APPROVED
for publication and presentation to AGM or ADM subject to observations Issued
25 MAR 2026
SIGN:........
THE SACCO SOCIETIES REGULATORY AUTHORITY

CDF REGULATED NON WITHDRAWABLE DEPOSIT TAKING SACCO SOCIETY LTD

CS 12181

FINANCIAL STATEMENTS

31-Dec-25

THE SACCO SOCIETY REGULATORY AUTHORITY
RECEIVED
24 MAR 2026
(SASRA)
P. O. Box 25089-00100, NAIROBI

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2025

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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.PETER WAGEREKA
BOARD MEMBER	MR.LEMARIMPE PARSUMPAT
BOARD MEMBER	MR.DAVID OKOMA

SUPERVISORY COMMITTEE

CHAIRMAN	MR.RONALD INGALA
SECRETARY	MRS.MARY MWAKI
MEMBER	MR. GREGORY OTAALO

CHIEF EXECUTIVE OFFICER	CPA BENADETTE ALELE OMOTO
ACCOUNTANT	MAUREEN KAMAU

BANKERS

COOPERATIVE BANK OF KENYA
UKULIMA BRANCH

REGISTERED OFFICE

LACOLINE GARDENS
MASABA ROAD
NAIROBI

AUDITORS

VICTOR MUTISYA & COMPANY
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 2025

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

	2025 kshs	2024 kshs
Net surplus/(deficit) before tax	7,118,058	5,788,475
20% transfer to statutory reserve	(1,345,795)	(1,157,695)
Provision for honoraria	(1,000,000)	(1,500,000)
Provision for staff bonus	(120,000)	(120,000)
Provision for tax		
Surplus to retained earnings	3,069,310	2,167,665

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	8.0%	7%
Interest on member deposits in Kshs	17,159,227	15,299,495
Proposed dividend as % of share capital	7.0%	5.00%
Proposed dividend on Share Capital	1,193,871	843115
Proposed Honoraria in Kshs	1,000,000	1,500,000
Dividend on share capital	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, Victor Mutisya & Company 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.MATUNDURA

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

Membership	Threshold	2025	2024
1 Active		186	194
2 Dormant/Withdrawn		67	67
		253	**261**
Staff			
Female		3	2
Male		Nil	Nil
Financial			
Share Capital		17,055,307	16,862,307
Members Deposits		214,490,343	203,993,271
Total Assets		284,240,157	267,018,514
Loans to Members		199,880,811	230,209,391
Liquid Assets		85,252,021	34,996,552
Short term Liabilities		27,845,193	20,504,576
Retained Earnings & Disclosed Reserves		24,942,779	19,921,790
Total Revenue		33,465,882	37,524,643
Total Expenses		9,188,597	16,160,413
Core Capital	5 Million	41,998,086	36,784,097
Interest on Member deposits		17,159,227	15,299,495
Key Ratios			
Capital Adequacy Ratios			
Core Capital/Total Assets	8%	15%	14%
Core Capital/Total Deposits	5%	20%	18%
Retained Earnings& Disclosed Reserves/Core Capital	50%	59%	54%
Liquidity Ratio			
Liquid Assets/ Total deposits& Short term liabilities	10%	35%	11%
Operating efficiency			
Percentage of expenses to Revenue		27.46%	43.07%
Percentage of interest on members deposits to Revenue		51.27%	40.77%
Interest on members deposits		7.00%	7.50%
Dividend on share capital		7.00%	5.00%
Total deliquency Loan /Total Loan portfolio	5%	10%	8%

PREPARED BY
CEO.. ACCOUNTANT..
APPROVED BY:
CHAIRMAN....................TREASURER............... BOARD MEMBER......................

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 17th MARCH 2026 and signed on its behalf by:

.... Chairman
Signature

.... Treasurer
Signature

.... Secretary
Signature

REPORT OF INDEPENDENT AUDITORS TO THE MEMBERS OF CDF NWDT SACCO LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2025

Opinion.

We have audited the accompanying financial statements of CDF NWDT Sacco Society Limited, which comprise of Statement of Financial Position as at 31 December 2025, 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 respects, the financial position of the Society as at 31 December 2025 and 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 Act Cap 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 independent 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 addressed 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.

