CDF SACCO LTD

CDF REGULATED NON WITHDRAWABLE
DEPOSIT TAKING SACCO LTD

ANNUAL FINANCIAL AND MANAGEMENT REPORT

2025 REPORT

Saving for a Prosperous and transformative Future.

Our Core Values

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

Our Vision

A leading society in transforming financial wellness of its members.

Our Mission

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

TABLE OF CONTENTS

6 SOCIETY INFORMATION AS AT 31ST DECEMBER, 2025

9 MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (2025)

23 CHAIRMAN'S REPORT

29 SUPERVISORY REPORT

35 TREASURER'S REPORT AND BUDGET ESTIMATES

43 FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2025

SOCIETY INFORMATION AS AT 31ST DECEMBER, 2025

Board of Directors

Weldon Kipngetich Langat
Chairman

Mary Wambui Wanyika
Vice Chairman

Dennis Motabori Matundura
Hon. Secretary

Patrick Malongo Lidovolo
Treasurer

Peter Wagereka
Member

Lemarimpe Parsumpati
Member

David Matendechere Okoma
Member

Supervisory Committee

Mr. Ronald Ingala
Chairman

Mrs. Mary Mwaki
Secretary

Mr. Gregory Otaalo
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

VICTOR MUTISYA & CERTIFIED PUBLIC ACCOUNTANTS
Nacico Plaza & Chambers Starehe,
4th Floor, Moi Avenue, Nairobi

CDF Savings & Credit Co- operative Society Limited

La –Coline Apartments in Upper Hill, Near NIC Building along Masaba Road
P.O. Box 46682 -00100 Nairobi, Kenya
Email: cdfsaccoltd@gmail.com
Mobile: 0727624874

Date 13th March 2026

NOTICE OF CDF ANNUAL GENERAL MEETING 2026

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, 28th March, 2026** from **9:00 am at the Weston Hotel, Langata Nairobi** to transact the following Business:

AGENDA

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 8th March 2025;
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 2025 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 2026/2027 Society budget;
6. To receive and consider the Supervisory Committee's 2025 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 2025,
   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. Amendment of By Laws
11. To consider any other business for which Notice has been given in the manner prescribed by the ByLaws.

Yours Faithfully,

B.O. D Hon. Secretary

Dennis Matundura

Copy to: Co-operative Officer

: Daniel and Associates (CPA-K) Auditor

: Sasra

CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

AGM MINUTES OF THE MEETING HELD ON 8th MARCH 2025.

CDF SAVINGS AND CREDIT CO- OPERATIVE SOCIETY LIMITED

AGM MINUTES OF THE MEETING HELD ON 08 MARCH 2025 AT WESTON HOTEL AT 10:31 AM

PRESENT

1.	Mr. Weldon Langat	Chairman
2.	Ms Mary Wanyika	Vice chair
3.	Mr. Dennis Matundura	Hon.Secretary
4.	Mr Patrick Lidovolo	Treasurer
5.	Ms. Dinah Wanja	Board Member
6.	Mr David Okoma	Board Member
7.	Mr Jacton Ojow	Board Member
8.	Mr. Ronald Ingala	Supervisory Committee Chairman
9.	Ms. Mary Mwaki	Supervisory committee Secretary
10.	Mr Peter Wagereka	Member
11.	Mr Lemarimpe Parsumpat	Member
12.	Mr John Ngatia	Member
13.	Mr Henry Githere	Member
14.	Mr Samuel Nzuki	Member
15.	Mr Kennedy Chacha	Member
16.	Mr Alfred Mwangi	Member
17.	Mr.Nicodemus Oyalo	Member
18.	Mr. David Araka	Member
19.	Mr. John Nderitu	Member
20.	Mr. Abdisalan Abdi	Member
21.	Mr. Timothy Njichi	Member
22.	Mr. Isaac Wamugunda	Member
23.	Mr. Gregory Otaalo	Member
24.	Mr.Stephen Kwena	Member
25.	Mr.Naphtally Ochuma	Member
26.	Mr.Boaz Odeyo	Member
27.	Ms. Josephine Mutua	Member
28.	Mr. Ezekiel Kitunguu	Member
29.	Mr. Paul Magut	Member
30.	Mr.Samuel Mutisya	Member
31.	Mr. Jessi Mathuu	Member
32.	Ms. Carol Kariuki	Member
33.	Mr. Edwin Lecha	Member

34. Mr. Elias Kimaiyo	Member
35. Ms. Sylvia Andati	Member
36. Mr. Jackson Omari	Member
37. Mr. Michael Ouna	Member
38. Mr. Kelvin Kairu	Member
39. Ms. Joyce Nasike	Member
40. Mr. Peter Achar	Member
41. Mr. George Kobiero	Member
42. Mr.Silverius Wakoli	Member
43. Mr. George Kamau	Member
44. Ms. Purity Wanjiru	Member
45. Mr.Jesee Mbuthia	Member
46. Mr.Evans Machira	Member
47. Ms.Anne Muema	Member
48. Mr.Phares Karanja	Member
49. Ms.Antonine Sakwa	Member
50. Mr.Haron Rotich	Member
51. Mr.Anthony Muchangi	Member
52. Mr.Robinson Sampo	Member
53. Mr. Philip Odida	Member
54. Mr Japheth Nzenge	Member
55. Moses Agolla	Member
56. Ms Mary Kariuki	Member
57. Mr Michael Mamo	Member
58. Mr Patrick Oketch	Member
59. Mr. Nicholas Kimanz	Member
60. Ms. Stella Tayo	Member
61. Ms Rose Masenga	Member
62. Mr Duncan Emuron	Member
63. Mr Harrison Wachira	Member
64. Mr Aziz Juma	Member
65. Mr Victor Omondi	Member
66. Ms Jenaide Wangechi	Member
67. Mr Simon Mutuku	Member
68. Ms Elizabeth Nyabuto	Member
69. Ms Diana Sastia	Member
70. Ms Beryl Achieng	Member

71. Mr Anthony Lagat	Member
72. Mr Newman Mbai	Member
73. Mr David Kaberia	Member
74. Ms Jane Kariuki	Member
75. Ms Jane Muchira	Member
76. Mr Winstone Lihanda	Member
77. Mr Joel Myantet	Member
78. Mr Phillip Omollo	Member
79. Ms Antonine Sayo	Member
80. Mr Kenneth Njonjo	Member
81. Ms Leunidah Joshua	Member
82. Ms.Benadette Alele	Sacco Staff
83. Ms.Maureen Kamau	Sacco Staff
84. Ms.Jacintah Wambui	Sacco staff

IN ATTENDANCE

85. Mr Hillary Musina	DCO Lang'ata Sub County
86. Mr. Larry Mutie	Co-operative Bank Official
87. Ms Florence Kimeu	Daniel & Associates

ABSENT WITH APOLOGIES

88. Mr.Justus Mbindo	Member
89. Mr Edwin Nyamu	Member

AGENDA:

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:
    a. Dividends, Interest Rebates and Honoraria for the year ended 31st December 2024,
    b. Appointment of External Auditors,
    c. 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 By Laws.

