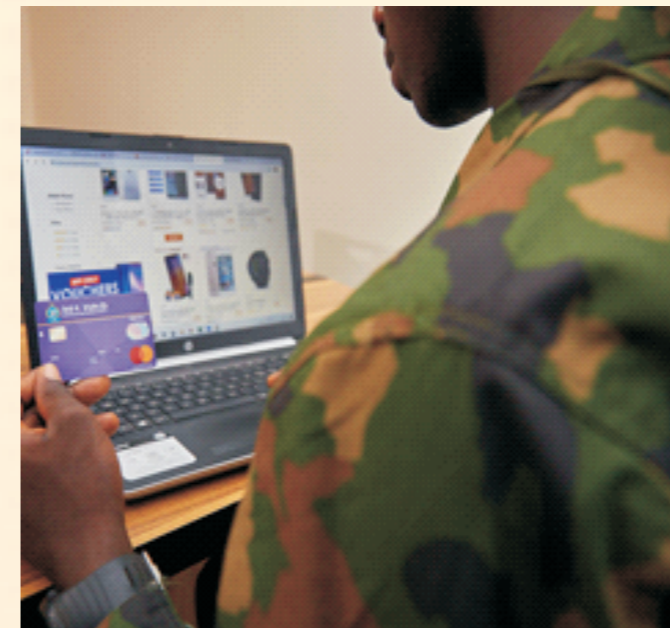
The Bank is responsible for maintaining records of transactions made with the cards and furnishing the Cooperative with information on deducted funds. The Cooperative utilizes this information to process appropriate deductions from PAG/IPPIS.



To cover applicable bank charges as well as generate limited funds for the Cooperative, a relatively small interest rate shall be applied on funds withdrawn under the Quick cash scheme.

An interest rate of between 2.5% and 3.5% is proposed with the principal and interest repayable within 3 months. Furthermore, it is essential that

some restriction be placed on the amount withdrawable by members under the QCS to preclude abuse. In this regard, in determining amount creditable to the individual cards, consideration would be placed on members savings, monthly salary as well as margin between amount deductible from the source and current amount been deducted from the individual member.



In the medium to long term, the Cooperative intends to integrate the QCS enabled credit card into other parts of the Cooperative's operations such as retail services. However, it is essential to note that enrollment into the QCS is voluntary. Interested members could download the QCS enrollment form (download link - www.301hagcooperative.com/content/quick-cash), and submit the completed form to the Cooperative's official email address (info@301hagcooperative.com).



