



REPUBLIC OF KENYA

NAIROBI COUNTY

CS/NO.16115

CDF HOUSING CO-OPERATIVE

SOCIETY LIMITED

ANNUAL REPORT AND
FINANCIAL STATEMENTS

AS AT 31st DECEMBER 2015

Ministry of Industrialization & Enterprise Development

P.O. Box 40811 – 00100,

Tel. 2731531-9

MINISTRY OF INDUSTRIALIZATION
& ENTERPRISE DEVELOPMENT
MAIN REGISTRY
17 FEB 2016
P.O. Box 30547-00100
N.G.P.O, NAIROBI, KENYA.

CS NO 16115

C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015

SOCIETY INFORMATION AS AT 31.12.2015

MANAGEMENT COMMITTEE MEMBERS

CHAIRMAN JOSHUA ORERO
VICE CHAIRMAN DUNCAN EMURON
SECRETARY NEWTON NJENGA
TREASURER JACKTON OMONDI OJOW ELIAB
MEMBERS

SUPERVISORY COMMITTEE MEMBERS

CHAIRMAN PETER KAMAU WAGEREKA
SECRETARY SAMUEL WANDERA
MEMBER ANDREW SIGEI

REGISTERED OFFICE

CDF HOUSING SOCIETY
HARAMBEE HOUSE
NAIROBI

PRINCIPAL BANKERS

CO-OPERATIVE BANK
PARLIAMENT ROAD
NAIROBI

AUDITORS

MINISTRY OF INDUSTRIALIZATION & ENTERPRISE DEVELOPMENT
P.O.BOX 40811,
NAIROBI

CS NO 16115

C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015

Report of the management committee

The members of the management committee submitted their annual report together with the audited financial statements for the year ended 31st Dec 2015

Incorporation

The society is incorporated in Kenya under the Cooperative Societies Act, Cap 490 and is domiciled in Kenya

Principal Activity

The principal activity of the society continue to be mobilizing savings from members and provision of housing to its members

Results

	2015 KSHS
Surplus(deficit)before tax	294,545.00
Net surplus(deficit)after tax	294,545.00
Statutory reserves	(58,909.00)
Retained surplus/Deficit for the year	235,636.00

Management Committee

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

By order of the Management Committee

Signature..... *[Signature]* Date..... *12/02/16*
Secretary

CS NO 16115**C D F HOUSING CO-OPERATIVE SOCIETY LIMITED****ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015****Statistical information As at 31.12.2015**

		2015
Membership	Active	176
	Dormant	0

Financial

	<u>KSHS</u>
Members savings	12,685,500.00
share capital	8,197,000.00
Current Assets	11,284,140.00
current liabilities	20,600.00
Reserves	294,545.00
Total Assets	21,197,645.00
Total Liabilities	12,706,100.00
Revenue	406,505.00

KEY RATIOS

Liquidity Ratio	548.01:1
Percentage of expenses to revenue	27.00%

CS /NO 16115 CDF HOUSING CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015
STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES

The Co-operative Societies Act Cap 490 requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its operating results for that year in accordance with IFRS. It also requires the Management Committee to ensure that the Society keeps proper accounting records, which disclose, with reasonable accuracy, at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and ensuring that the business has been conducted in accordance to its objectives, bylaws and any other resolutions made at the society's general meeting.

The Management Committee accepts responsibility for the Annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in a manner required by the Co-operative Societies Act cap 490. The Management Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Society and its operating results in accordance with IFRS. The Management Committee further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of Internal Financial Control.

Nothing has come to the attention of the Management Committee to indicate that the Society will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the management committee on12/02/16.....and signed on its behalf by:

Chairman.....

Treasurer.....

Secretary.....

Date.....12/02/16.....

CSNO.16115 CDF HOUSING CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CDF HOUSING CO-OPERATIVE
SOCIETY LTD

REPORT ON THE FINANCIAL STATEMENTS

We have Audited the accompanying financial statements of **CDF HOUSING CO-OPERATIVE SOCIETY LTD** set out on page 6-12 which comprise the balance sheet, income statement, statement of changes in equity and cash flow for the year then ended, and summary of significant accounting policies and other explanatory notes.

