THE SACCO SOCIETY REGULATORY AUTHORITY
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P. O. Box 25089-00100, NAIROBI

CDF REGULATED NON WITHDRAWABLE DEPOSIT TAKING SACCO LTD

CS 12181

FINANCIAL STATEMENTS

31-Dec-22

APPROVED
for publication and presentation to AGM or ADM subject to observations issued
31 MAR 2023
SIGN:
THE SACCO SOCIETIES REGULATORY AUTHORITY

Daniel & Associates (CPAK)
P.O Box 3495-00100
Nairobi

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2022

TABLE OF CONTENTS

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD

ANNUAL REPORT & FINANCIAL STATEMENTS

SOCIETY INFORMATION

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

CHAIRMAN	MR.RONALD INGALA
SECRETARY	MRS.MARY MWAKI
MEMBER	MR. JOSEPH KIBII

AG CEO	MS MAUREEN KAMAU

BANKERS

COOPERATIVE BANK OF KENYA

UKULIMA BRANCH

REGISTERED OFFICE

LACOLINE GARDENS

MASABA ROAD

NAIROBI

AUDITORS

DANIEL & ASSOCIATES (CPAK)

P O BOX 3495-00100

NAIROBI

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT & FINANCIAL STATEMENTS
REPORT OF THE BOARD OF DIRECTORS

The members of the Board of Directors submit their annual report together with the audited financial statements for the year ended 31st Dec 2022

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

	2022 kshs	2021 kshs
Net surplus/(deficit) before tax	4,918,359	2,327,853
20% transfer to statutory reserve	(978,938)	(465,571)
Provision for honoraria	(1,500,000)	(1,500,000)
Provision for staff bonus	(80,000)	(80,000)
Provision for tax		
Surplus to retained earnings	1,551,716	57,284

Interests on member deposits,dividend , honoraria and staff bonus

The board of directors recomends to the members the following payments for approval by members during the annual general meeting

Interest on member deposits rate	[illegible]	7%
Interest on member deposits in Kshs	11,350,155	11,604,185
Proposed dividend as % of share capital	5%	5.00%
Proposed dividend in Kshs	784,038	224999
Proposed Honoraria in Kshs	1,500,000	1,500,000
Proposed staff bonus	80000	80000

The Board of Directors

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

Auditors

The auditors, Daniel & Associates (CPAK) were auditors for the year under review and have expressed willingness to continue in office

By order of the Board of Directors

Signature ....

Hon Secretary Dennis Makundura

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
STATISTICAL INFORMATION

	Threshol	2022	2021
Membership			
1 Active		211	210
2 Dormant/Withdrawn		50	35
		261	**245**
Staff			
Female		2	2
Male		Nil	Nil
Financial			
Share Capital		15,680,758	4,499,970
Members Deposits		174,617,764	165,774,071
Total Assets		227,520,706	208,409,623
Loans to Members		197,583,625	191,989,042
Liquid Assets		17,967,779	14,623,923
Short term Liabilities		18,977,056	18,660,254
Retained Earnings & Disclosed Reserves		13,837,318	11,356,664
Total Revenue		25,771,873	23,697,985
Total Expenses		9,503,360	9,765,947
Core Capital	5 Million	27,558,076	14,446,634
Interest on Member deposits		11,350,155	11,604,185
Key Ratios			
Capital Adequacy Ratios			
Core Capital/Total Assets	8%	12%	7%
Core Capital/Total Deposits	7%	16%	9%
Retained Earnings& Disclosed Reserves/Core Capital	50%	50%	79%
Liquidity Ratio			
Liquid Assets/ Short term liabilities	10%	95%	8%
Operating efficiency			
Percentage of expenses to Revenue		36.87%	41.21%
Percentage of interest on members deposits to Revenue		44.04%	48.97%
Interest on members deposits		6.50%	7.00%
Dividend per share		5.00%	5.00%
Total deliquency Loan /Total Loan portfolio	5%	19%	5%

STATEMENT OF BOARD OF DIRECTOR'S RESPONSIBILITIES

The Co-operative Societies Act, Cap 490 requires the Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors 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 board 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 Board of Directors 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 Board of Directors on 28/03/2023 and signed on its behalf by:

.... Chairman
Signature

.... Treasurer
Signature

.... Secretary
Signature

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
REPORT OF INDEPENDENT AUDITORS

Opinion.

We have audited the accompanying financial statements of CDF Regulated Non-Withdrawable Deposit Taking Sacco Society Limited, which comprise the statement of financial position as at 31 December 2022, statement of comprehensive income, statement of changes in equity ,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 respect the state of the society's financial affairs as at 31 December 2022 , the results of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)and the requirements of the Kenyan Co-operative Societies ActCap 490.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs).Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are indepedent auditors of the Sacco in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya,and we have fulfilled our other ethical responsibilities in accordance with the requirements and the IESBA Code.We believe the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

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 . We do not provide a separate opinion on those matters.

The board's responsibility for the financial statements

The board of 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 board may determine is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements,the board of directors are responsible for acessing the Society's ability to continue as a going concern, disclosing ,as applicable, matters relating to the going concern basis of accounting unless the board of directors either intend to liquidate the society or to cease operations,or have no realistic alternative but to do so.

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 as a whole are free of material misstatement.

n 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
(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

Daniel Associates CPAK

DANIEL & ASSOCIATES (CPAK)
NAIROBI

Daniel & Associates (CPAK),
P. O. Box 3495 -
Nairobi
Tel: 0742 626755

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CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
INCOME STATEMENT FOR YEAR ENDED 31-12-2022

	NOTES	2022 KSHS	2021 KSHS
REVENUE			
Interest on loan to Members	3a	25,692,985	19,207,440
Other interest Income	2a	12,208	11,349
Total Interest Income		**25,705,193**	**19,218,789**
Interest Expense	3b	(11,350,155)	(11,604,185)
Net Interest Income		**14,355,039**	**7,614,604**
Other Operating Income	2b	66,680	4,479,196
Net Revenue		**14,421,719**	**12,093,800**
Personnel expenses	4a	(1,096,680)	(1,152,050)
Adminstrative expenses	4b	(1,813,359)	(1,589,696)
Governance expenses	4c	(2,939,110)	(3,333,182)
Financial expenses	5	(3,654,211)	(3,691,019)
		(9,503,360)	**(9,765,947)**
Net Surplus for the year before tax		**4,918,359**	**2,327,853**
Corporate tax	15	(23,666)	
Net Surplus for the year after tax		**4,894,692**	**2,327,853**
20%Statutory Reserve Fund		(978,938)	(465,571)
Surplus Available for Distribution		3,915,754	1,862,282
Dividend Expense		(784,038)	(224,999)
Provision for honoraria		(1,500,000)	(1,500,000)
Provision for staff bonus		(80,000)	(80,000)
Retained Earnings for the year		1,551,716	57,284

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 31-12-2022

ASSETS	NOTES	2022 KSHS	2021 KSHS
Cash & Cash Equivalents	6a	17,821,271	14,489,623
Loan to Members	7	197,583,625	191,989,042
Trade & Other Receivables	6c	9,749,758	160,869
Other Fiancial Assets	6b	2,106,508	1,544,300
Property & Equipment	13	259,544	225,789
TOTAL ASSETS		**227,520,706**	**208,409,623**
LIABILITIES			
Members Deposits	8	174,617,764	165,774,071
Interest on Members Deposits	3c	15,529,465	15,747,928
Benevolent Fund	9	3,447,591	2,912,326
Trade & Other Payables	10	4,407,810	8,118,664
TOTAL LIABILITIES		**198,002,630**	**192,552,989**
SHARE HOLDERS FUNDS			
Share Capital	15	15,680,758	4,499,970
Reserves	14	13,837,318	11,356,664
TOTAL SHAREHOLDERS FUNDS		**29,518,076**	**15,856,634**
LIABILITIES AND FUNDS		**227,520,706**	**208,409,623**

The financial statements on pages 8-15 were authorised for issue by the Board of Directors on 28/03/2023 and signed on its behalf by:

CHAIRMAN..

HON.SECRETARY..

TREASURER..

APPROVED
for publication and presentation
to AGM or ADM subject to observations issued
31 MAR 2023
SIGN:..........
THE SACCO SOCIETIES REGULATORY AUTHORITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31/12/2022

	Share capital	Statutory Reserve	Retained Surplus	Total
Year Ended31/12/2021	KSHS	KSHS	KSHS	KSHS
At start 01.01.2021	2,334,547	3,276,594	7,557,216	13,168,357
Issue of Shares	2,165,423	-	-	2,165,423
Surplus for the year	-	-	2,327,853	2,327,853
Provision for dividends			(224,999)	(224,999)
Provion for Honoraria	-	-	(1,500,000)	(1,500,000)
Provision for staff bonus			(80,000)	(80,000)
Statutory Reserves	-	465,571	(465,571)	-
As at 31-12-2021	**4,499,970**	**3,742,165**	**7,614,499**	**15,856,634**
	KSHS	KSHS	KSHS	KSHS
Prior year adjustment			(50,000)	
At start 01.01.2022(Restated)	**4,499,970**	**3,742,165**	**7,564,499**	**15,856,634**
Issue of Shares	11,180,788	-	-	11,180,788
Surplus for the year	-	-	4,894,692	4,894,692
Provision for Dividends			(784,038)	(784,038)
Provion for Honoraria	-	-	(1,500,000)	(1,500,000)
Provision for staff bonus			(80,000)	(80,000)
Statutory Reserves	-	978,938	(978,938)	-
At the End of the year as at 31/12/2022	**15,680,758**	**4,721,103**	**9,116,215**	**29,568,076**