Poll Question

Preference for interest on funds accessed from the QCS

- A. 2.5%
- B. 3.0%
- C. 3.5%

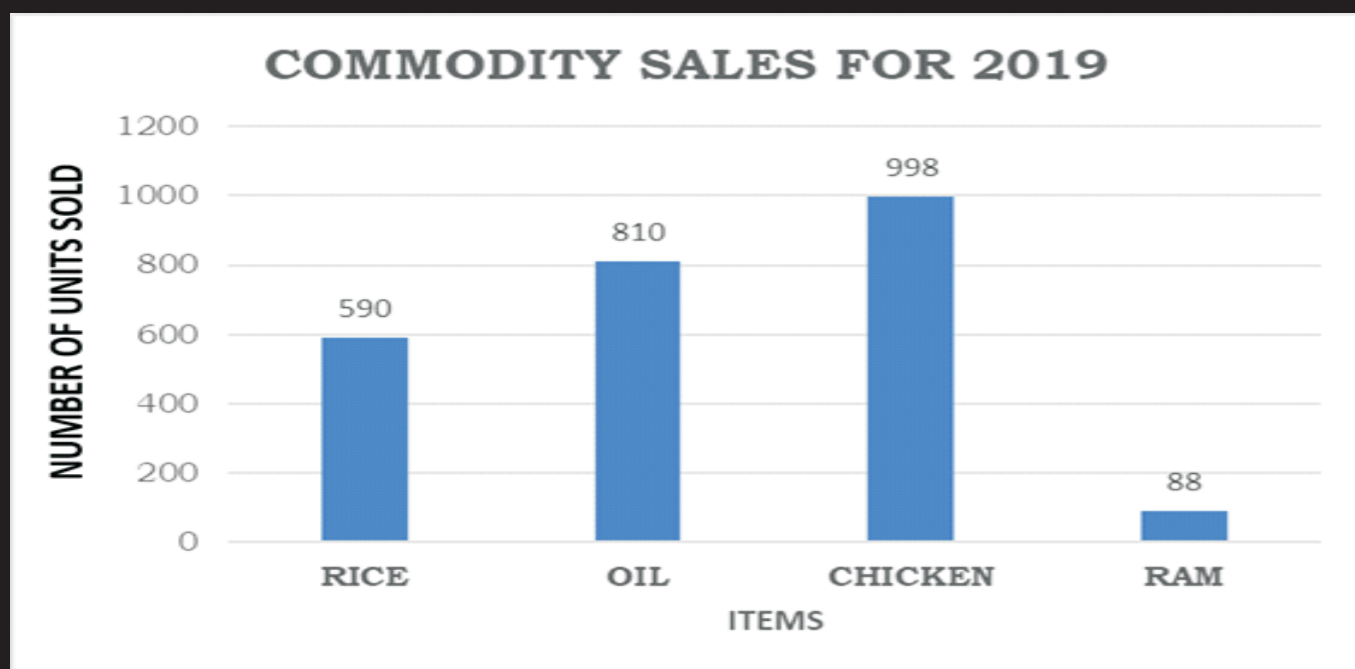
COMMODITY RETAIL SUBSIDY SCHEME

Provision of retail commodities such as food items and livestock at subsidized prices is one of the services provided by the Cooperative especially during festive periods. The Commodity Retail Subsidy Scheme (CRSS) serves to provide this service to the Cooperative's members.

In 2019, the CRSS was implemented during the New Year, Easter, Sallah and Christmas celebrations. A total of 2,486 units of various items were sold under the CRSS in FY2019 with a combined sales volume of ₦18,885,618.00.

The strategy implored in the CRSS to facilitate such retail subsidies essentially involves bulk purchase of commodities during off peak period. By leveraging economies of scale advantages, the CRSS helps secure lower retail price for the members. Payment is made in instalments over a period of 3 months. It is noteworthy that the CRSS is operated at 0% interest rate.

The commodities provided included food items (such as 50kg bags of rice and 4 litre-bottles of cooking oil) as well as livestock (poultry and rams). Going forward, the Cooperative intends to expand the CRSS beyond its current seasonal scope to also include provision of commodities to members all year round.



LONG MEMBERSHIP RECOGNITION SCHEME




The success of the Cooperative depends on the stability funds available for investments. One of the major factors that enhances such stability is long duration of continuous membership. It is worthy to note that there are members who since the inception of the Cooperative have maintained unbroken membership tenures until date. It is pertinent that such stability is encouraged. To this end, the Cooperative is proposing the Long Term Membership Recognition Scheme (LTMRS).

The LTMRS provides for reward of members for their loyalty and longstanding membership of the Cooperative. Accordingly, it is proposed that the Cooperative's membership base be categorized into basic, bronze, silver and gold member status for the purpose of determining LTMRS rewards. Criteria for categorization under the scheme is based solely on number of years of unbroken membership with the Cooperative.

Bronze, silver and gold membership status shall be attained after 6, 11 and 21 years of unbroken membership of the Cooperative. The benefits accrued to each of the categories include recognition at AGMs (inclusive of exclusive gift items and physical recognition of awardees present at the AGM) as well as reduced interest rates on regular loans for silver

and gold categories. Gold members would also receive a merit award and guaranteed severance interest on their savings on eventual withdrawal. The proposed range of interest on savings for members with gold status is 0.5% to 1.5%.

The proposed reward packages may be reviewed at subsequent AGMs to better motivate long-term members. It is also noteworthy that the LTMRS in no way reduces the standard benefits of our esteemed members who do not fall into any of the categories.