PRELIMINARIES

- The meeting was called to order by the chairperson Mr. Weldon Langat at 10:40 am followed by a word of prayer from Ms. Dinah Wanja.
- The chairman then welcomed all members,invited guests and the Co-operative officer Langata sub county Mr Hillary Musina. He thanked them for making time for the meeting and he then requested all present members to do a brief introduction of themselves.

MIN 01/AGM 08/03/2025: READING OF THE NOTICE CONVENING THE MEETING AND ADOPTION OF THE AGENDA

- The Hon Secretary Mr. Dennis Matundura read out the notice convening the day's meeting and Agenda, which was adopted for discussion as was proposed by Mr.Stephen Kwena and seconded by Mr Michael Ouna.

MIN02/AGM 08/03/2025: READING AND CONFIRMATION OF PREVIOUS MINUTES

- The minutes of the previous AGM held on 23 March 2024 were read out by the Hon. Secretary and confirmed to have been true records of the deliberations through a proposal from Mr. Peter Achar and seconded by Mr Boaz Odeyo.

MIN03/AGM 08/03/2025: MATTERS ARISING FROM PREVIOUS MINUTES

- **Guarantorship and loaning to members**

  Mr. Patrick Oketch urged the management to routinely look into members' contracts term period as and when they receive loan applications and equally notify guarantors of these term periods.
- **Recovery of defaulted loans from guarantors**

  Mr George kamau urged the management to ensure they recover defaulted loans from guarantors by introducing the deduction of defaulted guaranteed amounts and a withdrawal clearance form.

- **Sacco collateral Policy and the Portfolio at Risk (PAR)**

  Mr. Simon Kipaika reminded the Board and management to operationalise the Sacco collateral policy for this will not only minimise the Portfolio at Risk but it will also safeguard members' deposits.

RESPONSES

- The Sacco Manager notified the membership that management is always in constant liaison with the Ng Cdf Board Human resource department before giving loans to members.
- The chairperson also notified the membership that despite the PAR being above the 5% required minimum there was a slight notable reduction to 8% in 2024 compared to 17% in 2023.

MIN04/AGM 23/03/2024: THE CHAIRMAN'S REPORT

The chairperson presented to the meeting the chairman's report which was adopted for discussion as was proposed by Mr. David Murungi and seconded by Mr. Samuel Mutisya.

The report highlighted the following issues:

- Kuscco shares amounting to Ksh 2,660,000 were written off in the 2024 books of accounts as was instructed by the regulator.
- On matters recovery of defaulted loans; the management forwarded Joshua Orero's case to the tribunal and a warrant of attachment of his assets amounting to the amounts in default was issued. The Sacco is in pursuit of the same through Lysa Joy Auctioneers.
- The importance of filling the Next of Kin (N.O.K) forms and updating members Bio Data at the Sacco.
- The board will finalise the Sacco's collateral policy to enable members use collateral as an additional security when borrowing loans.
- The Sacco's continuity into the foreseeable future as NG CDF Board is expected to wind up its operations in June 2026 as per the court ruling.

REACTIONS

- Mr Phares Karanja urged the management to do a follow up with Kuscco to try to recover the Ksh 2,660,000 invested with them.
- Mr David Murungi requested the management to equally forward the other defaulters to the Tribunal.
- Mr Jackson Omari urged the management to consider registering with Credit Reference Bureau so as to list the defaulters and bar them from accessing credit elsewhere until they repay the Sacco debts.

- Mr. Timothy Njichi also requested the management to consider handling defaulter cases within a six-month period.
- Mr George Kamau requested the chairman to shed more light on the mechanisms that the management have put in place in the event the NG CDF Board winds up its operations come June 2026.

RESPONSES

- The chairperson assured the membership that management will follow up on the Kuscco issue in a bid to recover the written off funds.
- He also notified the membership that going forward loans will be issued upon verification with the NG CDF Human resource department that the loan applicants are in good standing in matters employment.
- The chairperson notified the members that the Sacco will register with the credit reference bureau in 2025 but equally cautioned them that listing of defaulters would hinder them from accessing credit facilities in other instititutions until their amounts are fully paid.
- The chairman also informed members that management have ensured that come June 2026 in the event the NG CDF winds up operations; the Sacco will be able to refund members deposits and all loans will be within deposits with very minimal exposure.

MIN05/AGM 08/03/2025: THE SUPERVISORY COMMITTEE REPORT

The Chairman of the Supervisory committee Mr. Ronald Ingala Presented the SC report which highlighted notable successes and noted areas for improvement as follows:

- The Areas of success mentioned were: revenue growth, increase in loan uptake, Training and educating of members, Good Governance by the board and compliance by management.
- Noted areas for improvement were: stagnation in growth of Sacco membership and dormant membership, defaulted loans and recovery of defaulted loans from guarantors, percentage of total expenses over net revenue in 2024 and tax penalty.

The report was proposed by Mr Evans Machira and seconded by Mr Phares Karanja for discussion.

REACTION

- Members were concerned with increase in total expenses in the year 2024.

RESPONSE

- SC chairman, Mr Ronald Ingala explained that the increase in the expenses was as a result of writing off Kuscco shares and fully providing for all the Sacco loans.
- The Board chairman also assured the members that the management will work on modalities of minimising Governance expenses.

MIN06/AGM 08/03/2025: THE TREASURER'S REPORT AND SACCO BUDGET ESTIMATES FOR THE YEARS 2025/2026

Board Member, Ms Dinah Wanja Read out the treasurer's report on behalf of the Board Treasurer, which touched on the following areas:

- Sacco's performance in 2024
- Compliance with prudential standards
- Approval for Disposal of surplus

Board member, Ms Dinah Wanja also presented the Budget estimates for the years 2025/2026.

