CDF SACCO LTD

CDF REGULATED NON WITHDRAWABLE
DEPOSIT TAKING SACCO LTD

ANNUAL FINANCIAL AND MANAGEMENT REPORT

2024 REPORT

Saving for a Prosperous and transformative Future.

Our Core Values

- √ Excellence
- √ Integrity
- √ Professionalism
- √ Teamwork
- √ Accountability
- √ Confidentiality
- √ Equality
- √ Equity

Our Mission

Mobilizing, investing and lending funds to members at a fair rate for sustainable financial development.

Our Vision

A leading society in transforming financial wellness of its members.

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SOCIETY INFORMATION AS AT 31ST DECEMBER, 2024

Board of Directors

Weldon Kipngetich Langat
Chairman

Mary Wambui Wanyika
Vice Chairman

Dennis Motabori Matundura
Hon. Secretary

Patrick Malongo Lidovolo
Treasurer

Dinah Wanjah Gitonga
Member

Jacton Omondi Ojow Eliab
Member

David Matendechere Okoma
Member

Supervisory Committee

MR.RONALD INGALA
Chairman

Mrs. Mary Mwaki
Secretary

Mr. Joseph Kibii
Member

Staff

Ms. Benadette Alele
Manager

Maureen Kamau
Admin Assistant

Jacinta Wambui
Support staff

Registered Office

CDF SACCO LTD

CDF SAVINGS & CREIT CO-OPERATIVE SOCIETY LIMITED

La-coline apartment -upper hill, Masaba road gate 10
P.O. Box **46682-0100 Nairobi - Kenya**
Email : **cdfsaccoltd@gmail.com**
Website : **www.cdfsacco.or.ke**

Bankers

CO-OPERATIVE BANK
We are you

Ukulima Branch

Independent Auditors

DANIEL & ASSOCIATES (CPAK)
Campus house 4th floor
P O BOX 3495-00100
NAIROBI

NOTICE OF CDF ANNUAL GENERAL MEETING 2025

TO**: ALL SACCO MEMBERS,**

RE **: NOTICE OF CDF ANNUAL GENERAL MEETING 2025**

NOTICE IS HEREBY GIVEN to all Members; that the Annual General Meeting of CDF Regulated NWDT SACCO Society Ltd will be held both virtual and in person on **Saturday, 8th March, 2025** from **9:00 am** at the Weston Hotel, Langata, Nairobi.

The Agenda Shall be as follows

1. The Secretary to read the notice convening the meeting and confirm the presence of quorum.
2. To confirm Minutes of the previous Annual General Meeting held on 23rd March 2024.
3. To consider matters arising from the Minutes of the previous Annual General Meeting.
4. To receive, consider and if deemed fit, adopt the Financial Statements and Accounts for the year ended 31st December 2024 together with;
    - i. The Board Chairman's Report
    - ii. The Auditor's Report thereon;
5. To receive, consider and if deemed fit, the Board Treasurer's Report and approve the 2025/2026 Society budget.
6. To receive and consider the Supervisory Committee's 2024 Report.
7. To receive, consider and if deemed fit pass resolutions in respect of;
    - i. Dividends, Interest Rebates and Honoraria for the year ended 31st December 2024,
    - ii. Appointment of External Auditors,
    - iii. The Maximum Liability Society may incur,
8. To receive, consider and if deemed fit approve the proposed CDF Sacco draft Elections policy.
9. To elect three (3) members of the Board of Directors and one (1) Supervisory Committee member.
10. To consider any other business for which Notice has been given in the manner prescribed by the Bylaws.

Yours faithfully,

Dennis Matundura
B.O. D Hon. Secretary

CDF SACCO LIMITED
21 FEB 2025
P. O. BOX 46682 - 00100, NAIROBI

: Daniel and Associates (CRA-K) Auditor
: Sassra
: CEO NG-CDF Board

CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

AGM MINUTES OF THE MEETING HELD ON 23RD MARCH 2024.

CDF SAVINGS AND CREDIT CO- OPERATIVE SOCIETY LIMITED

AGM MINUTES OF THE MEETING HELD ON 23rd MARCH 2024 AT WESTON HOTEL AT 10:31 AM

PRESENT

1.	Mr. Weldon Langat	Chairman
2.	Ms. Mary Wanyika	Vice Chairperson
3.	Mr. Patrick Lidovolo	Treasurer
4.	Mr. Dennis Matundura	Hon.Secretary
5.	Ms. Dinah Wanja	Board Member
6.	Mr.Jactone Ojow	Board Member
7.	Mr. Ronald Ingala	Supervisory Committee Chairman
8.	Ms. Mary Mwaki	Supervisory committee Secretary
9.	Mr. Joseph Kibii	Supervisory committee Member
10.	Mr.Nicodemus Oyalo	Member
11.	Mr. Basil Nyikal	Member
12.	Mr. David Araka	Member
13.	Mr. John Nderitu	Member
14.	Mr. Abdisalan Abdi	Member
15.	Mr. Timothy Njichi	Member
16.	Mr. Isaac Wamugunda	Member
17.	Mr. James Nguku	Member
18.	Mr.Benard Konya	Member
19.	Mr. Gregory Otaalo	Member
20.	Mr.Stephen Kwena	Member
21.	Ms. Christine Muyaka	Member
22.	Mr.Naphtally Ochuma	Member
23.	Mr.Boaz Odeyo	Member
24.	Ms. Josephine Mutua	Member
25.	Mr.Davis Pole	Member
26.	Mr. Ezekiel Kitunguu	Member
27.	Mr. Paul Magut	Member
28.	Mr.Samuel Mutisya	Member
29.	Mr. Jessi Mathuu	Member
30.	Ms. Carol Kariuki	Member
31.	Mr. Edwin Lecha	Member
32.	Mr. Elias Kimaiyo	Member
33.	Ms. Sylvia Andati	Member

34. Mr. Jackson Omari	Member
35. Mr. Michael Ouna	Member
36. Mr. Paul Nteiya	Member
37. Mr. Michael Kipkemboi	Member
38. Mr. Kelvin Kairu	Member
39. Mr. Samuel Mwangi	Member
40. Ms. Joyce Nasike	Member
41. Mr. Peter Achar	Member
42. Mr. George Kobiero	Member
43. Mr.Sylverius Wakoli	Member
44. Mr. George Kamau	Member
45. Ms. Purity Wanjiru	Member
46. Mr.Jesee Mbuthia	Member
47. Mr.Evans Machira	Member
48. Ms.Anne Muema	Member
49. Mr.Pharis Karanja	Member
50. Ms.Antonine Sakwa	Member
51. Mr.Haron Rotich	Member
52. Mr.Anthony Muchangi	Member
53. Ms.Mary Goretti	Member
54. Mr.Robinson Sampo	Member
55. Mr. Ronald Jembe	Member
56. Mr. Nicholas Kimanzi	Member
57. Ms. Stella Tayo	Member
58. Felix Sikona	Member
59. Simon Kipaika	Member
60. Paul Thiga	Member
61. Ms.Benadette Alele	Sacco Staff
62. Ms.Maureen Kamau	Sacco Staff
63. Ms.Jacintah Wambui	Sacco staff

IN ATTENDANCE

64. Ms Elizabeth Thuo	DCO Langata Sub County
65. Ms Zipporah Njoroge	Credit Management Official
66. Mr. Larry Mutie	Co-operative Bank Official
67. CPA Kephas Otieno	Daniel & Associates

ABSENT WITH APOLOGIES

68. Mr.David Okoma	Board Member
69. Mr.Justus Mbindo	Member
70. Mr.Lemarimpe Parsumpat	Member
71. Mr.Moses Agolla	Member
72. Mr.Kennedy Chacha	Member
73. Mr.Leunida Nyota	Member

AGENDA:

1. To Read and Adopt the Notice convening the A.G.M.
2. To Read and confirm minutes of previous A.G.M held on 22nd April 2023.
3. To Discuss matters arising.
4. To Receive and consider the Chairman's Report.
5. To Receive and consider the Supervisory's Report.
6. To Receive and consider the Treasurer's Report and presentation of the budgets for the financial years 2024 and 2025.
7. To Receive and Discuss the Audited Financial statements together with the Auditors report thereon for the year ended 31st December 2023.
8. Appointment of external Auditors for the financial year 2024.
9. To Receive and consider other resolutions.
10. Elections of Retiring officials.
11. Amendment of By-laws.
12 Any other Business for which Notice has been given in the manner prescribed by the ByLaws.

