

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 HOUSE  
BISHOPS ROAD, CAPITAL HILL  
P.O. BOX 40811- 00100 GPO,  
NAIROBI

DATE: 21/4/2021

REF: CS/NO 16115

SOC. NAME CDF HOUSING

**AUDIT AND SUPERVISION FEES**

I attach official miscellaneous Receipt(s) No. — for Kshs. 15600  
Date 21/04/2021 in acknowledgement for your remittance.

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

**FOR: COMMISSIONER FOR COOPERATIVE DEVELOPMENT**

A

**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**

**21/04/2021**

The County Co-operative Auditor  
P.O Box  
**NAIROBI**

**CERTIFICATE OF ACCOUNTS – FINANCIAL YEAR 31/12/2020  
CDF HOUSING CO-OPERATIVE SOCIETY**

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 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.

*J. Murira*  
**JAVEL M. MURIRA AG. DCA**  
**FOR: COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT**

**CS/NO 16115**

**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**



**FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
31ST DECEMBER 2020**

**CS/NO 16115**  
**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**  
**REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

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**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED  
REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

**SOCIETY INFORMATION**

**EXECUTIVE COMMITTEE**

NAPHTALLY MULESI OCHUMA	Chairman
JANE WANJIRU KARIUKI	Vice Chairman
JACTON OMONDI OJOW ELIAB	Treasurer
MARY GORETTI WANJALA	Secretary
ALLAN ROTICH	Member
SILVERIUS WAKOLI	Member
DAVID KABERIA MURUNGI	Member

**SUPERVISORY COMMITTEE**

TOM WASIKE	Chairman
MARY MASINDE MWAKI	Secretary
WESLEY RONOH MAINA	Member

**REGISTERED OFFICE**

CDF Housing Co-op Society Ltd  
Harambee House  
Nairobi

Auditors  
Ministry of Agriculture, Livestock and Fisheries  
P.O BOX 40811  
Nairobi

Principal bankers  
Co-operative bank  
Parliament road



**CS/NO 16115  
CDF HOUSING COOPERATIVE SOCIETY LIMITED  
REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

**Management Committee report**

The Management committee submit the annual report together with the audited financial statements for the year ended 31 December, 2020

**Incorporation**

The Society is incorporated in Kenya under the Co-operative Societies Act, Cap 490 and is domiciled in Kenya.

**Principal activity**

The Principal activity of the society continues to be mobilizing savings from members and the provision of affordable housing to its members

Results for the period	2020	2019
	kshs	kshs
Surplus/ (Deficit) for the year before tax	1,846,703	1,315,659
Transfer to Statutory Resrves	(369,341)	(263,132)
Retained surplus for the year	1,477,363	1,052,527

**Management Committee**

The members of 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.....*Naranyaka*..... Date.....*08/04/2021*.....  
HON SECRETARY

**CS/NO 16115  
CDF HOUSING CO-OP SOCIETY LTD  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020**

	<b>2020</b>	<b>2019</b>
<b>STATISTICAL INFORMATION</b>		
MEMBERSHIP	170	165
ACTIVE	146	155
<b>FINANCIAL</b>		
Members Deposits	34,691,000	47,651,500
Share Capital	8,450,000	8,350,000
Current Assets	53,986,831	71,521,695
Current Liabilities	8,611,551	14,907,618
Reserves	2,459,281	612,577
Total Assets	54,211,831	71,521,695
Total Liabilities	43,302,551	62,559,118
Revenues	2,807,801	3,165,477
<b><u>KEY RATIOS</u></b>		
Liquidity Ratio	6.27:1	4.8:1

**CDF HOUSING CO-OP SOCIETY LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST DEC**  
**MANAGEMENT COMMITTEE RESPONSIBILITIES**

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The Co-operative Societies Act, Cap 490 requires the management committee to prepare financial statements for each year which give a true and fair view of the affairs of the society 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 management committee to ensure that the society keeps proper accounting records which disclose with reasonable accuracy, 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 management committee 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 the International Financial Reporting Standards and in the 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 of its operating results in accordance with the International Financial Reporting Standards. The management committee further accepts responsibility for the maintenance of the accounting records, which may be relied upon on the preparation of the financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the management 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 ..... 2021 and signed on its behalf by:

**Chairman** .....   
**Hon Secretary** .....   
**Treasurer** .....   
**Date** ..... 08/04/2021



**CDF HOUSING CO-OP SOCIETY LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2019**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CDF HOUSING COOPERATIVE SOCIETY LTD.**

**Opinion.**

We have audited the accompanying financial statements of CDF Housing Cooperative Society Limited, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2020 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.