Key audit matter	**How the Audit Matter was Addressed**	
a) **Loan portfolio contraction** -This area is critical for the current audit cycle because of the declining core business.The Loan issuance dropped sharply from KShs.217,045,394 in the year 2024 to KShs.143,892,482 issued in the current year, representing a 33.7% decrease in credit uptake	• We focused more in strategic risk audit, reviewed the credit policy and applications made during the year to ascertain whether it was as a result of tightening of credit rules. We further reviewed the ruling of a court of appeal case challenging constitutionality of the NGCDF Act and by extension CDF Board which employs majority of the members of the Sacco.	
b) **Valuation of loans to members** The Sacco reported Net Loans to members of KShs 198,691,225. Due to the high delinquency rate of 10.3% (exceeding the 5% regulatory limit) and the presence of insider loans in arrears (Watch, Substandard, and Doubtful categories), there is a significant risk regarding the adequacy of the Allowance for Credit Losses.	• Testing the accuracy of the loan aging report used for provisioning. Specifically reviewing the files and repayment history of Board loans identified as being in arrears. Evaluating the reasonableness of the KShs 17.4million provision for loan losses against the IFRS 9 Expected Credit Loss (ECL) framework.	

Board of Director's Responsibility for the Financial Statements

The Board of Directors of the Society is 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 Societies 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 Directors are responsible for assessing 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 controls 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 controls. 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 Sacco Societies Act No 14 of 2008, we report to you based on our audit that:

i) We have received reasonable assurance that the Society is solvent and we have not identified any significant concerns in respect of the financial operations of the Society as a going concern. A case which was challenging the constituionality of NCG- CDF fund was ruled in the favour of the fund.The Society draws its common bond from the employees of the fund(Note 16)

ii) We are not aware of any other violations of prudential standards except of net loan as a percentage of assets which was below the standard as shown in the key audit matter or license conditions

iii) We have not obtained any evidence of irregularities or illegal acts that have been committed by directors or employees or the Sacco Society itself

iv) We are not aware of any other contravention of the Sacco Societies Act No 14 of 2008.

Victor Mutisya & Co.

Victor Mutisya and Company

Certified Public Accountants (Kenya)

Date 17th March 2026

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Victor Mutisya practicing Licence number P601.

VICTOR MUTISYA & CO.
CERTIFIED PUBLIC ACCOUNTANTS (KENYA)
17 MAR 2026
P. O. Box 28421 - 00200 NAIROBI
CELL: 0722-906392, 0733-906392

UNIQUE CODE: 22709260306

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
INCOME STATEMENT FOR YEAR ENDED 31-12-2025

	NOTES	2025	2024
REVENUE		KSHS	KSHS
Interest on loan to Members	3a	30,896,306	35,702,751
Other interest Income	2a	2,545,275	1,802,050
Total Interest Income		**33,441,581**	**37,504,801**
Interest Expense	3b	(17,159,227)	(15,299,495)
Net Interest Income		**16,282,354**	**22,205,306**
Other Operating Income	2b	24,301	19,842
Net Revenue		**16,306,655**	**22,225,148**
Personnel expenses	4a	(3,469,560)	(2,985,505)
Adminstrative expenses	4b	(2,160,410)	(2,196,691)
Governance expenses	4c	(2,563,950)	(3,319,350)
Financial expenses	5	(994,677)	(7,658,867)
		(9,188,597)	**(16,160,413)**
Net Surplus for the year before tax		**7,118,058**	**6,064,735**
Corporate tax	15	(389,082)	(276,260)
Net Surplus for the year after tax		**6,728,976**	**5,788,475**
20%Statutory Reserve Fund		(1,345,795)	(1,157,695)
Surplus Available for Distribution		5,383,181	4,630,780
Dividend Expense		(1,193,871)	(843,115)
Provision for honoraria		(1,000,000)	(1,500,000)
Provision for staff bonus		(120,000)	(120,000)
Retained Earnings for the year		3,069,310	2,167,665

PREPARED BY

CEO.................................... ACCOUNTANT Ndamau

APPROVED BY:

CHAIRMAN..........................TREASURER................. BOARD MEMBER............