LTRMs				
QUALIFICATION CRITERIA		21 YEARS & ABOVE	11 – 20 Years	6 – 10 Years
B E N E F I T S	AGM RECOGNITION	✓	✓	✓
	REGULAR LOAN INTEREST RATE	5.5 %	5.8 %	STANDARD 6%
	MERIT AWARD	✓	X	X
	SEVERANCE INTEREST	0.5 – 1.5%	X	X

Poll Question

Severance Interest Rate on Savings for Members with Gold Status

A. 0% C. 1%

B. 0.5% D. 1.5%

SUMMARY OF 2020 FINANCIAL OUTLOOK

An analysis of the money market shows progressively decreasing returns on investment since 2020, with the outlook for 2020 looking particularly worse-off. The downturn of the financial market worsened by the crash of oil prices and the COVID-19 pandemic have provided a rather bleak outlook for investments and by extension the Cooperative's income.

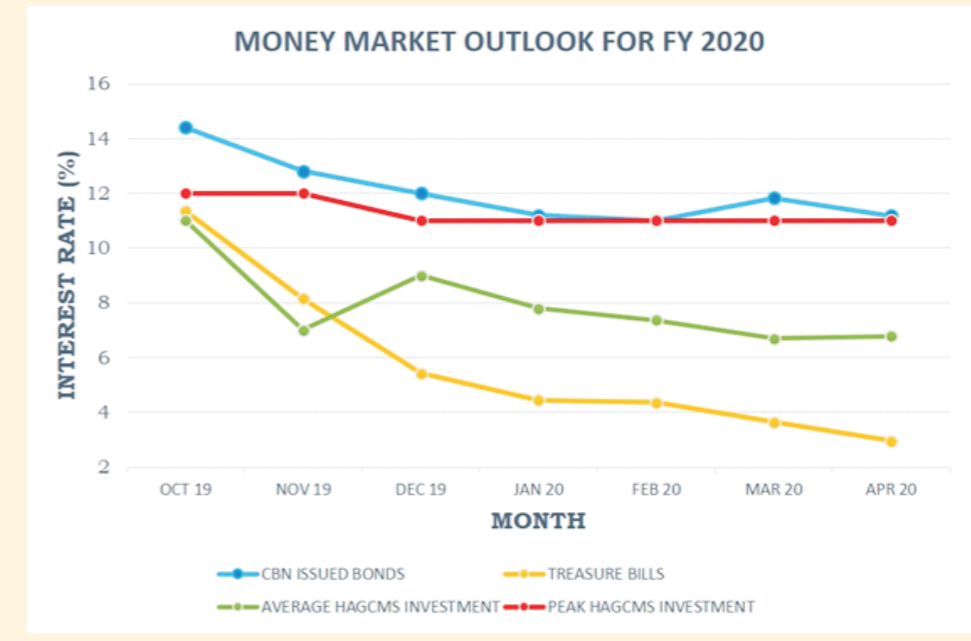
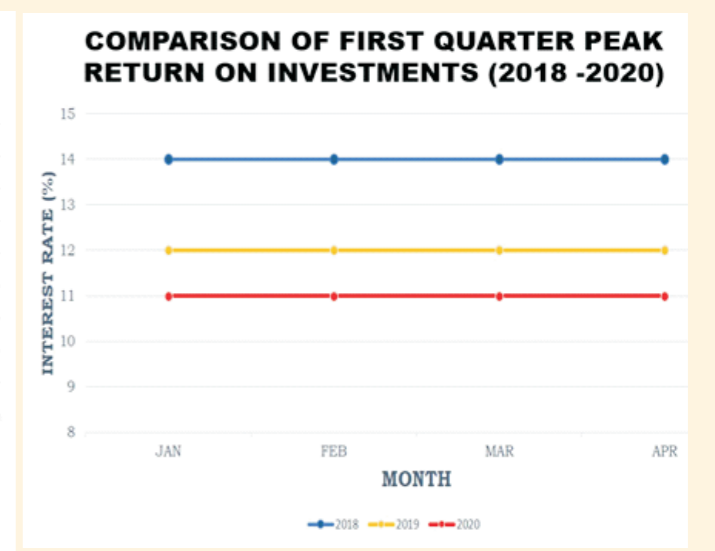
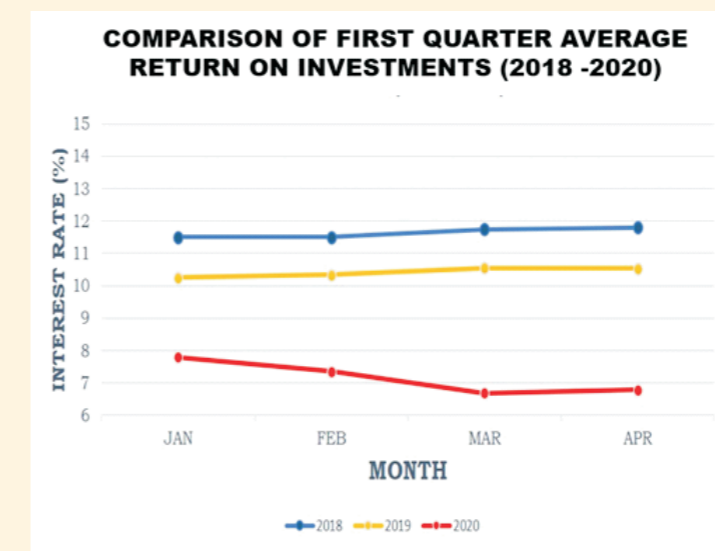
treasury bill rates, which are the typical benchmark for interest rates in the money market.