PRELIMINARIES

- The meeting was called to order by the chairman Mr. Weldon Langat at 10:31 am followed by a word of prayer from Ms. Josephine Mutua.
- The chairman then welcomed all members,invited guests and the Co-operative officer Langata sub county Ms Elizabeth Thuo.He thanked them for making time for the meeting and then he requested all present to do a brief introduction of themselves.

MIN 01/AGM 23/03/2024: READING OF THE NOTICE CONVENING THE MEETING AND ADOPTION OF THE AGENDA

- The Hon Secretary Mr. Dennis Matundura read the notice convening the day's meeting and Agenda which was adopted for discussion as proposed by Mr.Patrick Lidovolo and seconded by Ms.Josephine Mutua.

MIN 02/AGM 23/03/2024: READING AND CONFIRMATION OF PREVIOUS MINUTES

- The minutes of the previous AGM held on 22nd April 2023 were read by the Hon Secretary and confirmed to have been true records of the deliberations through a proposal from Mr.James Nguku and seconded by Ms Jenaide Nyamu.

MIN 03/AGM 23/03/2024: MATTERS ARISING FROM PREVIOUS MINUTES

- **AGM Attendance**
  Mr.Jackson Omari raised a concern over some members who had attended the previous AGM virtually but were not listed in the AGM minutes.
- **Sacco Membership**
  Mr. Gregory Otaalo requested the Board to look for ways of increasing CDF Sacco membership.
- **Portfolio At Risk(PAR)**
  Mr. George Kamau urged the management to come up with concrete measures for reducing non-performing loans. He further requested that management provide a listing of members in these categories. He emphasized on the need of reducing Nonperforming loans for this will help reduce the provisioning and consequently the PAR.

RESPONSES

- Board member, Mr.Jactone Ojow notified the members that management has taken note of the missing names of members who attended the previous AGM and will ensure that all names are captured going forward.
- The chairman informed the membership that the management has embarked on serious marketing strategies to increase the Sacco membership.
- The chairman also notified the membership that despite the PAR being above the 5% required minimum there was a slight reduction to 17% in 2023 compared to 19% in 2022.

MIN 04/AGM 23/03/2024: THE CHAIRMAN'S REPORT

The vice chairman presented to the meeting the chairman's report which highlighted the following areas:

- Sacco membership
- Members Share capital
- Members Deposits and loans
- Sacco Portfolio at Risk
- Sacco Turnover and profitability
- Sacco products and services
- CDF Sacco website

The report was adopted for discussion through a proposal from Mr. Gregory Otaalo who was seconded by Mr. Paul Magut.

REACTIONS

- Mr David Araka requested the Board to consider recruiting members from the Islam fraternity and also ensure their interests are well represented since they constitute a significant proportion of the NG CDF employee proportion.
- He also requested the management to create a link with the NG CDF Human resource department to be able to recruit new employees into the Sacco and also utilise the NG CDF notice boards to create awareness that CDF Sacco exists.
- Ms Mary Goretti raised concerns on the defaulted loans and also wanted to know whether the debt collector has used the skip and trace approach for those members' who have defaulted in paying loans owed.
- Mr.Sylverious Wakoli emphasized on the need to ensure the Sacco credit policy addresses sound lending practises and recovery measures.
- Mr. Basil Nyikal requested the Board to ensure that members on interdiction and have loans should have their loans restructured in way that the Sacco is able to recover the principal.
- He also requested the Board to follow up on the amounts in default from a member once he is reinstated from interdiction.

RESPONSES

- The chairman noted that the issue defaulted loans needed to be addressed and informed the membership that going forward guarantors will be deducted defaulted guaranteed amounts to help cushion the Sacco against high provisioning.
- He also notified the membership that loans will be issued after verification from the NG CDF Human resource that applicants are in good standing in matters employment.
- Board member,Mr.Jactone Ojow informed the members that through use of the skip and trace; the debtor collector was able to trace that Mr. Joshua Orero was working with The county government and efforts are in place to ensure he commits to repaying his outstanding debt.
- Debt collector, Ms Zipporah Njoroge gave an update to the members on her recovery progress report and emphasized on the need for the Sacco to formulate a collateral policy to introduce additional security and spread the exposure risk.

MIN 05/AGM 23/03/2024: THE SUPERVISORY COMMITTEE REPORT

The Chairman of the Supervisory committee Mr. Ronald Ingala Presented SC report which highlighted the following areas:

- Sacco licensing, core capital, financial performance and membership
- Performance management
- Emerging issues

The report was proposed by Mr Nicodemas Oyalo and seconded by Ms Jenaide Nyamu for discussion.

REACTION

- Members were concerned why the SC Member had not signed the SC report and wanted clarity from him.

RESPONSE

- SC Member, Mr Joseph Kibii apologised for the oversight assured the membership that he was in agreement with report and he will endeavour to sign in all their jointly prepared reports.

MIN06/AGM 23/03/2024: THE TREASURER'S REPORT AND SACCO BUDGET ESTIMATES FOR THE YEARS 2024/2025

The Board Treasurer Mr. Patrick Lidovolo Read out the treasurer's report which touched on the following areas:

- Sacco Total Assets, Revenue and Expenditure
- Sacco share capital, revenue and operating expenses
- Approval for Disposal of surplus

Board member, Ms Dina Wanja presented the Budgets for the years 2023/2024.

Both the treasurer's report and budget were proposed for adoption and discussion by Mr Naphthally Ochuma and seconded by Mr Basil Nyikal subject to the following budget amendments:

- Withdrawal fees be revised downwards to Kshs 17,000 and given the small membership the Sacco has; membership withdrawal should be discouraged.
- Interest from loans be adjusted upwards to 33million in 2025.
- Entrance fee be revised to a realistic and achievable amount in 2025.
- Staff salaries be put on a progressive scale.

REACTIONS

- Members raised concerns over the operating expenses being high.

RESPONSES

- The chairman assured the membership that in this financial year the operational costs will be reduced.

MIN 07/AGM 23/03/2024: PRESENTATION AND APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

- The Society's Audited Financial statements for the year ended 31st December 2023 were presented to the meeting by the society's External Auditor (Daniel & Associates)
- The statements were proposed by Mr.George Kobiero and seconded by Mr.Nelson Rotich Kibii.
- Members approved the contents of the financial statements as presented:
    - Honoraria and Staff Bonus-The Members agreed to pay the board of directors for the good work and commitment they have shown for the past one year. They also agreed to pay staff Bonus of kshs 120,000 to the three Sacco employees who were present last year. They commended the Board and approved Honoraria of kshs 1,500,000. This was proposed by Mr. Basil Nyikal and seconded by Ms.Mary Gorreti.
    - Interest on member Deposits was approved at 13.35 million. This was proposed by Mr. Gregory Otaalo and seconded by Ms Anne Muema
    - Dividends was approved at 0.806 million. This was proposed by Mr.Evans Machira seconded by Mr.Naftally Ochuma

MIN 08/AGM 23/03/2024: APPOINTMENT OF EXTERNAL AUDITORS FOR THE YEAR 2024

The following firms had expressed their interest in auditing the sacco in the year 2024 as was presented by the Supervisory Committee Chairman:

Name Of Firm	Audit Fees	Approved by Sasra
Makeni Mutua & Associates	120,000	YES
Mbiyu Muhia (CPA)	191,400	YES
Daniel and Associates (CPAK)	104,400	YES

- Daniel & Associates was appointed as the society's external auditor for the year 2024 by the members. This was proposed by Mr. George Kobiero and seconded by Mr. Gregory Otaalo.

MIN 09/AGM 23/03/2024: PRESENTATION OF SASRA OBSERVATIONS ON THE SOCIETY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

- The Board Chairman presented SASRA observations on Audited financial statements for the period ended 2023 to members.
- The report highlighted the following areas:
  - The audited financial statements fairly comply with Regulations subject to the External Auditor's Opinion.
  - Computed ratio of non-performing loans stood at 17% and the Sacco did not adequately provide for the loan loss provisioning required amount of Kshs 22.8m.
  - Compliance with Statutory Deductions and the Data protection policy.