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 31-12-2025

ASSETS	NOTE	2025 KSHS	2024 KSHS
Cash & Cash Equivalents	6a	73,756,865	24,404,109
Loan to Members	7	199,880,811	230,209,391
Trade & Other Receivables	6b	10,344,353	12,054,483
Property & Equipment	13	258,128	350,531
TOTAL ASSETS		**284,240,157**	**267,018,514**
LIABILITIES			
Members Deposits	8	214,490,343	203,993,271
Interest on Members Deposits	3c	19,326,245	17,466,513
Benevolent Fund	9	2,902,414	3,038,063
Trade & Other Payables	10	3,209,198	5,736,569
TOTAL LIABILITIES		**239,928,200**	**230,234,416**
SHARE HOLDERS FUNDS			
Share Capital	12	17,055,307	16,862,307
Reserves	11	27,256,650	19,921,790
TOTAL SHAREHOLDERS FUNDS		**44,311,957**	**36,784,097**
LIABILITIES AND FUNDS		**284,240,157**	**267,018,513**

APPROVED
for publication and presentation to AGM or ADM subject to observations issued
25 MAR 2026
SIGN:.......
THE SACCO SOCIETIES REGULATORY AUTHORITY

The financial statements on pages 8-21 were authorised for issue by the board of directors on......17th MARCH 2026..and signed on its behalf by:

PREPARED BY
CEO.. ACCOUNTANT.....Nkamau.........
APPROVED BY:
CHAIRMAN.................TREASURER............ BOARD MEMBER..........

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31/12/2025

	Share capital	Dividend,Honoraria & staff bonus	Statutory Reserve	Retained Surplus	Total
Year Ended31/12/2024	KSHS		KSHS	KSHS	KSHS
Prior year adjustment					
At start 01.01.2024	**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)	-
As at 31-12-2024	**16,862,307**		**7,128,968**	**12,792,823**	**36,784,098**
	KSHS		**KSHS**	**KSHS**	**KSHS**
At start 01.01.2025	**16,862,307**		**7,128,968**	**12,792,823**	**36,784,098**
Prior year adjustment				605,883	605,883
Issue of Shares	193,000		-	-	193,000
Surplus for the year	-		-	6,728,976	6,728,976
Provision for Dividends		1,193,871		(1,193,871)	-
Provion for Honoraria	-	1,000,000	-	(1,000,000)	-
Provision for staff bonus		120,000		(120,000)	-
Statutory Reserves	-		1,345,795	(1,345,795)	-
At the End of the year as at 31/12/2025	**17,055,307**	**2,313,871**	**8,474,763**	**16,468,016**	**44,311,957**

The writeback relates to interest on members deposits over provision in 2024

PREPARED BY

CEO.. ACCOUNTANT... Nkamau ....

APPROVED BY:

CHAIRMAN........................TREASURER............ BOARD MEMBER.............

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
CASHFLOW STATEMENT FOR YEAR ENDED 31-12-2025

	Note	2025 KSHS	2024 KSHS
Cashflow from Operating activities			
Interest Receipts	3a	30,896,306	35,702,751
Interest Expense	3c	(14,693,612)	(15,765,643)
Other Operating Income	2b	24,301	19,842
Payment to Employees & Suppliers	16	(7,998,595)	(8,221,818)
		8,228,400	**11,735,132**
Increase/Decrease in operating assets			
Loans to Members	7	29,728,981	(24,629,084)
Trade & Other receivables	6b	1,710,130	(11,810,935)
		31,439,111	**(36,440,019)**
Increase/Decrease in Operating Liabilities			
Deposits from Members	8	10,497,072	10,284,562
Benevolent Funds	9	(135,649)	(514,485)
Trade & Other payables	15	(3,414,453)	(1,447,510)
		6,946,970	**8,322,567**
Tax paid		-	
Net Cash from Operating Activities		**46,614,481**	**(16,382,320)**
Cash flow from Investing Activities			
Interest Income	2a	2,545,275	1,802,050
Investments			(119,612)
CIC Money Market	6a		10,592,443
Office Equipment purchase		-	
		2,545,275	**12,274,881**
Cash flow from Financing Activities			
Share Capital Issue	12	193,000	724,025
		193,000	**724,025**
Net Increase in Cash & Cash Equivalent		49,352,756	(3,383,414)
Cash & Cash Equivalent at the Beginning		24,404,109	27,787,523
Cash & Cash Equivalent at the End of Period		73,756,865	24,404,109

PREPARED BY
CEO.. ACCOUNTANT.....Ndamau.....................
APPROVED BY:
CHAIRMAN.................TREASURER................. BOARD MEMBER.................

NOTE 1

Accounting policies

The significant accounting policies adopted in the preparation of these general purpose financial statements are set out below

a) Basis of preparation

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. They are presented in Kenya Shillings, which is also the functional currency.