Despite the downturn of the economy, it is particularly heartwarming that 301HAGCMS has continued to maintain its peak money market investments at par with the very best rates in the country which in this case have been CBN issued bonds.

While the Cooperative's performance in the money market are laudable, it is noteworthy that our income would still be affected by the economic downturn. This prediction appears even more cogent when considering that maintaining the current returns on the Cooperative's investment is rather uncertain.

Also, the average interest rates of Cooperative's investment in 2020 have consistently outperformed

These realities have vividly highlighted the vulnerabilities of overdependence on the money market as a primary source of income. This informs the pertinent need for 301HAGCMS to further diversify its sources of income to reduce the risk of fluctuations in the money market on the Cooperative's income.



INCOME DIVERSIFICATION PROPOSALS

The Cooperative's major sources of income include interest from members' loans and fixed deposit with various commercial banks.

The experiences resulting from investment returns from the financial market beginning from 2019 worsened by the COVID-19 pandemic has brought to the fore the dangers of over reliance on the money market. Therefore, to retain the Cooperative's competitive edge while maximizing returns on member's savings, it has become pertinent to diversify the Cooperative's income base.

A number of options have been considered towards achieving this end. Some of these options include expansion of the Cooperative's agricultural ventures, retail services and estate optimization.

Agricultural Ventures

The current capacity of the Cooperative's poultry facility is 1,500 birds. A viable first step in the current income diversification drive is to expand the capacity of the poultry facility. An initial assessment conducted in line with the phased development plan in Magbon Estate revealed that the Cooperative's poultry could be expanded to 25,000 birds, representing a capacity increase of about 1600% with corresponding growth in revenue.

A ready market to absorb the increased capacity of the poultry has already been identified. Additionally, it is intended that processing of the birds up to the frozen stage as well as mass storage and delivery of such frozen birds would be added to the poultry facility's capabilities.

The second agricultural venture that the Cooperative intends to embark on is crop farming. It is planned that the larger part of the 40 acres section of the

Magbon Estate would be used for this purpose in the short term. Soil fertility and crop suitability assessments carried out on the property suggested that a variety of economically viable crops would thrive on the land. Efforts are ongoing to identify and exploit suitable market opportunities to channel the products of this crop farming venture.

Retail Services

The Cooperative intends to channel the experiences gained from the CRSS towards developing a robust commodity retail network. In the short term, such a retail network would serve members within the Lagos area, with a further potential to expand to meet the needs of members in other major NAF bases across the country. There are also plans to explore the cyberspace retail market as part of this income diversification drive.

Estate Optimization

Further to plans to utilize the Magbon Estate for agricultural purposes pending the development/allocation of the property, the Cooperative also intends to better optimize its other estate assets with a view to increasing its revenue. Particularly, efforts will be made to increase revenue from the shopping units owned by the Cooperative at the NAF Holding Company plaza. Currently, all the Cooperative-owned shops at the plaza have been rented out to third parties. Rent remittance on these shops have however not been consistent.

As a first step, shops with poor records of rent remittance would be reclaimed by the Cooperative. These reclaimed shops would be used by the Cooperative to operate wholesale/retail outlets or sold out to reclaim invested funds.