MIN10/AGM 23/03/2024: AGM RESOLUTIONS & BY-LAWS AMENDMENT

- Daniel and associates appointed as the society's external Auditors for the year 2024 after noting that this would be his last year.
- Indemnity of the Directors was fixed at 100% of the sum lost.
- Maximum Borrowing powers were fixed at ksh 50 million. This was proposed by Mr. Felix Sikona and seconded by Mr.Nicodemas Oyalo.
- Members resolved that management should recover defaulted loans from guarantors in the event that the defaulter's deposits are not sufficient to cover the loan as was proposed by Mr Samuel Mutisya and seconded by Mr George Kobiero.
- Members agreed that Mr. David Musau's Loan of Kshs 0.572million be written off based on medical grounds as was proposed by Mr. Samuel Mwangi and seconded by Mr Jackson Omari.
- Member resolved that the Sacco formulate a collateral policy to introduce additional security for the loans granted as was proposed by Mr. Ronald Jembe and seconded by Mr. Peter Achar.
- Members resolved the following be amended in the Sacco By-Laws as was proposed by Mr.Nicodemus Oyalo and seconded by Mr. Joseph Kibii.:

No.	CURENT BY- LAWS	AMENDMENTS
1.	Registered Address pg.3	Change of external correspondence No. to 0795618665
2.	Authorised Signatories pg. 37	Change of signing mandate to incorporate the Treasurer

MIN 11/AGM 23/03/2024: REMARKS BY THE COUNTY CO-OPERATIVE OFFICER

The Co-operative Officer Langata Sub County gave the following remarks:

- She thanked the Board for holding the AGM on time and a bit earlier.
- She said CDF Sacco membership needs to grow to make it competitive and this could be done through introduction of new products and aggressive marketing strategies to other employers given the fact that the Sacco had opened its common bond.
- She urged members to continue patronising Sacco products through borrowing from the Sacco at lower rates rather than going to banks to access the same funds at higher rates since the Sacco Cash & cash equivalents are the funds that banks use to give bank account holders bank loans.
- She also advised the Sacco that all members are required to subscribe to the standard minimum required share capital as prescribed in the Sacco By Laws and it's not possible to introduce another corporate class of share capital contribution.

MIN12/AGM 23/03/2024: ELECTIONS

The chairman handed over the program to the county co-operative officer to conduct the elections.

- The County Co-operative officer took the members through the legal provisions of elections as governed by the co-operative society's Act.
- She then Declared Two Board of Directors and one Supervisory Committee positions Vacant.
- The Board of Directors were re-elected unopposed as follows:
    1) Ms. Dinah Wanja was re-elected Board member unopposed. This was proposed by Ms Carol Kariuki and seconded by Ms Josephine Mutua.
    2) Mr.David Okoma was re-elected Board member unopposed. This was proposed by Ms.Mary wanyika and seconded by Mr.Naphtally Ochuma.
    3) Mr. Ronald Ingala was re-elected supervisory member unopposed. This was proposed by Mr. Basil Nyikal and seconded by Mr. Joseph Kibii
- The members agreed the following in regards to elections of Board of Directors:
    - That a nomination board be constituted before the next AGM that comprises of the Co-operative Officer, Sacco officer and Lawyer.
    - The Board of directors should formulate an Elections Policy
    - The members also resolved that going forward directors' eligible for reelection or members vying for directorship should declare interest during the AGM and must be present in the meeting.

MIN 13/AGM 23/03/2024: ADJOURNMENT

- Board member, Mr. Jactone Ojow gave a vote of thanks on behalf of management where he thanked CDF Sacco members for patronising Sacco products and services. He also thanked CDF Sacco management for their continued support.
- There being no other business the chairman gave his closing remarks, the meeting was adjourned at 2:31pm with a word of prayer from Ms. Anne Muema

Minutes Taken By
Dennis Matundura
Hon Secretary

Date: 23rd March 2024

Sign:

Minutes Confirmed By
Weldon Langat
Chairman

Date: 23rd March 2024

Sign:

GAMES ARE WON BY PLAYERS WHO FOCUS ON THE PLAYING FIELD NOT BY THOSE WHOSE EYES ARE GLUED TO THE SCOREBOARD.

THE BOARD CHAIRMAN'S REPORT

Statement by the Board Chair CDF NWDT Sacco Society Limited on the occasion of the Annual General Meeting held at the Weston Hotel, Nairobi, on Saturday 8th March 2025.

PREAMBLE

On behalf of the Board of Directors, I am delighted to welcome you all to the Annual General Meeting of CDF Sacco Society Limited. It is my pleasure to present to you the annual financial statement of our company for the fiscal year ended on December 31st, 2024.

According to the World Bank and Kenya Economic Update, Kenya's economic performance in 2024 was expected to be slower when compared to 2023 due to factors such as a tighter macroeconomic policy framework and the decline in subdued business confidence as sentiment in the private sector; with the real GDP decline decelerating to an estimated 4.7% in 2024 down from 5.6% in 2023.

Fellow co-operators, CDF Sacco in 2024 too had the following challenges:

- The regulator Notified the Sacco to write off its shares at Kuscco amounting to Ksh 2,660,000/=
- The Sacco in the 2024 financial year has fully provisioned for all loans under risk classification and analysis with an additional Ksh 4,693,403 provided for.
- Slow issuance of our loan products due uncertainty in the future of NG CDF.

Amazingly, despite these challenges, in addition to regulatory changes, CDF Sacco delivered a strong financial performance in 2024.

Members, in our previous AGM we resolved that defaulted loans' amounts guaranteed be recovered from guarantors but this has not been the case since upon issuance of final demand notices; some members showed commitment by starting to repay their loans and also in line with looking for long term measures to help reduce this exposure the Sacco is in the processes of formulating a loan collateral policy.

Members, I would also like to notify you that our first tribunal case was successful at the tribunal where the Sacco was awarded a decree upon final judgement and the Sacco through its auctioneer is in the process of issuing a warrant of attachment towards Mr. Joshua Orero.

CDF SACCO 2024 FINANCIAL RESULTS

Members, it is a pleasure to report that our Sacco has again delivered an improved performance and achieved significant growth across all aspects of our business. CDF Sacco's primary goal is to provide our members with the best possible and affordable financial services, and I am proud to say that we are constantly striving to achieve this through our consistent efforts and hard work.

Our audited financial performance for the past year has improved as we have achieved growth in most of our key performance indicators, including assets, deposits, loans, and profitability.

Our Total deposits increased by 5.3% from Kshs. 193.6 million in 2023 to Kshs. 203.9 million in 2024. The loan book grew by 9.5% from Kshs. 210.2 million to Kshs. 230.2 million. The Sacco's balance sheet grew by 6% from Kshs. 251.8 million in 2023 to Kshs. 267.0 million in 2024.

Additionally, we have been able to increase our total revenue from 31.4 million to 37.5 million. This growth is a result of our commitment to sound financial management and prudent risk practices. We have continued to support members in realizing their financial goals through loans for various member needs.

Generally, our financial performance for the fiscal year 2024 has improved in comparison to 2023.

DIVIDENDS AND INTEREST REBATE

In view of these results, the Board of Directors is pleased to recommend the payment of interest rebates on members' deposits at the rate of 7.5% and dividends at 5% for the year under review, subject to requisite approvals.

GOVERNANCE

At CDF Sacco, we understand that strong governance is the cornerstone of our success. It guides our decisions, ensures accountability, and safeguards the interests of our members and stakeholders. We have remained steadfast in our commitment to upholding the highest standards of governance. Our governance structure is built on principles of transparency, integrity, and ethical conduct, which are embedded in everything we do.

Our Board of Directors comprises individuals who provide strategic oversight and direction, ensuring that our actions are aligned with our mission and core values. Moreover, the Board of directors' elections exercise represents an essential aspect of our cooperative model, allowing members to have a direct voice in the governance and decision-making processes of our Sacco. There will be a paradigm shift in this year's elections, which will allow for the vetting of candidates on the floor of the house.

