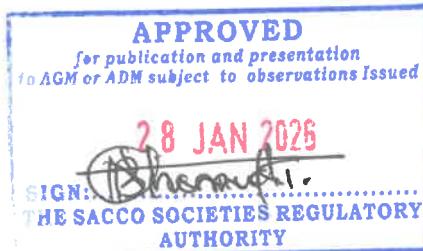


CS / 4217



Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217

Annual Report and Financial Statements  
For the Year Ended 31st December 2025



**D.K Wambua & Associates**  
Certified Public Accountants.

P.O Box 5957-00100  
NAIROBI -KENYA

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Annual Report and Financial Statements  
For the Year Ended 31st December 2025***

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IAS 1 permits the use of different titles for the various financial statements  
The titles used here are those used in the standard.

**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217  
Annual Report and Financial Statements  
For the Year Ended 31st December 2025**

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**SOCIETY INFORMATION**

**BOARD AND SUPERVISORY COMMITTEE MEMBERS**

**BOARD OF DIRECTORS**

Amos Chacha Mwita	Chairperson
George Rukwaru	Vice Chairman
Frida Mitei	Hon. Secretary
Eli Mwangi Waweru	Treasurer
Patrick Ndombi	Member Up to 1st February 2025
Dalmas Mukabalasi	Member
Lewis Mbae	Member
Judy Okero	Member
Martin Kimondo	Member
Ferdinand Mwakisha	Member From 1st February 2025

**SUPERVISORY COMMITTEE**

James Kamau	Chairperson
Douglas Munene	Secretary up to 1st February 2025
Anne Kaari	Secretary from 1st February 2025
Henry Kweheria	Member From 1st February 2025

**CHIEF OFFICER/S**

Chief Executive Officer	Pauline W.Gichuki
Finance Manager	Jackline Kimani

**REGISTERED OFFICE**

Co-op Bank House  
P.O Box 48231 - 01000  
Nairobi - Kenya

**INDEPENDENT AUDITOR**

D K Wambua & Associates  
Certified Public Accountants  
Danny's Court Suite A3 First Floor  
Mombasa Rd opposite Nextgen Mall  
P.O. Box 5957-00100  
Nairobi - Kenya

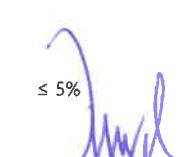
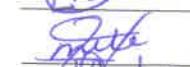
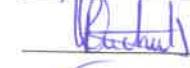
**PRINCIPAL BANKERS AND FINANCIERS**

Cooperative Bank of Kenya Ltd  
Co-op House Branch  
Nairobi - Kenya

Chairman	Amos Mwita
Treasurer	Eli Waweru
Hon. Secretary	Frida Mitei
Chief Executive Officer	Pauline Gichuki
Finance Manager	Jackline Kimani

*[Handwritten signatures and initials for the Board members: Amos Mwita, Eli Waweru, Frida Mitei, Pauline Gichuki, Jackline Kimani, and a signature that appears to be 'D. K. Wambua' with a large 'D' and a small 'K' below it.]*

**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December 2025**  
**Statistical Information**

	2025 Kshs Numbers	2024 Kshs Numbers
<b>Membership</b>		
Active	5,761	5,303
Inactive	462	347
	<u>6,223</u>	<u>5,650</u>
<b>Financial</b>	<b>Kshs</b>	<b>Kshs</b>
Total assets	6,833,901,792	6,105,133,138
Total deposits	4,168,923,148	3,632,821,978
External Borrowings	226,373,508	259,026,136
Loan and advances to members	5,590,993,553	4,824,898,895
Financial Assets (Sacco)	757,132,143	683,622,467
Financial Assets (Held in Trust)	-	198,684,178
Core capital	912,350,317	726,356,660
Share capital	514,918,716	448,201,061
Institutional capital	1,154,563,747	961,778,066
Retained Earnings	495,595,597	420,189,485
Total revenue	970,600,046	799,643,206
Total Interest Income	701,518,172	598,220,697
Interest on Members Deposits	461,367,691	404,611,506
Dividend on Share Capital	99,388,975	83,370,611
Total expenses	104,351,827	94,188,914
Liquid Assets	685,861,581	534,218,119
<b>Employees of the Sacco</b>	<b>Numbers</b>	<b>Numbers</b>
Male	5	5
Female	8	8
	<u>13</u>	<u>13</u>
<b>Key ratios</b>		
<b>Capital Adequacy Ratio</b>	<b>SASRA</b>	<b>%</b>
Core capital/Total Assets	≥8%	13%
Core Capital/Total Deposits	≥5%	22%
Retained Earnings and Reserves/Core Capital	≥50%	140%
<b>External Borrowing Ratio</b>		
External borrowing/Total assets	≤ 25%	3%
<b>Liquid Ratio</b>		
Liquid asset/Current Liabilities	≥10%	14%
<b>Operating Efficiency/Loan Quality Ratio</b>		
Total expenses/Total revenue	11%	12%
Interest on Member Deposit/Total Revenue	48%	51%
Interest rate on Member Deposits	12%	12%
Dividend rate on member Share Capital	20%	20%
Total Delinquency Loans/Gross Loan Portfolio	≤ 5%	2%
Chairman	Amos Mwita	
Treasurer	Eli Waweru	
Hon. Secretary	Frida Mitei	
Chief Executive Officer	Pauline Gichuki	
Finance Manager	Jackline Kimani	

*Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217*  
*Annual Report and Financial Statements*  
*For the Year Ended 31st December 2025*

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**STATEMENT OF CORPORATE GOVERNANCE**

Corporate governance is the process and structure used to manage business affairs of the Society towards enhancing prosperity and Corporate accounting with the ultimate objective of realizing members' long term value while taking into account the interest of other stakeholders.

The Board of Directors are responsible for the corporate governance practices of the society. This statement sets out the main practices in operation during the period under review, unless otherwise indicated. The society is committed to business integrity and professionalism in all its activities.

**Management Board**

The Board has (9) nine members ,and a Chief Executive Officer (CEO) as an Ex-Official. The separate roles of Chairman and the CEO are practised and are clearly defined in the by laws that are regularly revised to be in line with legislation and statutes. The Board meets Monthly to deliberate on the Society's financial performance and discuss reports from each sub-committee and deal with any strategic issues and opportunities for the Sacco.

**Board Sub- Committees**

The Society had the following sub-committees in place during the period with terms of reference clearly defined in the by laws to facilitate decision making of the Board in the execution of its powers, duties and authorities.

- |                                       |              |                   |
|---------------------------------------|--------------|-------------------|
| 1. Finance & Administration Committee | Chaired by - | Eli Mwangi Waweru |
| 2. Credit & Risk management Committee | Chaired by - | Lewis Mbae        |
| 3. Business Development Committee     | Chaired by - | George Rukwaru    |

**Supervisory Committee**

The SACCO has (3) three supervisory members

- |                          |              |             |
|--------------------------|--------------|-------------|
| 1. Supervisory Committee | Chaired by - | James Kamau |
|--------------------------|--------------|-------------|

**Internal Controls**

The Society has systems and processes to ensure that requisite controls, physical security of assets and reporting of accurate and up-to date information with a comprehensive accounting system is in place. Further Sacco has contracted an independent external auditor who reports to the Board through the Supervisory Committee.

Chairman	Amos Mwita
Treasurer	Eli Waweru
Hon. Secretary	Frida Mitei
Chief Executive Officer	Pauline Gichuki
Finance Manager	Jackline Kimani

***Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217  
Annual Report and Financial Statements  
For the Year Ended 31st December 2025***

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**REPORT OF THE DIRECTORS**

The Board of Directors submit their report and the audited financial statements for the year ended 31st December 2025, which disclose the state of affairs of the society.

**INCORPORATION**

The society is incorporated in Kenya under the Cooperative Society Act, Cap 490 and Licensed under the Sacco Societies Act No. 14 of 2008, and is domiciled in Kenya.

**PRINCIPAL ACTIVITIES**

The Principal activities of the society are receiving shares, savings and issuing of loans to its members.

<b>RESULTS</b>	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Surplus/(deficit) before tax	352,818,900	244,821,905
Tax (charge)/credit for the year	(35,013,357)	(17,111,394)
Gain/Loss in Market Value for shares	73,459,676	48,258,908
Transfer to Statutory reserves	78,253,044	55,193,884
Surplus/(deficit) after tax & provisions	391,265,219	275,969,419
Interest on members deposits	461,367,691	404,611,506

**INVESTMENT SHARES**

The issued and paid up share capital of the society increased during the year to Shs.514,918,716 from Shs.448,201,061 in 2024.

***Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217***

***Annual Report and Financial Statements***

***For the Year Ended 31st December 2025***

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**REPORT OF THE DIRECTORS (CONTINUED)**

**DIRECTORS**

The directors who held office during the year and to the date of this report are shown on page 1. In accordance with the society's By Laws.,

**Dividends, Interest rebate and Honoraria**

The Board of Directors recommends the following payments for approval by members:-

	<b>2025</b>	<b>2024</b>
Proposed dividend on share capital	20%	20%
Proposed Rebate on members' deposits	12%	12%
Proposed Board Honoraria	8,300,000	7,000,000
Proposed staff Ex-gratia	9,520,957	7,754,345

**INDEPENDENT AUDITOR**

DK Wambua & Associates was appointed during the year and continues in office in accordance with the Sacco Societies Act No 14 of 2008. The directors monitor the effectiveness, objectivity and independence of the auditor. The Board of Directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

**BY ORDER OF THE BOARD**

Signature.....  Date 12<sup>th</sup> January 2026

Frida Mitei  
Hon. Secretary  
Nairobi.

**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS/4217**  
**Interim Report and Financial Statements**  
**For the year ending 31st December 2025**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The SACCO's Act No.14 of 2008 requires that the Board members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Sacco as at the end of the financial period and of the operating results of the Sacco for that period. It also requires the board members to ensure that the Sacco keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Sacco. They are also responsible for safeguarding the assets of the sacco.

The Board Members accept responsibility for the preparation and fair presentation of the 'financial statements in accordance with the appropriate accounting policies supported by' reasonable prudent judgements and estimates, in conformity with the International Financial 'Reporting Standards and in the manner required by co-operative Societies 'Act.

They also accept responsibility for:

- 1 Selecting and applying appropriate accounting policies; and
- 2 Making accounting estimates and judgements that are reasonable in the circumstances;
- 3 Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board Members are of the opinion that the financial statements give a true and fair view of the financial position of the Sacco and of its financial performance and cash flows for the period then ending in accordance with International Financial Reporting Standard and the requirements of the Saccos Act.

In preparing these financial statements the directors have assessed the Sacco's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that the Sacco will not remain a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

So far as each of the Board member is aware, there is no relevant audit information which the auditor is unaware of, and each of the board member has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the board of directors on 12<sup>th</sup> January 2026 signed on its behalf by:

Chairman	Amos Mwita	
Treasurer	Eli Waweru	
Hon. Secretary	Frida Mitei	



**Co-operative Bank Regulated Non-WDT Sacco Society Limited**  
Report of the Independent Auditors to the Members of Co-operative Bank Regulated Non-WDT Sacco Society Limited  
For the Year Ended 31st December 2025

**Opinion**

We have audited the accompanying financial statements of Co-operative Bank Regulated Non-WDT Sacco Society Limited set out on pages 9 to 36 which comprise the Society's statement of financial position as at 31 December 2025 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fairview of the financial position of the Sacco as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Sacco Societies Act.

**Basis for Opinion**

We 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 financial statements section of our report. We are independent of the Society in accordance with the IESBA code together with the ethical requirements that are relevant to our audit of the 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 opinion.

**Key audit matters during the year**

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 do not provide a separate opinion.

	<b>IFRS 9 and Expected Credit Loss (ECL) Adoption</b>	<b>How our Audit Addressed Matter</b>
i.	We observed that the Sacco has not fully complied with requirements of IFRS 9 and Expected Credit Loss modeling for financial risk management as required by standards.	The audit took note that the Sacco has fully complied with the SASRA model for provisioning. Further the Sacco also has implemented ECL for some accounts. We advised the board and management ensure full implementation and cover all the areas of financial risk exposure. The Sacco also, has an model which is in trial.
ii.	<b>Financial and Management Information System</b>	<b>How our Audit Addressed Matter</b>
	We observed that the financial and management information system in use does not provide some key reports and or it has a configuration gap as regards to the following; a) ledgers and listings, loans ageing analysis and loan default management automation.	We reviewed and confirmed the opening, account listing and ledger balances to pick the variances. We also confirmed and reviewed the reconciliations and transactions for certification of the same. The board and management is currently working on implementation of a new system to address the issue.

**Other information**

The directors are responsible for other information. Other information comprises the information included in the annual report, but does not include the financial statements and our auditors report there on.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Directors responsibility for the Financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Sacco Societies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



**Co-operative Bank Regulated Non-WDT Sacco Society Limited**  
**Report of the Independent Auditors to the Members of Co-operative Bank Regulated Non-WDT Sacco Society Limited**  
**For the Year Ended 31st December 2025**

**Auditor's responsibility for the audit of financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Obtain an understanding of internal control relevant to the audit 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 company's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal requirements**

As required by the Sacco Societies Act, we report to you based on our audit that:

- i) We have obtained information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) The Sacco has complied with various regulatory and standard ratios required by the Sacco Societies Act.
- iii) The Society's statement of financial position and the statement of comprehensive income are in agreement with the books of accounts; and,
- iv) The Society's business was conducted in accordance with the provisions of the Sacco Societies Act and the Society's by-laws and any other resolutions made by the Society at a general meeting, as far as our audit confirmed.
- v) Our audit review of the Society's going concern confirms, that management's use of the going concern basis of accounting and, that based on the audit evidence obtained, there is no material uncertainty that exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern as is reported by the directors.

**The engagement partner responsible for the audit resulting in this independent auditors report was CPA Dennis Wambua Kimanzi, Practicing Certificate number P/1675**

  
D K Wambua & Associates  
Certified Public Accountants  
Nairobi, Kenya

**D. K. WAMBUA & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS  
P. O. Box 5957 - 00100  
NAIROBI

Danny's Court, 1st Floor Suite A3, Mombasa Road - Adjacent to Security Group Africa (SGA), P. O. Box 5957 - 00100, Nairobi - Kenya  
Tel: +254 20 251 4788, Cell: +254 722 771 411 / +254 736 801 644.  
KITUI BRANCH: Central Trade Center, adjacent to National Bank of Kenya, 2nd Floor Room 3H, P. O. Box 337 - 90200 Kitui - Kenya  
Tel: +254 712 980 340. Email: info@dkwambua.co.ke, dkwambua.associates@gmail.com

**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December 2025**  
**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2025 Kshs	2024 Kshs
<b>Revenue</b>			
Interest on loans and advances	2.a)	701,518,172	598,220,697
Other Interest Income	2.b)	25,356,416	50,984,589
Interest expenses	4. i)	(512,722,675)	(460,118,563)
Net Interest Income	*	<b>214,151,913</b>	<b>189,086,723</b>
Other operating income	3.	243,725,458	150,437,919
		<b>457,877,371</b>	<b>339,524,642</b>
<b>Expenditure</b>			
Administration expenses	5[a]	(14,750,482)	(21,800,105)
Marketing expenses	5[b]	(706,644)	(513,824)
Depreciation and Amortization	5.{c)	(303,794)	(379,917)
Governance expenses	5 [d]	(24,906,849)	(21,274,987)
Personnel expenses	5 [e]	(42,683,469)	(38,074,061)
Financial expenses	4.(ii)	(21,707,233)	(12,659,844)
<b>Profit before income tax</b>		<b>352,818,900</b>	<b>244,821,905</b>
Tax Provision	20	(35,013,357)	(17,111,394)
<b>Net Surplus</b>		<b>317,805,543</b>	<b>227,710,511</b>
Increase in fair value of financial asset	12[c]	73,459,676	48,258,908
<b>Net comprehensive income for the year</b>		<b>391,265,219</b>	<b>275,969,419</b>

Chairman	Amos Mwita
Treasurer	Eli Waweru
Hon. Secretary	Frida Mitei
Chief Executive Officer	Pauline Gichuki
Finance Manager	Jackline Kimani

'The notes on pages 14 to 35 form an integral part of these financial statements.

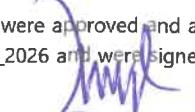
**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217**

**Annual Report and Financial Statements**  
**For the Year Ended 31st December 2025**

**STATEMENT OF FINANCIAL POSITION**

		<b>2025</b>	<b>2024</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Assets</b>			
Cash and cash equivalents	6	453,614,525	375,430,739
Receivables and prepayments	8	14,362,716	13,503,189
Interest receivable	9(i)	12,566,544	7,756,506
Loans and advances to members	11	5,590,993,553	4,824,898,895
Financial Asset (Investments) - Sacco	12 {a}	757,132,143	683,622,467
Financial Asset (Investments) - held in Trust	12 {b}	-	198,684,178
Property, Plant and Equipment	13	937,363	945,500
Intangible Asset	14	4,294,947	275,413
Consumable Asset	15	-	16,250
<b>Total</b>		<b>6,833,901,792</b>	<b>6,105,133,138</b>
<b>Liabilities</b>			
Member deposits	16 (i)	4,115,214,868	3,603,909,879
Member's savings	16 (ii)	53,708,280	28,912,100
Trade payables	10	59,718,491	47,951,965
Sundry creditors	12 (b)	-	198,684,178
Interest bearing liabilities	7	226,373,508	259,026,136
Interest on member's deposits	11	461,501,156	404,598,830
Insurance Fund	15	13,229,286	14,216,423
Proposed dividends	18	100,438,714	83,247,429
Provision for ECL	9(ii)	4,911,773	-
Tax Payable	20	2,073,445	816,939
<b>Total liabilities</b>		<b>5,037,169,521</b>	<b>4,641,363,878</b>
<b>Equity</b>			
Share capital	21	514,918,716	448,201,061
Reserves	22	786,217,958	595,378,715
Retained Earnings	23	495,595,597	420,189,485
<b>Total Equity</b>		<b>1,796,732,271</b>	<b>1,463,769,261</b>
<b>Total liabilities and equity</b>		<b>6,833,901,792</b>	<b>6,105,133,138</b>

The financial statements on pages 9 to 35 were approved and authorised for issue by the Board of Directors on 12th January 2026 and were signed on its behalf by:

Chairman	Amos Mwita	
Treasurer	Eli Waweru	
Hon. Secretary	Frida Mitei	
Chief Executive Officer	Pauline Gichuki	
Finance Manager	Jackline Kimani	

The notes on pages 14 to 35 form an integral part of these financial statements.  
Report of the independent auditor - pages 7 and 8.

**STATEMENT OF CHANGES IN EQUITY**

Notes	Share capital Kshs	Statutory Reserve Kshs	General Reserve Kshs	Revaluation Reserve Kshs	Retained Earnings Kshs	Total Equity Kshs
<b>As at January 2025</b>						
Surplus for the year					420,189,485	1,463,769,259
Revaluation of shares investments				73,459,676	317,805,543	317,805,543
Shares issued during the year	66,717,655					73,459,676
Proposed dividend						66,717,655
Proposed Honoraria					(99,388,975)	(99,388,975)
Proposed staff bonus					(8,300,000)	(8,300,000)
Transfer (20%) of Net operating surplus to statutory Reserve		78,253,044			(9,520,957)	(9,520,957)
Transfer to General Reserve		39,126,522				
Increase in expected Credit Loss				(7,809,933)		
At end of period	<b>514,918,716</b>	<b>349,469,683</b>	<b>309,498,464</b>	<b>127,249,808</b>	<b>(309,498,464)</b>	<b>1,796,732,267</b>

Chairman   
 Amos Mwita

Treasurer   
 Eli Waweru

Hon. Secretary   
 Frida Mitei

Chief Executive Officer   
 Pauline Gichuki

Finance Manager   
 Jackline Kimani

The notes on pages 14 to 35 form an integral part of these financial statements.

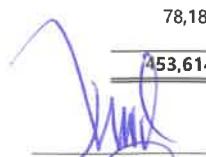
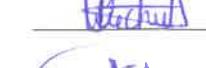
**STATEMENT OF CHANGES IN EQUITY**

	Share capital Kshs	Statutory Reserve Kshs	General Reserve Kshs	Revaluation Reserve Kshs	Retained Earnings Kshs	Total Equity Kshs
<b>As at January 2024</b>						
Surplus for the year						
Gain on revaluation of shares investments						
Shares issued	110,165,065			48,258,908		48,258,908
Proposed dividends					(83,370,611)	(83,370,611)
Proposed Honoraria					(7,000,000)	(7,000,000)
Proposed staff bonus					(7,754,345)	(7,754,345)
Transfer (20%) of Net operating surplus to statutory Reserve						
Transfer to General Reserve					(55,193,884)	(55,193,884)
At end of period	<b>338,035,996</b>	<b>216,022,755</b>	<b>242,775,000</b>	<b>5,531,226</b>	<b>373,394,756</b>	<b>1,175,759,733</b>
<hr/>						
Chairman	Amos Mwita					
Treasurer	Eli Waweru					
Hon. Secretary	Frida Mitei					
Chief Executive Officer	Pauline Gichuki					
Finance Manager	Jackline Kimani					

The notes on pages 14 to 35 form an integral part of these financial statements.

**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December 2025**

**STATEMENT OF CASH FLOWS**

	Notes	2025 Kshs	2024 Kshs
<b>Cash flows from operating activities</b>			
Interest on loans and other receipt	2a	694,210,162	591,431,124
Interest payment on deposits	4(i)	(404,465,365)	(353,418,699)
Other interest paid	4 & 10	(26,691,568)	(35,001,508)
Payment to employees and suppliers	5	(83,088,986)	(72,199,695)
Other operating income	3	39,381,244	27,573,133
Corporation Tax Paid	20	(2,716,414)	(4,415,523)
<b>Net Change before Working Capital</b>		<b>216,629,073</b>	<b>153,968,832</b>
Loans to members	11	(787,184,628)	(659,266,070)
Increase/(Decrease) in inventory	15	16,250	20,350
Debtors and prepayments	8&9	(10,079,413)	(9,217,413)
		<b>(797,247,791)</b>	<b>(668,463,134)</b>
<b>Decrease/(increase) in operating liabilities</b>			
Deposits from members	16	536,101,169	414,180,285
Trade and accrued expenses	10	(11,614,056)	(10,038,504)
Insurance fund	19	(987,137)	(2,387,866)
Honoraria Paid	10	(7,000,000)	(7,000,000)
Staff bonus	10	(7,754,345)	(5,944,295)
<b>Net cash from operating activities before income taxes</b>		<b>508,745,632</b>	<b>388,809,620</b>
<b>Net cash generated from/(used in) operating activities</b>		<b>(71,873,086)</b>	<b>(125,684,682)</b>
<b>Investing activities</b>			
Interest received	2b & 8	16,014,984	47,565,411
Dividend Received	3	186,489,744	110,795,644
Purchase of property, plant and equipment	13	(295,657)	(290,925)
New System acquistion WIP	14	(4,019,534)	(275,413)
		<b>198,189,537</b>	<b>157,794,717</b>
<b>Financing activities</b>			
Net Dividends Paid	18	(82,197,690)	(57,796,828)
Bank loan repaid	7	(32,652,628)	(65,162,078)
Share Capital for the year	21	66,717,655	110,165,065
Net cash generated from/(used in) financing activities		<b>(48,132,664)</b>	<b>(12,793,841)</b>
<b>Movement in cash and cash equivalents</b>			
At start of year		375,430,739	356,114,547
Increase/(decrease) in cash and cash equivalents		78,183,787	19,316,192
At end of Year		<b>453,614,525</b>	<b>375,430,739</b>
Chairman		Amos Mwita	
Treasurer		Eli Waweru	
Hon. Secretary		Frida Mitei	
Chief Executive Officer		Pauline Gichuki	
Finance Manager		Jackline Kimani	

The notes on pages 14 to 35 form an integral part of these financial statements.

**NOTES**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**a) Basis of preparation**

The financial statement have been prepared in accordance with International Financial Reporting Standard (IFRS) and IFRS Interpretations Committee applicable to societies reporting under IFRS.

**Going concern**

The financial performance of the society is set out in the Management Board's report and in the statement of profit or loss and the other comprehensive income. The financial position of the society is set out in the statement of financial position. Disclosures in respect of risk management are set out in note 24.

Based on the financial performance and position of the society and its risk management policies, the management are of the opinion that the society is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Sacco Societies Act No. 14 of 2008. The statement of profit or loss and statement of comprehensive income represent the profit and loss 'account referred to in the Act. The statement of financial position represents the balance sheet 'referred to in the Act.

**Basis of measurement**

The financial statements have been prepared under the historical cost basis, except where otherwise 'stated in the accounting policies below

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the society uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Society using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account

Fair values are categorised into three levels of fair value hierarchy based on the degree to which the inputs to the measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

**Level 1** – fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** – fair value measurements are derived from inputs other than quoted prices used in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** – fair values measurements are derived from valuation techniques that include inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Chairman	Amos Mwita
Treasurer	Eli Waweru
Hon. Secretary	Frida Mitei
Chief Executive Officer	Pauline Gichuki
Finance Manager	Jackline Kimani

*[Handwritten signatures of the officers listed above]*

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Critical estimates and judgement**

The Management have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

- **Impairment losses on loans and advances**

The society reviews its loan portfolios to assess impairment at least on a regular basis. In determining whether an impairment loss should be recorded in profit or loss, the society makes judgements as to whether there is any observable data indicating an impairment trigger followed by measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a society, or national or local economic conditions that correlate with defaults on assets in the society. The management use estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences. Disclosures in respect to Impairment losses on loans and advances are disclosed on note 11.

- **Fair value of financial instruments**

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

Useful lives of property and equipment - Management reviews the useful lives and residual values of the items of property and equipment on a regular basis. During the financial period, the management determined no significant changes in the useful lives and residual values. Disclosures in respect to Fair value of financial instruments are disclosed on note 12.

- **Retirement benefit obligation**

Actuarial assumptions are made in valuing future defined benefit obligations and are updated periodically. The principal assumption relates to the discount rate. The discount rate is equal to the yield on government securities which have a term to maturity approximating that of the related liability, and is potentially subject to significant variation. As a result, there is uncertainty that this assumption will continue in the future.

b) **Revenue recognition**

**Interest income and expense**

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the society estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

**Fee and commission income**

Fees and commission income are generally recognised on an accrual basis when the service has been provided.

**Other income**

Dividend is recognised when the right to receive income is established. Dividend are reflected as a component of other operating income based on the underlying classification of the equity instrument.

Chairman	Amos Mwita
Treasurer	Eli Waweru
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Chief Executive Officer	Pauline Gichuki
Finance Manager	Jackline Kimani

*(Handwritten signatures and initials of the officers listed above)*

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**  
**c) Property and equipment**

All property and equipment are initially recorded at cost and thereafter stated at historical cost less depreciation.

Freehold and leasehold land and buildings are subsequently shown at market value, based on 'periodic valuations less subsequent depreciation.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to profit or loss. Each period the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the retained earnings to revaluation reserve.

Depreciation on software is calculated on the straight line basis method

Depreciation on all other assets is calculated on the straight line method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

**Rate %**

Furniture & Fittings	10%
Computers	25%
Office equipment	10%
Software	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity. Further disclosures in respect to property and equipment are on note 13.

Chairman	Amos Mwita
Treasurer	Eli Waweru
Hon. Secretary	Frida Mitei
Chief Executive Officer	Pauline Gichuki
Finance Manager	Jackline Kimani

**NOTES (CONTINUED)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Financial instruments (continued)**

*- Financial assets (continued)*

**Held-to-maturity:** financial assets with fixed or determinable payments and fixed maturity where the management have the positive intent and ability to hold to maturity. Subsequent to initial recognition, such assets are carried at amortized cost using the effective interest method. Changes in the carrying amount are recognized in profit or loss.

**Available-for-sale:** financial assets that are held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rate. Such assets are classified as non-current assets except where the management intends to dispose the assets within 12 months of the reporting date. Subsequent to initial recognition, they are carried at fair value with gains or losses are recognised in other comprehensive income, net of deferred tax (where applicable).

**Loans and receivables:** financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. All assets with maturities greater than 12 months after the reporting date are classified as non-current assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method. Changes in the carrying amount are recognised in profit or loss.

**Financial assets at fair value through profit or loss:** financial assets that are acquired or incurred principally for the purpose of generating a profit from short term fluctuation in price or dealer's margin. Such assets are carried at fair value and the fair value gains or losses are recognised in profit or loss. This category has two sub-categories: financial assets held-for-trading and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern evidence of a recent actual pattern of short-term profit-taking.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which

Financial assets are de-recognized when the rights to receive cash flows from the assets have expired or have been transferred and the society has transferred substantially all risks and rewards of ownership.

Chairman	Amos Mwita
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*Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217  
Annual Report and Financial Statements  
For the Year Ended 31st December 2025  
NOTES (CONTINUED)*

## NOTES (CONTINUED)

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**d) Financial instruments (continued)**

### - *Financial liabilities (continued)*

Fees associated with the acquisition of borrowing facilities are recognized as transaction costs of the borrowing to the extent that it is probable that some or all of the facilities will be acquired. In this case the fees are deferred until the drawn down occurs. If it is not probable that some or all of the facilities will be acquired the fees are accounted for as prepayments under trade and other receivables and amortized over the period of the facility.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

All financial liabilities are classified as current liabilities unless the society has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are de-recognized when, and only when, the society's obligations, are discharged, cancelled or expired.

### - Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Chairman Amos Muñiz

Treasurer Eli Warner

Hon. Secretary Frida Miltz

Chief Executive Officer

Finance Manager

NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 1 year, net of bank overdrafts and money market lines.

Restricted cash balances are those balances that the society cannot use for working capital purposes and are reduced from cash and cash equivalent.

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities

f) **Investment shares**

Member interest are classified as equity where; the entity has an unconditional right to refuse redemption of the members' shares and provisions in the Act, regulations or the Sacco by-laws impose unconditional prohibitions on the redemption of members' shares.

g) **Reserves**

**Statutory reserve**

Transfers are made to the statutory reserve fund at a rate of 20% and General reserve at a rate of 5% of net operating surplus after tax in compliance with the provision of section 47 (1& 2) of the Co-operative Societies Act, CAP 490.

h) **Dividends**

Proposed dividends are disclosed as a separate component of equity until declared. Dividends are recognised as a liabilities in the period in which they are approved by the society's shareholders.

i) **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

**Current tax**

Current tax is provided on the results for the period, adjusted in accordance with tax legislation.

**Deferred tax**

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax asset for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recoverable entirely through sale unless presumption is rebutted. The presumption is rebutted when the investment property is depreciable and held within a business model whose objective is to consume substantially all its economic benefits embodied in it over time rather than through sale.

Chairman Amos Mwita

Treasurer Eli Waweru

Hon. Secretary Frida Mitei

Chief Executive Officer Pauline Gichuki

Finance Manager Jackline Kimani

*Mwita*  
*Eli*  
*Frida*  
*Pauline*  
*Jackline*

**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December 2025**  
**NOTES (CONTINUED)**

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**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**j) Provisions**

Provisions for restructuring costs and legal claims are recognized when the society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions for future operating losses are not recognized.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

**k) Employee entitlements**

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

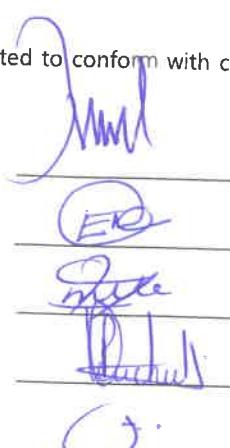
**l) Retirement benefit obligations**

Employee entitlements to long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date.

**m) Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Chairman	Amos Mwita
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*Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217*  
*Annual Report and Financial Statements*  
*For the Year Ended 31st December 2025*

**NOTES (CONTINUED)**

		<b>2025</b>	<b>2024</b>
		Shs	Shs
<b>2.a)</b>	<b>Interest on Loan and Advances Loans and Advances</b>		
	Interest received on normal loans	694,210,162	591,431,124
	Interest receivable on div advance	7,308,010	6,789,573
		<b>701,518,172</b>	<b>598,220,697</b>
<b>2.b)</b>	<b>Other Interest Income</b>		
	Interest from Co-operative bank of Kenya	18,148,272	50,980,387
	Interest from Coop Trust money market	7,208,145	-
	Interest from CIC money market	-	4,202
	<b>Total Other Interest Income</b>	<b>25,356,416</b>	<b>50,984,589</b>
<b>3.</b>	<b>Other Operating Income</b>		
	Dividend from Co-op Bank	201,268,221	118,518,067
	Dividend from CIC	3,075,993	4,346,719
	Withdrawal Charges	268,935	225,000
	Entrance fees	33,200	347,000
	Sundry income	13,680,624	1,543,868
	Loan processing fees	24,840,695	24,910,390
	Early withdrawal fees	557,790	546,876
		<b>243,725,458</b>	<b>150,437,919</b>
	Dividend Received is net of applicable Taxes		
<b>4)</b>	<b>Finance costs</b>		
i)	<b>Interest &amp; Other direct expense:</b>		
	Interest on members' deposits	461,367,691	404,611,506
	Interest on Co-operative bank loan	46,091,302	50,249,174
	Interest on savings scheme	5,263,682	5,257,883
		<b>512,722,675</b>	<b>460,118,563</b>
ii)	<b>Financial expenses</b>		
	Bank charges	683,255	417,497
	Provision for loan losses	21,023,978	11,367,880
	Provision for Interest receivable	-	-
	Interest Receivable Written off	874,466	
		<b>21,707,233</b>	<b>12,659,844</b>
	Chairman	Amos Mwita	
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**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December 2025**

**NOTES (CONTINUED)**

	<b>2025</b> <b>Shs</b>	<b>2024</b> <b>Shs</b>
<b>5. Expenses</b>		
<b>(a) Administration expenses</b>		
Telephone and postages	233,257	269,806
Product development & Strategic planning	2,135,358	1,677,512
Office Running Expenses	588,490	615,841
Printing and Stationery	346,472	295,522
Subscription fees	173,600	312,400
Repairs and maintenance	169,468	232,783
End of year party	451,142	418,917
Software maintenance	222,320	267,513
Audit Fee	420,900	345,000
Rent and utilities	1,067,569	300,000
Ushirika Day Celebration	674,156	341,876
Team building expenses	489,590	448,978
Sasra Deposit Levy	4,722,668	3,218,642
Statutories Compliance audits, advisory costs & expenses	1,174,731	10,755,246
Insurance Expenses	23,968	21,791
Corporate social responsibility	695,756	722,447
Consultancy and professional fees	1,117,396	1,499,473
Legal expenses	43,640	56,360
Advertisement	<b>14,750,482</b>	<b>21,800,105</b>
<b>(b) Marketing</b>		
	<b>706,644</b>	<b>513,824</b>
	<b>706,644</b>	<b>513,824</b>
<b>(c) Depreciation and amortisation</b>		
Depreciation on property and equipment	303,794	379,917
	<b>303,794</b>	<b>379,917</b>
Chairman	Amos Mwita	
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**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December 2025**

**NOTES (CONTINUED)**

		<b>2025</b>	<b>2024</b>
		<b>Shs</b>	<b>Shs</b>
<b>(d) Governance expenses ( Committee expenses)</b>			
Sitting allowance		4,807,852	4,482,307
Education, training & seminars		4,558,343	4,025,303
Housing Levy		213,178	118,826
<b>Governance expenses ( Members related costs)</b>			
Education and training		7,708,357	6,746,056
ADM Expenses		7,461,116	5,776,493
Member Communications		158,002	126,001
<b>Total Governance expenses</b>		<b>24,906,849</b>	<b>21,274,987</b>

Regulation 61(4) of The Sacco Societies (Non-Deposit Taking Business) Regulations 2020, requires a disclosure in the **Directors and Supervisory Committee expenses**

Amos Mwita	711,670	522,000
George Rukwaru	598,238	523,231
Eli Mwangi Waweru	669,746	536,308
Frida Mitei	640,377	523,538
Lewis Mbae	524,508	454,154
Martin Kimondo	689,618	416,308
Judy Okero	550,123	428,923
Dalmas Mukabalasi	417,995	492,000
Ferdinand Mwakisha	508,892	-
James Kamau	421,715	391,231
Ann Kaari	322,085	353,231
Henry Kweheria	325,126	-
Patrick Ndombi	25,231	403,692
Douglas Munene	25,231	340,615
Dennis Lusenaka	-	25,538
Christine Muruku	-	12,615
	<b>6,430,555</b>	<b>5,423,384</b>

*The breakdown of board compensation includes both sitting allowance from board meetings and from seminars & trainings*

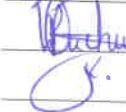
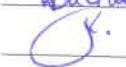
<b>e) Personnel Expenses</b>		
Staff salary	31,904,634	27,579,076
Provident fund	3,412,325	2,910,277
Medical & Group life Insurance	2,035,138	2,022,548
National Social Security Fund: Employer	645,840	306,720
Leave allowances	192,000	180,000
Parking fees allowance	121,800	119,650
Staff transport and subsistence	772,238	518,784
Fringe benefits	381,885	859,315
Casual wages	42,800	42,550
Staff training	2,565,698	1,772,216
Staff recruitment	-	110,938
Housing levy	479,089	362,582
Staff Welfare	16,000	3,108
Leave provision	114,023	1,286,298
<b>Total Personnel Expenses</b>	<b>42,683,469</b>	<b>38,074,061</b>

Chairman	Amos Mwita
Treasurer	Eli Waweru
Hon. Secretary	Frida Mitei
Chief Executive Officer	Pauline Gichuki
Finance Manager	Jackline Kimani

*J. Mwita  
E. Waweru  
F. Mitei  
P. Gichuki  
J. Kimani*

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**NOTES (CONTINUED)**

	2025 Kshs	2024 Kshs	
<b>6 Cash and cash equivalents</b>			
Co-operative Bank Current account	2,947,366	8,069,032	
Co-operative Bank savings account/PDT	230,808	188,804	
Co-operative Bank savings account/collateral	3,687,019	3,207,019	
Co-operative Bank Instant access 01120000544000	893,033	579,528	
Co-operative Bank Fixed & Call deposits	180,000,000	360,000,000	
Co-operative Bank Instant access 01120000544001	7,093,575	1,288,193	
Co-operative Bank Settlement Account - E-Loan	1,530,084	2,069,702	
CIC Money market account	-	21,919	
Co-op money market account	257,230,063	-	
Petty cash	2,576	6,542	
	<u>453,614,525</u>	<u>375,430,739</u>	
Cash and Cash equivalents comprise of balances with less than 90 days maturity from the date of acquisition for Cash Flow Statement purposes. It includes Cash in other financial institutions and deposits held at the Sacco as at the end of the reporting period.			
<b>7 Interest bearing liabilities( Co-op bank loan)</b>			
As at 1st January	259,026,136	324,188,214	
Repayments during the year	(32,652,628)	(65,162,078)	
As at 31st December	<u>226,373,508</u>	<u>259,026,136</u>	
<b>8 Trade and other Receivables</b>			
Employer remittances receivable	10,928,609	9,271,649	
Prepayments	1,300,819	400,704	
Excise Duty claimable	0	411,658	
Prepaid Tax	-	-	
Interest Receivable from Fixed/Call deposits	2,133,288	3,419,178	
	<u>14,362,716</u>	<u>13,503,189</u>	
<b>Trade and Other Receivables Aging</b>	<b>Amount</b>	<b>0-30 Days</b>	
Employer remittances receivable	10,928,608.74	10,928,609	
Interest Receivable from Fixed/Call deposits	2,133,287.67	2,133,288	
In the opinion of the directors, the carrying amounts of receivables and prepayments approximate to their fair value			
<b>9(i) Interest Receivable</b>			
As at 1st January	7,756,506	7,178,570	
Interest charged	662,507,877	597,568,625	
Interest Paid	(654,799,679)	(596,116,223)	
Provision for accrued interest on loans	-	(2,450,692)	
Proposed Interest due Written off	(2,898,160)	1,576,226	
	<u>12,566,544</u>	<u>7,756,506</u>	
<b>9(ii) Provision at the the start of the year</b>			
Provision for Interest receivable	-	-	
Proposed Interest Written off	7,809,933	-	
Net Interest receivable provision	(2,898,160)	-	
	<u>4,911,773</u>	<u>-</u>	
<b>Interest Receivable Aging Analysis</b>			
<b>Aging</b>	<b>Outstanding Interest</b>	<b>Provision</b>	<b>Provision Amount</b>
0-30 Days	88,570.65	1%	886
31-60 Days	65,060.95	5%	3,253
61-180 Days	8,328,806.06	25%	2,082,202
181-360 Days	2,517,345.69	50%	1,258,673
Over 360 days	4,464,920.65	100%	4,464,921
			<u>7,809,934</u>
<b>10 Trade and other Payables</b>			
Accrued Audit Fees & Disbursements	210,450	202,500	
Accrued expenses	4,624,374	4,366,072	
Share trading account	9,217,668	7,196,735	
Dividend Account	2,602,561	-	
Provision for Honoraria	8,300,000	7,000,000	
Provision for staff bonus	9,520,957	7,754,345	
Receipts control account	-	509,064	
Bank loan interest payable	24,663,416	20,505,549	
Excise Duty	579,065	417,699	
<b>Total</b>	<u>59,718,491</u>	<u>47,951,965</u>	
Chairman	Amos Mwita		
Treasurer	Eli Waweru		
Hon. Secretary	Frida Mitei		
Chief Executive Officer	Pauline Gichuki		
Finance Manager	Jackline Kimani		

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**NOTES (CONTINUED)**

	2025 Shs	2024 Shs
<b>11 Loans and advances</b>		
<b>a) Loans to members</b>		
At the start of the year	4,921,924,979	4,267,651,681
Issued during the year	5,665,064,039	5,591,113,055
Paid during the year	(4,877,879,411)	(4,936,839,354)
<b>Total loans</b>	<b>5,709,109,607</b>	<b>4,921,924,979</b>
Proposed Loans Writeoff	(4,055,682)	(4,992,772)
<b>Total loans and advances after proposed Writeoff</b>	<b>5,705,053,925</b>	<b>4,916,932,207</b>
Net provision for loan losses	(114,060,371)	(97,026,084)
<b>Total loans and advances After provision</b>	<b>5,590,993,553</b>	<b>4,819,906,123</b>

**b) LOAN CLASSIFICATIONS**

<b>i) RISK CLASSIFICATION OF LOANS</b>	Accounts	Outstanding Loan Portfolio(Kshs)	Required Provision		Required Provision Amt(Kshs)
			Required Provision	Amt(Kshs)	
0 Days (performing 1% provision)	9206	5,627,544,981	1%	56,275,450	
1-30 days (watch 5%provision)	0	0	5%	0	
31-180 Days (substandard 25% provision)	110	19,148,203	25%	4,787,051	
181-360 Days(Doubtful -50%provision)	42	10,860,082	50%	5,430,041	
Over 361 Days or 12 instalments over due/loss	558	47,567,830	100%	47,567,830	
	<b>9,916</b>	<b>5,705,053,925</b>			<b>114,060,371</b>
Provision at the end of the period				114,060,371	97,026,084
Provision as at beginning of the period				97,026,084	90,650,976
<b>Increase/decrease in provision</b>				<b>17,034,287</b>	<b>6,375,108</b>

<b>RISK CLASSIFICATION OF LOANS-YEAR 2024</b>	Accounts	Outstanding Loan Portfolio(Kshs)	Required Provision		Required Provision Amt(Kshs)
			Required Provision	Amt(Kshs)	
0 Days (performing 1% provision)	8817	4,842,575,682	1%	48,425,757	
1-30 days (watch 5%provision)	38	553,042	5%	27,652	
31-180 Days (substandard 25% provision)	256	29,350,000	25%	7,337,500	
181-360 Days(Doubtful -50%provision)	129	16,800,147	50%	8,400,074	
Over 361 Days or 12 instalments over due/loss	185	37,827,874	100%	32,835,102	
	<b>9,425</b>	<b>4,927,039,629</b>			<b>97,026,084</b>

**ii INSIDERS LOANS**

Loan to directors & Supervisory Committee	35,287,264	32,901,828
Loan to Sacco Employees	51,321,101	50,838,754
	<b>86,608,365</b>	<b>83,740,582</b>

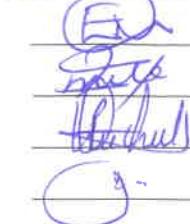
**iii Deposits**

Directors & Supervisory Committee	24,583,375	25,469,811
Sacco Employees	15,478,299	12,765,984
	<b>40,061,674</b>	<b>38,235,795</b>

Chairman Amos Mwita



Treasurer Eli Waweru



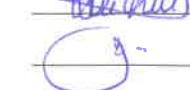
Hon. Secretary Frida Mitei



Chief Executive Officer Pauline Gichuki



Finance Manager Jackline Kimani



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**NOTES (CONTINUED)**

			2025	2024
			Shs	Shs
<b>12 OTHER FINANCIAL ASSETS</b>				
Financial assets comprise the following:				
<b>2 (a) Owned by society</b>				
KUSCCO shares (100 shares @ sh.10)			1,000	1,000
CIC Class A Shares 35,534,247 <i>**During the year there was a bonus issue of 3,230,306 increasing the shares from 32,303,861</i>			36,589,106	36,589,106
Co-op class A Shares 73,057,206 <i>***During the year, there was an additional 4,874 Co-op Class A Shares, at Kes 10.26 per share</i>			488,294,982	488,244,982
NSE shares				
Co-op holdings NSE (shares 124,400 @12.30)			2,979,380	2,046,380
Co-op Bank NSE 9,443,400 shares @12.30			226,169,430	155,343,930
CIC Class B Shares 714,780 @1.95			3,098,246	1,397,070
Total			<b>757,132,143</b>	<b>683,622,467</b>
<b>2 (b) Held in trust on behalf of members</b>				
Member shares in CIC : 170,336,543 shares <i>**During the year there was a Coop Holdings 78,046,625 **during the year members had an opportunity to purchase 54,995,126 shares @ par</i>			191,158,571	175,673,431
			78,005,873	23,010,747
			<b>269,164,444</b>	<b>198,684,178</b>
<b>Total investments</b>			<b>1,026,296,588</b>	<b>882,306,646</b>
<b>c) Shares Valuation</b>				
		2025	2024	2025
Shares	Number	Unit value	Unit Value	Net Change
Coop Holding NSE 124,400 shares @11.4 (2019 @ 16.35)	124,400	23.95	16.45	7.50
Co-op Bank NSE 9,443,400 shares @11.4 (Kshs. 16.35 on acquisition)	9,443,400	23.95	16.45	7.50
CIC class B shares 714,780 @ 2.24 (2019 @ 2.68)	714,780	4.53	2.15	2.38
Total	<b>10,282,580</b>			<b>73,459,676</b>
Chairman	Amos Mwita	<i>Mwita</i>		
Treasurer	Eli Waweru	<i>Eli</i>		
Hon. Secretary	Frida Mitei	<i>Frida</i>		
Chief Executive Officer	Pauline Gichuki	<i>Pauline</i>		
Finance Manager	Jackline Kimani	<i>Jackline</i>		

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**NOTES (CONTINUED)**

**13 Property and equipment**

	<b>Furniture Fittings Shs</b>	<b>Computers Printers Shs</b>	<b>Office Equipment Shs</b>	<b>Total Shs</b>
<b>Cost or valuation</b>				
At 01 January 2025	776,948	1,828,065	476,744	3,081,757
Additions	14,000		281,657	295,657
At 31st December 2025	<u>790,948</u>	<u>1,828,065</u>	<u>758,401</u>	<u>3,377,414</u>
<b>Depreciation</b>				
At 01 January 2025	410,191	1,507,647	218,419	2,136,257
Charge for the year	78,628	162,729	62,436	303,794
At 31st December 2025	<u>488,819</u>	<u>1,670,376</u>	<u>280,855</u>	<u>2,440,051</u>
<b>Net book value (31.12.2025)</b>	<b><u>302,129</u></b>	<b><u>157,689</u></b>	<b><u>477,546</u></b>	<b><u>937,363</u></b>
<b>Net book value(31.12.2024)</b>	<b><u>366,757</u></b>	<b><u>320,418</u></b>	<b><u>258,325</u></b>	<b><u>945,500</u></b>
 <b>Cost or valuation</b>				
At start of year 2024	701,348	1,612,740	476,744	2,790,832
Additions	75,600	215,325	-	290,925
At end of year 2024	<u>776,948</u>	<u>1,828,065</u>	<u>476,744</u>	<u>3,081,757</u>
<b>Depreciation</b>				
At start of year	337,536	1,245,159	173,645	1,756,340
Charge for the year	72,655	262,488	44,774	379,917
At end of year 2024	<u>410,191</u>	<u>1,507,647</u>	<u>218,419</u>	<u>2,136,257</u>
<b>Net book value(31.12.2024)</b>	<b><u>366,757</u></b>	<b><u>320,418</u></b>	<b><u>258,325</u></b>	<b><u>945,500</u></b>
<b>Net book value(31.12.2023)</b>	<b><u>363,812</u></b>	<b><u>367,581</u></b>	<b><u>303,099</u></b>	<b><u>1,034,492</u></b>
Chairman	Amos Mwita			
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**NOTES (CONTINUED)**

**14 INTANGIBLE ASSET(SOFTWARE)**  
**YEAR 2025**

	Kshs Acquisition of New System W.I.P	Kshs Existing System	Kshs Total
<b>COST</b>			
As at 1st January		2,74,616	
Additional	4,019,534	-	4,019,534
As at 31st December	4,294,947	1,999,203	6,294,150
<b>Amortization</b>			
As at 1st January		1,999,203	1,999,203
Charges for the year	-	-	-
As at 31st December	-	1,999,203	1,999,203
<b>NET BOOK VALUE</b>			
	4,294,947	-	4,294,947

**YEAR 2024**

	Kshs Acquisition of New System W.I.P	Kshs Existing System	Kshs Total
<b>COST</b>			
As at 1st January		1,999,203	1,999,203
Additional	275,413	-	275,413
As at 31st December	275,413	1,999,203	2,274,616
<b>Amortization</b>			
As at 1st January		1,999,203	1,999,203
Charges for the year	-	-	-
As at 31st December	-	1,999,203	1,999,203
<b>NET BOOK VALUE</b>			
	275,413	-	275,413

**15 Other Assets**

They are valued at the lower of cost or the net realizable value

	2025	2024
Office Consumables	-	16,250
Total Inventory	-	16,250

**\*\*\* The Sacco had no significant consumables at the end of the year.**

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**Co-operative Bank Regulated Non-WDT Sacco Society Limited CS /4217**  
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	2025 Shs	2024 Shs
<b>16 (i) Member deposits</b>		
At the start of the year	3,603,909,879	3,181,403,657
Deposits during the year	764,918,008	993,461,873
Withdrawals/Refunds during the year	(253,578,063)	(570,955,924)
<b>Totals</b>	<b>4,115,214,868</b>	<b>3,603,909,879</b>
<b>16 (ii) Member's savings</b>		
At the start of the year	28,912,100	37,238,036
Deposit During the year	145,883,356	118,008,220
Refunds during the year	(121,087,176)	(126,334,157)
	<b>53,708,280</b>	<b>28,912,100</b>
<b>Total Savings and deposits</b>	<b>4,168,923,148</b>	<b>3,632,821,978</b>
<b>17 Interest on members deposits</b>		
At the start of the year	404,598,830	353,406,023
Provisions during the year	461,367,691	404,611,506
Paid during the year	(404,465,365)	(353,418,699)
	<b>461,501,156</b>	<b>404,598,830</b>
<b>18 Proposed dividends</b>		
At the start of the year	83,247,429	57,673,646
Provisions during the year	99,388,975	83,370,611
Paid during the year	(82,197,690)	(57,796,828)
	<b>100,438,714</b>	<b>83,247,429</b>
<b>19 Insurance Fund</b>		
At the start of the year	14,216,423	16,604,289
Additions /contributions	36,812,406	29,068,418
Premiums paid	(37,799,543)	(31,456,284)
At the end of the year	<b>13,229,286</b>	<b>14,216,423</b>
<b>20 Tax Liability</b>		
As at start of the year	816,940	1,719,761
Provision for the year	35,013,357	17,111,394
Payments during the year	(2,716,414)	(4,415,523)
Tax adjustment voucher	(2,140,662)	
<b>Tax withheld</b>	(28,899,776)	(13,598,692)
<b>Tax payable</b>	<b>2,073,445</b>	<b>816,940</b>
<b>21 Share Capital</b>		
At the start of the year	448,201,061	338,035,996
Deposit during the year	66,717,655	110,165,065
	<b>514,918,716</b>	<b>448,201,061</b>
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**NOTES (CONTINUED)**

	2025 Kshs	2024 Kshs
<b>22 Reserves</b>		
i) <b>Statutory reserves</b>		
At start of the year	271,216,639	216,022,755
Transfer during the year	78,253,044	55,193,884
At the end of the year	<b>349,469,683</b>	<b>271,216,639</b>
ii) <b>General Reserves</b>		
At start of the year	270,371,942	242,775,000
Transfer during the year	39,126,522	27,596,942
At the end of the year	<b>309,498,464</b>	<b>270,371,942</b>
<b>Revaluation Reserves</b>		
At start of the year	53,790,134	5,531,226
Revaluation of shares investments	73,459,676	48,258,908
At the end of the year	<b>127,249,810</b>	<b>53,790,134</b>
<b>TOTAL RESERVES</b>	<b>786,217,958</b>	<b>595,378,715</b>
<b>23 Retained Earnings</b>		
At start of the year	420,189,486	373,394,756
Surplus for the year	317,805,543	227,710,511
Proposed staff ex -gratia	(9,520,957)	(7,754,345)
Proposed honoraria	(8,300,000)	(7,000,000)
Proposed dividends	(99,388,975)	(83,370,611)
Transfer to reserves	(117,379,566)	(82,790,826)
Increase in Expected Credit Loss	(7,809,933)	
At the end of the year	<b>495,595,597</b>	<b>420,189,485</b>
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**NOTES (CONTINUED)**

**24 Risk management objectives and policies**

**Financial risk management**

The society's activities expose it to a variety of financial risks: market risk (including foreign exchange

The society's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the society's financial performance.

Risk management is carried out by the risk sub-committees under policies approved by the directors. The risk sub-committee identifies, evaluates and manage financial risks in close co-operation with various departmental heads. The directors provides written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk, interest rate risk, credit risk, and investment of excess liquidity.

The sub-committee reports to the directors on all aspects of risks including nature of risks, measures instituted to mitigate risk exposures etc.

**(a) Market Risk**

*- Interest Rate Risk*

The society's exposure to interest rate risk arises from borrowings/interest bearing creditors and

Financial assets and liabilities advanced and obtained at different rates expose the society to interest rate risk. Financial assets and liabilities obtained at fixed rates expose the society to fair value interest rate risk, except where the instruments are carried at amortized costs. The society maintains adequate ratios of borrowings when compared to total borrowings in fixed interest rates.

Chairman	Amos Mwita
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NOTES (CONTINUED)

**25 Risk management objectives and policies (continued)**

**(b) Credit risk**

Credit risk is the risk of suffering financial loss, should any of the society's member fail to fulfil their contractual obligations to the society. Credit risk arises mainly from member's loans and advances

The society is also exposed to other credit risks arising from investments in debt securities and other exposures arising from

Credit risk is the single largest risk for the society's business; the directors therefore carefully manage the exposure to credit risk. The credit risk management and control are centralised in a credit risk committee, which reports to the Board of Directors and head of each business unit regularly.

**(i) Credit risk measurement**

The Society takes on exposure to credit risk which is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Society's loans and advances to members and other banks and investment securities.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral against loans and advances in the form of registered securities over assets and guarantees from members. Credit risk in the society, is also managed through a framework of policies and procedures. Origination and approval roles are segregated.

To aid Credit managers in portfolio management, regular internal risk management reports contain information on key environmental and economic trends across major portfolios, portfolio delinquency and loan impairment performance as well as information on migration across credit grades and other trends. Expected loss is the long-run average credit loss across a range of typical economic conditions. It is used in the delegation of credit approval authority and must be calculated for every transaction to determine the appropriate level of approval. To assist risk officers in monitoring the portfolio, various internal risk management reports are available on a regular basis, providing individual counterparty, counterparty society and portfolio exposure information, the status of accounts showing signs of weakness or financial deterioration and updates on credit markets.

The society' grading systems is based on the basic principles issued by the regulatory authority SASRA. In addition to nominal aggregate exposure, expected loss is used in the assessment of individual exposures and for portfolio analysis.

The credit grades within society are based on a probability of default. The Society structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to the nature and type of loans. The society grades its loans into five categories on the basis of the following criteria;

(1) **Performing loans**, being loans which are well documented and performing according to contractual terms;

(2) **Watch loans**, being loans whose principal or interest have remained un-paid for one day to thirty days or where one instalment is outstanding;

(3) **Substandard loan**, being loans not adequately protected by the current repayment capacity and the principal or interest

(4) **Doubtful loans**, being loans not adequately protected by the current repayment capacity and the principal or interest have remained un-paid between one hundred and eighty one to three hundred and sixty days or where seven to twelve instalments have remained outstanding;

Chairman Amos Mwita



Treasurer Eli Waweru

Hon. Secretary Frida Mitei

Chief Executive Officer Pauline Gichuki

Finance Manager Jackline Kimani

NOTES (CONTINUED)

26 Risk management objectives and policies (continued)

(b) Credit risk (continued)

(i) Credit risk measurement (continued)

5) **Loss loans** - being loans which are considered uncollectible or of such little value that their continued recognition as receivable assets is not warranted, not adequately protected and have remained un-paid for more than three hundred and sixty days or where more than twelve instalments have remained outstanding.

**Problem credit management and provisioning**

Across all its loan portfolios, the Society employs a disciplined approach to impairment allowances evaluation, with prompt identification of problem loans being a key risk management objective. The Society maintains both collective and specific impairment allowances for credit losses, the sum of which is sufficient to reduce the book value of credit assets to their estimated realisable value.

A primary indicator of potential impairment is delinquency. However, not all delinquent loans (particularly those in the early stage of delinquency) will be impaired. An account is considered to be delinquent when payment is not received on the due date. Accounts that are overdue by more than 30 days are considered delinquent. For delinquency reporting purposes, the Society follows industry standards, measuring delinquency as of 1, 30, 180, 360 and above 361 days past due. Accounts that are overdue by more than 30 days are closely monitored and subject to specific collection processes.

Specific impairment allowances reduce the aggregate carrying value of credit assets where there is specific evidence of deterioration in credit quality. In line with regulatory guidelines, a collective allowance is maintained to cover potential impairment in the existing portfolio that cannot be associated with specific credit. These allowances are reviewed and updated on a regularly basis.

The process used for recognizing the impairment provisions is generally raised at the difference between the outstanding amount of the loan and the present value of the estimated future cash flows which includes the realization of collateral except where the collateral value is typically realized in less than 12 months then the loan impairment is calculated using the forced sale value of the collateral without further discounting. In certain cases involving bankruptcy, fraud and death, the loss recognition process is accelerated.

The Society writes off loans and advances net of any related allowances for impairment losses when it

**Loans and advances that are neither past due nor impaired**

The Society classifies loans and advances under this category if they are up to date and in line with their contractual agreements such loans would have demonstrated the meeting of their financial and non-financial conditions and the borrowers would have proven capacity to repay the loans. These exposures will normally be maintained largely within approved facility program and with no depiction of impairment or distress signs. These exposures are categorized as normal accounts (category 1) in line with internal guidelines and those issued by regulators where applicable. A collective provision on the total outstanding balances is made and appropriated from revenue reserves to statutory credit risk reserves.

Chairman	Amos Mwita
Treasurer	Eli Waweru
Hon. Secretary	Frida Mitei
Chief Executive Officer	Pauline Gichuki
Finance Manager	Jackline Kimani

*[Handwritten signatures and initials of the officers listed above]*

**NOTES (CONTINUED)**

**27 Risk management objectives and policies (continued)**

**(b) Credit risk (continued)**

**Past due but not impaired**

This category includes exposures that are between 1 – 30 days past due, where losses have been incurred but have not been identified. These exposures are graded as category 2 in line with our internal guidelines and those issued by banking regulators. A collective impairment allowance is made to cover losses which have been incurred but have not yet been identified.

**Impaired loans and advances**

Impaired loans and advances are those which the Society determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan securities agreement(s). These loans are graded between categories 3 (31-180 days), 4(181 -360 days) and 5 (over 360 days) using the Society's internal credit rating system. These clients, under guidelines issued by the SASRA in the regions we operate in, are termed as non-performing loans. The Society establishes a specific allowance for impairment losses that represents the estimate of losses that will be incurred in its loan portfolio.

**(c) Liquidity risk**

Cash flow forecasting is performed by the finance department of the group by monitoring the society's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the society does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the society's management maintains flexibility in funding by maintaining availability under committed credit lines.

A disclosure of the undrawn facilities is as per Note 6. This is the society's liquidity reserve.

Notes 10 disclose trade and other payables.

**28 Capital management**

**Internally imposed capital requirements**

The society manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members through the optimisation of the debt and equity balance.

The capital structure of the society consists of net debt calculated as sum of total borrowings and member's

Chairman	Amos Mwita
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Finance Manager	Jackline Kimani

*Amos Mwita  
Eli Waweru  
Frida Mitei  
Pauline Gichuki  
Jackline Kimani*

**NOTES (CONTINUED)**

**28 Capital management (continued)**

**Externally imposed capital requirements**

The Sacco Society's Act has established certain guidelines for the management of capital and working capital for deposit taking Sacco.

- core capital of not less than ten million shillings;
- core capital of not less than ten percent of total assets;
- institutional capital of not less than eight percent of total assets; and
- core capital of not less than eight percent of total deposits.
- maintain ten percent of its savings deposits and short term liabilities in liquid assets.

	2025	2024
	Shs	Shs
The ratios at 31st December 2025 and 31 December 2024 were as follows:		

**Core capital of not less than Shs 10 million**

As per statement of financial position	912,350,317	726,356,660
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**b) Core capital of not less than 10% of total assets;**

As per statement of financial position	13%	12%
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**c) Institutional capital of not less than 8% of total assets**

As per statement of financial position	140%	132%
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**d) Core capital of not less than 8% of total deposits.**

As per statement of financial position	22%	20%
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**e) 10% of savings deposits and short term liabilities in liquid assets.**

	14%	13%
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**29 Presentation currency**

The financial statements are presented in Kenya Shillings (Kshs)

Chairman Amos Mwita

Treasurer Eli Waweru

Hon. Secretary Frida Mitei

Chief Executive Officer Pauline Gichuki

Finance Manager Jackline Kimani