THE MANAGEMENT COMMITTEE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of Kenyan Cooperative societies Act. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements and that they are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Kenyan cooperative societies Act also requires the management to ensure that the society maintains proper books of accounts which are in agreement with the balance sheet and the profit and loss account.

AUDITORS RESPONSIBILITY

Our responsibility is to express an independent opinion on the financial statements based on our Audit. We conducted our Audit in accordance with the International Auditing standards. Those standards require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the society'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 society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee as well as an evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the society's financial affairs as at 31st December 2015 and results of its operations and cash flow for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan cooperative societies Act.

REPORT ON OTHER LEGAL REQUIREMENTS.

As required by the Kenyan cooperative societies Act we report to you that the financial statements are in agreement with the books kept by the society and that, based on our audit, nothing has come to our attention that causes us to believe that the society's business has not been conducted:

- (A) In accordance with the provisions of the cooperative societies Act.
- (B) In accordance with the cooperatives objectives, by-laws and any other resolutions made by the society at a general meeting

For and on behalf of

MINISTRY OF INDUSTRIALIZATION & ENTERPRISE DEVELOPMENT.


CPA DANIEL NGUTI
AG. COUNTY DIRECTOR CO-OPERATIVE AUDIT
NAIROBI COUNTY

DATE.....15/2/2016.....

CS NO 16115

C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015

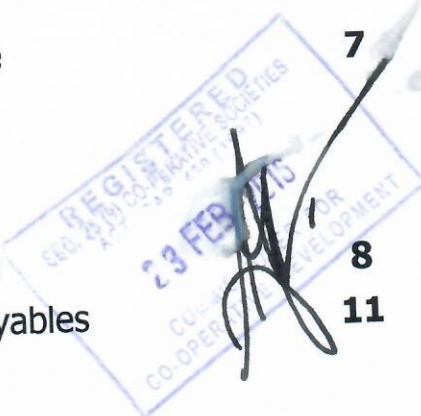
INCOME STATEMENT FOR THE YEAR ENDED 31.12.15

<u>REVENUE</u>	<u>NOTES</u>	2015 KSHS
Other Interest income	2a	230,505.00
Total interest income		230,505.00
Other operating income	2b	176,000.00
Total revenue		406,505.00
Administrative expenses	3	(98,100.00)
Other operating expenses	4	(13,860.00)
		(111,960.00)
Net operating surplus for the year before tax		294,545.00
Tax		-
Net operating surplus for the year after tax		294,545.00
20% transfer to statutory reserve fund		(58,909.00)
Surplus available for distribution		235,636.00
Surplus to retained earnings		235,636.00

CS NO 16115
C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015

BALANCE SHEET AS AT 31.12.2015

<u>ASSETS</u>	<u>NOTES</u>	2015
Cash & cash equivalent	5	2,146,285.00
Trade & other receivables	6a	9,137,855.00
Other financial Assets	6b	2,930,505.00
Asset held for sale	7	6,983,000.00
Total assets		<u>21,197,645.00</u>
<u>LIABILITIES</u>		
Members' savings	8	12,685,500.00
Trade & other payables	11	20,600.00
Total liabilities		<u>12,706,100.00</u>
<u>SHAREHOLDERS' FUNDS</u>		
Share capital	9	8,197,000.00
Reserves	10	294,545.00
Total shareholder's fund		<u>8,491,545.00</u>
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		<u>21,197,645.00</u>

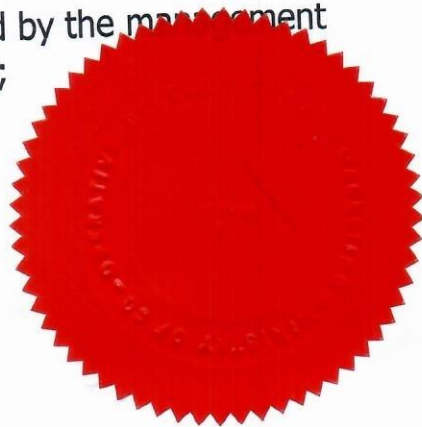


The financial statements on pages 6 - 12 were authorized by the management committee on 12/02/16 and signed on its behalf by;

CHAIRMAN [Signature]

SECRETARY [Signature]

TREASURER [Signature]