COMBATING EFFECTS OF THE COVID-19 PANDEMIC

The recent outbreak of the COVID-19 pandemic with its unprecedented spread among the populace necessitated the need to institute appropriate safety measures. In view of this, the Cooperative took measures to mitigate against the effect of the pandemic on the effectiveness of its service delivery to members while keeping the safety

of its staff in focus. Therefore, gloves, mask and hand sanitizers were provided and strict adherence to the usage of the PPEs were enforced for members and staff. Furthermore, weekly briefings were suspended while staffs/members were sensitized on appropriate precautions to keep safe during the COVID 19 pandemic

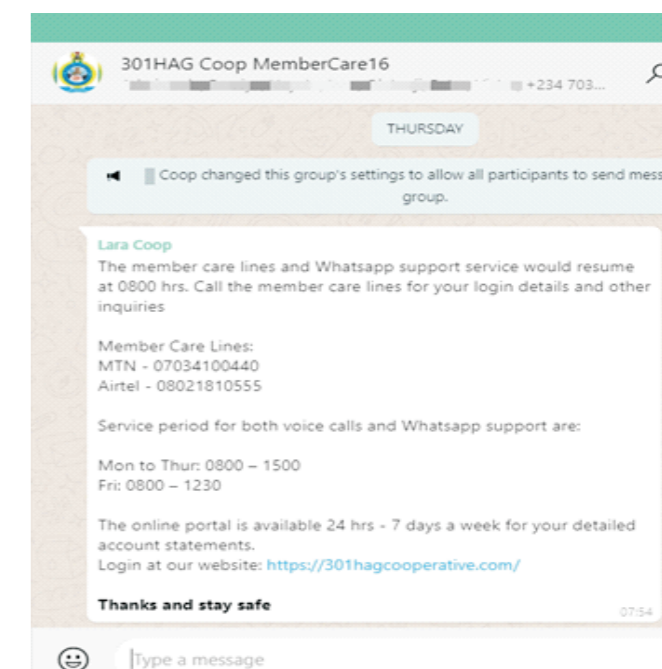


Additionally, various steps were put in place to minimize possible disruptions in our services to members in the event of the envisaged lockdown. In this regard, the online member data management platform was swiftly launched, having been reactivated to provide much more reliable data to members.

Measures were also put in place that enabled staff to work from home without affecting the quality of service delivery to the members. Some of these measures included but are not limited to the creation of WhatsApp based member care support groups and provision of an expanded voice call member care structure. About 40 WhatsApp groups of about 250 members to a group were created.

The categorization of the membership for these WhatsApp support groups was based on rank. The 2 existing member care lines were expanded to 16 lines to reduce the workload on the Member Care Department while providing more responsive services

to the members.



Screenshot of one of the 301HAGCMS Whatsapp Support Groups

On the welfare side, the cooperative invested significant funds to stock essential commodities, which it predicted could prove valuable in easing member's difficulties during the envisaged lockdown.

Before the pandemic, the Cooperative had already invested in about 500 poultry birds in preparation for the Easter season and beyond. This stock was expanded by about 200% just before the lockdown.

This was to ensure easy access to meat for our members even during the lockdown. So far, the Cooperative's effort towards curtailing the pandemic's effect have been with an optimistic outlook. We are hopeful that the situation stabilizes soon. However, in the event that the situation doesn't improve as hoped, the Cooperative is well poised to continue providing first-rate services and support to its members.



STOCK OF MATERIALS TO PROVIDE SUPPORT TO MEMBERS DURING LOCKDOWN

DIRECTIVES FROM LASCOFED

An Ordinary General Meeting organized by Ikeja Cooperative Area Office in conjunction with Ikeja Cooperative Multipurpose Union Limited under the auspices of the Lagos State Cooperative Federation (LASCOFED) came up on 6 Feb 20 at the LASCOFED Multipurpose Event Hall located in Ogba, Lagos State. It is an annual event to develop operational guidelines for cooperative societies operating in Lagos State.

also expected that the measure would one way or the other increase the revenue of the cooperative society.

3. COOPERATIVE INSURANCE SCHEME
This is a product with a purpose to secure cooperative loans and mitigate the risk that occur from unpaid loans arising from sudden death and incapacitation of members of cooperative societies. The product would pay the established and confirmed outstanding amount of loans due to death or incapacitation of a member. The payment would be made to the cooperative society.