Consequently, I am pleased to report that the upcoming elections will be conducted smoothly and transparently, to reflect our commitment to democratic principles and member participation.

FUTURE OUTLOOK

This past year has been one of improved growth for our organization. As we reflect on our achievements, it's important to recognize that our responsibilities extend beyond mere financial performance. We are committed to upholding the principles of sustainability, responsibility, and transparency in all facets of our operations.

Additionally, our commitment to sound governance practices remains unwavering. We will continue to adhere to the highest standards of integrity, accountability, and ethical conduct.

Our governance framework will ensure that decision-making processes are transparent, inclusive, and aligned with the long-term interests of all our stakeholders.

As we look ahead to the coming year, we are confident in our ability to continue to deliver a strong financial performance and business success for our shareholders. We will continue to focus on good governance, customer experience, and long-term sustainability, and we believe that these efforts will continue to drive growth and success for our Sacco in the years ahead.

ACKNOWLEDGEMENTS

I am proud of the achievements we have made as a Sacco, especially in light of the challenges encountered in 2024 due to the uncertainty in continuity of NG CDF. Our financial performance in 2024 is a testament to our unwavering commitment to our members and our desire to innovate and grow as an organization.

I would like to take this opportunity to thank our staff, members, and the regulator for their ongoing support and commitment to our organization. Members, the Board is grateful for your trust and loyalty, and we look forward to continuing to work together to build a successful and sustainable future.

God bless you all.

Kipngetich Langat
Chairman

WE DON'T HAVE TO BE SMARTER THAN THE REST, WE HAVE TO BE MORE DISCIPLINED THAN THE REST

SUPERVISORY COMMITTEE REPORT

INTRODUCTION

Granted, the 2024 financial year had its fair share of highs and lows that directly impacted on the operations and day-to-day running of CDF NWDT Sacco.

However, as your trusted watchdog, the SC team faithfully carried out its mandate as outlined in the prevailing Society's By-laws and related governing legislations in force during the year under review and dutifully compiled quarterly reports in which we flagged issues that required further clarification by the board, where applicable.

On behalf of the SC team, allow me to briefly share with you some highlights on our general observations and findings with regard to the overall running of the Sacco during the 2024 fiscal period in terms of "Notable Successes and "Noted Areas for Possible Improvement".

NOTABLE SUCCESSES

I. Revenue Growth

Total revenue increased from Kshs 31,477,524 in 2023 to Kshs 37,504,801 in 2024 representing a commendable growth margin of 19%.

II. Loan Uptake

A total of Kshs 217,045,394 was disbursed in 2024 compared to Kshs 150,365,940 in 2023, representing a 44% growth margin. All insider loans to board and staff were procedurally issued and commendably in good standing in terms of repayment.

III. Monthly Deposits

Total members' deposits grew by 13%, increasing from Kshs. 193,648,971 in Dec. 2023 to Kshs 203,933,271 on 31 Dec. 2024.

IV. Share Capital

Total share capital recorded a 4% growth margin, moving from Kshs 16,138,282 as of December 31, 2023 to Kshs 16,862,307 on December 31, 2024.

V. Members' Education and Training

In 2024, both the board, staff and Sacco members were empowered through a members training day and constant members' sensitization of Sacco products in the membership whatsapp group as part of capacity building; allowing them to make informed financial decisions.

VI. Business Plan (2023-2028)

CDF Sacco has a 2023-2028 Business Plan (BP) which was prepared in late 2023. The BP provides important benchmarks for Annual Budgets reviews and annual Performance Appraisals of the Organization. The SC invites members to read and acquaint themselves with its contents. The SC further requests all to use the BP as strategic 'Member Recruitment Tool' to help improve our membership numbers and the Board to operationalize it.

VII. Governance and Legal Compliance

The good governance of any organization is essential to the achievement of its goals and objectives. The Supervisory committee wish to recognize efforts by the board/management to conduct the business of the Sacco within the rules and regulations of the Co-operative act and the Sacco by-laws. The Society complied with all the statutory requirements for year 2024.

VIII. Return on our Investments

SACCOs are deposit taking in nature and are an ideal way to channel one's savings. The SACCO aggregates the savings and lends them out or invests in authorized instruments such as shares, on call deposits and money market funds. It is critical that prior to investing proper due diligence is done in companies to be invested in to avoid the Sacco losing funds. The SC would like to commend the board for investing with CIC money markets and yielding ksh 1,322,611 in the form of interest income.

IX. Supervisory Committee Annual Anti-Money Laundering

We interrogated the Sacco Staff on what we have achieved as a society to comply

with the guidelines provided by FIA. The office is advised to plan for both Staff and Boards training on AML issues soon meanwhile the Society is encouraged to continue driving the Know your Customer initiative as a compliance measure

The SC acknowledge the effort management has put in place of registering with FIA.

Noted Areas for Possible Improvement

I. Membership

Total membership grew by 8.42% in 2024, rising to 285 members up from 261 in December 2023. A matter to take note is the stagnation in growth of the Sacco's membership despite opening of its common bond. Management needs to take note that there may be a compelling need to reconsider rolling out a carefully crafted targeted marketing and member education strategy aimed at encouraging the Board, staff and members to recruit more potential members into the Sacco. This will not only partly enable the Sacco to access additional cash for investment and lending, but also somewhat minimize liquidity issues in the coming 2024/25 fiscal year.

The SC have noted that dormant Membership continues to be a source of concern, despite some progress being recorded. Consequently, we continue to urge the board to put its best feet forward in an effort to resolve this issue definitively.

II. Defaulted loans and Recovery of Defaulted Loans from Applicable Guarantors

In 2024, Fourteen (14) loans amounting to Ksh 12,874,791 were defaulted. The amount has gone down compared to 2023 where we had fifteen (15) loans amounting to Ksh 15,229,367 in default. On this front, the Supervisory team would like to register its concern over defaulted loans and that guarantors must with immediate effect start paying their portions of the defaulted amounts once due process is done to avoid increasing the Sacco's P.A.R(Portfolio at Risk).

The Supervisory committee wishes to call upon members to exhibit high level of honesty and respect to guarantors and also take note that it is member's obligation to service loans and honor relationships.

III. The Percentage of total expenses over net revenue is at 43% compared to 37% in the previous year.

This represents lower value against money generated. It's our recommendation that we have a tightened budget and offer a well thought out expenditure geared to achieve an ambitious 30% expense to net revenue. Though the increase in this percentage was due to the increase Sacco's financial expenses where the Sacco wrote off ksh 2,660,000 shares at Kuscco and fully provisioned for all loans and advances of the Sacco in the books of accounts.

IV. Tax Penalty

The Revenue Authority under pressure to achieve higher tax revenue, charged the Sacco a tax penalty of ksh 32,344 due to inconsistency with financial year end period. The management is advised to consult KRA officers to change the financial year to avoid further penalties.

