APPROVED
for publication and presentation
to AGM or ADM subject to observations issued
19 MAR 2026
SIGN:.....
THE SACCO SOCIETIES REGULATORY AUTHORITY

THE SACCO SOCIETY REGULATORY AUTHORITY
RECEIVED
19 MAR 2026
(SASRA)
P. O. Box 25089-00100, NAIROBI

UTAFITI
SACCO SOCIETY

UTAFITI REGULATED NON-WDT-SACCO SOCIETY LTD

CS/2959

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

CONTENTS **PAGE**

Society Information 1

Report of the directors 2

Financial and statistical information 3

Statement of directors' responsibilities 4

Report of the independent auditor 5 -8

Financial Statements:

Statement of profit or loss and other comprehensive income 9

Statement of financial position 10

Statement of changes in equity 11

Statement of cash flows 12

Notes 13-28

SOCIETY INFORMATION

Board of Directors	Isaac Manyeki	Chairperson
	Lucy Muthui	Vice Chairperson
	Barack Wanjawa	Hon. Secretary
	Symon Chebor	Treasurer
	Grace Miceka	Member
	Elvira Omondi	Member
	Wanjiku Kiarie	Member
	Sanni Kayode	Member
Supervisory Committee	Sylvia Kamau	Chairperson
	Frank Odhiambo	Secretary
	Beatrice Mutahi	Member
Chief Executive Officer	Jane Mbogo	
Finance Officer	Stephen Misoi	
Registered Office	Utafiti Regulated Non-WDT-SACCO Society Ltd ILRI Nairobi Campus P. O. Box 30709 - 00100 Nairobi	
Independent Auditor	Crowe COR LLP Certified public accountants 2nd Floor, Symbion House Africa Reit Lane, off Dagoretti Road, Karen P.O. Box 583 - 00502 Nairobi	
Principal Bankers	NCBA Bank Kenya Plc NCBA Centre Upper Hill P.O. Box 44599-00100 Nairobi, Kenya	
	Stanbic Bank Kenya Stanbic Centre, Chiromo P.O. Box 30550-00100 Nairobi, Kenya	

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2025 which present the society's financial position as at 31 December 2025 and its financial performance and cash flows for the year then ended and in accordance with the regulations of Sacco Societies Regulatory Authority (SASRA).

Incorporation

The Society is incorporated in Kenya under the Co-operative Societies Act, Cap 490 and licensed and regulated under the SACCO Societies Act and regulations 2020, and is domiciled in Kenya.

Principal activity

The principal activity of the society is to promote thrift amongst its members. This affords the members an opportunity for accumulating savings and thereby create a source of funds from which loans can be advanced to members for provident, development and other purposes at reasonable interest rate.

Results

	2025 Shs	2024 Shs
Profit before tax	20,586,053	18,924,744
Income tax expense	(4,046,655)	(5,470,957)
Profit for the year	**16,539,398**	**13,453,787**
Interest on members' deposits	82,161,480	82,700,000
Dividends on members' share capital	7,252,145	6,504,217

Dividend and interest

The directors have recommended payment of 14% (2024 14%) as dividend on investment shares and paid 9.5% (2024 10%) interest on Sacco deposits.

Directors

The directors who held office during the year and to the date of this report are shown on page 1.

Independent auditor

Crowe COR LLP was appointed during the year and continues in office in accordance with Sacco Societies Act No. 14 of 2008.

By order of the Board

Signature..... **Date**.....19/05/..... **2026**
Barack Wanjawa
Hon.Secretary.
Nairobi

FINANCIAL AND STATISTICAL INFORMATION

	As at 31 December 2025 Numbers	2024 Numbers
Membership		
Active	853	847
Dormant	128	115
	981	**962**
Number of branches	1	1
Number of employees	4	3
-Male staff	2	1
-Female staff	2	2

Financials	**Shs**	**Shs**
Total assets	1,158,919,662	1,113,966,923
Members' deposits	934,208,502	901,370,900
Loans and advance to members	786,301,320	779,586,739
Provision for impairment of loans and advances	15,432,728	16,466,766
Financial Assets	2,411,388	1,401,019
Total revenue	129,118,048	128,735,659
Total interest income	102,140,349	91,091,241
Total expenses	26,370,515	27,110,915
Core capital	114,295,610	104,505,724
Share capital	51,801,033	46,458,695
Institutional capital	66,744,652	58,047,030
Liabilities	1,027,528,785	1,009,461,199
Net profit	16,539,398	13,453,787
Proposed interest on deposits	82,161,480	82,700,000
Proposed dividends on share capital	7,252,144.62	6,504,217

