MINISTRY OF INDUSTRY
TRADE AND COOPERATIVES'
State Department for Cooperative

13 APR 2021

No. 1100

P.O. Box 30547 - 00100
GPO, NAIROBI, KENYA

CDF SACCO SOCIETY LIMITED

CS/12181

FINANCIAL STATEMENTS

31 DECEMBER 2020

Ministry of Agriculture,Livestock,Fisheries & Cooperatives
Nairobi City County
Nyayo House
20th Floor
P.O Box 30202-00100
Nairobi

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

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST DEC 2020

SOCIETY INFORMATION

MANAGEMENT COMMITTEE MEMBERS

CHAIRMAN	MR.WELDON LANGAT
V/CHAIRMAN	MRS MARY WANYIKA
SECRETARY	MR.DENIS MATUNDURA
TREASURER	MR.JACKTON OJOW
COMMITTEE MEMBER	MS DAINA WANJA
COMMITTEE MEMBER	MR.PATRICK LIDOVOLO
COMMITTEE MEMBER	MR.DAVID OKOMA

SUPERVISORY COMMITTEE MEMBERS

CHAIRMAN	MR.GEORGE OKARO
SECRETARY	MRS.MARY MWAKI
COMMITTEE MEMBER	MR. JOSEPH KIBII

BANKERS

COOPERATIVE BANK OF KENYA

UKULIMA BRANCH

REGISTERED OFFICE

HARAMBEE PLAZA

NAIROBI

AUDITORS

Ministry of Agriculture,Livestock,Fisheries &Cooperatives

Cooperative Audit Department

P O BOX 40811

NAIROBI

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
MANAGEMENT REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2020

CONTENTS

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

Annual report and financial statements for the year ended 31ST December 2020

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 2020

Incorporation

The society is incorporated in Kenya under the co-operative societies Act Cap 490 of1997 ammended 2004 and is domiciled in Kenya

Principal activity

The principal activity of the societycontinued to be receiving deposits from its members and provision of loans to it's members.

Results

The results for the year are as set out on pages 6-14

	2020	2019
	kshs	kshs
Net surplus/(deficit) before tax	3,622,589	3,060,840
20% transfer to statutory reserve	(724,518)	(612,168)
Provision for honoraria	(1,500,000)	(1,200,000)
Provision for staff bonus	(60,000)	(40,000)
Provision for tax		
Surplus to retained earnings	1,057,926	935,726

Interest on members deposits

The management proposes to pay 8.0 % return on deposits subject to approval by members during the AGM.

Management Committee

The members of the management committee who served during the year to date of this report are as listed on page 1

Auditors

The auditors, ministry of Agriculture, Livestock,Fisheries & Co-operatives who were appointed during the last AGM have expressed their willingness to continue in office in accordance with the co-operative societies Act 2004

By order of management committtee

Signature ....

Secretary ..Dennis....Matundura

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-12-2020

Membership	**2020**	**2019**
1 Active	208	197
2 Dormant/Withdrawn	35	41
	243	**238**
Financial		
Share Capital	2,334,547	2,274,546
Members Deposits	151,628,181	133,873,618
Statutory reserve fund	3,299,897	2,552,076
Retained Surplus	7,533,913	6,499,290
Total Assets	193,390,434	171,739,302
Loans to Members	178,617,834	156,963,013
Current Assets	14,416,216	14,399,169
Current Liabilities	18,345,492	15,329,888
Turnover	21,606,386.71	18,017,900
Total Expenses		4,484,286
Key Ratios		
Liquidity Ratio	0.96:1	0.93:1
Percentage of expenses to Revenue	23.00%	25.00%
Interest on members deposit	8.50%	7.82%

STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

The Co-operative Societies Act, Cap 490 requires the management committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the society as at the end of the financial year and of its operating results for that year in accordance with the International Financial Reporting Standards. 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 of the society has been conducted in accordance with its objectives, by-laws 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 judgement and estimates,in conformity with International Financial Reporting Standards and in the manner required by the Co-operative Societies Act, Cap 490. The management committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results in accordance with the IFRS.