**Basis for opinion**

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report.

We are independent of the society 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 financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 thereon, and we do not provide separate opinion on these matters.

**Management committee's responsibility for the financial statements**

The management committee 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 management committee may 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.

**CONTINUATION OF REPORT OF INDEPENDENT AUDITOR TO MEMBERS OF CDF HOUSING CS LTD**

**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 AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVES**

  
CPA BETTY C RONO

**DEPUTY COUNTY DIRECTOR CO-OP AUDIT**

**NAIROBI CITY COUNTY**

Date...19/4/2021.....

CS/NO 16115

**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 ST DECEMBER 2020**

	Notes	2020 kshs	2019 Kshs
<b>Revenue</b>			
Income from Land sales	2a	3,605,777	3,917,575
Rebates to members		(800,000)	(800,000)
Other Income	2b	<u>2,024</u>	<u>47,902</u>
<b>Total interest Income</b>		<b>2,807,801</b>	<b>3,165,477</b>
<b>Total Revenues</b>		<b>2,807,801</b>	<b>3,165,477</b>
<b>LESS</b>			
Administrative expenses	3	953,850	1,841,160
Other operating expenses	4	<u>7,248</u>	<u>8,658</u>
		<b>961,098</b>	<b>1,849,818</b>
<b>Net surplus/ deficit before tax</b>		<b>1,846,703</b>	<b>1,315,659</b>
<b>Net surplus/ deficit after tax</b>		1,846,703	1,315,659
20% transfer to statutory Reserve		(369,341)	(263,132)
Surplus to retained earnings		1,477,363	1,052,527



CS/NO 16115  
**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020**

<b>ASSETS</b>	<b>NOTES</b>	<b>2020</b>	<b>2019</b>
		<b>KHS</b>	<b>KHS</b>
Cash and cash equivalent	5	4,550,638 ✓	4,347,798 ✓
Trade & Other Receivables	6a	49,412,993 ✓	28,617,497 ✓
Other Financial Assets	7a	23,200 ✓	21,176 ✓
Assets Held for Sale	7b	-	38,535,224 <sup>10</sup>
Sacco Management Software	7c	225,000 ✓	-
<b>Total assets</b>		<b>54,211,831 ✓</b>	<b>71,521,695 ✓</b>
<b>LIABILITIES</b>			
Members deposits	8	34,691,000 ✓	47,651,500 ✓
Trade and other payables	11	8,611,551 ✓	8,758,067 ✓
Interes Bearing Liability	6b	-	6,149,551 ✓
<b>Total Liabilities</b>		<b>43,302,551 ✓</b>	<b>62,559,118 ✓</b>
<b>SHARE HOLDERS FUNDS</b>			
Share capital		8,450,000 ✓	8,350,000 ✓
Reserves		2,459,280 ✓	612,577 <sup>10</sup>
<b>TOTAL EQUITY</b>		<b>10,909,280 ✓</b>	<b>8,962,577 ✓</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS FUND</b>		<b>54,211,831 ✓</b>	<b>71,521,695 ✓</b>



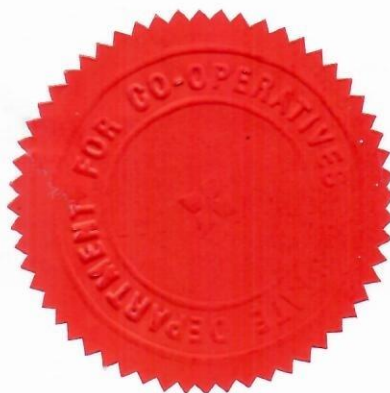
The financial statements on page 6-13 were authorised by the management committee on and signed on its behalf by

Chairman..... 

Treasurer..... 

Secretary..... 

