



MINISTRY OF INDUSTRY
TRADE AND COOPERATIVES
State Department for Cooperative
MAIN REGISTRY

- 3 SEP 2018

REPUBLIC OF KENYA

NAIROBI COUNTY

CS/NO.16115

CDF HOUSING

CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT AND FINANCIAL
STATEMENTS

AS AT 31ST DECEMBER 2016

Ministry of Industry, Trade & Co-operatives

P.O. Box 40811 – 00100,

Tel. 2731531-9

**CS NO 16115
CDF HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016**

SOCIETY INFORMATION AS AT 31.12.2016

MANAGEMENT COMMITTEE MEMBERS

CHAIRMAN	JOSHUA ORERO
VICE CHAIRMAN	ISABELLA NJERI
SECRETARY	NEWTON NJENGA
TREASURER	JACKTON OMONDI OJOW
MEMBER	CHRISTINE NADZUA

SUPERVISORY COMMITTEE MEMBERS

CHAIRMAN	MARY KABUGA
SECRETARY	GEOFFREY KOECH
MEMBER	PATRICK NAMWAMBA

REGISTERED OFFICE

CDF HOUSING SOCIETY
HARAMBEE HOUSE
NAIROBI

PRINCIPAL BANKERS

CO-OPERATIVE BANK
PARLIAMENT ROAD
NAIROBI

AUDITORS

MINISTRY OF INDUSTRY, TRADE & COOPERATIVES
P.O BOX 40811,
NAIROBI

CS NO 16115

C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016

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 2016

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


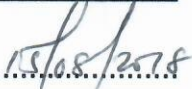
Results

	2016 KSHS	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.......... Date..........
Secretary

CS NO 16115**C D F HOUSING CO-OPERATIVE SOCIETY LIMITED**

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016

Statistical information As at 31.12.2016

		2016	2015
Membership	Active	176	176
	Dormant	0	0

Financial

	<u>KSHS</u>	<u>KSHS</u>
Members savings	33,837,500.00	12,685,500.00
share capital	8,300,000.00	8,197,000.00
Current Assets	1,835,149.00	11,284,140.00
current liabilities	29,972,224.00	20,600.00
Reserves	(78,065.00)	294,545.00
Total Assets	72,031,659.00	21,197,645.00
Total Liabilities	63,809,724.00	12,706,100.00
Revenue	30,924.00	406,505.00

KEY RATIOS

Liquidity Ratio	0.06:1	548.01:1
Percentage of expenses to revenue	-1304.92%	27.00%

CS//NO.16115 CDF HOUSING CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2016

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 on 15/08/2018and signed on its behalf by:

Chairman.....

Treasurer.....

Secretary.....

Date.....15/08/2018.....

**CS/NO 16115 CDF HOUSING CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CDF HOUSING CO-OPERATIVE SOCIETY LTD.**

Opinion.

We have audited the accompanying financial statements of CDF HOUSING Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2016 statement of comprehensive income, statement of changes in equity and 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 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Co-operative Societies Act.

Key Audit Matter.

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 forming our opinion thereon and we do not provide a separate opinion on these matters.

Directors' responsibility for the financial statements

The directors of the Society are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Co-operative Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

REPORT ON OTHER LEGAL REQUIREMENTS.

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

(A) In accordance with the provisions of the Cooperative Societies Act.

(B) In accordance with the Co-operatives objectives, by-laws and any other resolutions made by the Society at a general meeting.

For and on behalf of

MINISTRY OF INDUSTRY, TRADE AND CO-OPERATIVES

Betty C. Rono
CPA BETTY C. RONO

DEPUTY COUNTY DIRECTOR CO-OPERATIVE AUDIT

NAIROBI CITY COUNTY

Date.....*28/08/18*.....