Both the treasurer's report and budget were proposed for adoption and discussion by Mr Gregory Otaalo and seconded by Mr Naphtally Ochuma.

REACTIONS

- Members raised concerns over the increase in total expenses and requested the management to consider minimising costs.

RESPONSES

- The Board chairman assured the membership that in the next financial year; the board will endeavour to reduce operational costs.

MIN07/AGM 08/03/2025: PRESENTATION AND APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2024

- The Society's Audited Financial statements for the year ended 31st December 2024 were presented to the meeting by the society's External Auditor (Daniel & Associates)
- The statements were proposed by Mr. Kennedy Chacha and seconded by Mr. Patrick Oketch.
- Members approved the contents of the financial statements as presented:
    - Honoraria -The Members agreed to pay the board of directors for the good work and commitment they have shown for the past one year. They

commended the Board and approved Honoraria of kshs 1,500,000. This was proposed by Mr. Stephen Kwena and seconded by Ms.Josephine Mutua

- Staff Bonus-The members agreed to pay staff Bonus of kshs 120,000 to the three Sacco employees.This was proposed by Mr David Murungi and seconded by Mr Gregory Otaalo.
- Interest on member Deposits was approved at 15.2 million. This was proposed by Mr. Gregory Otaalo and seconded by Mr Boaz Odeyo.
- Dividends was approved at 0.843 million. Mr.John Wachira seconded by Mr.Henry Githere proposed this.

MIN08/AGM 08/03/2025: APPOINTMENT OF EXTERNAL AUDITORS FOR THE YEAR 2025

The following firms had expressed their interest in auditing the sacco in the year 2025 as was presented by the Supervisory Committee Chairman:

Name of Firm	Audit Fees	Approved by Sasra
Makeni Mutua & Associates	Not Stated	YES
Mbiyu Muhia (CPA)	171,600	YES
Victor Mutisya & Company	116,000	YES

The members appointed Victor Mutisya & Company as the society's external auditor for the year 2025. This was proposed by Mr. Stephen Kwena and seconded by Ms Josephine Mutua.

MIN09/AGM 08/03/2025: PRESENTATION OF SASRA OBSERVATIONS ON THE SOCIETY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2024

- The Board Chairman presented SASRA observations on Audited financial statements for the period ended 2024 to members.
- The report highlighted the following areas:
  - The audited financial statements fairly comply with Regulations subject to the External Auditor's Opinion.
  - The management was advised to consider diversification of sacco investments and reduce the provision for bad debts.

MIN10/AGM 08/03/2025: AGM RESOLUTIONS

- Victor Mutisya and company were appointed as the society's external Auditors for the year 2025.
- Indemnity of the Directors was fixed at Kshs 700,000 as proposed by Mr John Ngatia and seconded by Mr Gregory Otaalo.
- Maximum Borrowing powers were fixed at ksh 50 million. This was proposed by Mr. Evans Machira and seconded by Mr.Peter Achar.
- Members agreed that management should consider registering with Crb as was proposed by Mr Jackson Omari and seconded by Mr Naphtally Ochuma.
- Members resolved that Board should devise modalities of reducing governance expenses as proposed by Mr Simon Kipaika and seconded by Mr Evans Machira.
- 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.

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

The Sacco Manager took the members through the draft election policy. The policy was adopted for discussion as was proposed by Mr Gregory Otaalo and seconded by Mr Stephen Kwena.The following amendments were proposed:

Page	Election Policy	Ammendments
1	Secretary to the nomination/vetting committee	The Sacco manager shall be an ex-official member with no voting powers. The committee secretary shall not form part of the quorum.
1	Composition of the nomination committee	The composition of the committee shall include representatives from professional bodies.
1	Eligibility requirements for nomination committee members	Persons selected to form the nomination committee must provide sworn affidavits sworn before the commissioner of oaths.
	Duties of the vetting committee	The committee will be required to issue nomination certificates and appeals if any

1	Mandate and term limit of the vetting committee	Members of the nomination committee will not exceed a term limit of three years and Page 10 of 11 will be required to seek a fresh mandate in every Agm.
7	Voting process	Exclude electronic voting from the voting process and note that the voting process shall be left at the discretion of the Co-operative officer

The members approved the implementation of the Sacco Election policy with amendments as was proposed by Mr. David Murungi and seconded by Mr Naphtally Ochuma.

MIN12/AGM 08/03/2025: REMARKS BY THE COUNTY CO-OPERATIVE OFFICER

The Co-operative Officer Langata Sub County, Mr Hilary Musina gave the following remarks:

- He thanked the Board for holding the AGM on time and presenting nominees for the first time.
- He urged the members to embrace and attend members' education trainings for an informed membership makes informed financial decisions.
- He also urged the membership to continue patronising Sacco products which are at a lower interest rate compared to other financial institutions.
- He also reminded the membership that share capital cannot be revised downwards hence introduction of class b share capital was not possible.
- The County Co-operative officer took the members through the legal provisions of elections as governed by the co-operative society's Act.
- He then proceeded to inform the members that the office was in receipt of nomination application forms from members for four board members and one supervisory member vacancies. He also notified the members that one board member, Ms. Dinah wanja had voluntarily resigned.
- He declared three board of directors and one supervisory position vacant:
    1. Mr. Gregory Otaalo was elected as a supervisory member unopposed as was proposed by Mr. Kennedy Chacha and seconded by Ms. Josephine Mutua.
    2. Mr. Weldon Langat was re-elected as a board member upon garnering 30 votes.This was proposed by Mr Gregory Otaalo and seconded by Ms. Josephine Mutua.
    3. Mr Peter Wagereka was newly elected as a board member upon garnering 26 votes.This was proposed by Mr. Henry Githere and seconded by Ms. Dinah Wanja.

4. Ms Mary Wanyika was re-elected as a board member upon garnering 25 votes.This was proposed by Mr Alfred Mwangi and seconded by Mr George Kamau.
5. Mr Lemarimpe Parsumpat was newly elected as a board member upon gathering 9 votes.This was proposed by Mr John Wachira and seconded by Mr John Ngatia.

MIN13/AGM 08/03/2025: ADJOURNMENT

- Board Chair, Mr. Weldon Langat gave a vote of thanks on behalf of the board and management where he thanked CDF Sacco members for patronising Sacco products and services. He also thanked CDF Sacco management for their continued support and exhibiting a show of confidence in him by re-electing him to serve in the Board once again.
- There being no other business the meeting was adjourned at 3:10pm with a word of prayer from Ms. Josephine Mutua.

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

PREAMBLE

County Co-operative Officer, Guests invited, members of supervisory committee, fellow members, CDF Sacco staff, Fellow directors, Ladies and Gentlemen.

On behalf of Board of Directors, staff and entire membership of CDF Sacco, it is my humble pleasure to welcome you all to this year's Annual General Meeting. We are privileged in our midst to have the presence of the County Co-operative officer who has always been available to grace this occasion despite his busy schedule.

During the year 2025, the National Government constituencies development fund(NG-CDF) faced critical challenges regarding its legality and effectiveness. Members as you all know that despite our Sacco opening its common bond we still draw almost 90% of our membership from the NG-CDF Board and due to the crippled uncertainties that had surrounded the continuity of the fund; the management in a bid to safeguard the members' deposits resorted to issuing loans recoverable within the fund's expected winding up date i.e. 30th June 2026. This consequently led to the Sacco's 2025 performance being impacted negatively through its inability to meet the 2025 Budget Targets on revenue generation.

Despite all these challenges during the year under review, kindly allow me highlight our key areas of operations:

1. Sacco Operations

In 2025, our operations were characterized by a "safety-first" approach. To protect your wealth against the fiscal uncertainties of the NG-CDF, we transitioned to a conservative lending model.

Whilst this shift meant we did not meet our initial revenue targets for the year, it ensured the absolute liquidity and stability of the Sacco.

2. Membership

Our membership remains the cornerstone of this Sacco. In 2025 the Sacco continued to pursue the core activities of mobilization of deposits and offering affordable credit to its members in order to uplift their social economic standard.

Despite the anxieties surrounding the fund's continuity, our member base has shown remarkable resilience. While 90% of our members are drawn from the NG-CDF Board, we have seen slight growth in new membership during the year under review. As things presumably look, diversification is no longer just an option; it is our primary strategy for ensuring the Sacco's longevity beyond the 2026 horizon.

3. Share Capital and Member Deposit

I am pleased to report that members have continued to honor their monthly contributions despite the tough economic conditions. Our Share Capital remained robust at ksh 17.06 million (up from 16.8million in 2024), providing a strong cushion for our statement of financial position.

Dear members, the Board would like to propose to you to consider allowing Sacco membership to purchase dormant share capital at a 15% discount as a way of retaining funds internally rather than transferring them to the Unclaimed Financial Assets Authority (UFAA). This will be a strategic move to preserve the Sacco's capital base.

The Member Deposits have also remained stable at ksh 214.5 million (up from 204 million in 2024); our decision to limit loan recovery to June 30th, 2026, was specifically designed to ensure that every shilling you have entrusted with us is backed by recoverable assets.

We continue to encourage members to increase their non-withdrawable deposits in order to enhance their borrowing power, increase their dividends and interest rates on member deposits.

In 2026 going forward, the board is aiming at exploring new product frontiers focusing on digital convenience subject to approval by the regulator(SASRA).Below is an outline the products:

	PRODUCT	FEATURES
I.	Qaribu Loan	• Maximum Entitlement is ksh 360,000 • One third (1/3) of the loan applied shall be utilized as Sacco savings and the member shall get two thirds (2/3) as the net loan. • The interest is 12% per annum on reducing balance. • Maximum repayment period is 24 months.
II.	Boresha Loan	• Savings multiplier applicable shall be 4 times up to a maximum Loan amount of ksh 5,000,000 • Maximum repayable period is 72 months. • Loan top up eligibility is subject half loan repayment. • The interest is 15% per annum on reducing balance.

4. Financial Performance (FY 2025)

During the period under review, the Sacco maintained steady support for member financial goals despite the earlier stated constraints. Members, our 2025 Key financial performance Indicatorsare as follows:

- **Dividend & Interest Payout:** The Board recommended a dividend of 7% on fully paidup shares and an interest of **8%** on deposits. Members, as is a standard accounting treatment for recovery of impaired assets in Kenyan SACCOs, subject to specific regulatory conditions; the Board would like to seek your approval to write back Kshs 1.9 million of withheld defaulters' interest on member deposits to reserves, following the full provisioning for their defaulted loans in Sacco Accounts. The write-back to reserves will increase the Sacco's core capital and ultimately improve compliance with minimum capital requirements.
- **Total Payout:** The total amount to be paid out to members increased to **Ksh 18.4 million,** up from Ksh **16.1 million** in 2024.
- **Asset Base:** The Sacco's asset base grew to approximately **Ksh 284.2 million up from kshs 267 million,** showing resilience despite conservative lending.
- **Loan Book:** There was a significant decline in the Sacco's loan book to **ksh 198.7 million down from ksh 230.2 million.** This is a notable **13.7% drop** in the lending portfolio and the shift suggests the Sacco tightened its **credit policy so as to safeguard members' deposits.** The decline was attributed to the court case that had threatened the lifespan of the NG CDF.

5. Governance

Members, governance is viewed as the "cornerstone of success," ensuring accountability, strategic decision-making and protection of members' interests.

CDF Sacco's structure is built on transparency, integrity and ethical conduct. Our Board of Directors comprise of 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 represent an essential aspect of our cooperative model, allowing members to have a direct voice in the governance and decision-making processes of our Sacco.

In order to protect this very right to vote given the external delays we faced last year, we must adapt our procedures for this year. As noted, the uncertainty surrounding the NG-CDF interfered with the timely constitution of the Sacco's vetting committee and in order to ensure we do not stall our democratic process again, we are proposing the below mentioned specific amendments be done to the Sacco Bylaws, Election and Board Remuneration Policy.

REF No.	ELECTION POLICY	AMENDMENTS
2.0 iii	A twenty-one (21) calendar days' notice inviting applications for acancies on the Supervisory Committee and the Board of Directors shall be issued by the Secretary to the Vetting Committee in the month of November before the AGM	Revise to notice be issued 60 (sixty) days before end of the Financial year.
2.1 iii	The other three (3) positions shall be filled by Religious person's representatives (Both from the Islam and Christian fraternity), and any other body/ institution to be selected by the Board of Directors from professional bodies registered in the Republic of Kenya.	The other three positions will filled by persons registered in the Republic of Kenya i.e. from the parent organisation.
2.2 r	Must not be from the same organization of any other member currently serving in theBoard of Directors or the Supervisory Committee	Exclude this part as the Sacco currently draws its entire membership from one organization
REF	**BOARD REMUNERATION**	**POLICY AMENDMENTS**
	The current policy does not outline Board targets commensurate to set remunerations	Consider introducing a Board/supervisory performance evaluation system. Two Sacco members to be appointed on a two year non- renewable contract as lead evaluators to oversee the implementation of the evaluation and give their findings during the next AGM.
REF No.	**SACCO BY LAWS**	**AMENDMENTS**
15.2	Eligibility for membership to the Board and supervisory committee requirements	Include the one(1) million share deposit resolution as a requirement
15.1	Board of directors term limit.	Introduction of board of directors' term limit.

