



MINISTRY OF INDUSTRY,
TRADE AND COOPERATIVES
State Department for Cooperatives
MAIN REGISTRY

-7 MAR 2019

No.
P.O. Box 30547 - 00100
GPO, NAIROBI, KENYA

REPUBLIC OF KENYA

NAIROBI COUNTY

CS/NO.16115

CDF HOUSING

CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT AND FINANCIAL

STATEMENTS

AS AT 31ST DECEMBER 2018

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 31.12.2018**

SOCIETY INFORMATION AS AT 31.12.2018

MANAGEMENT COMMITTEE MEMBERS

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

SUPERVISORY COMMITTEE MEMBERS

CHAIRPERSON	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 31.12.2018

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 2018

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

	2018	2017
	KSHS	KSHS
Surplus(deficit)before tax	(310,273)	(314,734)
Net surplus(deficit)after tax	(310,273)	(314,734)
Statutory reserves	-	-
Retained surplus/Deficit for the year	(310,273)	(314,734)

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.....*22/02/2019*.....
Secretary

CS NO 16115**C D F HOUSING CO-OPERATIVE SOCIETY LIMITED****ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018****Statistical information As at 31.12.2018**

		2018	2017
Membership	Active	176	176
	Dormant	0	0

Financial

	KSHS	KSHS
Members savings	54,615,775	49,547,275
share capital	8,350,000	8,300,000
Current Assets	18,577,339	6,521,627
Current liabilities	16,802,135	22,808,523
Reserves	(703,072)	(392,799)
Total Assets	95,001,718	80,262,999
Total Liabilities	87,354,790	72,355,798
Revenue	246,806	15,674
Total expenses	557,079	330,408

KEY RATIOS

Liquidity Ratio	1.1:1	0.28:1
Percentage of expenses to revenue	225.72%	2108.00%

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

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2018

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.....and signed on its behalf by:

Chairman.....

Treasurer.....

Secretary.....

Date.....22/02/2019.....

**CS/NO 16115 CDF HOUSING CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018
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 2018 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 st December 2018 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


CPA BETTY C. RONO

DEPUTY COUNTY DIRECTOR CO-OPERATIVE AUDIT

NAIROBI CITY COUNTY

Date..... 4/3/2019

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C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.18

<u>REVENUE</u>	<u>NOTES</u>	2018 KSHS	2017 KSHS
Other Interest income	2a	246,806	15,674
Total interest income		246,806	15,674
Total revenue		246,806	15,674
Administrative expenses	3	(550,970)	(324,600)
Other operating expenses	4	(6,109)	(5,808)
		(557,079)	(330,408)
Net surplus /Deficit for the year before tax		(310,273)	(314,734)
Net surplus /Deficit for the year after tax		(310,273)	(314,734)
20% transfer to statutory reserve fund		-	-
Surplus to retained earnings		<u>(310,273)</u>	<u>(314,734)</u>

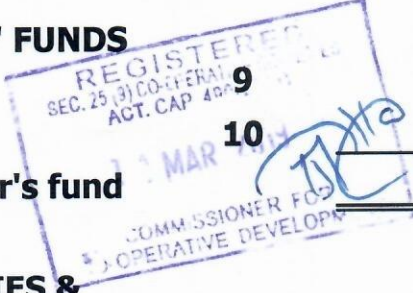
CS NO 16115

C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018

STATEMENT OF FINANCIAL POSITION AS AT 31.12.2018

ASSETS	NOTES	2018 KSHS	2017 KSHS
Cash & cash equivalent	5	1,627,566	48,127
Trade & other receivables	6a	16,930,402	6,473,500
Other financial Assets	7a	19,371	17,841
Asset held for sale	7b	76,424,379	73,723,531
Total assets		95,001,718	80,262,999
LIABILITIES			
Members' savings	8	54,615,775	49,547,275
Trade & other payables	11	16,802,135	424,700
Interest bearing liability	6b	15,936,880	22,383,823
Total liabilities		87,354,790	72,355,798
SHAREHOLDERS' FUNDS			
Share capital	9	8,350,000	8,300,000
Reserves	10	(703,072)	(392,799)
Total shareholder's fund		7,646,928	7,907,201
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		95,001,718	80,262,999



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

CHAIRMAN *[Signature]*

SECRETARY..... *[Signature]*

TREASURER..... *[Signature]*



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**C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2018

	SHARE CAPITAL KSHS	RETAINED EARNINGS KSHS	STATUTORY RESERVE FUND KSHS	TOTAL KSHS
YEAR ENDED 31.12.2017				
Bal as at 1.1.2017	8,300,000	(136,974)	58,909	8,221,935
Surplus/deficit for the year		(314,734)		(314,734)
Statutory reserve fund				
Issued share capital	-			-
Bal as at 31.12.2017	8,300,000	(451,708)	58,909	7,907,201
YEAR ENDED 31.12.2018				
Bal as at 1.1.2018	8,300,000	(451,708)	58,909	7,907,201
Surplus/deficit for the year		(310,273)		(310,273)
Statutory reserve fund				
Issued share capital	50,000			50,000
Bal as at 31.12.2018	8,350,000	(761,981)	58,909	7,646,928

12-11-2018

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C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018