Date..... 08/04/2021





CS/NO 16115

**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**

**REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

**STATEMENT OF CHANGES IN EQUITY**

	<u>Share capital</u>	<u>Retained Earnings</u>	<u>Statutory reserves</u>	<u>Total</u>
As at 1/1/2019	8,300,000	(761,991)	58,909	7,596,918
Surplus before tax	-	1,315,659	-	1,315,659
Provision for taxation	-	-	-	-
20% Statutory reserves	-	(263,132)	263,132	0
Issued Share Capital	50,000	-	-	50,000
<b>As at 31/12/2020 - 2019</b>	<b>8,350,000</b>	<b>290,536</b>	<b>322,041</b>	<b>8,962,577</b>
As at 1/1/2020	8,350,000	290,536	322,041	8,962,577
Surplus before tax	-	1,846,703	-	1,846,703
Provision for taxation	-	-	-	-
20% Statutory reserves	-	(369,341)	369,341	0
Issued Share Capital	100,000	-	-	100,000
<b>As at 31/12/2020</b>	<b>8,450,000</b>	<b>1,767,899</b>	<b>691,382</b>	<b>10,909,281</b>

CS/ NO 16115

CDF HOUSING CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31.12.2020

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 Kshs	2019 Kshs
<b>Cashflows from operating activities</b>		
Other operating income	841,000✓	3,917,575✓
Rebates paid		
Payment to employees and suppliers	(895,498)✓	(1,738,468)✓
	<u>(54,498)✓</u>	<u>2,179,107✓</u>
<b>Increase or Decrease in operating asset</b>		
Trade and other receivables	(20,795,496)	(11,687,095)✓
	<u>(20,795,496)</u>	<u>(11,687,095)</u>
<b>Increase or Decrease in Operating liabilities</b>		
Members deposits	(12,960,500)✓	(6,964,275)✓
Trade and other payables	(1,012,116)✓	(8,955,418)✓
	<u>(13,972,616)✓</u>	<u>(15,919,693)✓</u>
<b>Net cash flow from Operating activities</b>	<b>(34,822,610)✓</b>	<b>(25,427,681)✓</b>
<b>Cash flow from Investing Activities</b>		
Sacco software	(225,000)✓	
Other financial assets	(2,024)✓	(1,805)✓
Land sales	2,764,776✓	
Interest from CIC/NACHU	2,024✓	47,902✓
Increase in Assets held for sale	38,535,224✓	37,889,145✓
	<u>41,075,000✓</u>	<u>37,935,242✓</u>
<b>Net cash flow from Investing activities</b>	<b>41,075,000✓</b>	<b>37,935,242✓</b>
<b>Cash flow from Financing Activities</b>		
Bank Loan	(6,149,551)	(9,787,329)✓
Share Capital	100,000	-
	<u>(6,049,551)✓</u>	<u>(9,787,329)✓</u>
<b>Net cash flow from Financing activities</b>	<b>(6,049,551)✓</b>	<b>(9,787,329)✓</b>
<b>Net Decrease/ increase in cash and cash equivalent</b>	<b>202,839✓</b>	<b>2,720,232</b>
<b>Cash and cash Equivalent at the beginning of the year</b>	<b>4,347,798✓</b>	<b>1,627,566</b>
<b>Cash and cash Equivalent at the end of the year</b>	<b>4,550,638✓</b>	<b>4,347,798✓</b>
	<u><u>0</u></u>	<u><u>-</u></u>

**1. Significant Accounting Policies**

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

**a) Statement of Compliance and Basis of Preparation**

i) The financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS).

**ii) Basis of measurement**

The financial statements are presented in functional currency, Kenya Shillings (Kshs), which is the prevailing currency within the primary economic environment, and are prepared under the historical cost convention basis, as modified by revaluation of certain assets as prescribed by IFRSs.

**iii) Use of estimates and judgement**

The preparation of the financial statement in conformity with IFRS requires the use of management judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and payments during the reporting period. It also requires management to exercise its judgement in the process of applying the policies adopted by the Society. Although such estimates and assumptions are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of income in which the estimate is reviewed and in any future periods affected.

**b) Revenue Recognition**

Revenue from sale of land is recognised when the transaction with the buyer is substantively complete which Interest income, which comprises interest receivable from bank deposits, loans and investment in securities, is Dividend income is recognised if declared before the financial statements are authorised for issue. Other income is recognised as it accrues.

**ii) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank and deposits repayable on demand with banks net of bank overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. Bank overdrafts are included in borrowings under the current liabilities.