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ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.16

<u>REVENUE</u>	<u>NOTES</u>	2016 KSHS	2015 KSHS
Other Interest income	2a	28,924.00 ✓	230,505.00 ✓
Total interest income		28,924.00 ✓	230,505.00 ✓
Other operating income	2b	2,000.00	176,000.00 ✓
Total revenue		30,924.00	406,505.00 ✓
Administrative expenses	3	(393,600.00) ✓	(98,100.00)
Other operating expenses	4	(9,934.00) (403,534.00) ✓	(13,860.00) (111,960.00) ✓
Net operating surplus for the year before tax		(372,610.00) ✓	294,545.00 ✓
Tax		-	-
Net operating surplus for the year after tax		(372,610.00) ✓	294,545.00 ✓
20% transfer to statutory reserve fund		-	(58,909.00) ✓
Surplus available for distribution		(372,610.00) ✓	235,636.00 ✓
Surplus to retained earnings		(372,610.00) ✓	235,636.00 ✓

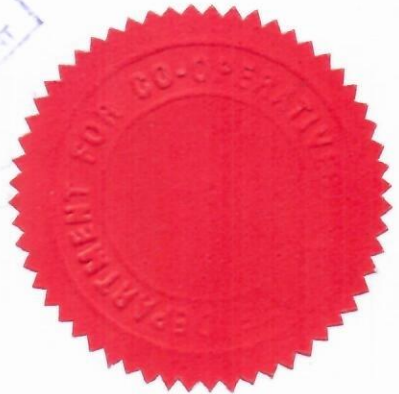
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C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016

STATEMENT OF FINANCIAL POSITION AS AT 31.12.2016

<u>ASSETS</u>	<u>NOTES</u>	2016 KSHS	2015 KSHS
Cash & cash equivalent	5	460,149.00 ✓	2,146,285.00 ✓
Trade & other receivables	6a	1,375,000.00 ✓	9,137,855.00 ✓
Other financial Assets	6b	154,517.00 ✓	2,930,505.00 ✓
Asset held for sale	7	70,041,993.00 ✓	6,983,000.00 ✓
Total assets		<u>72,031,659.00</u> ✓	<u>21,197,645.00</u> ✓
<u>LIABILITIES</u>			
Members' savings	8	33,837,500.00	12,685,500.00 ✓
Trade & other payables	11	754,612.00	20,600.00 ✓
Interest bearing liability	6b	29,217,612.00	
Total liabilities		<u>63,809,724.00</u> ✓	<u>12,706,100.00</u> ✓
<u>SHAREHOLDERS' FUNDS</u>			
Share capital	9	8,300,000.00	8,197,000.00 ✓
Reserves	10	(78,065.00)	294,545.00 ✓
Total shareholder's fund		<u>8,221,935.00</u>	<u>8,491,545.00</u> ✓
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		<u>72,031,659.00</u>	<u>21,197,645.00</u> ✓

The financial statements on pages 6 - 12 were authorized by the management committee on ... 15.12.2016 ... 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 31.12.2016**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2016

	SHARE CAPITAL KSHS	RETAINED EARNINGS KSHS	STATUTORY RESERVE FUND KSHS	TOTAL KSHS
YEAR ENDED 31.12.2015				
Bal as at 1.1.2015	-	294,545.00	-	294,545.00
Surplus/deficit for the year	-	(58,909.00)	58,909.00	-
Statutory reserve fund	-	-	-	-
Provision for tax	8,197,000.00	-	-	8,197,000.00
Issued share capital	-	-	-	-
Bal as at 31.12.2015	8,197,000.00	235,636.00	58,909.00	8,491,545.00
YEAR ENDED 31.12.2016				
Bal as at 1.1.2016	8,197,000.00	235,636.00	58,909.00	8,491,545.00
Surplus/deficit for the year	-	(372,610.00)	-	(372,610.00)
Statutory reserve fund	-	-	-	-
Provision for tax	103,000.00	-	-	103,000.00
Issued share capital	8,300,000.00	(136,974.00)	58,909.00	8,221,935.00
Bal as at 31.12.2016	8,300,000.00	(136,974.00)	58,909.00	8,221,935.00

