

MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVES

OFFICE OF THE COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT

Telegrams: "CO-OPS" Nairobi
Telegrams: Nairobi 020 2731531/9
Fax: Nairobi 020 240096
When replying please quote



SOCIAL SECURITY HIUSE
BISHOPS ROAD, CAPITAL HILL
P.O. BOX 40811- 00100 GPO,
NAIROBI

DATE 6/7/2020

REF: CS/NO 1615

SOC. NAME CDF HOUSING

AUDIT AND SUPERVISION FEES

I attach official miscellaneous Receipt(s) No..... for Kshs..... 15,600
Date..... 6/7/2020..... in acknowledgement for your remittance.

The balance outstanding at the date of this letter is Kshs... NIL.....

FOR: COMMISSIONER FOR COOPERATIVE DEVELOPMENT X

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MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVES
STATE DEPARTMENT FOR CO-OPERATIVE DEVELOPMENT



Telephone: 020-2731531-9
0704097021/23
0788484840/41
Fax: 020240096

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

When replying please quote

Ref NO.CS/16115

06/07/2020

The County Co-operative Auditor
P.O Box 30202-00100
NAIROBI

CERTIFICATE OF ACCOUNTS – FINANCIAL YEAR 31/12/2019
C D F HOUSING CO-OPERATIVE SOCIETY LTD

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

Please forward these accounts to the Chairman of the Society together with:

- a) Debit Note NO: **for Kshs./=** being the fees as authorized under section 23(1) of the Act.
- b) A fee Note for **Kshs.15,600/=** 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.


JAVEL M. MURIRA AG. DCA

For: COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT



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

1001 18 JUN 2020

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

REPUBLIC OF KENYA

NAIROBI COUNTY

CS/NO.16115

C D F HOUSING

CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT AND FINANCIAL

STATEMENTS

AS AT 31ST DECEMBER 2019

Ministry of Industry, Trade & Co-operatives

P.O. Box 40811 – 00100,

Tel. 2731531-9

CS NO 16115

C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019

SOCIETY INFORMATION AS AT 31.12.2019

MANAGEMENT COMMITTEE MEMBERS

CHAIRMAN	NAPHTALLY MULESI OCHUMA
VICE PERSON	JANE WANJIRU KARIUKI
SECRETARY	MARY GORETTI WANJALA
TREASURER	JACTON OMONDI OJOW

MEMBERS	ALLAN ROTICH
	SILVERIUS WAKOLI
	DAVID KABERIA MURUNGI

SUPERVISORY COMMITTEE MEMBERS

CHAIRMAN	TOM WASIKE
SECRETARY	MARY MASINDE MWAKI
MEMBER	WESLEY RONO MAINA

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 31.12.2019**

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 2019

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

	2019	2018
	KSHS	KSHS
Surplus(deficit)before tax	1,315,659	(310,273)
Net surplus(deficit)after tax	1,315,659	(310,273)
Statutory reserves	(263,132)	-
Retained surplus/Deficit for the year	1,052,527	(310,273)

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 31.12.2019

Statistical information As at 31.12.2019

		2019	2018
Membership	Active	165	176
	Dormant	11	0

Financial

	KSHS	KSHS
Members savings	47,651,500	54,615,775
Share capital	-	8,350,000
Current Assets	32,986,471	18,577,339
Current liabilities	8,758,067	16,802,135
Reserves	612,587	(703,072)
Total Assets	71,521,705	95,001,718
Total Liabilities	62,559,118	87,354,790
Revenue	3,965,477	246,806
Total expenses	1,849,818	557,079

KEY RATIOS

Liquidity Ratio	3.76:1	1.1:1
Percentage of expenses to revenue	47%	225.72%

CS//NO.16115 C D F HOUSING CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2019




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 8/06/2020.....and signed on its behalf by:

Chairman.....
Treasurer.....
Secretary.....

Date...8/06/2020.....

**CS/NO. 16115 C D F HOUSING CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST DECEMBER .2019
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C D F HOUSING CO-OPERATIVE SOCIETY LTD.**

Opinion.