Key ratios	**2025**	**2024**
Capital adequacy ratio		
Core capital/total assets	9.86%	9.38%
Core capital/total deposits	12.23%	11.59%
Retained earnings and disclosed reserves/core capital	52.46%	50.02%
Liquidity Ratio		
Liquid Assets / Total Deposits and short term liabilities	33.34%	28.61%
Liquid Assets / Short-term Liabilities	367.12%	291.19%
Operating efficiency/Loan quality ratios		
Total expenses/total revenue	20.42%	21.06%
Interest on member deposit/total revenue	63.63%	63.39%
Interest rate on member's deposits	9.5%	10%
Dividend rate on members share capital	14%	14%
Total non-performing loans/gross loan portfolio	0.93%	0.93%

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Sacco Societies Act No. 14 of 2008 requires the directors to ensure that the management maintains proper and accurate records that reflect the true and fair position of the society's financial condition, establish adequate and effective internal control systems and policies, safeguard the assets of the society and take reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for the production of annual audited financial statements.

The directors accept responsibility for the preparation and fair presentation of these financial statements in accordance with the IFRS Accounting Standards and in the manner required by the Sacco Societies Act No. 14 of 2008. They also accept responsibility for:

i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;

ii) Selecting and applying appropriate accounting policies; and

iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The directors confirm that the financial statements give a true and fair view of the financial position of the society as at 31 December 2025 and of the society's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Sacco Societies Act No. 14 of 2008.

Nothing has come to the attention of the directors to indicate that the Sacco will not remain a going concern for at least 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.

Approved by the board of directors on ...19/03/.....2026 and signed on its behalf by:

Chairman...Isaac Manyelci..... Signature.....

Treasurer...Symon Chober..... Signature.....

Hon.Secretary...Barack Wanjama..... Signature.....

Crowe

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF UTAFITI REGULATED NON-WDT-SACCO SOCIETY LTD

Opinion

We have audited the financial statements of Utafiti Regulated Non-Wdt-Sacco Society Ltd set out on pages 9 to 28, which comprise the statement of financial position as at 31 December 2025, the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view 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 Standard for Small and Medium-sized Entities and the requirements of the Sacco Societies Act No. 14 of 2008.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Sacco in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

Key audit matter	How our audit addressed this key audit matter
Loans and advances to customers The Sacco loaned Shs. 786,301,320 (2024: Shs.796,053,505) as at the end of the year. This is part of the principal source of revenue for the bank. The quality of the borrowers and ability to repay loans will have a significant risk on revenue declared and outstanding loan balances at the year end. There could thus be a significant risk of overstating both interest income and outstanding loan book balances.	• We rechecked interest income computation on a sample selected • We checked for adherence to the Sacco's lending policies for the sample selected • We reviewed for compliance on loan repayments • We sought confirmations from a selected sample.

Key audit matters (continued)

Key audit matter	How our audit addressed this key audit matter
Expected Credit losses on loans and advances This matter was considered to be the key audit matter due to the significant impact of impairment allowances on valuation of loans as well as due to the fact that they require a significant judgement of the Sacco's Management Board and the adoption of significant assumptions in the process of their estimation, including, in particular, the estimation of risk parameters in the models of calculation of expected credit losses as required by International Financial Reporting Standard 9 "Financial Instruments" ("IFRS 9"). Included in the financial statements in note 15 are impairment losses on loans and advances of Shs. 15,432,728 (2024: Shs. 16,466,765.53). The loan provisions were done based on the management estimates and judgements as per the internal policies. There could thus be a significant risk of the Sacco under-providing for loss of the loans and advances to members.	We obtained the SACCO's methodology for determining ECL, including enhancements in the year, and evaluated this against the requirements of IFRS 9. - We obtained an understanding of the basis used to determine the probabilities of default. We tested the completeness and accuracy of the historical data used in derivation of PDs and LGDs, and re-calculated the same on a sample basis.
Revenue recognition of interest income We assess this as key audit matter due to the share of interest income in the Sacco's total income and the fact that they are among the key elements of the Sacco's profitability assessment. Included in the financial statements in note 2 is interest income of Shs. 102,140.349 (2024: 91,091,241).	Our procedures included, among the others: analysis of the internal control environment with respect to the recognition and presentation of interest income, -assessment of the basis for the effective interest rate of interest income on loans determination, including automatic controls in the Sacco's IT systems, '-analysis of trends in interest income recognition, including explanation of unusual events, '-analysis of appropriateness of revenue recognition '-evaluation of the existence and valuation of revenues based on selected transactions.
Member deposits In the financial statements, the Sacco has indicated in note 19 that the member deposits are Shs. 934,208,502 (2024: Shs. 901,370,900). This matter in our judgement was of significance in the audit of the financial statements. There could thus be a significant risk of the Sacco not being able to meet demand deposits from its members as and when they are required.	• We reviewed capital adequacy of the Sacco and the Sacco's operations policies. • We reviewed compliance of the Sacco on liquidity ratios throughout the year. • We evaluated risk management policies for addressing short term cash deficits. • We reconciled the general ledger to amounts in Sacco's system • Confirmations were sent out to members.

Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Sacco Societies Act No. 14 of 2008 , as set out below.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Sacco Societies Act No. 14 of 2008, 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.

Auditor's responsibilities for the audit of the 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 Sacco's internal control.

Crowe COR LLP
Symbion House, 2nd Floor
Africa Reit Lane, Off Dagoretti Road,
Karen
P.O. Box 583 - 00502
Nairobi, Kenya
contactus@crowe.co.ke

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF UTAFITI REGULATED NON-WDT-SACCO SOCIETY LTD (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Sacco'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 Sacco 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 underlying transactions and events in a manner that achieves fair presentation.

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 Regulatory and other legal requirements

As required by the Co-operative Society's Act we report to you that the financial statements are in agreement with the books of account 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:

(i) In accordance with the provisions of the Kenyan Co-operative Society's Act.

(ii) In accordance with the Co-operatives Societies objectives, by- laws and any other resolutions made by the Society at a general meeting.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Cephas Osoro, Practising Certificate No. 943

for and on behalf of Crowe COR LLP
Certified Public Accountants
Nairobi

CROWE COR LLP
CERTIFIED PUBLIC ACCOUNTANTS
19 MAR 2026
P.O. Box 583-00502,
NAIROBI

19 March **2026**

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2025 Shs	2024 Shs
Revenue			
-Interest income			
Interest on loans and advances	2	102,140,349	91,091,241
Less: Interest expense	3	82,161,480	82,700,000
Net interest income		**19,978,869**	**8,391,241**
Other operating income	4	1,164,199	1,171,369
Investment income	5	25,813,500	36,473,049
Total income		**46,956,568**	**46,035,659**
Governance expenses	6	(3,776,789)	(3,269,957)
Personnel Expenses	7	(8,713,202)	(8,415,615)
Administration expenses	8	(8,568,443)	(9,178,225)
Financial expenses	9	(5,039,528)	(5,938,255)
Depreciation and amortization	10	(272,553)	(308,863)
Profit before tax		**20,586,053**	**18,924,744**
Income tax expense	11	(4,046,655)	(5,470,957)
Profit for the year		**16,539,398**	**13,453,787**
Other comprehensive income			
Items that may be reclassified subsequently			
-to profit or loss			
Fair value (loss)/gain on financial assets	17	1,010,369	-
Total comprehensive income for the year		**17,549,767**	**13,453,787**
Appropriations from profit for the year:			
Dividend:Proposed final dividend for the year 14% (2024: 14%)	28	7,252,145	6,504,217
Proposed honoraria	24	1,600,000	1,000,000
20% Transfer to Statutory reserve	27 (i)	3,307,880	2,690,757

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

STATEMENT OF FINANCIAL POSITION

	Notes	2025 Shs	2024 Shs
Assets			
Cash and bank balances	12	342,594,304	286,003,384
Prepayments	13	1,087,938	1,101,461
Receivables	14	40,809,924	44,556,752
Loans to members	15	770,868,592	779,586,739
Financial assets	17	2,411,388	1,401,019
Property and equipment	18	238,054	152,000
Intangible asset	31	909,462	1,165,568
Total assets		**1,158,919,662**	**1,113,966,924**
Liabilities			
Member deposits	19	934,208,502	901,370,900
Other savings by members	20	3,658,709	4,229,686
Payables	21	5,516,628	6,738,753
Income tax	22(b)	4,046,655	5,470,957
Interest payable	23 (a)& 23(b)	80,098,291	81,777,805
Total Liabilites		**1,027,528,785**	**999,588,101**
Financed by:			
Share capital	25	51,801,033	46,458,695
Statutory reserve	27 (i)	24,047,443	20,739,563
Revenue reserve	27(ii)	34,881,690	31,532,316
Credit risk reserve	27 (vi)	1,030,000	-
Proposed dividend, Honoraria and Staff bonus	27(iii)	12,845,192	9,873,098
Grants	27(iv	4,946,832	4,946,832
Fair value reserve	27(v)	1,838,687	828,319
Total equity		**131,390,877**	**114,378,823**
Total liabilities and equity		**1,158,919,662**	**1,113,966,924**

APPROVED
for publication and presentation
19 MAR 2026

The financial statements set out on pages 9 to 28 were approved for issue by the board of directors on.....19/03/.....2026 and signed on its behalf by:

.....
CHAIRPERSON

.....
TREASURER

.....
HON. SECRETARY

CEO.....FINANCE OFFICER.....