HIGHLIGHTS OF THE 2020 OPERATIONAL POLICY

1. ANNUAL DEVELOPMENT LEVY

Payment of Development Levy by members of every Cooperative Society was once again reechoed at the meeting. Every Cooperative Society in Lagos State is expected to pay N200 per member to LASCOFED. The President of LASCOFED in person of Mr. Jaiyeola explained that the purpose of the fund is to pay off the debt incurred on the multipurpose event center and also to embark on other laudable projects.

Scope of the cover are.

- i. Death
- ii. Permanent Disability
- iii. Hospitalization Expenses as a result of accident
- iv. Burial Expenses

Features of the product is a flexible premium payment (Monthly, Quarterly, Half Yearly or Annually)

2. ADMINISTRATIVE CHARGES ON WITHDRAWAL

Members closing their accounts are to be surcharged. At the discretion of the management committee, certain percentage of the members balance is to be deducted. This measure is to discourage members who hop in and out of the cooperative at random. It is

Members are to note that these directives are yet to be implemented by 301HAGCMS as it is considered that inputs from our esteemed members is essential in making such significant changes to our operations.

Poll Question

Applicability/desirability of the schemes recommended by LASCOFED to 301HAGCMS members

MESSAGES FROM OUR PARTNERS

UBA

As we complete another financial year, we the management and staff of United Bank for Africa (UBA), Sam Ethnan Air Force Base Branch, Ikeja would like to acknowledge and appreciate your commitment to our branch. Your unwavering dedication and loyalty has kept us standing to serve you and would always be remembered.

We are grateful for the opportunity given to serve and promise to go the extra mile to delight you and ensure premium service is delivered. We also pray that the Organization experience greater accomplishment this new financial year.

Thank you again for choosing us. We are grateful for the opportunity to have you as our valued customer.

Adaku Umenwa

Relationship Officer

United Bank for Africa Plc

Sam Ethnan Air Force Base Ikeja

Tolu Abiodun-Adeyemi

Business Manager

United Bank for Africa Plc

Sam Ethnan Air Force Base

KEYSTONE BANK

Dear 301 Heavy Airlift Group (HAG) Cooperative, I thank you for choosing Keystone Bank as your preferred partner. Your demonstrated professionalism over the years has left an impact with lasting footprints in the minds of your members. I recognize how far you have come, and I am proud to be a part of your success story.

I truly appreciate your business, and I am grateful for your trust in us. Cheers to amazing years ahead. #WeGrowTogether

Antonia Ebon

Business Team Lead

Akoka Branch

Chinyelu Ogufere

Divisional Head

Midland Division

UNITY BANK

On behalf of Unity Bank Plc, Abule-Egba branch. I wish to commend your support to our establishment. The dedication, commitment, and loyalty you demonstrated during this financial year will remain indelible in our history.

While appreciating you immensely for satisfactory services rendered, we hope you will feel honored if availed another to serve you in the future. We pray that the Almighty God grants you your desired growth as an organization and rewards your efforts with

success in your future endeavors. Please accept the assurances of our regards and best wishes.

Olaboye Kolade

Relationship Officer

Abule-Egba Branch Lagos

Babawale Alogba

Branch Manager

Abule-Egba Branch Lagos

POLARIS BANK

I am happy to identify with 301 HAGCMS on her success story over the years in the Humanitarian Services sector. It is an honour banking such a distinctive Cooperative; well defined with high level of accountability, commitment, resourcefulness, enthusiasm and creativity.

Your level of determination in meeting the needs of your members and surpassing members expectations through welfarism, intermediation and profit declaration has made 301 Hag Cooperative the most inspiring Cooperative I've ever worked with.

I sincerely appreciate working with you over the past years and we are privileged to have you, not just as a customer but indeed a part of the Polaris Bank Family. I pray that the years ahead will open unto you avenues for more exploits, success and lifting.

Bola Obimakinde

Business Development Manager

Polaris Bank Isolo Branch Lagos

We hereby commend your organization for the unflinching and support to Polaris Bank Limited. We are grateful to be partners in progress and look forward to a sustained mutually beneficial relationship. It is our prayer for our outstanding achievements and greater heights in years ahead. Kindly accept our best wishes.