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
CASHFLOW STATEMENT FOR YEAR ENDED 31-12-2022

	Note	2022 KSHS	2021 KSHS
Cashflow from Operating activities			
Interest Receipts	3a	25,692,985	19,207,440
Interest Expense	3c	(11,568,618)	(12,057,884)
Other Operating Income	2b	15,000	4,479,196
Payment to Employees & Suppliers		(5,832,255)	(4,174,200)
		8,307,112	**7,454,552**
Increase/Decrease in operating assets			
Loans to Members	7	(9,094,583)	(15,825,810)
Trade & Other receivables	6c	(9,588,889)	37,254
		(18,683,472)	**(15,788,556)**
Increase/Decrease in Operating Liabilities			
Deposits from Members	8	8,843,693	17,304,640
Benevolent Funds	9	535,265	591,300
Trade & Other payables	10	(6,353,418)	(2,643,496)
		3,025,540	**15,252,444**
Net Cash from Operating Activities		**(7,350,820)**	**6,918,440**
Cash flow from Investing Activities			
Interest Income	2a	12,208	11,349
Investments	6b	(562,208)	(219,565)
Kusco dividend	2b	51,680	
Office Equipment purchase			(16,900)
		(498,320)	**(225,116)**
Cash flow from Financing Activities			
Share Capital Issue	12	11,180,788	71,884
		11,180,788	**71,884**
Net Increase in Cash & Cash Equivalent		3,331,648	6,600,081
Cash & Cash Equivalent at the Beginning		**14,489,623**	7,315,994
Cash & Cash Equivalent at the End of Period		**17,821,271**	**14,489,623**

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% and 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.

		2022	2021
		KSHS	KSHS
2a	**Interest Icome**		
	Interest from CIC	12,208	11,349
		12,208	**11,349**
2b	**Other Operating Income**		
	Entrance Fees	15,000	9,000
	Loan Offsetting fees	-	4,435,160
	Kuscco dividend	51,680	35,036
		66,680	**4,479,196**
3a	**Interest on loans**		
	Interest on members loans	**25,692,985**	**19,207,440**
3b	**Interest expense**		
	Interest on members deposits	11,350,155	11,604,185
		11,350,155	**11,604,185**
3c	**Interest on members deposit**		
	Balance B/f	15,747,928	16,201,627
	Provision this year	11,350,155	11,604,185
	Paid during the year	(11,568,618)	(12,057,884)
		15,529,465	**15,747,928**
4	**Expenses**		
	a) Personnel Expenses		
	Salary & wages	1,096,680	1,152,050
	b)Administrative Expense		
	Office General Expenses	133,044	141,749
	Office Rent	550,000	573,000
	Electricty	23,500	24,650
	Internet(Zuku Subscription)	147,094	69,697
	Transport		308,700
	Printing and Stationery	97,201	30,300
	Audit and Supervision fees	95,120	26,600
	System Support Services	377,000	147,000
	Consultancy	180,400	70,000
	SASRA licensing	30,000	80,000
	Marketing expense	180,000	
	Website	-	118,000
		1,813,359	**1,589,696**
	c)Governance expenses		
	AGM Expenses	599,000	310,882
	Members education	96,000	
	Board of directors sitting allowance (Note 4ci)	1,433,110	1,942,300
	Board of directors Subsistence (Note 4ci)	421,000	730,000
	Staff & Board of directors Education	390,000	350,000
		2,939,110	**3,333,182**

Note 4 ci : Sitting and subsistence allowances

Position	**Name**	**Amount (Kshs)**
Board Member		
Chairman	Mr.Weldon Langat	206,160
V/Chairman	Mrs Mary Wanyika	190,730
Secretary		

Treasurer	Ms Dinah Wanja	206,160
Board Member	Mr. Jackton Ojow	221,580
Board Member	Mr. Patrick Lidovolo	206,160
Board Member	Mr. David Okoma	206,160
Supervisory Committee		
Chairman	Mr. Ronald Ingala	137,000
Secretary	Mrs. Mary Mwaki	137,000
Member	Mr. Joseph Kibii	137,000
		1,854,110