**iii) Property and Equipment**

All property and equipment are initially recorded at cost. Depreciation is calculated on reducing balance method to write down the cost of each asset to its residual value over its estimated useful life.

<b>Asset</b>	<b>Rate (%)</b>
Software	30%

It is the society policy not to amortise or depreciate assets during the year of acquisition.



CS/NO 16115  
CDF HOUSING CO- OPERATIVE SOCIETY LIMITED  
REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 2020

NOTES TO THE ACCOUNTS

	2020 kshs	2019 kshs
<b>2a Other operating income</b>		
Land sales	2,764,776	3,257,575
Entrance fees	2,000	165,000
Operation fees	839,000	495,000
	<u>3,605,777</u>	<u>3,917,575</u>
<b>2ai Land sales</b>		
Sale of 35 plots(Size 50X100)		
1,180,000.00	41,300,000	41,300,000
1plot(50X100)	-	1,261,511
Cost of 35 plots(50X100)		
1,101,006.39	38,535,224	39,303,936
	<u>2,764,776</u>	<u>3,257,575</u>
<b>2b Other Interest income</b>		
Interest from Nachu	-	46,097
Interest from CIC	2,024	1,805
	<u>2,024</u>	<u>47,902</u>
<b>3 Administrative expenses</b>		
Printing & Stationery	-	19,250
AGM Expenses	-	420,550
Education Expenses	-	475,500
Preparation of Books	39,550	39,550
Audit & Supervision Fee	15,600	15,600
Book keeping & Accountancy	50,000	56,200
Administrative expenses	27,700	334,510
Committee expenses	566,000	480,000
Committee accomodation	160,000	-
Transport	95,000	-
	<u>953,850</u>	<u>1,841,160</u>
<b>4 Other operating expenses</b>		
Bank charges	7,248	8,658
	<u>7,248</u>	<u>8,658</u>
<b>5 Cash and cash equivalent</b>		
Bank Co-operative Savings Account	4,550,638	4,347,798
	<u>4,550,638</u>	<u>4,347,798</u>
<b>6a Trade and other Receivables</b>		
CDF Sacco	-	550,004
Owing by land buyers	45,189,500	25,644,000
Nachu Savings	4,223,493	2,423,493
	<u>49,412,993</u>	<u>28,617,497</u>



**CS/NO 16115**  
**CDF HOUSING CO- OPERATIVE SOCIETY LIMITED**  
**REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 2020**  
**NOTES TO THE ACCOUNTS**

**6b Interest bearing liability**

The co-operative Bank advanced a loan of kshs 43,000,000 (forty three million) to the society on 29 th June 2016

Balance B/F	6,149,551	15,936,880
Paid in the year	<u>(6,149,551)</u>	<u>(9,787,329)</u>
Balance C/F	<u>-</u>	<u>6,149,551</u>

**7a Other Financial Assets**

CIC Unit Trust	23,200	21,176
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**7b Assets Held for Sale**

Land(0.048HA Kajiado Kaptutiei/97841)

<b>Balance B/F</b>	<b>38,535,224</b>	<b>76,424,379</b>
Loan Interest Capitalised	-	1,433,270
Land sold	<u>(38,535,224)</u>	<u>(39,322,426)</u>
	<u>-</u>	<u>38,535,224</u>

**7c Sacco Management system**

	<u>225,000</u>	<u>-</u>
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**8 Members Savings**

Balance B/F	47,651,500	54,615,775
Contributions	12,164,000	11,588,025
Shares used to buy land	<u>(25,124,500)</u>	<u>(18,552,300)</u>
	<u>34,691,000</u>	<u>47,651,500</u>

**9 Share Capital**

Balance B/F	8,350,000	8,350,000
Issued	100,000	-
Withdrawals	<u>-</u>	<u>-</u>
	<u>8,450,000</u>	<u>8,350,000</u>

**10 Reserves**

Statutory	691,382	322,041
Retained earnings	<u>1,767,899</u>	<u>290,536</u>
	<u>2,459,281</u>	<u>612,577</u>

**11 Trade & other payables**

System Maintenance	39,600	39,550
Provision for rebates to members	1,600,000	800,000
Audit & Supervision fee	15,600	15,600
Member plot deposits	6,675,151	7,846,717
Sacco Software Acquisition	225,000	-
Book keeping Fee	56,200	56,200
	<u>8,611,551</u>	<u>8,758,067</u>