We have audited the accompanying financial statements of C D F HOUSING Co-operative Society Limited, which comprise the statement of financial position as at 31st December 2019 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 2019 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 judgment 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 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 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.....17/6/2020.....

CS NO 16115

C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2019

<u>REVENUE</u>	<u>NOTES</u>	2019 KSHS	2018 KSHS
Other operating income	2a	3,917,575	-
Rebates to members	11	(800,000)	-
Other Interest income	2b	47,902	246,806
Total interest income		3,165,477	246,806
Net revenue		3,165,477	246,806
Administrative expenses	3	(1,841,160)	(550,970)
Other operating expenses	4	(8,658)	(6,109)
		(1,849,818)	(557,079)
Net surplus /Deficit for the year before tax		1,315,659	(310,273)
Tax expense	12	-	-
Net surplus /Deficit for the year after tax		1,315,659.00	(310,273)
20% transfer to statutory reserve fund		(263,132)	-
SURPLUS /(LOSS) TO RETAINED EARNINGS		1,052,527	(310,273)

CS NO 16115
C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019

STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER 2019

ASSETS	NOTES	2019 KSHS	2018 KSHS
Cash & cash equivalent	5	4,347,798	1,627,566
Trade & other receivables	6a	28,617,497	16,930,402
Other financial Assets	7a	21,176	19,371
Asset held for sale	7b	38,535,234	76,424,379
Total assets		71,521,705	95,001,718
LIABILITIES			
Members' savings	8	47,651,500	54,615,775
Trade & other payables	11	8,758,067	16,802,135
Interest bearing liability	6b	6,149,551	15,936,880
Total liabilities		62,559,118	87,354,790
SHAREHOLDERS' FUNDS			
Share capital	9	8,350,000	8,350,000
Reserves	10	612,587	(703,072)
Total shareholder's fund		8,962,587	7,646,928
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		71,521,705	95,001,718



The financial statements on pages 6 - 13 were authorized by the management committee on and signed on its behalf by;

CHAIRMAN
 SECRETARY.....
 TREASURER.....

(Handwritten signatures in blue ink for Chairman, Secretary, and Treasurer)



**CS NO 16115
C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2019

	SHARE CAPITAL KSHS	RETAINED EARNINGS KSHS	STATUTORY RESERVE FUND KSHS	TOTAL KSHS
YEAR ENDED 31.12.2018				
Bal as at 1.1.2018	8,300,000	(451,708) (310,273)	58,909	7,907,201 (310,273)
Surplus/deficit for the year			-	-
Statutory reserve fund	50,000			50,000
Issued share capital				
Bal as at 31.12.2018	8,350,000	(761,981)	58,909	7,646,928
YEAR ENDED 31.12.2019				
Bal as at 1.1.2019	8,350,000	(761,981)	58,909	7,646,928
Surplus/deficit for the year		1,315,659		1,315,659
Statutory reserve fund		(263,132)	263,132	-
Provision for tax				-
Issued share capital/refund				
Bal as at 31.12.2019	8,350,000	290,546	322,041	8,962,587

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C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019

CASHFLOW STATEMENT FOR THE YEAR ENDED 31.12.2019

	2019	2018
	KSHS	KSHS
Other operating income	3,917,575	-
Payment to employees & suppliers	(1,738,468)	(496,479)
	<u>2,179,107</u>	<u>(496,479)</u>
Cashflow from operating assets		
Trade & other receivables	(11,687,095)	(10,456,902)
	<u>(11,687,095)</u>	<u>(10,456,902)</u>
Cashflow from operating liabilities		
Members Savings	(6,964,275)	5,068,500
Trade & other payables	(8,955,418)	16,316,835
	<u>(15,919,693)</u>	<u>21,385,335</u>
Cashflow from operations	(25,427,681)	10,431,954
Cashflow from investing activities		
Other financial assets	(1,805)	(1,530)
Interest from cic/Nachu	47,902	246,806
Assets held for sale	37,889,145	(2,700,848)
	<u>37,935,242</u>	<u>(2,455,572)</u>
Cash from financing activities		
loan from Coop Bank	(9,787,329)	(6,446,943)
Share capital	-	50,000
	<u>(9,787,329)</u>	<u>(6,396,943)</u>
Net increase in cash & cash equivalent	2,720,232	1,579,439
Cash & cash equivalent at the beginning	1,627,566	48,127
Cash & cash equivalent at the end	<u>4,347,798</u>	<u>1,627,566</u>