The committee further accepts responsibility for the maintenance of 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 twelve months from the date of this statement.

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

.... Chairman

Signature

.... Treasurer

Signature

.... Secretary

Signature

Report of the Independent Auditor to the members of CDF Sacco Society Limited

Opinion.

We have audited the accompanying financial statements of CDF Sacco Society Limited, which comprise the statement of financial position as at 31 December 2020, statement 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 December 2020 and 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 Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period.These matters were adressed in the context of our audit of the financial statements as a whole , and in forming our opinion and we do not provide a separate opinion on those matters .

Management committee's responsibility for the financial statements

The management committee 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 management committee may 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 AGRICULTURE, LIVESTOCK,FISHERIES AND CO-OPERATIVES

BCRono

CPA BETTY C RONO
DEPUTY COUNTY DIRECTOR CO-OP AUDIT

Date 7/1/2021

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-12-2020
INCOME STATEMENT FOR YEAR ENDED 31-12-2020

	NOTES	2020	2019
REVENUE		**KSHS**	**KSHS**
Interest on loan to Members	3a	18,409,913	16,787,121
Other interest Income	2a	10,726	9,565
Total Interest Income		**18,420,639**	**16,796,686**
Interest Expense	3b	(12,878,855)	(10,472,774)
Net Interest Income		**5,541,784**	**6,323,912**
Other Operating Income	2b	3,185,748	1,221,214
Net Revenue		**8,727,532**	**7,545,126**
Administrative Expenses	4	(5,046,675)	(4,435,209)
Other Operating Expenses	5	(58,268)	(49,077)
		(5,104,942)	**(4,484,286)**
Net Surplus for the year before tax		**3,622,589**	**3,060,840**
Net Surplus for the year after tax		**3,622,589**	**3,060,840**
20%Statutory Reserve Fund		(724,518)	(612,168)
Surplus Available for Distribution		2,898,072	2,448,672
Dividend Expense		(280,146)	(272,946)
Provision for honoraria		(1,500,000)	(1,200,000)
Provision for staff bonus		(60,000)	(40,000)
Retained Earnings for the year		1,057,926	935,726

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-12-2020
STATEMENT OF FINANCIAL POSITION AS AT 31-12-2020

	NOTES	2020 KSHS	2019 KSHS
ASSETS			
Cash & Cash Equivalents	6a	13,322,396	13,916,075
Loan to Members	7	178,617,834	156,963,013
Trade & Other Receivables	6c	160,869	160,869
Other Fiancial Assets	6b	932,951	322,225
Property & Equipment	13	356,384	377,120
TOTAL ASSETS		**193,390,434**	**171,739,302**
LIABILITIES			
Members Deposits	8	151,628,181	133,873,618
Interest on Members Deposits	3c	16,201,627	13,408,663
Benevolent Fund	9	2,143,865	1,921,225
Trade & Other Payables	10	10,248,405	11,209,884
TOTAL LIABILITIES		**180,222,078**	**160,413,390**
SHARE HOLDERS FUNDS			
Share Capital	12	2,334,547	2,274,546
Reserves	11	10,833,810	9,051,366
TOTAL SHAREHOLDERS FUNDS		**13,168,357**	**11,325,912**
LIABILITIES AND FUNDS		**193,390,434**	**171,739,302**

The financial statements on pages 8-14 were authorised for issue by the management committee on..and signed on its behalf by:

CHAIRMAN..
HON.SECRETARY..
TREASURER..

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-12-2020
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31/12/2020

	Share capital	Statutory Reserve	Retained Surplus	Total
Year Ended31/12/2019	**KSHS**	**KSHS**	**KSHS**	
At start 01.01.2019	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			-272946	- 272,946
Provion for Honoraria	-	-	- 1,200,000	- 1,200,000
Provision for staff bonus			-40000	- 40,000
Statutory Reserves	-	612,168	- 612,168	-
As at 31-12-2019	**2,274,547**	**2,552,076**	**6,499,290**	**11,325,913**
	KSHS	**KSHS**	**KSHS**	
At start 01.01.2020	**2,274,547**	**2,552,076**	**6,499,290**	**11,325,913**
Issue of Shares	60,001	-	-	60,001
				-
Surplus for the year	-	-	3,622,589	3,622,589
Provision for Dividends			- 280,146	- 280,146
Provion for Honoraria	-	-	- 1,500,000	- 1,500,000
Provision for staff bonus			- 60,000	- 60,000
Statutory Reserves	-	724,518	- 724,518	-
				-
At the End of the year as at 31/12/2020	**2,334,548**	**3,276,594**	**7,557,216**	**13,168,358**

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-12-2020
CASHFLOW STATEMENT FOR YEAR ENDED 31-12-2020

	2020	2019
	KSHS	KSHS
Cashflow from Operating activities		
Interest Receipts	18,409,913	16,787,121
Interest Expense	(10,085,891)	(6,542,885)
Other Operating Income	3,185,748	1,221,214
Payment to Employees & Suppliers	(4,690,332)	(4,174,200)
	6,819,438	**7,291,250**
Increase/Decrease in operating assets		
Loans to Members	(21,654,821)	(15,825,810)
Trade & Other receivables	-	37,254
	(21,654,821)	**(15,788,556)**
Increase/Decrease in Operating Liabilities		
Deposits from Members	17,754,563	17,304,640
Benevolent Funds	222,640	591,300
Trade & Other payables	(3,138,225)	(2,643,496)
	14,838,978	**15,252,444**
Net Cash from Operating Activities	**3,594**	**6,755,138**
Cash flow from Investing Activities		
Interest Income	10,726	9,565
Investments	(600,000)	(219,565)
Office Equipment purchase	(68,000)	(16,900)
	(657,274)	**(226,900)**
Cash flow from Financing Activities		
Share Capital Issue	60,001	71,884
	60,001	**71,884**
Net Increase in Cash & Cash Equivalent	(593,679)	6,600,081
Cash & Cash Equivalent at the Beginning	13,916,075	7,315,994
Cash & Cash Equivalent at the End of Period	13,322,396	13,916,075

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

The Principal accounting policies adopted in the preparation of these financial statements are set out below

(a) Statement of compliance and basis of preparation

The financial statements are prepared in accordance with and comply with international financial reporting standards (IFRS)

These financial statements are presented in the funtional currency,Kenya shillings and prepared under historical cost convention,except as specified below under fair value measurement in accordance with applicable IFRS

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the sacco and the revenue can be reliably measured.Revenue is recognised at fair value of consideration received or receivable taking into account contractually defined terms of payments mostly monthly and recognised net of taxes.

(c) Interest from loan to members

Interest on loans to members is calculated on a reducing balance method at a monthly rate of 1% . the income is recognised on a time basis by reference to the principal outstanding and the effective interest rate applicable.

(d) Reserves

Tranfers are made to the statutory reserve fund at a rate of 20% of net operating surplus after tax in compliance with provision of section 47(1and 2) of the co-operative societies act cap 490.

(e)cash and cash equivalent.

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 changes in value.

(f)Depreciation of assets

All property and equipment are initially recorded at cost and stated at historical cost less depreciation. Depreciation has been charged on reducing balance to write off the cost of the asset over its useful life.

