REPUBLIC OF KENYA

NAIROBI CITY COUNTY

CS/12181

C D F *SAVINGS AND CREDIT*

CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2019

Ministry of Industry, Trade& Co-operatives

P.O. Box 40811 – 00100,

Tel. 2731531-9

CS/12181 CDF SAVINGS AND CREDIDT CO-OPERATIVE SOCIETY LTD
Annual report and financial statements for the year ended 31st December 2019
REPORT OF THE MANAGEMENT COMMITTEE

The members of the management committee submit their annual report together with the audited financial statements for the year ended 31st Dec 2019

Incorporation
The society is incorporated in Kenya under the Cooperative Societies Act, Cap 490 and is domiciled in Kenya

Principal Activity
The principal activity of the society continued to be receiving savings from and provision of loans to its members.

Results

	2019	2018
	KSHS	KSHS
Surplus(deficit)before tax	3,060,840	1,423,477
Net surplus(deficit)after tax	3,060,840	1,423,477
Retained surplus for the year	935,726	74,458

Interest on members' deposits
The management committee recommends payment of Kshs 10,472,774.00 as interest on members deposits at a rate of 7.82 %

Management Committee
The members of the management committee who served during the year and to the date of this report is as listed on page 1.

Auditors
Minstry of Industry ,Trade & Cooperatives who were appointed as auditors for the year 2019 under provisions of Co-operative society Act,have expressed their willingness to continue in office.

By order of the Management Committee

Signature........................... Date.23/04/2020.....
Secretary

CS/12181 CDF SAVINGS AND CREDIDT CO-OPERATIVE SOCIETY LTD
Annual report and financial statements for the year ended 31st Dec 2019

SOCIETY INFORMATION

MANAGEMENT COMMITTEE MEMBERS

CHAIRMAN	WELDON LANGAT
VICE CHAIRMAN	MARY WANYIKA
SECRETARY	DENNIS MATUNDURA
TREASURER	JACTON OMONDI OJOW
COMMITTEE MEMBER	DINAH WANJA
	DAVID OKOMA
	PATRICK LIDOVOLO

SUPERVISORY COMMITTEE MEMBERS

CHAIRMAN	GEORGE OKALO
SECRETARY	MARY MWAKI
COMMITTEE MEMBER	JOSEPH KIBII

REGISTERED OFFICE
CDF SACCO SOCIETY
JAMBO ESTATE -UPPER HILL MASABA RD
P.O.BOX 466-0100
Email:cdfsaccoltd@yahoo.com
NAIROBI

BANKERS
CO-OPERATIVE BANK
PARLIAMENT ROAD

AUDITORS
MINISTRY OF INDUSTRY ,TRADE & COOPERATIVES
P.O BOX 40811
NAIROBI

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Annual report and financial statements for the year ended 31 st Dec 2019
STATISTICAL INFORMATION FOR THE YEAR ENDED 31 ST DEC 2019

	2019	2018
Membership	197	196
Dormant	41	36
	238	**232**

FINANCIAL	**KSHS**	**KSHS**
Share capital	2,274,547	2,202,703
Members deposits	133,873,618	116,568,978
Statutory reserve fund	2,552,076	1,939,908
Retained surplus	6,499,289	5,563,564
Total assets	171,739,302	149,200,546
Loans to members	156,963,013	141,137,203
Current assets	14,399,168	7,616,777
Current liabilities	15,329,888	22,925,393
Turnover	18,017,900	14,543,674
Total expenses	4,484,286	5,420,197

key ratios		
Liquidity ratio	0.93:1	0.32:1
Percentage of expenses to Revenues	25%	37%
Interest on members deposit	7.82%	7%

CS//NO 12181 CDFSAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2019

STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES

The Co-operative Societies Act Cap 490 requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its operating results for that year in accordance with IFRS. It also requires the Management Committee to ensure that the Society keeps proper accounting records, which disclose, with reasonable accuracy, at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and ensuring that the business has been conducted in accordance to its objectives, bylaws and any other resolutions made at the society's general meeting.

The Management Committee accepts responsibility for the Annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in a manner required by the Co-operative Societies Act cap 490. The Management Committee is of the opinion that the financialstatements give a true and fair view of the state of the financial affairs of the Society and its operating results in accordance with IFRS. The Management Committee further accepts responsibility for the maintenanceof accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of Internal Financial Control.