The financial statements comprise a profit and loss account (income statement), statement of comprehensive income, balance sheet (statement of financial position), statement of changes in equity, statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income, are recognised in the profit and loss account. Other comprehensive income is recognised in the statement of comprehensive income and comprises items of income and expense (including reclassification adjustments) that are not recognised in the profit and loss account as required or permitted by IFRS. Reclassification adjustments are amounts reclassified to the profit and loss account in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the company in their capacity as owners are recognised in the statement of changes in equity.

Measurement basis

The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies. For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the company using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are recognised by the company at the end of the reporting period during which the change occurred.

PREPARED BY
CEO.................................... ACCOUNTANT....Ndamau....................
APPROVED BY:
CHAIRMAN.............TREASURER............ BOARD MEMBER...............

b) New and revised standards

i) Adoption of new and revised standards

The following new and revised standards and interpretations have also become effective for the first time in the financial year beginning 1st January 2022 and have been adopted by the society where relevant to its operations:

Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January

• The amendments, applicable to annual periods beginning on or after 1st January 2025, clarify a criterion in IAS1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)

• The amendment, applicable to annual periods beginning on or after 1st January 2025, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.

Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)

• The amendments, applicable to annual periods beginning on or after 1st January 2025, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

Amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements (issued in May 2024)

• The amendments, applicable to annual periods beginning on or after 1st January 2025, require an entity to provide additional disclosures about its supplier finance arrangements.

Amendments to IAS 21 titled Lack of Exchangeability (issued in August 2024)

• The amendments, applicable to annual periods beginning on or after 1st January 2025, require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide.

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of business and is stated net of rebates and discounts.

The society recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the society's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The society bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

d) Property, plant and equipment

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the profit and loss account. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset charged to the profit and loss account and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation surplus reserve to retained earnings.

Depreciation on other assets is calculated on the reducing balance basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

Computers and Equipments	**30%**
Furniture and Equipments	**12.5%**

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item, is depreciated separately.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

e) Employee benefits

The estimated monetary liability for the employee's accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual. At the end of the period there was no outstanding leave accrual.

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks.

PREPARED BY

CEO.................................... ACCOUNTANT....Nkamau..................

APPROVED BY:

CHAIRMAN.................TREASURER............ BOARD MEMBER..............

g) Trade and other receivables

Trade receivables are carried at original invoiced amount less specific provision for all known doubtful debtors based on a review of all outstanding amounts at the year end. Bad debts are written off in the year in which they are identified when all the reasonable steps to recover them have been taken without success.

h) Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

i) Financial instruments
Financial assets

Financial assets are initially recognised at fair value plus transaction costs for all the society's financial assets.

The society's financial assets which include unquoted shares, cash and bank balances, tax recoverable and trade and other receivables fall into the following category:

- **Available-for-sale:** financial assets that are held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rate. Such assets are classified as non-current assets except where the management intends to dispose the assets within 12 months of the reporting date and are carried at fair value where fair value gains or losses are recognised in equity, net of deferred tax.

- **Loans and receivables:** financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date.

All assets with maturities greater than 12 months after the reporting date are classified as non-current assets and are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in the profit or loss.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the society commits to purchase or sell the asset.

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A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated at the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment losses are taken into account for determining operating profit.

The amount of the impairment loss is calculated at the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate.

Subsequent recoveries of amounts previously written off/impaired are credited to profit or loss in the year in which they occur.

j) Financial instruments (cont'd)

Financial liabilities

The society's financial liabilities which include borrowings and trade and other payables fall into the following category:

Other Financial Liabilities

All financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled or expired.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

k) Related Party Transaction

The amount due from the related parties is interest free and has no scheduled repayment period.

i) Significant judgement and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the company, the directors make certain judgements and estimates that may affect the amounts recognised in the financial statements. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. However, actual results may differ from those estimates. The judgements and estimates are reviewed at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available, and any revisions to such judgements and estimates are recognised in the year in which the revision is made.

a) Significant judgements made in applying the company's accounting policies

The judgements made by the directors in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

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i) Whether it is probable that future taxable profits will be available against which temporary differences can be utilised; and

ii) Whether the society has the ability to hold 'held-to maturity' investments until they mature. If the company were to sell other than an insignificant amount of such investments before maturity, it would be required to classify the entire class as 'available-for-sale' and measure them at fair value.

b) Key sources of estimation uncertainty
The directors have made no assumptions and there are, in their opinion, no other sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The amount of the impairment loss is calculated at the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate.

Subsequent recoveries of amounts previously written off/impaired are credited to profit or loss in the year in which they occur.

		2025	2024
		KSHS	KSHS
2a	**Interest Income**		
	Interest from CIC MMF	902,713	1,322,611
	Interest from Bank	1,642,562	479,439
		2,545,275	**1,802,050**
2b	**Other Operating Income**		
	Entrance Fees	3,000	14,000
	Withdrawal Fees	21,301	5,842
		24,301	**19,842**
3a	**Interest on loans**		
	Interest on members loans	27,834,257.00	28,855,193
	Bridging interest	3,062,049	6,847,558
		30,896,306	**35,702,751**
3b	**Interest expense**		
	Interest on members deposits	17,159,227	15,299,495
		17,159,227	**15,299,495**
3c	**Interest on members deposit**		
	Balance B/f	17,466,513	17,932,661
	Provision this year	17,159,227	15,299,495
	Paid during the year	(14,693,612)	(15,765,643)
	Dividend on share capital	(605,883)	
		19,326,245	**17,466,513**

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4 Expenses		
a) Personnel Expenses		
Salary & wages	2,445,818	2,143,990
Staff Gratuity	492,691	473,765
NSSF	127,734	71,220
Housing Levy	39,567	24,430
NITA	3,750	2,100
Staff medical allowance	360,000	270,000
	3,469,560	**2,985,505**
b)Administrative Expense		
Office General Expenses	175,310	179,610
Office Rent	585,000	585,000
Electricty	39,000	42,700
Internet(Zuku Subscription)	157,188	157,188
Postage & Telephone expenses	43,870	93,800
Printing and Stationery	46,500	9,000
Audit and Supervision fees	120,000	104,400
System Support Services	378,000	363,000
SASRA licensing	295,114	223,649
Marketing expense	202,000	247,000
Tax penalty	61,928	32,344
Debt collection	10,000	80,000
Repairs & maintenance	-	34,000
Permits &licenses	46,500	45,000
	2,160,410	**2,196,691**

c)Governance expenses	**2025**	**2024**
AGM Expenses	706,950	616,950
Members education	157,000	120,000
Board of directors sitting allowance	410,000	1,331,000
Board of directors Subsistence	910,000	591,400
Staff & Board of directors Education	380,000	660,000
Dividend on share capital	**2,563,950**	**3,319,350**
5 Financial expenses		
Provision for loan losses	599,599	4,693,403
Provision for expected kusco loss	-	2,660,000
Depreciation	92,403	117,792
By Product expense	155,168	124,324
Bank charges	115,307	63,348
CRB Registration	32,200	-
	994,677	**7,658,867**

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6a	**Cash and cash equivalent**			
	Current A/C(Co-op Bank)		13,434,578	4,126,756
	On call deposit(Co-op Bank)		**48,579,369**	9,542,717
	Paybill		125,000	160,040
	B2C Account		87,163	(44,946)
	Cash at hand		35,599	27,099
	CIC Money Market		11,495,156	10,592,443
			73,756,865	**24,404,109**
6b	**Trade and other receivables**	**Ageing Analysis**		
	Prepaid rent	Over 90 days	160,000	160,000
	Controller Of Budget	Over 90 days	869	869
	Prepaid interest on members deposit		-	946,944
	CRB Report Enquiries	Over 90 days	16,700	-
	CDF Board Check-off	1-30 days	10,166,784	10,946,670
			10,344,353	**12,054,483**
7	**Loan to Members**			
	Balance B/F		247,055,620	222,426,536
	Loan issued		145,082,068	217,045,394
	Less Repayment		(174,811,049)	(192,416,310)
	Balance as per control Account		217,326,639	247,055,620
	Provision for loan loss		(17,445,828)	(16,846,229)
	Balance at the end		**199,880,811**	**230,209,391**

Loan portfolio risk analysis

Category	**No accounts**	**Balance**	**Rate**	**Provision**
Performing	176	173,985,915	1	1,739,859
Watch	23	19,940,499	5	997,025
Substandard	18	9,708,128	25	2,427,032
Doubtful	16	441,200	50	220,600
Loss	19	12,061,312	100	12,061,312
	252	**216,137,054**		**17,445,828**

Loan loss provisioning

Balance at start of the year	16,846,229	12,152,826
Provision for the year	599,599	4,693,403
Balance at the year end	**17,445,828**	**16,846,229**