Given the logistical delays in constitution of the vetting committee by November 2025 as is stated in the election policy, the Board proposes a one-time suspension of the prevetting timeline for this 2026 election cycle so as to ensure that no member is disenfranchised and that the leadership transition remains legitimate. Therefore, with your permission, we shall proceed with nominations and voting directly on the floor today so as to ensure that every member has a direct voice in our future."

In light of the above, we have 2 Board members and 1 supervisory committee member who are retiring namely; Dr. CPA Patrick Iidovolo, CPA Dennis Matundura and CPA Mary Mwaki respectively.

6. Future Outlook

As we look beyond the current financial year, the Board is optimistic about the potential extension and stability of the NG-CDF. With the legal clouds clearing, our primary focus is to transition from a "defensive" posture back to an aggressive growth strategy and the Sacco plans to:

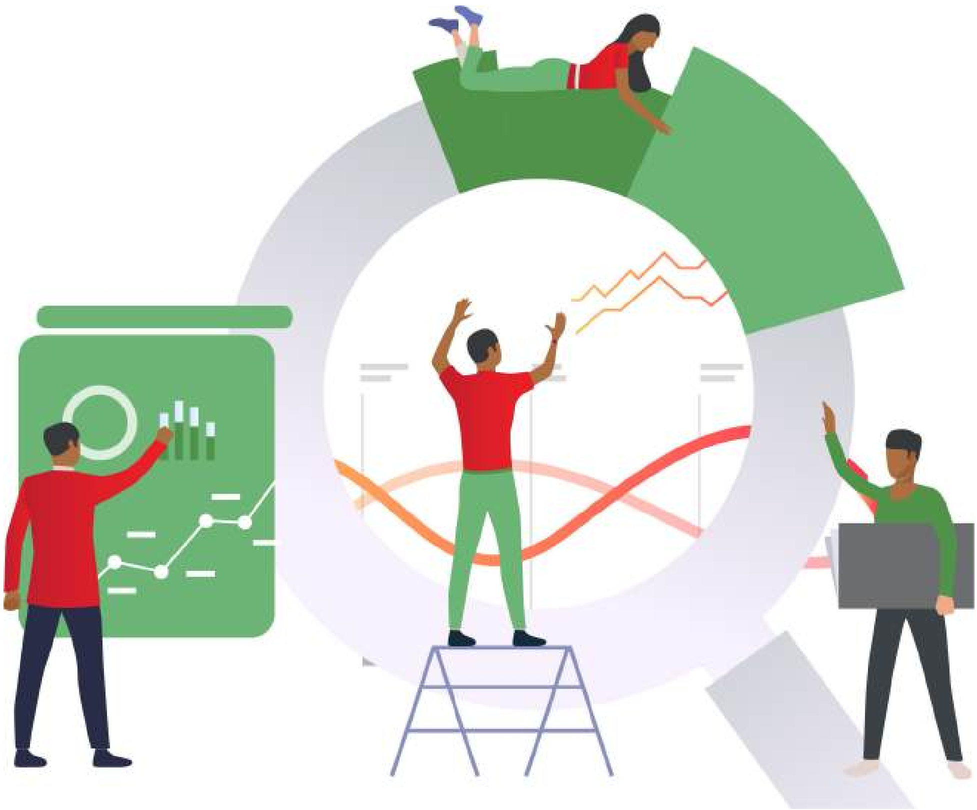
- **Restore Long-Term Lending:** Revenue targets were missed in 2025 due to a "safetyfirst" model that restricted loan recovery to a June 2026 cutoff. We will immediately review the current loan repayment ceilings, moving away from the June 2026 cutoff to offer longer-term credit facilities that support your personal development goals.
- **Aggressive Recruitment and Diversification:** We will launch a nationwide drive to recruit members from the both public and private sectors, ensuring that while the NGCDF remains our foundation, it is no longer our only pillar and hence reducing the 90% dependency on the NG-CDF Board by recruiting from the general public via the **Open Common Bond.** Members are encouraged to embrace the Sacco's refer & earn program to recruit more members i.e. be ambassadors of the Sacco.

The Board is committed to ensuring that CDF Sacco remains your financial partner of choice, regardless of the shifting tides in the national legislative landscape.

Conclusion

Ladies and gentlemen, let me take this opportunity to thank all of you for attending this year's Annual General Meeting. I also wish to recognize and appreciate the support by the Ministry of Co-operatives, our bankers and Insurance companies and all other stakeholders.
GOD BLESS US 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 SUPERVISORY COMMITTEE REPORT TO THE AGM MEETING HELD ON 28TH MARCH 2026 AT THE WESTON HOTEL.

1. INTRODUCTION

Supervisory Committee extends its sincere appreciation to the Board of Directors, the members, the management team, and staff for entrusting us with the responsibility to execute our mandate. Throughout the year, we have diligently undertaken the following core responsibilities:

- Reviewed the financial statements and overall financial health of the Sacco.
- Monitored the performance of the Board and management.
- Ensured compliance with relevant regulatory frameworks.
- Identified, assessed, and monitored risks affecting the Sacco.

Our main objective remains to safeguard the interests of members and ensure that CDF Sacco operates with integrity, transparency, and accountability.

2. GOVERNANCE

CDF Sacco has continued to consistently maintain a robust governance structure, which has been instrumental in ensuring stability over the past years. Over the 2025 period, the Board of Directors and the Management Team fostered a collaborative environment that has ensured stability in the Sacco despite challenges we faced attributed to the uncertainties surrounding the NG CDF Fund where the Sacco draws its entire membership.

This teamwork has been significant in helping the board and management to work effectively.

3. FINANCIAL PERFORMANCE

Financial performance is a key measure of productivity in the Sacco. The determinants of financial performance include Sacco Investments, performance of the loan book and prudent expenditure among others.