CASHFLOW STATEMENT FOR THE YEAR ENDED 31.12.2016

	2016 KSHS	2015 KSHS
Other operating income	2,000.00 ✓	176,000.00
Payment to employees & suppliers	(342,934.00) ✓	(91,360.00)
	<u>(340,934.00)</u>	<u>84,640.00</u>
Cashflow from operating assets		
Trade & other receivables	7,762,855.00 ✓	(9,137,855.00)
	<u>7,762,855.00</u>	<u>(9,137,855.00)</u>
Cashflow from operating liabilities		
Members Savings	21,152,000.00 ✓	12,685,500.00
Trade & other payables	673,412.00 ✓	-
	<u>21,825,412.00</u>	<u>12,685,500.00</u>
Cashflow from operations	<u>29,247,333.00</u>	<u>3,632,285.00</u>
Cashflow from investing activities		
Other financial assets	2,775,988.00	(2,930,505.00)
Interest from cic	28,924.00	230,505.00
land purchase	(63,058,993.00)	(6,983,000.00)
	<u>(60,254,081.00)</u>	<u>(9,683,000.00)</u>
Cash from financing activities		
loan from COOP bank	29,217,612.00	
share capital	103,000.00	8,197,000.00
	<u>29,320,612.00</u>	<u>8,197,000.00</u>
Net increase in cash & cash equivalent	<u>(1,686,136.00)</u>	<u>2,146,285.00</u>
Cash & cash equivalent at the beginning	<u>2,146,285.00</u>	<u>-</u>
Cash & cash equivalent at the end	<u>460,149.00</u>	<u>2,146,285.00</u>

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C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2016

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 Equipment 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 equivalents

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

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NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2016

	2016	2015
	KSHS	KSHS
2a Other Interest income		
Interest from CIC Unit trust	28,924.00	230,505.00
	<u>28,924.00</u>	<u>230,505.00</u>
2b Other Operating Income		
Registration fees	2,000.00	176,000.00
	<u>2,000.00</u>	<u>176,000.00</u>
3. Administrative expenses		
Pre-operative meeting	-	29,500.00
Audit & supervision fees	15,600.00	15,600.00
AGM expenses	150,000.00	
Bookkeeping and accountancy	45,000.00	53,000.00
Committee expenses	183,000.00	
	<u>393,600.00</u>	<u>98,100.00</u>
4. Other operating expenses		
Bank charges	9,934.00	13,860.00
	<u>9,934.00</u>	<u>13,860.00</u>
5. Cash & cash equivalent		
Co-op bank C/A	460,149.00	2,146,285.00
	<u>460,149.00</u>	<u>2,146,285.00</u>
6a. Trade & other receivables		
Debtor -Employer	-	1,537,855.00
NACHU savings	1,375,000.00	7,600,000.00
	<u>1,375,000.00</u>	<u>9,137,855.00</u>
6b. loan from COOP bank		
B/f	-	-
Loan	43,000,000.00	-
Repaid	(13,782,388.00)	-
Outstanding balance	<u>29,217,612.00</u>	-

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ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2016
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2016

	2016	2015
	KSHS	KSHS
6b Other financial Assets		
CIC unit trust	154,517.00	2,930,505.00
	<u>154,517.00</u>	<u>2,930,505.00</u>
7. Asset held for sale		
Land (0.045ha-Kajiado Kaptutiei North/978	65,621,692.00	5,600,000.00
Legal costs	512,067.00	1,120,000.00
loan interest	2,653,592.00	
Land search	1,254,642.00	263,000.00
As at 31/12/2016	<u>70,041,993.00</u>	<u>6,983,000.00</u>
8 .Members savings		
B/F	12,685,500.00	-
contributions	21,152,000.00	12,685,500.00
	<u>33,837,500.00</u>	<u>12,685,500.00</u>
9. Share capital		
B/F	8,197,000.00	-
Issued	103,000.00	8,197,000.00
	<u>8,300,000.00</u>	<u>8,197,000.00</u>
10.Reserves		
Statutory reserve	58,909.00	58,909.00
Retained earnings	(136,974.00)	235,636.00
	<u>(78,065.00)</u>	<u>294,545.00</u>
11.Trade & other payables		
Audit & supervision fees	15,600.00	15,600.00
CDF SACCO	554,012.00	
Unknown deposits	140,000.00	
Bookkeeping fees	45,000.00	5,000.00
	<u>754,612.00</u>	<u>20,600.00</u>
12. Tax computation		
Taxable income-interest from CIC (Withholding tax deducted at source)		