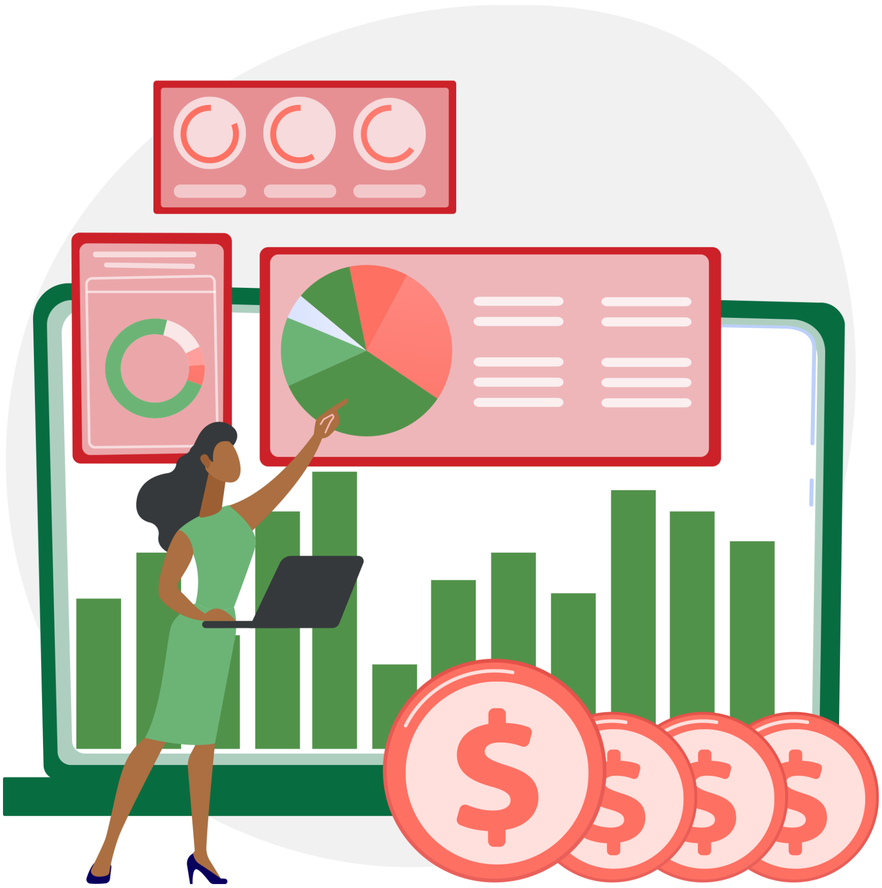
CONCLUSION

The Supervisory Committee affirms the resilient state of CDF Sacco Co-operative. We remain confident that the Board and the management team with the support of members can execute the recommendations highlighted in 2024.

Finally, we would like to thank the Board, members of Staff and Co-operative Officials for their hard work in ensuring the success of the Co-operative. God bless CDF NWDT Sacco; God bless you all.

This report has been compiled by the SC Team

Ronald Ingala K Chairman	Mary Mwaki Secretary	Rotich Joseph Member



NEVER DEPEND ON A SINGLE INCOME, INVEST TO CREATE A SECOND SOURCE

TREASURER'S REPORT

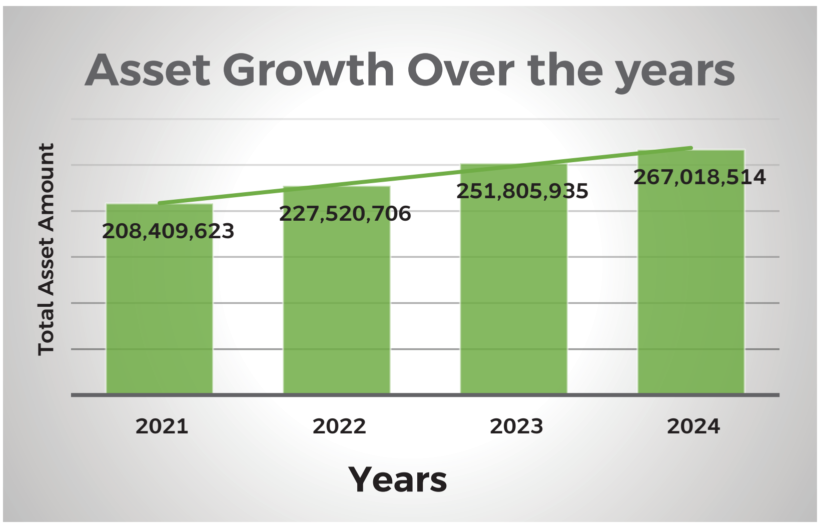
Greetings CDF Sacco members! It is with great pleasure and joy that I stand before you today as the Treasurer of CDF Non-WDT Sacco Limited, reflecting on the remarkable journey we have undertaken over the past years.

Our Sacco's improved growth, progress and service delivery to members have been nothing short of extraordinary, and I am honored to share some key insights into our financial and operational performance for the year ended 2024.

SACCO PERFORMANCE IN 2024

1. TOTAL ASSETS

Let me start by highlighting the remarkable growth we've witnessed in our total assets during this period. Our prudent management practices and aggressive advertising of our products and services have led to an increase in loan advances,resulting in a 6% growth in our total assets from Kes 251,805,935 to Kes 267,018,514 as of 31st December 2024. Below is an analysis of Cdf sacco Total assets over the past four (4) years which shows a testament to our Sacco's steady growth in the lending portfolio and the ability of members to service loans in good time.



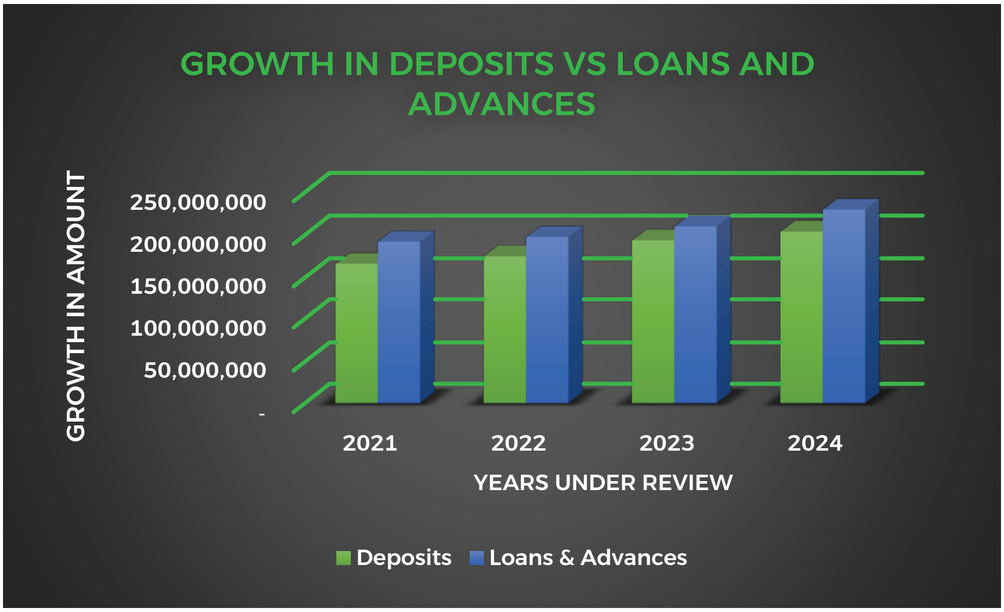
2. MEMBERS' DEPOSITS

Our members' deposits have also seen significant growth during this period. In the year just ended, we posted a slight growth of 5.3% in members' deposits from Kes 193,648,971 in 2023 to Kes. 203,993,271 despite refunds amounting to ksh 9,019,438, underscoring the trust and confidence our members have in CDF (NON-WDT) Sacco Limited as their preferred financial institution. This growth in deposits reflects our commitment to providing safe and reliable savings options for our members.

3. LOANS AND ADVANCES

I am proud to announce that we've ensured timely disbursement of loans, catering to the diverse financial needs of our members. This commitment has contributed to maintaining stable liquidity within the SACCO, as well as consistent growth of loans advances by 9.5% from Kes 210,273,710 to Kes 230,209,391. Our focus on enhancing performance and refining loan appraisal processes has yielded promising results. Notably, raising our Quick cash loan minimum accessible limits from kes 20,000 to kes 50,000 thereby empowering our members with greater financial flexibility.

Below is an analysis of the growth in loans and advances vs Deposits over the years:



4. TOTAL INCOME

Our income has experienced a notable boost, primarily attributable to increased loan advances. We witnessed a remarkable 19% increase in income from Kes 31,524,024 to Kes 37,524,643 demonstrates this upward trajectory, reflecting our SACCO's financial robustness.

5. TOTAL EXPENSES

Regarding our Sacco's expenses over this period, I am pleased to report that we have tried to maintain disciplined financial management practices. However, despite carefully monitoring and controlling our expenses, our financial expenses increased from kes 4,359,461 to kes 7,658,867 in the period under review because we had to fully provision for our loan book and also write off our shares at Kuscco. This led to an increase in the total expenses to total revenue ratio from 36.94% to 43.07% in 2024.Going forward the Board intends to develop a prudent approach of minimizing costs to enable Sacco achieve sustainable growth and profitability.

6.RATIFICATION AND APPROVAL FOR DISPOSAL OF SURPLUS

Based on advice and guidance from both the commissioner for co-operatives and the regulator, the board did authorize payment of interest on qualifying deposits and distribution of surplus as provided for in the year 2024 audited and approved accounts.