Olubunmi Akinlabi

Relationship Officer

Airport Road Branch

Tolulope Ogunko

Business Development Manager

Airport Road Branch

GREENFIELD AGROALLIED

The entire management and staff of GreenField Agroallied Consult and Farming Systems Limited appreciates 301 Heavy Airlift Group Cooperative Multipurpose Society, for its commitment and confidence reposed in us. We are thankful also for your contribution to our overall success. Working with the Cooperative over the years, we can say

without mincing words that your commitments and passion are so evident and your consistency is undeniable. Your milestone achievements scream for themselves and your management style so unassuming. The humility of the executives is worthy of mention too and their dedication to duty stand out. 301 HAGCMS is simply world class. We hope to continue to enjoy the unwavering relationship you have with us.

Durojaiye Philip Olusegun

MD/Principal Consultant

GreenField Agroallied Consult and Farming Systems Limited

SOFT CIRCUITS NIG. LTD

Soft circuits Nig. Ltd, a process and software engineering firm, was engaged by the management of 301 Hag Cooperative to move their process improvement and automation efforts to a higher pedestal where all stakeholders further benefit from new trends and innovations in technological advancement.

From our interactions with the Cooperative we have deduced that the management and staff of the Cooperative are indeed forward looking and well-disposed to using cutting edge technologies to drive

its operations for profitability and efficiency. This helps in no small measure in making the laudable objectives of the Cooperative a reality.

Ojo Elijah

Cooperative Accounts software Consultant

Soft Circuits Ltd Agidingbi Lagos.

WORLDWIDE BUSINESS MACHINES & ALLIED SERVICES LTD

It has been a pleasure and a great opportunity consulting for 301 HAGCMS for several years now. My experience with 301 HAGCMS is a mixture of grateful "thank you" and "well done". 301HAGCMS has succeeded in building a winning work culture and environment, a highly skillful staff with a management team that is passionate, hard working with proven ability for excellence, solid track record of diligence and accuracy among others.

Leveraging on technology you have been able to provide excellent cooperative service delivery to your members, which has been reflecting in your yearly financial statements over the years. Congrats!

Dr. Chris AladeJesu

CEO

Worldwide Business Machines & Allied Services Ltd.



PROCEDURES FOR NEW MEMBERSHIP

The 301HAGCMS is a welfare scheme recommended for all NAF personnel as well as civilians with verifiable creditworthiness. Joining the Cooperative can be easily accomplished by completing a straightforward 3-step process.

STEP ONE

Download the membership application form from the Cooperative's official website. The forms for the various categories of members can be accessed as follows:

NAF Personnel :Available on the NAF Personnel Savings Plan page

Page link

(<https://301hagcooperative.com/content/naf-personnel-savings-plan>)

Direct download

(<http://301hagcooperative.com/downloads/MEMBERSHIP%20FORM.pdf>)

Retired Personnel: Available on the Retiree Savings Plan page

Page link

(<https://301hagcooperative.com/content/retiree-savings-plan>)

Direct download

(<https://301hagcooperative.com/downloads/RETIREE%20FORM%20APPLICATION.pdf>)

Civilians: Available on the Civilian Members Plan page

Page link

(<https://301hagcooperative.com/content/civilian-members-plan>)

STEP 2

Complete the application form.

STEP 3

Submit the completed application form to the Cooperative's official email address (info@301hagcooperative.com)

Prospective members requiring assistance in completing the application process can call any of our member care lines or send us an email.

MTN - 07034100440
Airtel - 08021810555
Email – info@301hagcooperative.com

ANSWERS TO FAQs

Serial	FAQs	ANSWERS
1.	What type of account can I open.	<ol style="list-style-type: none"> 1. Serving Members Account 2. Non-Serving Members (Retiree/Civilian) Account:
2.	Who is eligible to open an account.	<ol style="list-style-type: none"> 1. Serving NAF personnel. 2. Retired NAF personnel. 3. Civilians with verifiable creditworthiness
3.	How can I payoff, transfer or Deposit money into my cooperative account.	<p>You can fund your cooperative account using any of the following methods:</p> <ol style="list-style-type: none"> 1. Electronic transfer or cash deposit to the Cooperative's account. <p>Details: Account Number: 2022650517 Bank: UBA, Account name 301HAG Cooperative.</p> <p>After payment send or mail the transaction receipt to the office for confirmation.</p> <ol style="list-style-type: none"> 2. Direct payment via POS available at the Cooperative's secretariat.
4.	How do I check my account balance.	<p>You can check your cooperative account balance using any of the following methods.</p> <ol style="list-style-type: none"> 1. Direct inquiry from any of the financial representatives at the Cooperative Secretariat. 2. Using the members' online portal. Note: you need a valid login credential to access this 3. Calling the Cooperative's member care lines 07034100440, 08021810555.