CS/16115

C D F HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019

NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2019

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. These financial statements 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 31.12.2019
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2019

	2019 KSHS	2018 KSHS
2a Other operating income		
Land sales(note 2ai)	3,257,575	-
Entrance fees	165,000	-
Operation fees	495,000	-
	<u>3,917,575</u>	<u>-</u>

2ai Land sales			
sale 35 plots(size 50*100)			
	1,180,000	41,300,000	-
1 plot (50*100)		1,261,511	
Cost of 36 plots(50*100)			
	1,091,776	-39,303,936	-
		<u>3,257,575</u>	<u>-</u>

2b Other Interest income			
Interest from Nachu	46,097	245,006	
Interest from CIC Unit trust	1,805	1,800	
	<u>47,902</u>	<u>246,806</u>	

3. Administrative expenses			
Printing & stationery	19,250	-	
AGM expenses	420,550	-	
Education	475,500	-	
System maintenance	39,550		
Audit & supervision fees	15,600	15,600	
Bookkeeping and accountancy	56,200	45,000	
Administrative expenses/marketing	334,510	101,000	
Committee expenses	480,000	389,370	
	<u>1,841,160</u>	<u>550,970</u>	

4. Other operating expenses			
Bank charges	8658	6,109	
	<u>8658</u>	<u>6,109</u>	

CS/16115 C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2019

	2019 KSHS	2018 KSHS
5. Cash & cash equivalent		
Co-op bank C/A (Reconciled)	4,347,798	1,627,566
	<u>4,347,798</u>	<u>1,627,566</u>
6a. Trade & other receivables		
Trade receivables(CDF SACCO)	550,004	2,326,006
Owing by land buyers	25,644,000	9,527,000
NACHU savings	2,423,493	5,077,396
	<u>28,617,497</u>	<u>16,930,402</u>
6b. Interest bearing liability		
B/F	15,936,880	22,383,823
Repaid	(9,787,329)	(6,446,943)
Outstanding balance	<u>6,149,551</u>	<u>15,936,880</u>
<p>The cooperative Bank advanced a loan of kshs 43,000,000 to the society on 29 th June 2016</p>		
7a Other financial Assets		
CIC unit trust	21,176	19,371
	<u>21,176</u>	<u>19,371</u>
7b. Asset held for sale		
Land (0.045HA Kajiado Kaptutiei/97841)	76,424,379	73,723,531
B/F	1,433,270	2,700,848
loan interest capitalised	(39,322,425)	-
Land sold	<u>38,535,234</u>	<u>76,424,379</u>
8 .Members savings		
B/F	54,615,775	49,547,275
contributions	11,588,025	12,061,500
Shares used to buy land	(18,552,300)	(6,993,000)
	<u>47,651,500</u>	<u>54,615,775</u>
9. Share capital		
B/F	8,350,000	8,300,000
Issued/refund	(100,000)	50,000
	<u>8,350,000</u>	<u>8,350,000</u>

CS/16115 C D F HOUSING CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019
NOTES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31.12.2019

	2019	2018
	KSHS	KSHS
10. Reserves		
Statutory reserve	322,041	58,909
Retained earnings	290,546	(761,981)
	<u>612,587</u>	<u>(703,072)</u>
11. Trade & other payables		
System maintenance fees	39,550	-
Provision for rebates to members	800,000	-
Audit & supervision fees	15,600	15,600
Member plot deposits	7,846,717	16,620,000
Unknown deposits	-	121,535
Bookkeeping fees	56,200	45,000
	<u>8,758,067</u>	<u>16,802,135</u>