The same is presented before this AGM for ratification as follows; kes 15.2million (interest on deposits), Kes 0.84 million (dividend on shares), Kes 1.5million (Honoraria) and kes 0.12 million (staff Bonus). The total return to members of kes 16.04 million (dividends plus interest on deposits) represents 42.8% of the total income.

COMPLIANCE WITH PRUDENTIAL STANDARDS

Overall, I am happy to share that CDF (NON-WDT) Sacco Limited is on a growth trajectory, driven by our improved financial performance and unwavering commitment to excellence during the past year. CDF Sacco has achieved the regulated capital threshold ratios and has even surpassed them in 2024. Our operational ratios and liquidity ratios have also surpassed regulator requirements as below highlighted, reflecting our Sacco's sound financial health and operational efficiency:

KEY RATIOS	Standard	2024	2023	Remarks
Core capital/Total Assets	8%	14%	12%	Compliant
Core capital/Deposits	7%	18%	16%	Compliant
Liquid Assets/Total deposits &short term liabilities	10%	11%	18%	Compliant
Total delinquency loan/Total loan portfolio	5%	8%	19%	Compliant

BUDGET FOR THE YEAR 2025

The Board wishes to seek approval for the below 2025/2026 Budget:

FINAL BUDGET 2025 & 2026

The Board wishes to seek approval for the below 2025/2026 Budget:

ACCOUNT TITLE	ACTUAL DECEMBER	ACTUAL DECEMBER	BUDGET	BUDGET
	2023	2024	2025	2026
	Amount Kes	Amount Kes	Amount Kes	Amount Kes
INCOME				
Withdrawal Fees	16,500	5,842	39,600	39,600
Entrance / Rejoining Fee	30,000	14,000	96,000	96,000
Total	46,500	19,842	135,600	135,600
Sundry Income				
Sundry income	-	-		
Other Sundry Incomes	-	-	40,000	40,000
Total	**46,500**	**19,842**	**175,600**	**175,600**
CIC Interest Income	323,323	1,322,611	900,000	900,000
Dividends/ Investment Income	74,480	-	-	-
Total	**397,803**	**1,322,611**	**900,000**	**900,000**
Total Fees, Sundry & Investment Income	**444,303**	**1,342,453**	**1,075,600**	**1,075,600**
Interest Incomes				
Interest From Bank	63,278	479,439	675,000	675,000
Total	63,278	479,439	675,000	675,000
Interest From Members Loans				
Interest From loans	25,579,377	28,239,841	33,020,297	34,000,000
Quick cash Interest	204,744	475,025	525,000	600,000

Interest received from Dividend Advance		140,326	145,155	
Bridging Interest	3,649,298	6,847,558	4,800,000	4,800,000
Total Interest From Members Loans	**29,433,419**	**35,702,750**	**38,490,452**	**39,400,000**
TOTAL INCOME	**29,941,000**	**37,524,642**	**40,241,052**	**41,150,600**
EXPENSES				
Occupancy Expenses				
Office general Expenses	125,758	179,610	100,000	120,000
Office Rent	600,000	585,000	780,000	780,000
Total	**725,758**	**764,610**	**880,000**	**900,000**
Cost Of Funds				
Dividend On Members Shares	806,914	844,562	1,200,000	1,200,000
Total	**806,914**	**844,562**	**1,200,000**	**1,200,000**
Organisational				
Marketing	172,500	247,000	282,000	300,000
Total	**172,500**	**247,000**	**282,000**	**300,000**
Administrative Expenses				
Bank Charges	48,642	63,348	120,000	120,000
Postage Telephone And Fax Expense	46,920	93,800	72,000	72,000
Printing and Stationery	89,534	9,000	140,000	140,000
Sasra fees & Annual levy	30,000	223,649	223,649	250,000
County Licenses		45,000	55,000	55,000
Electricity & Water Bills	37,400	42,700	36,000	36,000
Repairs And Maintenance	-	34,000	20,000	30,000
Subscription Fees	-	-	22,400	20,000
Legal fees	-	-	100,000	100,000
Consultancy Fee	95,000	-	100,000	100,000
Audit And Supervision Fees	95,120	104,400	120,000	120,000
Debt collection Expenses			140,000	140,000

Website	80,000	-	10,000	10,000
System support services	348,000	363,000	363,000	400,000
Annual web hosting & antivirus license	-	-	20,000	20,000
ICT Maitainance & Repairs	-	-	20,000	10,000
Internet Subscription	158,588	157,188	157,188	160,000
Total	**1,029,204**	**1,136,085**	**1,719,237**	**1,783,000**
Governance Expense				
Committee Education And Training Expense	446,000	660,000	700,000	700,000
Committee Travel And Subsistence	436,200	591,400	700,000	700,000
Committee Allowance	1,342,790	1,331,000	1,200,000	1,200,000
A.G.M	683,196	616,950	686,000	686,000
Members Education	-	120,000	210,000	210,000
Total	**2,908,186**	**3,319,350**	**3,496,000**	**3,496,000**
Personnel Expenses				
Staff Out Patient & Inpatient Medical Allowance	-	270,000	360,000	360,000
Staff Leave Allowance		17,500	59,978	59,978
House Allowance		436,200	436,200	436,200
N.S.S.F Employer Expenses		71,220	155,520	155,520
Commuter Allowance		252,300	252,300	252,300
Salaries To Staff	1,960,340	1,439,340	1,799,340	1,799,340
Wages To Casual Staff	-	-	-	-
NITA		2,100	3,000	3,000
Staff Gratuity Employer expense	477,122	473,765	446,196	446,196
Affordable Housing Levy	15,960	24,430	37,320	37,320
Staff Travelling and Subsistance	-	-	180,000	180,000
Total	**2,453,422**	**2,986,855**	**3,729,854**	**3,729,854**
TOTAL EXPENSES	**6,894,280**	**7,915,377**	**9,305,854**	**9,325,854**
NET INCOME	**23,046,720**	**29,609,265**	**30,935,198**	**31,824,746**

Depreciation & Amortisation	185,298	117,792	130,000	130,000
Provision for Bad debts	4,000,000	7,353,403	4,000,000	4,000,000
Honoraria	1,500,000	1,500,000	1,500,000	1,500,000
Staff Bonus	120,000	120,000	120,000	120,000
Income before interest on members deposit	**18,861,422**	**22,138,070**	**26,805,198**	**27,694,746**
Interest on members deposits	(13,555,428)	(15,299,495)	(16,000,000)	(16,000,000)
Income before tax	5,305,994	6,838,575	10,805,198	11,694,746
Tax	71,940	276,260	270,000	270,000
Income After Tax	5,234,054	6,562,315	10,535,198	11,424,746
DEPARTMENT			**QUANTITY**	**AMOUNT (Kes)**
ICT				-
				-
GENERAL				
				-
Total Capital Budget				**-**

CONCLUSION

As a Board Member and Treasurer of CDF Non-WDT Sacco, I am extremely confident that the Sacco is headed to greater heights. I am optimistic that the Sacco stands a greater chance to grow even much more and serve its members much better if we increase our membership.

With this, I want to express my heartfelt appreciation to each and every one of YOU, our members for your continued support and trust in CDF Non WDT Sacco Limited. Together, we shall get to achieve our individual as well as collective aspirations, and this will help CDF prosper for many years and generations to come.

God Bless CDF Sacco, God Bless CDF Sacco members!