Below is an analysis of the major determinants of CDF Sacco's financial performance:

i. Performance of Loan Book

A Sacco's loan portfolio constitutes the largest asset and primary income source, making its managementcentral to productivity. The SC noted a notable increase in the total delinquent loans to gross loans portfolio from 8% in 2024 to 10% in 2025 which we can all attribute to the delayed renewal of employment contracts because of the uncertainty in continuity of the NG CDF fund but with the restoration of normalcy we hope that this will be regularized.

ii. Sacco Expenses

Table 1. Sacco Expenses

	2025 Ksh	**2024 Ksh**	**% Variance**
Personnel Expenses	3,469,560	2,985,505	16.2%
Administrative Expenses	2,160,410	2,196,691	-1.7%
Governance Expenses	2,563,950	3,319,350	-22.8%
Financial Expenses	994,676	7,658,867	-87%
TOTAL	**9,188,596**	**16,160,413**	

From the above table, the SC noted the following:

- Personnel expenses increased by 16.2% due to the approved annual increase in staff salaries.
- Financial expenses reduced by 87% because the Sacco had fully provisioned for bad debts.

In line with the above observations, the SC would like to recommend to the Board to ensure a robust loan approval process is adhered to that involves thorough credit assessments to mitigate the risk of defaults.

iii. Interest Earned

The SC noted a 11% decline in Interest income from Ksh 37,524,643 to ksh 33,465,882 which was unavoidable since the management prioritized long-term stability over short-term gains.

iv. Return on CDF Sacco investments.

Table 2: Return on investments

	2025 Ksh	2024 Ksh	% Growth/(Decline)
Interest from CIC MMF	902,713	1,322,611	-31.75%
Interest from on call deposit	1,642,562	479,439	242.6%

From the above table, the SC noted the following:

- Interest earned from CIC Money markets declined by 31.75% indicating a decrease in the effective yield i.e. CIC MMF yield hovered around 8.5%-10.6%.
- Interest earned from on call deposit increased by 242.6%

In line with the above observations, the SC would like to recommend to the Board to invest in portfolios that have returns.

4. REGULATORY COMPLIANCE AND RISK MANAGEMENT

The Society has demonstrated commendable compliance with the requirements of all relevant regulatory bodies. Our review of the staff operations, management practices, board activities, committee functions, and internal audit processes reveals a strong commitment to best practices.

The SC would like to commend the Board and management for meeting the regulatory requirements despite the challenges faced in the year under review as below outlined:

KEY RATIOS	Standard	2025	2024	Remarks
Retained Earnings & Disclosed Reserves / Core Capital.	50%	58%	54%	Compliant
Core capital / Total Assets	8%	14%	14%	Compliant
Liquid Assets /Total Deposits & short term liabilities	10%	36%	11%	Compliant
Total delinquency loan / Total loan portfolio	5%	10%	8%	Not Compliant

We the SC conduct regular quarterly audits and report our findings in order to ensure that the Sacco complies with internal policies and regulatory requirements. The SC also noted that one of the requirements by SASRA for approval of Sacco financial statements is for the Internal Auditor to provide an opinion on financial statements before they undergo external audit.

5. FUTURE OUTLOOK

CDF Sacco is our society, and our strength lies in the active involvement by our members. Looking into the future, we call for the following:

- Enhanced member engagement and participation in members' training programs on financial literacy.
- The Board and management derive educational forums that empower our members.
- Rebranding of the Sacco's name in a bid to aid the recruitment of members from other organizations.
- Diversification of the Sacco's membership Income beyond the traditional NG-CDF base to cushion the Sacco against fluctuations in the Fund in future.
- The management to foster enhanced Risk Management trough continued strengthening of its Anti-Money Laundering (AML) compliance.
- The management to embrace digital Transformation by Investing in technology that improves efficiency in service delivery and reporting.

6. CONCLUSION

We extend our gratitude to the members, Board, management, and staff for their continued cooperation and dedication to CDF Sacco's growth and sustainability. With collaborative efforts and focus on aggressive growth strategies now that the fund's continuity is fully secured, we are confident that the Sacco will continue to thrive and deliver value to all its stakeholders.

Ronald Ingala K	Mary Mwaki	Gregory Otaalo
Supervisory Chairman	Supervisory Secretary	Supervisory Member

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

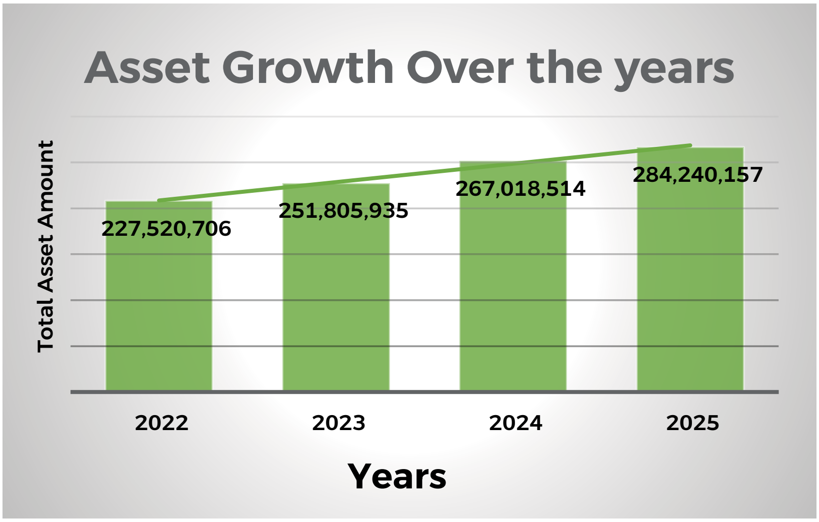
TREASURER'S REPORT

Greetings CDF Sacco members, invited guests, staff, Ladies and Gentlemen. For the financial year ended 2025, CDF Non-WDT Sacco demonstrated resilience by navigating the challenges surrounding the NG-CDF fund. Despite these uncertainties surrounding the fund, the Sacco was able to maintain a resilient operational performance, focusing on member-centric service delivery, robust financial management and ensuring continued value for all stakeholders.