**CS NO 16115
C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2015

	SHARE CAPITAL KSHS	RETAINED EARNINGS KSHS	STATUTORY RESERVE FUND KSHS	TOTAL KSHS
YEAR ENDED 31.12.2015				
Bal as at 1.1.2015	-	-	-	-
Surplus/deficit for the year		294,545.00		294,545.00
Statutory reserve fund		(58,909.00)	58,909.00	-
Provision for tax		-	-	-
Issued share capital	8,197,000.00			8,197,000.00
Bal as at 31.12.2015	8,197,000.00	235,636.00	58,909.00	8,491,545.00

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C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015

CASHFLOW STATEMENT FOR THE YEAR ENDED 31.12.2015

	2015
	kshs
Other operating income	176,000.00
Payment to employees & suppliers	(91,360.00)
	<hr/>
Cashflow from operating assets	84,640.00
Trade & other receivables	(9,137,855.00)
	<hr/>
	(9,137,855.00)
Cashflow from operating liabilities	
Members Savings	12,685,500.00
Trade & other payables	-
	<hr/>
	12,685,500.00
Cashflow from operations	3,632,285.00
Cashflow from investing activities	
Other financial assets	(2,930,505.00)
Interest from cic	230,505.00
Increase in inventories	(6,983,000.00)
	<hr/>
	(9,683,000.00)
Cash from financing activities	
share capital	8,197,000.00
	<hr/>
	8,197,000.00
Net increase in cash & cash equivalent	2,146,285.00
Cash & cash equivalent at the beginning	-
Cash & cash equivalent at the end	<hr/> <hr/> 2,146,285.00

CS/16115

**C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015**

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2015

Note1

1. Summary of significant Accounting Policies

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

a) Statement of compliance & basis of Preparation

The financial statements are prepared in accordance and comply with International Reporting Standards. This financial statement is presented in the functional currency, Kenya Shillings (Kshs) and prepared under the historical cost convention, as modified by revaluation of assets as prescribed by IFRS.

b) Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost. Certain classes of property, plant and equipment are subsequently shown at revalued amount, based on periodic valuation by the independent valuers. All the other property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over estimated useful life. The annual depreciation rate in use are

Assets

Office Eq | Rates

12.50%

c) Statutory Reserves

Transfers are made to the statutory reserve fund at the rate of 20% of the net operating surplus after tax provision of section 47(1&2) of the cooperative society act Cap490

d) Trade and other Payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method

e) Cash and Cash equivalent

Cash and Cash equivalents comprise cash on hand and demand deposit and other shortterm highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of change in value.

CS NO 16115**C D F HOUSING CO-OPERATIVE SOCIETY LIMITED****ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015****NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2015**

	2015
	KSHS
2a Other Interest income	
Interest from CIC Unit trust	230,505.00
	<u>230,505.00</u>
2b Other Operating Income	
Registration fees	176,000.00
	<u>176,000.00</u>
3.Administrative expenses	
Pre-cooperative meeting	29,500.00
Audit & supervision fees	15,600.00
Bookkeeping and accountancy	53,000.00
	<u>98,100.00</u>
4.Other operating expenses	
Bank charges	13,860.00
	<u>13,860.00</u>
5.Cash & cash equivalent	
Co-op bank S/A	2,146,285.00
	<u>2,146,285.00</u>
6a.Trade & other receivables	
Debtor -Employer	1,537,855.00
NACHU savings	7,600,000.00
	<u>9,137,855.00</u>

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ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2015

2015
KSHS

6b Other financial Assets

CIC unit trust

2,930,505.00
2,930,505.00

7. Asset held for sale

Land deposit

5,600,000.00

Legal costs

1,120,000.00

Land search

263,000.00

As at 31/12/2015

6,983,000.00

8 .Members savings

B/F

contributions

-
12,685,500.00
12,685,500.00

9. Share capital

B/F

Issued

-
8,197,000.00
8,197,000.00

10.Reserves

Stutory reserve

58,909.00

Retained earnings

235,636.00

294,545.00

11.Trade & other payables

Audit & supervision fees

15,600.00

Bookkeeping fees

5,000.00

20,600.00

12. Land

The society is in the process of purchasing land (KAJIADO/KAPUTIEI-NORTH/86119) 4.046 hectares situated at Kajiado County ,kshs 5,600,000.00 has already been paid as deposit

13. Tax computation

Taxable income-interest from CIC (Withholding tax deducted at source)