I remain, Your Servant in Cooperativism,

CPA (Dr.) Patrick Malongo

Treasurer, CDF Non-WDT Sacco


TAX

CDF REGULATED NON WITHDRAWABLE DEPOSIT TAKING SACCO LTD

FINANCIAL STATEMENTS FOR THE PERIOD ENDED

31st DECEMBER, 2024

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

CDF REGULATED NON WITHDRAWABLE DEPOSIT TAKING SACCO LTD

CS 12181

FINANCIAL STATEMENTS

31-Dec-24

THE SACCO SOCIETY REGULATORY AUTHORITY
RECEIVED
25 FEB 2025
(SASRA)
P. O. Box 25089-00100, NAIROBI

APPROVED
for publication and presentation
to AGM or ADM subject to observations Issued
25 FEB 2025
SIGN:..........................
THE SACCO SOCIETIES REGULATORY
AUTHORITY

Daniel & Associates (CPAK)

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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.DENNIS MATUNDURA
TREASURER	MR.PATRICK LIDOVOLO
BOARD MEMBER	MR.JACKTON OJOW
BOARD MEMBER	MS.DINAH WANJA
BOARD MEMBER	MR.DAVID OKOMA

SUPERVISORY COMMITTEE

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

SACCO MANAGER MS BENADETTE ALELE OMOTO

BANKERS
COOPERATIVE BANK OF KENYA
UKULIMA BRANCH

REGISTERED OFFICE
LACOLINE GARDENS
MASABA ROAD
NAIROBI

AUDITORS
DANIEL & ASSOCIATES (CPAK)
P O BOX 3495-00100
NAIROBI

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 2024

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

	2024 Kshs	2023 Kshs
Net surplus/(deficit) before tax	6,064,735	6,250,848
20% transfer to statutory reserve	(1,157,695)	(1,250,170)
Provision for honoraria	(1,500,000)	(1,500,000)
Provision for staff bonus	(120,000)	(120,000)
Provision for tax		
Surplus to retained earnings	**2,167,665**	**2,573,764**

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	7.5%	7%
Interest on member deposits in Kshs	15,299,495	13,555,428
Proposed dividend as % of share capital	5.0%	5.00%
Proposed dividend in Kshs	843,115	806914
Proposed Honoraria in Kshs	1,500,000	1,500,000
Proposed staff bonus	120000	120000

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

Dennis Matundura - Hon. Secretary

STATISTICAL INFORMATION

Membership	**Threshold**	**2024**	2023
1. Active		186	194
2. Dormant/Withdrawn		67	67
		253	**261**
Staff			
Female		3	2
Male		Nil	Nil
Financial			
Share Capital		16,862,307	16,138,282
Members Deposits		203,993,271	193,648,971
Total Assets		267,018,514	251,805,935
Loans to Members		230,209,391	210,273,710
Liquid Assets		24,404,109	38,260,354
Short term Liabilities		20,504,576	21,485,209
Retained Earnings & Disclosed Reserves		19,921,790	16,596,431
Total Revenue		37,524,643	31,524,024
Total Expenses		16,160,413	11,645,808
Core Capital	**5 Million**	36,784,097	30,174,713
Interest on Member deposits		15,299,495	13,555,428
Key Ratios			
Capital Adequacy Ratios			
Core Capital/Total Assets	**8%**	14%	12%
Core Capital/Total Deposits	**7%**	18%	16%
Retained Earnings& Disclosed Reserves/Core Capital	**50%**	54%	55%
Liquidity Ratio			
Liquid Assets/ Total deposits& Short term liabilities	**10%**	11%	18%
Operating efficiency			
Percentage of expenses to Revenue		43.07%	36.94%
Percentage of interest on members deposits to Revenue		40.77%	43.00%
Interest on members deposits		7.50%	7.00%
Dividend per share		5.00%	5.00%
Total deliquency Loan /Total Loan portfolio	**5%**	8%	19%

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 **24th February 2025** and signed on it's behalf by:

.... Chairman

Signature

.... Treasurer

Signature

.... Secretary

Signature

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 2024, statement of comprehensive income, statement of changes inequity, 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 2024, the results of its financial performance and its cash flowsfor 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.

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

Daniel Barasa Kitupau

DANIEL & ASSOCIATES (CPAK) DANIEL & ASSOCIATES (CPAK) 25 FEB 2025 P.O. Box 3495 00100, NAIROBI

DANIEL & ASSOCIATES (CPAK)
NAIROBI

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 31-12-2024

	NOTES	2024	2023
ASSETS		**KSHS**	**KSHS**
Cash & Cash Equivalents	**6a**	13,811,666	27,787,523
Loan to Members	**7**	230,209,391	210,273,710
Trade & Other Receivables	**6c**	12,054,483	243,548
Other Fiancial Assets	**6b**	10,592,443	13,032,831
Property & Equipment	**13**	350,531	468,323
TOTAL ASSETS		**267,018,514**	**251,805,935**
LIABILITIES			
Members Deposits	**8**	203,993,271	193,648,971
Interest on Members Deposits	**3c**	17,466,513	17,932,661
Benevolent Fund	**9**	3,038,063	3,552,548
Trade & Other Payables	**10**	5,736,569	3,937,042
TOTAL LIABILITIES		**230,234,417**	**219,071,222**
SHARE HOLDERS FUNDS			
Share Capital	**12**	16,862,307	16,138,282
Reserves	**11**	19,921,790	16,596,431
TOTAL SHAREHOLDERS FUNDS		**36,784,097**	**32,734,713**
LIABILITIES AND FUNDS		**267,018,514**	**251,805,935**

The financial statements on pages 8-14 were authorised for issue by the board of directors on **14th March 2025** and signed on its behalf by:

Chairman...

APPROVED for publication and presentation to AGM or ADM subject to observations Issued
25 FEB 2025
SIGN:..................
THE SACCO SOCIETIES REGULATORY AUTHORITY

Hon. Secretary.. Treasurer...

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
INCOME STATEMENT FOR YEAR ENDED 31-12-2024

	NOTES	2024	2023
REVENUE		**KSHS**	**KSHS**
Interest on loan to Members	3a	35,702,751	31,090,921
Other interest Income	2a	1,802,050	386,603
Total Interest Income		**37,504,801**	**31,477,524**
Interest Expense	3b	(15,299,495)	(13,555,428)
Net Interest Income		**22,205,306**	**17,922,096**
Other Operating Income	2b	19,842	46,500
Net Revenue		**22,225,148**	**17,968,596**
Personnel expenses	4a	(2,985,505)	(2,499,342)
Adminstrative expenses	4b	(2,196,691)	(1,878,820)
Governance expenses	4c	(3,319,350)	(2,908,186)
Financial expenses	5	(7,658,867)	(4,359,461)
		(16,160,413)	**(11,645,808)**
Net Surplus for the year before tax		**6,064,735**	**6,322,788**
Corporate tax	15	(276,260)	(71,940)
Net Surplus for the year after tax		**5,788,475**	**6,250,848**
20% Statutory Reserve Fund		(1,157,695)	(1,250,170)
Surplus Available for Distribution		4,630,780	5,000,678
Dividend Expense		(843,115)	(806,914)
Provision for honoraria		(1,500,000)	(1,500,000)
Provision for staff bonus		(120,000)	(120,000)
Retained Earnings for the year		**2,167,665**	**2,573,764**

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31/12/2024

	Share capital	Statutory Reserve	Retained Surplus	Total
Year Ended31/12/2023	KSHS	KSHS	KSHS	KSHS
Prior year adjustment				
At start 01.01.2023	15,680,758	4,721,103	8,051,394	28,453,255
Issue of Shares	457,524	-	-	457,524
Surplus for the year	-	-	6,250,848	6,250,848
Provision for dividends			(806,914)	(806,914)
Provion for Honoraria	-	-	(1,500,000)	(1,500,000)
Provision for staff bonus			(120,000)	(120,000)
Statutory Reserves	-	1,250,170	(1,250,170)	-
As at 31-12-2023	**16,138,282**	**5,971,273**	**10,625,158**	**32,734,713**
	KSHS	KSHS	KSHS	KSHS
Prior year adjustment- Tax				-
At start 01.01.2024(Restated)	**16,138,282**	**5,971,273**	**10,625,158**	**32,734,713**
Issue of Shares	724,025	-	-	724,025
Surplus for the year	-	-	5,788,475	5,788,475
Provision for Dividends			(843,115)	(843,115)
Provion for Honoraria	-	-	(1,500,000)	(1,500,000)
Provision for staff bonus			(120,000)	(120,000)
Statutory Reserves	-	1,157,695	(1,157,695)	-
At the End of the year as at 31/12/2024	**16,862,307**	**7,128,968**	**12,792,823**	**36,784,097**

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
CASHFLOW STATEMENT FOR YEAR ENDED 31-12-2024