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2020

		2020	2019
		KSHS	KSHS
2a	**Interest Icome**		
	Interest from CIC (Net)	10,726	9,565
		10,726	**9,565**
2b	**Other Operating Income**		
	Entrance Fees	5,000	7,000
	Loan Offsetting fees	3,180,748	1,214,214
		3,185,748	**1,221,214**
3a	**Interest on loans**		
	Interest on members loans	**18,409,913**	**16,787,121**
3b	**Interest expense**		
	Interest on members deposits	12,878,855	10,472,774
		12,878,855	**10,472,774**
3c	**Interest on members deposit**		
	Balance B/f	13,408,663	9,478,774
	Provision this year	12,878,855	10,472,774
	Paid during the year	(10,085,891)	(6,542,885)
		16,201,627	**13,408,663**
4	**Administrative Expense**		
	Provision for loan losses	250,000	197,140
	Committee sitting allowance	1,288,000	910,000
	Accomodation	676,000	300,000
	Salary & wages	1,040,235	1,032,407
	Staff & Committee Education	159,000	69,000
	Office General Expenses	93,120	126,300
	Office Rent	564,000	517,000
	Electricty	17,100	12,900
	Internet(Zuku Subscription)	34,200	38,000
	Transport	286,500	251,350
	AGM Expenses	-	456,160
	KUSCCO Registration	-	1,000
	Printing and Stationery	115,184	72,910
	Audit and Supervision fees	26,600	26,600
	System Support Services	60,000	60,000
	Depreciation	88,736	86,346
	Consultancy	230,000	235,125
	Tax Expenses	-	42,971
	Website	118,000	-
		5,046,675	**4,435,209**
5	**Other operating expense**		
	Bank charges	58,268	49,077
		58,268	**49,077**

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2020

6a	**Cash and cash equivalent**		
	current A/C(Co-op Bank)	13,322,396	13,916,075
		13,322,396	**13,916,075**
6b	**Other Financial Assets**		
	CIC Money Market	122,951	112,225
	KUSCCO Shares	810,000	210,000
		932,951	**322,225**
6c	**Trade and other receivables**		
	Prepaid rent	160,000	160,000
	Controller Of Budget	869	869
		160,869	**160,869**
7	**Loan to Members**		
	Balance B/F	156,963,013	141,137,203
	Loan issued	146,094,831	90,282,604
	Less Repayment	(124,440,009)	(74,456,794)
	Balance at the end	**178,617,834**	**156,963,013**
8	**Members Deposits**		
	Balance B/F	**133,873,618**	**116,568,978**
	Contribution for the year	45,856,976	23,618,609
	Refunds	(28,102,413)	(6,313,969)
	Balance at the end	**151,628,181**	**133,873,618**

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-12-2020
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2020

9 Benevolent fund		
Balance B/F	1,921,225	1,329,925
received during the year	1,477,850	636,500
refunds	(1,255,210)	(45,200)
	2,143,865	**1,921,225**
10 Trade & other Payables		
Provision for loan loasses (IFRS9)	1,152,826	902,826
CDF Housing Co-operative	-	550,004
Audit& Supervision fees	26,600	26,600
System Annual Maintenance & Support	60,000	60,000
Unidentified Deposits	26,501	-
Provision for dividends	280,146	272,946
Provision for staff bonus	60,000	40,000
Provision for Honoraria	1,500,000	1,200,000
CDF Board	6,343,195	6,461,487
Ex Members/Overdeductions by Employer	799,137	1,696,021
	10,248,405	**11,209,884**
11 Reserves		
Statutory reserves	3,276,594	2,552,076
Retained Earnings	7,557,216	6,499,290
	10,833,810	**9,051,366**
12 Share Capital		
Balance B/F	2,274,546	2,202,703
Issued during the year	60,001	71,843
	2,334,547	**2,274,546**

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-12-2020
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2020

13 Property & Plant

	Software Rate	Computer & Accessories	Furniture & Fittings	Total
Rate	20%	33.30%	13%	
Cost	KSHS	KSHS		KSHS
As at 01/01/2020	300,000	174,200	328,900	803,100
Additions	-	68,000	-	68,000
As at 31st Dec 2020	**300,000**	**242,200**	**328,900**	**871,100**
				-
Depreciation				-
Accumulated Depreciation	201,696	116,721	107,563	425,980
Charge for the year	19,661	41,408.07	27,667	88,736
As at 31st Dec 2020	**221,357**	**158,129**	**135,230**	**514,716**
				-
Net Book Value				-
As at 31/12/2020	**78,643**	**84,071**	**193,670**	**356,384**
				-
As at 31/12/2019	98,304	57,479	221,337	377,120