Nothing has come to the attention of the Management Committee to indicate that the Society will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the management committee on…………………………………..…..and signed on its behalf by:

Chairman……………………………………………………………

Treasurer……………………………………………………………

Secretary……………………………………………………………

Date…23/04/2020……………………………………………………

INDEPENDENTAUDITORS' REPORTTO THE MEMBERS OF CDFSAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD.

Opinion

We have audited the accompanying financial statements ofCDFSavings &Credit Co-operativeSociety Limited, which comprise the statement of financial position as at 31 December 2019statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31 st December 2019and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Co-operative Societies Act.

Key Audit Matter.

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 matters.

Directors' responsibility for the financial statements

The directors of the Society are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Co-operative Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors,as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

REPORT ON OTHER LEGAL REQUIREMENTS.

As required by the Kenyan cooperative societies Act we report to you that the financial statements are in agreement with the books kept by the society and that, based on our audit, nothing has come to our attention that causes us to believe that the society's business has not been conducted:

(A) In accordance with the provisions of the Cooperative Societies Act.
(B)In accordance with the Co-operatives objectives, by-laws and any other resolutions made by the Society at a general meeting.

For and on behalf of

MINISTRY OF INDUSTRY ,TRADE AND CO-OPERATIVES

CPA BETTY C .RONO

DEPUTY COUNTY DIRECTOR CO-OP AUDIT

Date....22/4/2020............................

CS/12181 CDF SAVINGS AND CREDIDT CO-OPERATIVE SOCIETY LTD

Annual report and financial statements for the year ended 31 st Dec 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 ST DEC 2019

	NOTES		2019	2018
			KSHS	KSHS
Revenue				
Interest on loans			16,787,121	13,764,737
Other interest income	2a		9,565	8,111
Total interest income			**16,796,686**	**13,772,848**
Interest exepense	3a	-	10,472,774	(7,700,000)
Net interest income			**6,323,912**	**6,072,848**
Other operating income	2b		1,221,214	770,826
Net revenue			**7,545,126**	**6,843,674**
Administrative expenses	4	-	4,435,209	(5,395,659)
Other operating expenses	5	-	49,077	(24,538)
		-	**4,484,286**	**(5,420,197)**
Net surplus for the year before tax			3,060,840	1,423,477
Net surplus for the year after tax			3,060,840	1,423,477
20% statutory reserve fund		-	612,168	(284,695)
Surplus available for distribution			2,448,672	1,138,782
Provision for dividends		-	272,946	(264,324)
Provision for honoraria		-	1,200,000	(800,000)
Provision for staff bonus		-	40,000	-
Retained earnings for the year			**935,726**	**74,458**

CS /12181 CDF SAVINGS AND CREDIDT CO-OPERATIVE SOCIETY LTD
Annual report and financial statements for the year ended 31 st Dec 2019
STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER 2019

	NOTES	2019 KSHS	2018 KSHS
ASSETS			
Cash and cash equivalent	6a	13,916,075	7,315,994
Loans to members	7	156,963,013	141,137,203
Trade and other receivables	6c	160,869	198,123
Other finacial assets	6b	322,225	102,660
Property & Equipment	13	377,120	446,566
TOTAL ASSETS		**171,739,302**	**149,200,546**
LIABILITIES			
Members deposits	8	133,873,618	116,568,978
Interest on members deposits	3b	13,408,663	9,478,774
Benovelent fund	9	1,921,225	1,329,925
Trade and other payables	10	11,209,884	12,116,694
TOTAL LIABILITIES		**160,413,390**	**139,494,371**
EQUITY			
Share capital	12	2,274,547	2,202,703
Reserves	11	9,051,366	7,503,472
TOTAL EQUITY		**11,325,913**	**9,706,175**
TOTAL LIABILITIES AND EQUITY		**171,739,302**	**149,200,546**

REGISTERED
SEC. 25 (2) CO-OPERATIVE SOCIETIES ACT. CAP 490 (2004)
23 APR 2020
COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT

The financial statements on pages 6-14 were authorized for issue by the

management committee on.........................and signed on its behalf by:

CHAIRMAN...................................

HON. SECRETARY...........................

TREASURER...................................

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 ST DEC 2019

	Share Capital KSHS	Statutory Reserve KSHS	Retained surplus KSHS	Total KSHS
Year ended 31 st Dec 2018				
At the start	422,000	1,655,213	5,308,793	7,386,006
Prior year adjustment(13)			180,313	180,313
Adjusted balance				
Issue of shares	1,780,703			1,780,703
Surplus for the year			1,423,477	1,423,477
Provision for Dividends			(264,324)	(264,324)
Provision for honoraria			(800,000)	(800,000)
Statutory reserves		284,695	(284,695)	-
As at 31 st Dec 2018	**2,202,703**	**1,939,908**	**5,563,564**	**9,706,175**
Year ended 31 st Dec 2019				
At the start	2,202,703	1,939,908	5,563,564	9,706,175
Issue of shares	71,844			71,844
Surplus for the year			3,060,840	3,060,840
Provision for Dividends		-	272,946 -	272,946
Provision for honoraria		-	1,200,000 -	1,200,000
Provision for staf bonus		-	40,000 -	40,000
Statutory reserves		612,168 -	612,168	-
As at 31 st Dec 2019	**2,274,547**	**2,552,076**	**6,499,289**	**11,325,913**

CS/12181 CDF SAVINGS AND CREDIDT CO-OPERATIVE SOCIETY LTD
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CASHFLOW STATEMENT FOR THE YEAR ENDED 31 ST DECEMBER 2019

		2019	2018
		Kshs	**Kshs**
Cashflow from operating activities			
Interest receipts		16,787,121	13,764,737
Interest expense	-	6,542,885	(7,406,427)
Other operating income		1,221,214	770,826
Payment to employees & suplliers	-	4,174,200	(4,578,677)
Prior year adjustment		-	180,313
		7,291,250	**2,730,772**
Increase/(decrease) in operating assets			
loans to members	-	15,825,810	(19,675,138)
Trade and other receivables		37,254	6,163,008
	-	**15,788,556**	**(13,512,130)**
Increase/(decrease) in operating liabilities			
Deposits from members		17,304,640	11,792,181
Benovelent fund		591,300	(618,775)
Trade & other payables	-	2,643,496	5,187,069
		15,252,444	**16,360,475**
Net cash from operating activities		**6,755,137**	**5,579,117**
Cashflow from investing activities			
Interest income		9,565	8,111
Investments	-	219,565	(8,111)
Office equipment purchase	-	16,900	(24,200)
	-	**226,900**	**(24,200)**
Cashflow from financing activities			
Share capital issue		71,844	1,780,703
Bank over draft		-	(19,626)
		71,844	**1,761,077**
Net increase in cash & cash equivalent		**6,600,081**	**7,315,994**
Cash & cash equivalent at the beginning		**7,315,994**	**-**
Cash & cash equivalent at the end		**13,916,075**	**7,315,994**

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31 ST DEC 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a)Statement of compliance & basis of preparation

The financial statements are prepared in accordance and comply with international financial reporting standards. financial statements are presented in the functional currency,kenya shillings(shs) and prepared under historical cost convention,as modified by revaluation of certain assets as prescribed by IFRSs,

(b)Revenue recognition

Interest on members' loans is recognised when earned by reference to the principal outstanding and the effective interest rate applicable.

(c)Tax

Current tax is provided on the basis of the results for the year ,as shown in the financial statements in compliance with the,adjusted in accordance with tax legislation.

(d)Statutory Reserves.

Transfers are made to the statutory reservesfund at a rate of 20% of net operating surplus after tax provision of section 47 (1&2) of the cooperative societies act Cap 490.

(e)Trade and other payables

Trade and other payables are recognised initially at fair values and subsequetly measured at amortised cost using the effective interest rate method.