CASHFLOW STATEMENT FOR THE YEAR ENDED 31.12.2018

	2018	2017
	KSHS	KSHS
Other operating income	-	-
Payment to employees & suppliers	(496,479)	(269,808)
	<u>(496,479)</u>	<u>(269,808)</u>
Cashflow from operating assets		
Trade & other receivables	(10,456,902)	(5,098,500)
	<u>(10,456,902)</u>	<u>(5,098,500)</u>
Cashflow from operating liabilities		
Members Savings	5,068,500	15,709,775
Trade & other payables	16,316,835	(390,512)
	<u>21,385,335</u>	<u>15,319,263</u>
Cashflow from operations	10,431,954	9,950,955
Cashflow from investing activities		
Other financial assets	(1,530)	136,676
Interest from cic/Nachu	246,806	15,674
land purchase	(2,700,848)	(3,681,538)
	<u>(2,455,572)</u>	<u>(3,529,188)</u>
Cash from financing activities		
loan from Coop Bank	(6,446,943)	(6,833,789)
share capital	50,000	-
	<u>(6,396,943)</u>	<u>(6,833,789)</u>
Net increase in cash & cash equivalent	1,579,439	(412,022)
Cash & cash equivalent at the beginning	48,127	460,149
Cash & cash equivalent at the end	<u>1,627,566</u>	<u>48,127</u>

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C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2018

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 are 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	Rates
Office Equipment	12.50%
Computer	30%

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 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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C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2018

	2018	2017
	KSHS	KSHS
2a Other Interest income		
Interest from Nachu	245,006	-
Interest from CIC Unit trust	1,800	15,674
	<u>246,806</u>	<u>15,674</u>

3.Administrative expenses		
Audit & supervision fees	15,600	15,600
Bookkeeping and accountancy	45,000	45,000
Administrative expenses	101,000	154,000
Committee expenses	389,370	110,000
	<u>550,970</u>	<u>324,600</u>

4.Other operating expenses		
Bank charges	6,109	5,808
	<u>6,109</u>	<u>5,808</u>

5.Cash & cash equivalent		
Co-op bank C/A (Reconciled)	1,627,566	48,127
	<u>1,627,566</u>	<u>48,127</u>

6a.Trade & other receivables		
Trade receivables(CDF SACCO)	2,326,006	3,148,500
Owing by land buyers	9,527,000	
NACHU savings	5,077,396	3,325,000
	<u>16,930,402</u>	<u>6,473,500</u>

6b.loan from Coop bank		
B/F	22,383,823	29,217,612
Repaid	(6,446,943)	(6,833,789)
Outstanding balance	<u>15,936,880</u>	<u>22,383,823</u>

The cooperative Bank advanced a loan of kshs 43,000,000 to the society on 29 th June 2016

CS/16115 C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2018
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2018

	2018	2017
	KSHS	KSHS
7a Other financial Assets		
CIC unit trust	19,371	17,841
	<u>19,371</u>	<u>17,841</u>
7b. Asset held for sale		
Land (0.045HA Kajiado Kaptutiei/97841)		
B/F	73,723,531	70,041,993
Legal costs		-
loan interest	2,700,848	3,681,538
Land search	-	-
	<u>76,424,379</u>	<u>73,723,531</u>
8 .Members savings		
B/F	49,547,275	33,837,500
contributions	12,061,500	15,709,775
Shares used to buy land	(6,993,000)	-
	<u>54,615,775</u>	<u>49,547,275</u>
9. Share capital		
B/F	8,300,000	8,300,000
Issued	50,000	-
	<u>8,350,000</u>	<u>8,300,000</u>
10.Reserves		
Statutory reserve	58,909	58,909
Retained earnings	(761,981)	(451,708)
	<u>(703,072)</u>	<u>(392,799)</u>
11.Trade & other payables		
Audit & supervision fees	15,600	31,200
Member plot deposits	16,620,000	-
Unknown deposits	121,535	303,500
Bookkeeping fees	45,000	90,000
	<u>16,802,135</u>	<u>424,700</u>
12. Tax computation		
Taxable income-interest from CIC (Withholding tax deducted at source)		

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MINISTRY OF INDUSTRY, TRADE AND CO-OPERATIVES
STATE DEPARTMENT FOR CO-OPERATIVE DEVELOPMENT



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Commissioner for Cooperative Dev
Social Security House
P.O. Box 40811-00100 GPO
NAIROBI

When replying please quote

Ref NO.CS/16115

The County Co-operative Auditor
P.O. BOX 30202
NAIROBI

03/09/2018

CERTIFICATE OF ACCOUNTS – FINANCIAL YEAR 31/12/2016-2017
CDF HOUSING COOPERATIVE SOCIETY

The accounts of the above Society are forwarded herewith duly approved.

1. Please forward these accounts to the Chairman of the Society together with:
 - a) Debit Note NO. for **Kshs. 31,200/=** the fees as authorized under section 23(1) of the Act.
 - b) A fee Note for **Kshs. /=** from the External Auditor will be sent direct by the Auditor to the Society. Bankers Cheques in settlement of (a) should be made payable to the Commissioner for Co-operative Development.
Cheques in settlement of (b) should be sent direct to the Auditor concerned.

A handwritten signature in black ink, appearing to read 'Mbwi'.

A. B. MBWI, HSC

For: COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT.