

CS/NO 16115

CDF HOUSING CO-OPERATIVE SOCIETY LIMITED

STATE OF KERALA  
DEPARTMENT OF AGRICULTURE  
AND FISHERIES & CO-OPERATIVE  
State Director of Co-operative  
MAINTENANCE  
14 APR 2023  
No: .....  
E.O.  
G.P.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
31ST DECEMBER 2022

**CS/NO 16115**  
**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**  
**REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2022**

**CONTENTS**

	<b>PAGE</b>
Society information	1
Management committee report	2
Statistics	3
Management responsibility	4
Report of the independent auditors	5-6
Financial statements	
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of change in equity	9
Cash flow statement	10
Notes	11-15

**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED  
REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2022**

**SOCIETY INFORMATION**

**EXECUTIVE COMMITTEE**

NAPHTALLY MULESI OCHUMA	Chairman
JANE WANJIRU KARIUKI	Vice Chairman
JACTON OMONDI OJOW ELIAB	Treasurer
JOSEPHINE MUTINDA MUTUA	Secretary
SILVERIUS WAKOLI	Member
DAVID KABERIA MURUNGI	Member
FRANCIS OGUTU ONYANGO	Member

**SUPERVISORY COMMITTEE**

TOM WASIKE	Chairman
MARY MASINDE MWAKI	Secretary
WESLEY RONO MAINA	Member

**REGISTERED OFFICE**

CDF Housing Co-op Society Ltd  
Harambee House  
Nairobi

Auditors

Ministry of Cooperatives and Micro, Small &  
Medium Enterprises (MSMEs) Development  
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 2022

**Management Committee report**

The Management committee submit the annual report together with the audited financial statements for the year ended 31 December, 2022

**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

	2022	2021
	kshs	kshs
Surplus/ (Deficit) for the year before tax	1,534,368	151,677
Transfer to Statutory Resrves	306,874	30,335
Retained surplus for the year	707,494	121,342

**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.

**Auditors**

Ministry of Cooperatives and Micro, Small & Medium enterprise (MSMEs) were the auditors for the year under review and have expressed willingness to continue in office.

By Order of the Management Committee

Signature.....  ..... Date.. 06/04/2023 .....

HON SECRETARY

**CS/NO 16115  
CDF HOUSING CO-OP SOCIETY LTD  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2022**

**STATISTICAL INFORMATION**

**MEMBERSHIP**

ACTIVE

2022

2021

186

180

135

129

**FINANCIAL**

Members Deposits

33,261,944

35,434,700

Share Capital

10,627,000

10,627,000

Current Assets

59,904,238

52,265,686

Current Liabilities

9,939,113

3,775,871

Reserves

3,625,326

2,610,957

Total Assets

60,553,383

52,448,528

Total Liabilities

46,301,057

39,210,571

Revenues

6,653,932

1,154,300

**KEY RATIOS**

6.03

13.84

Liquidity Ratio

5.6:1

13:84:1

**CDF HOUSING CO-OP SOCIETY LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2022**  
**MANAGEMENT COMMITTEE RESPONSIBILITIES**

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 ..... 2023 and signed on its behalf by:

**Chairman** ..... 

**Hon Secretary** ..... 

**Treasurer** ..... 

**Date** ..... 06/04/2023

**CDF HOUSING CO-OP SOCIETY LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2022**  
**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 2022, 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 2022 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 CO-OPERATIVES AND MICRO, SMALL & MEDIUM ENTERPRISE (MSMEs) DEVELOPMENT**



**CPA BETTY C RONO**

**DEPUTY COUNTY DIRECTOR CO-OP AUDIT**

**NAIROBI CITY COUNTY**

Date.....14/4/2023.....



CS/NO 16115

**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME AS AT 31ST DECEMBER 2022**

<b>Revenue</b>		<b>Notes</b>	<b>2,022</b>	<b>2,021</b>
Operating income	2		5,847,129 ✓	210,158 ✓
Other operating income	4		804,500 ✓	942,000 ✓
Other interest income	5		2,303 ✓	2,142 ✓
<b>Gross Revenue</b>			<b>6,653,932 ✓</b>	<b>1,154,300 ✓</b>
Rebates to Members	18		3,100,000 ✓	- ✓
<b>Net Revenue</b>			<b>3,553,932 ✓</b>	<b>1,154,300 ✓</b>
<b>Expenditure</b>				
Administrative expenses	6		2,007,252 ✓	992,220 ✓
Other operating expenses	7		12,312 ✓	10,403 ✓
			<b>2,019,564 ✓</b>	<b>1,002,623 ✓</b>
<b>Net surplus/ deficit before tax</b>			<b>1,534,368 ✓</b>	<b>151,677 ✓</b>
<b>Net surplus/ deficit after tax</b>			<b>1,534,368 ✓</b>	<b>151,677 ✓</b>
20% transfer to statutory Reserve			306,874 ✓	30,335 ✓
Honoraria			500,000 ✓	
Staff bonus			20,000 ✓	
Surplus to retained earnings			707,494 ✓	121,342 ✓

CS/NO 16115  
**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022**

**ASSETS**

	NOTES	2022 KHS	2021 KHS
Cash and cash equivalent			
Trade & Other Receivables	5	6,850,289	3,260,930
Other Financial Assets	9	53,053,949	49,004,756
Land	11	27,645	25,342
Property & Plant	12	466,250	-
<b>Total assets</b>	13	<b>60,553,383</b>	<b>52,448,528</b>

**LIABILITIES**

Members deposits			
Trade and other payables	14	33,261,944	35,434,700
Rebates to Members	17	9,939,113	3,775,871
<b>Total Liabilities</b>	18	<b>46,301,057</b>	<b>39,210,571</b>

**SHARE HOLDERS FUNDS**

Share capital			
Reserves	15	10,627,000	10,627,000
<b>TOTAL EQUITY</b>	16	<b>14,252,326</b>	<b>13,237,957</b>

**TOTAL LIABILITIES & SHAREHOLDERS FUND**

<b>60,553,383</b>	<b>52,448,528</b>
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The financial statements on page 6-13 were authorised by the management committee on and signed on its behalf by

Chairman..... *[Signature]*

Treasurer..... *[Signature]*

Secretary..... *[Signature]*

Date..... 06/04/2023



CS/NO 16115  
**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**  
**REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2022**

**STATEMENT OF CHANGES IN EQUITY**

	<u>Share capital</u>	<u>Retained Earnings</u>	<u>Statutory reserves</u>	<u>Total</u>
<b>As at 1/1/2021</b>				
Surplus before tax	8,450,000	1,767,898	691,382	10,909,280
Provision for taxation	-	151,677	-	151,677
20% Statutory reserves	-	-	-	-
Issued Share Capital	-	(30,335)	30,335	(0)
	<u>2,177,000</u>	<u>-</u>	<u>-</u>	<u>2,177,000</u>
<b>As at 31/12/2021</b>	<b>10,627,000</b>	<b>1,889,241</b>	<b>721,717</b>	<b>13,237,958</b>
<b>As at 1/1/2022</b>				
Surplus before tax	10,627,000	1,889,241	721,717	13,237,958
Provision for taxation	-	1,534,368	-	1,534,368
20% Statutory reserves	-	-	-	-
Honoraria	-	(306,874)	306,874	-
Staff bonus	-	(500,000)	-	(500,000)
	-	(20,000)	-	(20,000)
<b>As at 31/12/2022</b>	<b>10,627,000</b>	<b>2,596,735</b>	<b>1,028,591</b>	<b>14,252,326</b>

CS/ NO 16115  
**CDF HOUSING CO-OPERATIVE SOCIETY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31.12.2022**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022**

	2022 Kshs	2021 Kshs
<b>Cashflows from operating activities</b>		
Land sales		
Property Loan interest received	5,484,850 ✓	- ✓
Other operating income	362,278 ✓	210,158 ✓
Payment to employees & Suppliers	804,500 ✓	942,000 ✓
Net Income/loss	(1,956,714) ✓	(837,923) ✓
<b>Increase or Decrease in operating asset</b>	<b>6,651,628</b> ✓	<b>314,235</b> ✓
Trade and other receivables	(4,049,193) ✓	408,237 ✓
<b>Increase or Decrease in Operating liabilities</b>	<b>(4,049,193)</b> ✓	<b>408,237</b> ✓
Members deposits		
Trade and other payables	(2,172,756) ✓	743,700 ✓
	6,163,242 ✓	(4,932,880) ✓
	<b>3,990,486</b> ✓	<b>(4,189,180)</b> ✓
<b>Net cash flow from Operating activities</b>	<b>6,592,921</b> ✓	<b>(3,466,708)</b> ✓
<b>Cash flow from Investing Activities</b>		
Sacco software	(155,250) ✓	- ✓
Other financial assets	(2,530) ✓	(2,142) ✓
Interest from CIC/NACHU	2,530 ✓	2,142 ✓
Increase in Assets held for sale	- ✓	- ✓
<b>Net cash flow from Investing activities</b>	<b>(155,250)</b> ✓	<b>-</b> ✓
<b>Cash flow from Financing Activities</b>		
Bank Loan	-	-
Share Capital	-	2,177,000 ✓
<b>Net cash flow from Financing activities</b>	<b>-</b> ✓	<b>2,177,000</b> ✓
<b>Net Decrease/ increase in cash and cash equivalent</b>	<b>3,589,359</b> ✓	<b>(1,289,708)</b> ✓
<b>Cash and cash Equivalent at the beginning of the year</b>	<b>3,260,930</b> ✓	<b>4,550,638</b> ✓
<b>Cash and cash Equivalent at the end of the year</b>	<b>6,850,289</b> ✓	<b>3,260,930</b> ✓

### 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 judgments, 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.

Asset	Rate (%)
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 2022**

**NOTES TO THE ACCOUNTS**

	2022 kshs	2021 kshs
<b>2 Operating income</b>		
Land sales (Note3)		
Interest from property loans	5,484,850	-
	362,278	210,158
	<u>5,847,129</u>	<u>210,158</u>

<b>3 Land sales</b>		
Sale of 47 plots(size 50x100)		
Sale of 6 plots(size 50x100)	580,000	27,260,000
	620,000	3,720,000
Cost of 53 plots(50x100)		25,495,150
		<u>5,484,850</u>

<b>4 Other operating income</b>		
Entrance fees	6,000	14,000
Operation fees	798,500	928,000
	<u>804,500</u>	<u>942,000</u>

<b>5 Other Interest income</b>		
Interest from CIC	2,303	2,142
	<u>2,303</u>	<u>2,142</u>

<b>6 Administrative expenses</b>		
Printing & Stationery	15,000	-
AGM Expenses	306,000	375,000
System Maintenance	39,600	39,600
Audit & Supervision Fee	15,600	15,600
Book keeping & Accountancy	42,000	42,000
Office expenses	221,380	32,520
Committee expenses	616,050	331,000
Committee accomodation	360,000	-
Software Armotization	47,250	67,500
Repairs and Maintenance	-	9,000
Transport	186,500	80,000
Consultancy Expenses	13,500	-
Salaries & Wages	144,372	-
	<u>2,007,252</u>	<u>992,220</u>

<b>7 Other operating expenses</b>		
Bank charges	12,312	10,403
	<u>12,312</u>	<u>10,403</u>

<b>8 Cash and cash equivalent</b>		
Bank Co-operative Savings Account	6,850,289	3,260,930
	<u>6,850,289</u>	<u>3,260,930</u>

DECEMBER 2022

102,000  
28,913  
3,482,850  
39,367,500  
6,023,493  
49,004,756

-  
5,300,000  
1,817,150  
3,482,850

25,342

0

13 Property & Plant	Software	Printer	Total Property & Plant
Rate	Rate30%	Printer 12.5%	
Cost			
As at 01/01/2021			
Additions	225,000.00	-	225,000.00
As at 31/12/2021	-	-	-
	225,000.00	-	225,000.00
<b>Amortisation/Depreciation</b>			
Accumulated Depreciation			
Charge for the year			
As at 31/12/2021	67,500.00	-	67,500.00
	67,500.00	-	67,500.00
<b>Net Book Value</b>			
As at 31/12/2021	157,500.00	-	157,500.00
Cost	Rate30%		
As at 01/01/2022			
Additions	225,000.00	-	225,000.00
As at 31/12/2022	-	45,000.00	45,000.00
	225,000.00	45,000.00	270,000.00
<b>Amortisation/Depreciation</b>			
Accumulated Depreciation	67,500.00	-	67,500.00
Charge for the year	47,250.00	-	47,250.00
As at 31/12/2022	114,750.00	-	114,750.00
<b>Net Book Value</b>			
As at 31/12/2022	110,250.00	45,000.00	155,250.00

#### 14 Members Savings

	2022	2021
Balance B/F	35,434,700	34,691,000
Contributions	11,460,884	13,533,700
Shares used to buy land	- 13,633,640	- 12,790,000
	<u>33,261,944</u>	<u>35,434,700</u>

#### 15 Share Capital

Balance B/F	10,627,000	8,450,000
Issued	-	2,177,000
Withdrawals	-	-
	<u>10,627,000</u>	<u>10,627,000</u>

#### 16 Reserves

Statutory	1,028,590.61	721,717
Retained Earnings	2,596,735	1,889,240
	<u>3,625,326</u>	<u>2,610,957</u>



**17 Trade & other payables**

	2022	2021
Accounts payable-Land	6,000,000 ✓	-
Accounts payable-Survey	530,000 ✓	-
System Maintenance	39,600 ✓	39,600
Audit & Supervision fee	15,600 ✓	15,600
Member plot deposits	2,783,096 ✓	3,678,671
Honoraria	500,000 ✓	-
Staff bonus	20,000 ✓	-
Book Keeping fees	42,000 ✓	42,000
Statutory deductions	8,818 ✓	-
	<u>9,939,113</u> ✓	<u>3,775,871</u>

**18 Rebates to Members**

As at start of year	-	1,600,000
Provision for the year	3,100,000.00	-
Paid during the year	-	1,600,000
As at year end	<u>3,100,000.00</u> ✓	<u>-</u> ✓