	2022	2021
	KSHS	KSHS
5 Financial expenses		
Provision for loan losses	3,500,000	3,500,000
Depreciation	75,985	130,595
Bank charges	78,226	60,424
	3,654,211	**3,691,019**
6a Cash and cash equivalent		
Current A/C(Co-op Bank)	15,959,292	14,449,674
Paybill	450,200	
B2C Account	1,376,380	
Cash at hand	35,399	39,949
	17,821,271	**14,489,623**
6b Other Financial Assets		
CIC Money Market	146,508	134,300
KUSCCO Shares	1,960,000	1,410,000
	2,106,508	**1,544,300**
6c Trade and other receivables		
Prepaid rent	160,000	160,000
Controller Of Budget	869	869
CDF Board	9,588,889	
	9,749,758	**160,869**
7 Loan to Members		
Balance B/F	196,641,868	178,617,834
Loan issued	146,318,861	151,913,762
Less Repayment	(137,224,278)	(133,889,728)
Balance as per control Account	205,736,451	196,641,868
Provision for loan loss	(8,152,826)	(4,652,826)
Balance at the end	**197,583,625**	**191,989,042**

Loan portfolio risk analysis

Category	**No accounts**	**Balance**	**Rate**	**Provision**
Performing	213	163,254,467	1	1,632,545
Watch	3	3,433,495	5	171,675
Substandard	2	415,998	25	104,000
Doubtful	23	26,403,074	50	13,201,537
Loss	13	12,229,417	100	12,229,417
	254	205,736,451		

	2022	2021
Loan loss provisioning	**KSHS**	**KSHS**
Balance at start of the year	4,652,826	1,152,826
Provision for the year	3,500,000	3,500,000
Balance at the year end	**8,152,826**	**4,652,826**
8 Member Deposits		
Balance B/F	**165,774,071**	**151,628,181**
Contribution for the year	20,321,786	23,175,831
Refunds	(11,478,093)	(9,029,941)
Balance at the end	**174,617,764**	**165,774,071**
9 Benevolent fund		
Balance B/F	2,912,326	2,143,865
Received during the year	1,252,945	2,098,715
Refunds	(717,680)	(1,330,254)
	3,447,591	**2,912,326**
10 Trade & other Payables		
CDF Housing Co-operative	361,148	102,000
Insurance fund	1,255,830	
Audit& Supervision fees	95,120	30,000
System Annual Maintenance & Support	150,000	60,000
Unidentified Deposits	47,001	41,001
Accrued SASRA fee	30,000	
Provision for dividends	796,266	224,999
Provision for staff bonus	80,000	80,000
Provision for Honoraria	1,500,000	1,500,000
CDF Board		5,996,915
Corporate tax	23,666	
NSSF	13,600	3,200
NHIF	1,950	6,100
PAYE	53,229	74,449
	4,407,810	**8,118,664**
12 Related party transactions		
a) Board		
Outstanding loan	17,959,799	22,775,190
Deposits	10,970,577	11,601,272
Share Capital	450,000	200,000
Governance expense		
Board sitting allowance	1,433,110	1,942,300
Board of directors Subsistence	421,000	730,000
Honoraria	1,500,000	1,500,000
b) Staff		
Outstanding loan	534,000	932,761
Deposits	215,212	455,880
Share Capital	45,000	43,823
Salary & wages	1,096,680	1,152,050
Staff bonus	80000	80000

13 Property & Plant

	Software Rate	Computer & Accessories	Furniture & Fittings	Total
Rate	**20%**	**33.30%**	**13%**	
Cost	**KSHS**	**KSHS**		**KSHS**
As at 01/01/2022	300,000	242,200	328,900	871,100
Additions	-	109,740	-	109,740
As at 31st Dec 2022	**300,000**	**351,940**	**328,900**	**980,840**
				-
Depreciation				-
Accumulated Depreciation	300,000	185,872	159,439	645,311
Charge for the year	-	54,802.44	21,183	75,985
As at 31st Dec 2022	**300,000**	**240,674**	**180,622**	**721,296**
				-
Net Book Value				-
As at 31/12/2022	-	**111,266**	**148,278**	**259,544**
				-
As at 31/12/2021	-	56,328	169,461	225,789

14 Reserves

Statutory reserves	4,721,103	3,742,165
Retained Earnings	9,116,215	7,614,499
	13,837,318	**11,356,664**

15 Share Capital

Balance B/F	4,499,970	2,334,547
Issued during the year	11,180,788	2,165,423
	15,680,758	**4,499,970**

16 Taxation

Taxable Income	
Interest from CIC (50%)	12,208
Entrance fee	15,000
Kusco dividend	51,680
	78,888
Tax @ 30%	23,666