	Note	2024 KSHS	2023 KSHS
Cashflow from Operating activities			
Interest Receipts	3a	35,702,751	31,090,921
Interest Expense	3c	(15,765,643)	(11,152,232)
Other Operating Income	2b	19,842	46,500
Payment to Employees & Suppliers		(8,221,818)	(4,174,200)
		11,735,132	**15,810,989**
Increase/Decrease in operating assets			
Loans to Members	7	(24,629,084)	(15,825,810)
Trade & Other receivables	6c	(11,810,935)	37,254
		(36,440,019)	**(15,788,556)**
Increase/Decrease in Operating Liabilities			
Deposits from Members	8	10,344,300	17,304,640
Benevolent Funds	9	(514,485)	591,300
Trade & Other payables	10	(1,507,248)	(2,643,496)
		8,322,567	**15,252,444**
Tax paid		-	
Net Cash from Operating Activities		**(16,382,320)**	**15,274,877**
Cash flow from Investing Activities			
Interest Income	2a	1,802,050	386,603
Investments	6b	(119,612)	(219,565)
Office Equipment purchase		-	(16,900)
		1,682,438	**150,138**
Cash flow from Financing Activities			
Share Capital Issue	12	724,025	71,884
		724,025	**71,884**
Net Increase in Cash & Cash Equivalent		(13,975,857)	6,600,081
Cash & Cash Equivalent at the Beginning		**27,787,523**	**7,315,994**
Cash & Cash Equivalent at the End of Period		**13,811,666**	**27,787,523**

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 financialreporting 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 recognisednet 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 interestrate 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.

		2024	2023
2a	**Interest Icome**	**KSHS**	**KSHS**
	Interest from CIC MMF	1,322,611	323,324
	Interest from Bank	479,439	63,278
		1,802,050	**386,603**
2b	**Other Operating Income**		
	Entrance Fees	14,000	30,000
	Withdrawal Fees	5,842	16,500
		19,842	**46,500**
3a	**Interest on loans**		
	Interest on members loans	**28,855,193.00**	27,441,623
	Bridging interest	6,847,558	3,649,298
		35,702,751	**31,090,921**
3b	**Interest expense**		
	Interest on members deposits	15,299,495	13,555,428
		15,299,495	**13,555,428**
3c	**Interest on members deposit**		
	Balance B/f	17,932,661	15,529,465
	Provision this year	15,299,495	13,555,428
	Paid during the year	(15,765,643)	(11,152,232)
		17,466,513	**17,932,661**
4	**Expenses**		
	a) Personnel Expenses		
	Salary & wages	2,143,990	1,960,340
	Staff Gratuity	473,765	477,122
	NSSF	71,220	45,920
	Housing Levy	24,430	15,960
	NITA	2,100	
	Staff medical allowance	270,000	
		2,985,505	**2,499,342**
	b)Administrative Expense		
	Office General Expenses	179,610	125,758
	Office Rent	585,000	600,000
	Electricty	42,700	37,400
	Internet(Zuku Subscription)	157,188	158,588
	Postage & Telephone expenses	93,800	46,920
	Printing and Stationery	9,000	89,534
	Audit and Supervision fees	104,400	95,120
	System Support Services	363,000	348,000

Consultancy		95,000
SASRA licensing	223,649	30,000
Marketing expense	247,000	172,500
Tax penalty	32,344	
Debt collection	80,000	
Repairs & maintenance	34,000	
Permits &licenses	45,000	
Website		80,000
	2,196,691	**1,878,820**

c) Governance expenses		
AGM Expenses	616,950	683,196
Members education	120,000	-
Board of directors sitting allowance	1,331,000	1,342,790
Board of directors Subsistence	591,400	436,200
Staff & Board of directors Education	660,000	446,000
	3,319,350	**2,908,186**

5 Financial expenses		
Provision for loan losses	4,693,403	4,000,000
Provision for expected kusco loss	2,660,000	
Depreciation	117,792	185,298
By Product expense	124,324	125,521
Bank charges	63,348	48,642
	7,658,867	**4,359,461**

6a Cash and cash equivalent

Current A/C(Co-op Bank)	4,126,756	19,547,388
On call deposit(Co-op Bank)	9,542,717	7,063,278
Paybill	160,040	182,091
B2C Account	(44,946)	963,866
Cash at hand	27,099	30,899
	13,811,666	**27,787,523**

6b Other Financial Assets

CIC Money Market	10,592,443	10,472,831
KUSCCO Shares		2,560,000
	10,592,443	**13,032,831**

6c Trade and other receivables

Prepaid rent	160,000	160,000
Controller Of Budget	869	869
Prepaid interest	946,944	
CDF Board	10,946,670	82,679
	12,054,483	**243,548**

7 Loan to Members

Balance B/F	222,426,536	205,736,451
Loan issued	217,045,394	150,365,940
Less Repayment	(192,416,310)	(133,675,855)
Balance as per control Account	247,055,620	222,426,536
Provision for loan loss	(16,846,229)	(12,152,826)
Balance at the end	**230,209,391**	**210,273,710**

Loan portfolio risk analysis

Category	**No accounts**	**Balance**	**Rate**	**Provision**
Performing	210	209,833,579	1	2,098,336
Watch	50	18,015,509	5	900,775
Substandard	13	6,331,741	25	1,582,935
Doubtful	4	1,221,216	50	610,608
Loss	10	11,653,575	100	11,653,575
	287	**247,055,620**		**16,846,229**

Loan loss provisioning

Balance at start of the year	12,152,826	8,152,826
Provision for the year	4,693,403	4,000,000
Balance at the year end	**16,846,229**	**12,152,826**

8 Member Deposits

Balance B/F	**193,648,971**	**174,617,764**
Contribution for the year	19,304,000	20,505,200
Refunds	(9,019,438)	(1,473,993)
Balance at the end	**203,993,271**	**193,648,971**

9	**Benevolent fund**		
	Balance B/F	3,552,548	3,447,590
	Received during the year	1,130,900	1,095,600
	Refunds	(1,645,385)	(990,642)
		3,038,063	**3,552,548**
10	**Trade & other Payables**		
	CDF Housing Co-operative	40,500	40,500
	Insurance fund	2,444,075	656,600
	Audit& Supervision fees	104,400	95,120
	System Annual Maintenance & Support	363,000	348,000
	Unidentified Deposits	27,001	27,001
	Provision for dividends	844,562	819,142
	Provision for staff bonus	120,000	120,000
	Provision for Honoraria	1,500,000	1,500,000
	Corporate tax	276,260	95,606
	Website		40,000
	W/T	8,256	8,256
	Staff gratutity	8,515	186,817
		5,736,569	**3,937,042**
11	**Reserves**		
	Statutory reserves	7,128,968	5,971,273
	Retained Earnings	12,792,823	10,625,158
		19,921,790	**16,596,431**
12	**Share Capital**		
	Balance B/F	16,138,282	15,680,758
	Issued during the year	724,025	457,524
		16,862,307	**16,138,282**
13	**Related party transactions**		
	a) Board		
	Outstanding loan	17,368,411	17,959,799
	Deposits	12,495,562	10,970,577
	Share Capital	732,378	450,000
	Governance expense		
	Board sitting allowance	1,331,000	1,342,790
	Board of directors Subsistence	591,400	436,200
	Honoraria	1,500,000	1,500,000
	b) Staff		
	Outstanding loan	989,744	534,000
	Deposits	384,715	215,212
	Share Capital	163,238	45,000
	Salary & wages	2,143,990	2,499,342
	Staff bonus	120.000.00	120.000.00

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2024

14 Property & Plant	Software Rate		Computer & Accessories		Furniture & Fittings		Total
Rate	**20%**		**33.30%**		**13%**		
Cost	**KSHS**		**KSHS**				**KSHS**
As at 01/01/2024	-		746,018		328,900		1,074,918
Additions	-				-		-
As at 31st Dec 2024	**-**		**746,018**		**328,900**		**1,074,918**
							-
Depreciation							-
Accumulated Depreciation	-		407,438		199,157		606,595
Charge for the year	-		101,574		16,218		117,792
As at 31st Dec 2024	**-**		**509,012**		**215,375**		**724,387**
							-
Net Book Value							-
As at 31/12/2024	**-**		**237,006**		**113,525**		**350,531**
							-
As at 31/12/2023	-		**338,580**		**129,743**		**468,323**

CDF SAVINGS & CREDIT
CO-OPERATIVE SOCIETY LIMITED

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