SACCO PERFORMANCE IN 2025

1. TOTAL ASSETS

Our total assets during this period depicted a modest growth of 6.4% growth in our total assets from Ksh. 267,018,514 to Ksh. 284,240,157 as of 31st December 2025. 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

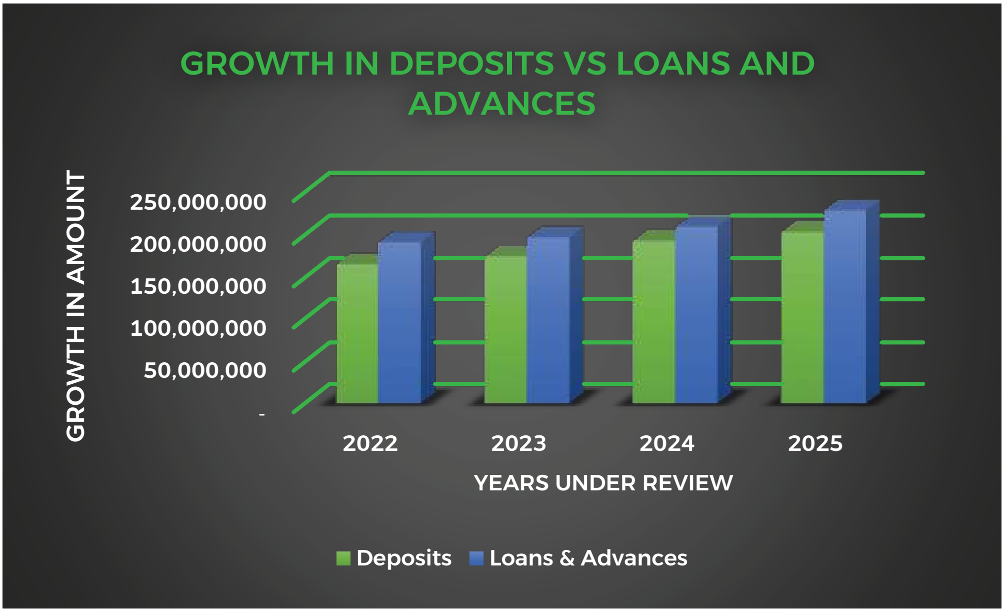
Our members' deposits have also shown growth during this period. In the year just ended, we posted a slight growth of 5.12% in members' deposits from Kshs. 203,993,271 in 2024 to Kshs. 214,490,343 despite refunds amounting to ksh 7,638,328, underscoring the trust and confidence our members have in CDF (NON-WDT) Sacco Limited as their preferred financial institution.

This growth in deposits, though not rapid, reflects our commitment to providing safe and reliable savings options for our members.

3. LOANS AND ADVANCES

I am proud to announce that given the constraints we faced in the year under review; we endeavored to ensure timely disbursement of loans and catered to the diverse financial needs of our members. This commitment has contributed to maintaining stable liquidity within the SACCO despite the decline in growth of loans advances by 13.7% from Kshs. 230,209,391 to Kshs. 198,691,225.

Our focus going forward will be on refining loan appraisal processes which will be expected to yield an improved performance in 2026. Notably, we raised our Quick cash loan maximum accessible limits from KShs 70,000 to KShs 100,000 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 decline, primarily attributable to the "safety- first" approach adopted by the management against the fiscal uncertainties that surrounded the NG CDF fund.

We witnessed a 11% decline in income from KS 37,524,643 to KS 33,465,882 demonstrating a downward trajectory. While it is clear that the management prioritized **long-term stability** over short-term gains, going forward given the clarity over the fund's continuity the Sacco is expected to achieve remarkable growth in this coming year.

5. TOTAL EXPENSES

Regarding our Sacco's expenses over this period, I am pleased to report that we have maintained disciplined financial management practices. The Board used prudent approaches of minimizing cost and ensured that the Sacco achieved sustainable profit of Kshs. 7,118,059. Our 2025 total expenses reduced down to Kshs. 9,188,596 from Kshs. 16,160,413 in 2024 leading to the total expenses to total revenue ratio declining from 43.07% to 27.46 in 2025.

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 2025 audited and approved accounts

.

The same is presented before this AGM for ratification as follows; Kshs. 17.2million (interest on deposits), Kshs. 1.1million (dividend on shares), Kshs. 1.0 million (Honoraria) and Kshs. 0.12 million(staff Bonus). The total return to members of KS 18.4 million (dividends plus interest on deposits) represents 51.3% of the total income.

COMPLIANCE WITH PRUDENTIAL STANDARDS

Overall, I am happy to share that CDF (NON-WDT) Sacco Limited is on an upward trajectory, expected to be driven by our financial performance and unwavering commitment to excellence in the coming year. In 2025 CDF Sacco achieved the regulated capital threshold ratios and even surpassed them. Our operational ratios and liquidity ratios also surpassed regulator requirements as below highlighted, reflecting our Sacco's sound financial health and operational efficiency:

KEY RATIOS	Standard	2025	2024	Remarks
Core capital/Total Assets	8%	14%	14%	Compliant
Core capital/Deposits	7%	19%	18%	Compliant
Liquid Assets/Total deposits &short term liabilities	10%	36%	11%	Compliant
Total delinquency loan/Total loan portfolio	5%	10%	8%	Not Compliant

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

CS/12181 CDF SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
DRAFT 2026 & 2027 BUDGET

ACCOUNT TITLE	ACTUAL DECEMBER 2024 Amount Kes	ACTUAL DECEMBER 2025 Amount Kes	BUDGET 2026 Amount Kes	BUDGET 2027 Amount Kes
INCOME				
Withdrawal Fees	5,842	21,301	39,600	39,600
Entrance / Rejoining Fee	14,000	3,000	96,000	96,000
Total	**19,842**	**24,301**	**135,600**	**135,600**
SundryIncome				
Sundry Incomes	-	-	40,000	40,000
Total	**19,842**	**24,301**	**175,600**	**175,600**
Investment Income				
CIC Interest Income	1,322,611	902,713	900,000	900,000
Dividends Income	-	-	-	-
Total	**1,322,611**	**902,713**	**900,000**	**900,000**
Total Fees, Sundry & Investment Income	**1,342,453**	**927,015**	**1,075,600**	**1,075,600**
Interest Incomes				
Interest from Bank	479,439	1,642,256	675,000	675,000
Total	**479,439**	**1,642,256**	**675,000**	**675,000**
Interest from Members Loans				
Interest from loans	28,239,841	27,264,488	33,020,297	34,000,000
Quick cash Interest	475,025	470,402	525,000	600,000
Interest received from Dividend Advance	140,326	99,368	145,155	145,155
Bridging Interest	6,847,558	3,062,049	4,800,000	4,800,000
Total Interest from Members Loans	**35,702,750**	**30,896,306**	**38,490,452**	**39,545,155**
TOTAL INCOME	**37,524,642**	**33,465,577**	**40,241,052**	**41,295,755**