(f)cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other shortterm highly liquid investments that are readly convertible to a known amount of cash and are subject to Insignificant risk of change in value

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Annual report and financial statements for the year ended 31 st Dec 2019
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31 ST DECEMBER 2019

	2019 KSHS	2018 KSHS
2a.Interest income		
Interest from cic (net)	9,565	8,111
	9,565	**8,111**
2b.Other operating income		
Entrance fees	7,000	8,500
Loan off setting fees	1,214,214	762,326
	1,221,214	**770,826**
3a .Interest expense		
Interest on members deposits	10,472,774	7,700,000
	10,472,774	**7,700,000**
3b. Interest on members deposits		
B/F	9,478,774	9,185,201
Provision this year	10,472,774	7,700,000
Paid	- 6,542,885	(7,406,427)
	13,408,663	**9,478,774**
4.Administrative expenses		
Provision for loan losses	197,140	705,686
Committee sitting allowance	910,000	1,353,000
Zuku internet	38,000	
Salary and wages	1,032,407	769,340
Staff & committee education	69,000	212,550
Office renovation	-	15,000
Office general expenses	126,300	212,450
Office rent	517,000	602,000
Transport	251,350	267,500
AGM	456,160	630,400
Kuscco registration	1,000	-
Electricity	12,900	18,000
Tax expenses	42,971	71,423
NSSF	-	400
Accomondation	300,000	120,000
Depreciation	86,346	109,234
System support	60,000	60,000
Printing & stationery	72,910	165,326
Consultancy	235,125	56,750
Audit and supervision fees	26,600	26,600
	4,435,209	**5,395,659**
5.Other operating expenses		
Bank charges	**49,077**	**24,538**

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NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31 ST DECEMBER 2019

	2019 KSHS	2018 KSHS
6a.Cash & cash equivalent		
Current A/C- Co-op (reconciled)	13,916,075	7,315,994
	13,916,075	**7,315,994**
6b Other finacial assets		
Kuscco shares	210,000	-
CIC money market	112,225	102,660
	322,225	**102,660**
6c. Trade and other receivables		
Pre paid rent	160,000	160,000
Debtor employer (December)	-	37,254
Debtor employer (Contoller Budget)	869	869
	160,869	**198,123**
7. Loans to members		
Balance b/f	141,137,203	121,462,065
Loans Issued	90,282,604	96,479,200
Repayments	- 74,456,794	(76,804,062)
	156,963,013	**141,137,203**
Balance as per MPA	156,963,013	141,137,203
Difference	-	-
8. Members Deposits		
Balance b/f	116,568,978	104,776,797
Contributions during the year	23,618,609	20,530,756
Refunds	- 6,313,969	(8,738,575)
Balance at the end	**133,873,618**	**116,568,978**
Balance as per MPA	133,873,618	116,568,978
Difference	-	-

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31 ST DEC 2019

	2019 KSHS	2018 KSHS
9. Benovelent fund		
B/f	1,329,925	1,948,700
Received during the year	636,500	321,225
Refunds	- 45,200	(940,000)
	1,921,225	**1,329,925**
10. Trade & other payables		
Provision for loan losses	902,826	705,686
CDF housing cooperative	550,004	2,326,006
Audit fees& surpervision fees	26,600	26,600
Staff salary arreas	-	15,351
Neema Digital communication	-	120,000
System support services	60,000	-
Un identified deposits	-	29,600
Provision for bonus	40,000	-
Provision for dividends	272,946	264,324
Provision for honoraria	1,200,000	800,000
CDF Board	6,461,487	6,511,636
Over deduction / ex- members	1,696,021	1,317,491
	11,209,884	**12,116,694**
11.Reserves		
Statutory reserves	2,552,076	1,939,908
Retained earnings	6,499,289	5,563,564
	9,051,366	**7,503,472**
12 . Share capital		
B/f	2,202,703	422,000
Issued shares	71,844	1,780,703
	2,274,547	**2,202,703**
13. Prior year adjustment		
Honoraria	-	500,000.00
Sitting allowance	-	(319,687.00)
	-	**180,313.00**

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31 ST DEC 2019

13.Property and Equipment	Software	Computer & Accessories	Furniture & Fittings	Total Kshs
Rate	20%	33.3%	13%	
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1st Jan .2019	300,000	174,200	312,000	786,200.00
Additions			16,900	16,900
	300,000	**174,200**	**328,900**	**803,100**
Depreciation				
Accumulated dep	177,120	88,024	74,490	339,634
Charge for the year	24,576	28,697	33,073	86,346
	201,696	**116,721**	**107,563**	**425,980**
CARRING AMOUNT				
As at 31st Dec 2019	**98,304**	**57,479**	**221,337**	**377,120**
As at 31st Dec 2018	**122,880**	**86,176**	**237,510**	**446,566**