8	**Member Deposits**		
	Balance B/F	**203,993,271**	**193,648,971**
	Contribution for the year	18,135,400	19,304,000
	Refunds	(7,638,328)	(9,019,438)
	Balance at the end	**214,490,343**	**203,993,271**

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9 Benevolent fund		
Balance B/F	3,038,063	3,552,548
Received during the year	1,057,700	1,130,900
Refunds	(1,193,349)	(1,645,385)
	2,902,414	**3,038,063**
10 Trade & other Payables		
CDF Housing Co-operative	20,500	40,500
Insurance fund	2,201,100	2,503,813
Audit fees	120,000	104,400
System Annual Maintenance & Support	378,000	363,000
System Annual Maintenance & Support	92,000	-
Unidentified Deposits	1	27,001
Provision for dividends		844,562
Provision for staff bonus		120,000
Provision for Honoraria		1,500,000
Corporate tax	389,082	276,260
W/Tax	-	8,256
Staff gratutity	8,515	8,515
	3,209,198	**5,796,307**
11 Reserves		
Statutory reserves	8,474,763	7,128,968
Proposed dividend,honoraria &staff bonus	2,313,871	
Retained Earnings	16,468,016	12,792,823
	27,256,650	**19,921,791**
12 Share Capital		
Balance B/F	16,862,307	16,138,282
Issued during the year	193,000	724,025
	17,055,307	**16,862,307**
13 Related party transactions		
a) Board		
Outstanding loan	22,234,597	17,368,411
Deposits	14,903,486	12,495,562
Share Capital	732,378	732,378
Board sitting allowance	655,000	1,331,000
Board of directors Subsistence	278,000	591,400
Honoraria	1,000,000	1,500,000
b) Staff		
Outstanding loan	2,025,411	989,744
Deposits	674,712	384,715
Share Capital	163,238	163,238
Salary & wages	3,469,560	2,143,990
Staff bonus	120,000.00	120,000.00

Loans to board and staff members was granted at arms length and all except 4 baord members repayments done as per the credit policy.

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14 Property & Plant

		Computer & Accessories		Furniture & Fittings		Total
Rate		33.30%		13%		
Cost		**KSHS**				**KSHS**
As at 01/01/2025		746,018		328,900		1,074,918
Additions				-		-
As at 31st Dec 2025		**746,018**		**328,900**		**1,074,918**
						-
Depreciation						-
Accumulated Depreciation		509,012		215,375		724,387
Charge for the year		78,212		14,191		92,403
As at 31st Dec 2025		**587,224**		**229,566**		**816,790**
						-
Net Book Value						-
As at 31/12/2025		**158,794**		**99,334**		**258,128**
						-
As at 31/12/2024		237,006		113,525		350,531

15 Trade & Other payables(Cashflow stater

	2025	2024
CDF Housing Co-operative	(20,000)	0
Insurance fund	(242,975)	1,688,922
Audit fees	(104,400)	(95,120.00)
System Annual Maintenance & Sup	(363,000)	(348,000.00)
System Annual Maintenance & Sup	92,000	-
Unidentified Deposits	(27,000)	-
Dividend Payment	(844,562)	(819,142.00)
Payment of staff bonus	(120,000)	(120,000.00)
Payment of honoraria	(1,500,000)	(1,500,000.00)
Corporate tax	(276,260)	(95,606.00)
W/Tax	(8,256)	
Staff gratutity	-	(178,302.00)
website		(40,000.00)
Dividend on share capital	**(3,414,453)**	**(1,507,248)**

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16 Payment to employees and suppliers

Total expenses	(9,188,597)	(16,160,413)
Add: Non cash expenses	-	
Depreciation	92,403	117,792
Provision for loan losses	599,599	4,693,403
Provision for expected kusco loss		2,660,000
Accrued expenses		
System support	378,000	363,000
Audit fee	120,000	104,400
	(7,998,595)	**(8,221,818)**

17 Events after the statement of financial position date

A case which was challenging the constituionality of the NCG- CDF fund was ruled in the favour of the fund . The society draws its common bond from the the employees of the fund.

18 Comparatives

Where necessary,presentation in the previous year has been adjusted to match presentation in the current year.

19 Contingent liabilities

The society did not have any contingent liabilities in 2025 (2024: Nil).

20 Presentation currency

The financial statements are presented in Kenya Shillings (Shs.).

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