EXPENSES				
Occupancy Expenses				
Office General Expenses	179,610	175,310	140,000	140,000
Office Rent	585,000	585,000	780,000	780,000
Total	**764,610**	**760,310**	**920,000**	**920,000**
Cost Of Funds				
Dividend on Members Shares	843,115	1,193,871	1,200,000	1,200,000
Total	**1,180,361**	**1,193,871**	**1,200,000**	**1,200,000**
Organizational				
Marketing	247,000	202,000	1,000,000	1,000,000
Total	**247,000**	**202,000**	**1,000,000**	**1,000,000**
Administrative Expenses				
Bank Charges	63,348	115,306	120,000	120,000
Postage Telephone and Fax Expense	93,800	43,870	72,000	72,000
Printing and Stationery	9,000	46,500	140,000	140,000
Sasra fees & Annual levy	223,649	295,114	295,114	295,114
County Licenses	45,000	46,500	55,000	55,000
Electricity & Water Bills	42,700	39,000	42,000	42,000
Repairs and Maintenance	34,000	-	30,000	30,000
Subscription Fees	-	-	33,600	33,600
Legal fees	-	-	100,000	100,000
Consultancy Fee	-	-	100,000	100,000
Audit and Supervision Fees	104,400	120,000	120,000	120,000
Debt collection Expenses	80,000	10,000	140,000	140,000
Website	-		10,000	10,000
System supportservices	363,000	378,000	348,000	400,000
Annual web hosting & antivirus license	-	-	20,000	20,000
ICT Maintenance & Repairs	-		30,000	30,000
Internet Subscription	157,188	157,188	157,188	160,000
Tax Penalty	32,344	61,928	-	-
CRB Registration	-	32,200	-	-
By product Remission Expense	124,324	155,168	200,000	200,000
Total	**1,136,085**	**1,500,773**	**2,012,902**	**1,867,714**
Governance Expense				
Committee Education and Training Expense	660,000	422,000	900,000	700,000
Committee Travel and Subsistence	591,400	623,000	1,075,000	700,000
Committee Allowance	1,331,000	655,000	1,300,000	1,300,000
A.G.M	616,950	706,950	776,000	776,000
Members Education	120,000	157,000	210,000	210,000
Total	**3,319,350**	**2,563,950**	**4,261,000**	**3,686,000**

Personnel Expenses				
Staff Out Patient & Inpatient Medical Allowance	270,000	360,000	360,000	360,000
Staff Leave Allowance	17,500	47,868	71,978	71,978
House Allowance	436,200	436,200	436,200	436,200
N.S.S.F Employer Expenses	71,220	127,734	167,640	167,640
Commuter Allowance	252,300	252,300	360,300	360,300
Salaries to Staff	1,439,340	1,799,340	2,159,340	2,159,340
Wages to Casual Staff	-	-	-	-
NITA	2,100	3,750	4,000	4,000
Staff Gratuity Employer expense	473,765	492,691	669,395	669,395
Affordable Housing Levy	24,430	39,567	48,108	48,108
Staff Travelling and Subsistence	-	-	180,000	180,000
Total	**2,986,855**	**3,559,450**	**4,456,961**	**4,456,961**
TOTAL EXPENSES	**9,634,261**	**9,780,354**	**13,850,863**	**13,130,675**
BUDGET CONTINGENCIES	-	**-**	**277,017**	**262,614**
NET INCOME	**27,890,381**	**23,685,223**	**26,113,171**	**27,902,466**

Depreciation & Amortization	117,792	92,403	90,000	90,000
Provision for Bad debts	4,693,403	599,599	4,000,000	4,000,000
Honoraria	1,500,000	1,000,000	1,500,000	1,500,000
Staff Bonus	120,000	120,000	120,000	120,000
Income before interest on members deposit	**18,901,105**	**21,963,414**	**20,403,171**	**22,192,466**
Interest on members deposits	(15,299,495)	(17,159,227)	(18,000,000)	(18,000,000)
Income before tax	**3,601,610**	**4,804,187**	**2,403,171**	**4,192,466**
Tax	(276,260)	(389,082)	(400,000)	(400,000)
Income After Tax	**3,325,350**	**4,415,105**	**2,003,171**	**3,792,466**
DEPARTMENT	**ITEM**		**QUANTITY**	**AMOUNT (KS)**
ICT	**SYSTEM SERVER**			352,000
	SERVERUPS			45,981
				397,981

Total Capital Budget				**397,981**

CONCLUSION

I wish to thank the Board, the Management, and, most importantly, you the members for your unwavering support for the last 8 years. I honor and appreciate you for. God Bless CDF Sacco, God Bless CDF Sacco members!

I remain, Your Servant in Cooperativism,

Dr. Patrick Malongo Lidovolo, PhD, CPAK
Treasurer, CDF Non-WDT Sacco


TAX

CDF REGULATED NON WITHDRAWABLE DEPOSIT TAKING SACCO LTD

FINANCIAL STATEMENTS FOR THE PERIOD ENDED

31st DECEMBER, 2025

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

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

TABLE OF CONTENTS

Society Information	46
Report of the Board of Directors	47
Statistical Information	48
Statement of Board of Directors Responsibilities	49
Report of Independent Auditor	50
Statement of Comprehensive Income	52
Statement of Financial Position	53
Statement of changes in equity	54
Statement of Cash flows	55
Notes to the Accounts	56-66

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.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....................................
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.

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

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.......................................

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.

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

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:

PREPARED BY

CEO.. ACCOUNTANT...

APPROVED BY:

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

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
2a	**Interest Income**	KSHS	KSHS
	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**

PREPARED BY

CEO.. ACCOUNTANT..

APPROVED BY:

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

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2025

	2025	2024
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**

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
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2025

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**

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

CS/12181 CDF REGULATED NON WDT SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31/12/2025

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.

PREPARED BY

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

APPROVED BY:

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

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 gratuity	-	(178,302.00)
website		(40,000.00)
Dividend on share capital	**(3,414,453)**	**(1,507,248)**

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

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.).

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

**CDF SAVINGS & CREDIT
CO-OPERATIVE SOCIETY LIMITED**

La-coline apartment - upper hill,
Masaba road gate 10
P.O. Box 466-0100 Nairobi - Kenya
Email : cdfsaccoltd@gmail.com
Website : www.cdfsacco.or.ke