5	Who should I contact if I have any other questions.	For more information on our products and services, please call our member care lines 07034100440, 08021810555 . Alternatively send an email to info@301hagcooperative.com
6	What are the benefits of opening an account with the cooperative.	1. It helps members inculcate a healthy savings habit. 2. Access to loans at very low interest rates, typically disbursed within a timeframe that is much faster than what is obtainable in regular banks. Typically within 24-72 hours.
7	How much is the membership fee.	No charge for joining the Cooperative.
8	What is the lowest amount of money I can save as a member.	Two Thousand Naira only (N2,000).
9	How long do I have to save to be entitled to a loan facility.	Minimum of 3 Months.
10	How much can I access as a loan.	Members are entitled to 200% of his total contribution after 3 months of savings.
11	How much interest is accrued on the loan.	Depending on the repayment period , the Cooperative operates 5% for short term loans (1-10 months), 6% for regular loans (11-20 months)

12	What kind of loan can a member have access to.	Regular loan, Emergency Loan, Home appliance loan, exigency loan, housing.
13	Can I have access to another loan if I have an existing loan.	A member can be granted another loan when he/she is still paying an existing loan, only on emergency basis (mainly medical) and must not be more than his credit limit.
14	What is the length of the loan repayment period.	The longest repayment period for regular loans is 20 months
15	Can I withdraw part of my money while still saving and repaying a loan.	No. The cooperative is a savings strategy designed to make you have a compulsory savings such that the member can only access the funds during withdrawal of membership.
16	How do I have access to my money with the Cooperative.	Through a low interest loan facility which helps you still save while servicing the loan
17	Can I add money to my savings on regular basis.	Yes you can. Fill and submit the monthly savings adjustment form.
18	Is there any fee charge for closing my account.	No, there is no charge nor fine for account closure.
19	How do I pay extra money into my savings apart from my	You can make direct cash payments either at the Cooperative Secretariat via POS or through payment to the Cooperative's bank account.

20	I can't login to my account	Please call the member care lines for your login details and other inquiries. Member Care Lines: MTN - 07034100440?Airtel - 08021810555 Website: www.301hagcooperative.com
21	I can't change my password	Steps to change your password to get your account number Login. Click on dashboard - View your profile after your Svc number you will see an account number - Copy that account number - Then logout and re-login using that account number. Then change your password using this process after you must have logged in using your account number: <ol style="list-style-type: none"> 1. Login to the online portal 2. Click on 'self service' 3. Click 'change password' 4. Type new password and confirm the password 5. Click the change password button
22	What are the details of my account eg monthly savings, loan balance, monthly loan deductions, time to complete my loan etc..	To view your detailed account statement: <ol style="list-style-type: none"> 1. Login - Using your username and password 2. Go to - My Account Portfolio Then click on account statement (detail view) 3. You will see a detailed breakdown of your account dating back to Nov 19 (Savings, deductions, loan, home app, commodities, etc)
23	Is 88MAG same as 301HAG.	301HAGCMS used to be called 88 MAG Cooperative Society. The name was changed alongside the change in nomenclature of most NAF units. Note that the 88 MAG nomenclature is no longer in use in the NAF.
24	Is the mobile (android) app still working?	Members would be notified when the mobile app is reactivated. However, you can access all the online portal features such as detailed account statements from the website. Visit www.301hagcooperative.com

CONTACT INFORMATION

**301 HAG COOPERATIVE MULTIPURPOSE SOCIETY**

301 Heavy Airlift Group
 Nigerian Air Force
 Ikeja
 Lagos State
 Nigeria

Tel 07034100440, 08021810555

Website: www.301hagcooperative.com