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Notes	Share Capital Shs	Grants Shs	Fair Value Reserve Shs	Statutory Reserve Shs	Revenue Reserve Shs	Credit Risk Reserve Shs	Proposed Reserve Shs	Total Shs
At start of year		46,458,695	4,946,832	828,319	20,739,563	31,532,317	-	9,873,098	114,378,824
Prior year adjustments		-	-		-	-		-	-
As restated		46,458,695	4,946,832	828,319	20,739,563	31,532,317	-	9,873,098	114,378,824
Transfer to Credit Risk Reserve						(1,030,000)	1,030,000		-
Net profit for the year		-	-	-	-	16,539,398		-	16,539,398
Other Comprehensive income									-
-Fair value (loss)/gain on financial assets		-	-	1,010,369	-	-		-	1,010,369
Share contribution during the year	25	5,342,338	-	-	-	-		-	5,342,338
Transfer to statutory reserve		-	-	-	3,307,880	(3,307,880)			-
2024 Proposed dividends	28							(4,911,551)	(4,911,551)
2024 Proposed honoraria	24							(968,500)	(968,500)
2025 Proposed dividends	28	-	-	-	-	(7,252,145)		7,252,145	-
2025 Proposed honoraria	24					(1,200,000)		1,200,000	-
2025 Proposed staff bonus	24	-	-	-	-	(400,000)		400,000	-
At end of year		**51,801,033**	**4,946,832**	**1,838,687**	**24,047,443**	**34,881,690**	**1,030,000**	**12,845,192**	**131,390,878**

Year ended 31 December 2024

		Share Capital Shs	Grants Shs	Fair Value Reserve Shs	Statutory Reserve Shs	Revenue Reserve Shs	Credit Risk Reserve	Proposed reserve Shs	Total Shs
At start of year		40,878,973	4,946,832	828,319	16,399,460	29,922,850	-	8,408,699	101,385,133
Prior year adjustments	29	-	-	-	1,649,346	(1,649,346)	-	-	-
As restated		40,878,973	4,946,832	828,319	18,048,806	28,273,504	-	8,408,699	101,385,133
Net surplus for the year		-	-	-	-	13,453,787	-	-	13,453,787
Share contribution during the year		5,579,722	-	-	-	-	-	-	5,579,722
Transfer to statutory reserve		-	-	-	2,690,757	(2,690,757)	-	-	-
2023 Proposed dividends								(5,039,818)	(5,039,818)
2023 Proposed honoraria								(1,000,000)	(1,000,000)
2024 Proposed dividends		-	-	-	-	(6,504,217)	-	6,504,217	-
2024 Proposed honoraria		-	-	-	-	(1,000,000)	-	1,000,000	-
At end of year		**46,458,695**	**4,946,832**	**828,319**	**20,739,563**	**31,532,317**	**-**	**9,873,098**	**114,378,824**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

STATEMENT OF CASH FLOWS

	Notes	2025 Shs	2024 Shs
Cash flows from operating activities			
Interest income on loans and advances	2	102,140,349	91,091,241
Other operating income	4	1,164,199	1,171,369
Interest paid on member deposits	23a	(83,815,761)	(67,752,576)
Interest paid on holiday savings	23b	(178,390)	-
Payment to employees and Suppliers	6-9	(21,306,236)	(28,059,335)
Cash flows from operating activities before changes in operating assets and liabilities		**(1,995,839)**	**(3,549,301)**
(Increase) /decrease in operating assets			
Loans and advances	15	9,752,185	(156,224,322)
Prepayments	13	13,523	377,188
Receivables	14	(1,925,780)	(30,155,182)
		7,839,928	**(186,002,316)**
Increase /(decrease) in operating Liabilities			
Members' deposits	19	32,837,604	91,376,948
Members other savings	20	(570,977)	559,765
Honorarium Paid	24	(968,500)	(1,000,000)
Payables	21	(1,222,125)	1,362,008
Increase/decrease in operating liabilities		**30,076,002**	**92,298,720**
Net Cash from operating activities before income tax		**35,920,091**	**(97,252,897)**
Income Tax Paid	22	(5,470,957)	(4,601,159)
Net cash from/ (used in) operating activities		**30,449,134**	**(101,854,056)**
Cash flow from/ (used in) investing activities			
Cash paid to purchase property and equipment	18	(102,501)	-
Investment income	5	25,813,500	36,473,049
Net cash from Investing Activities		**25,710,999**	**36,473,049**
Cash flow from financing activities			
Share capital contribution	25	5,342,338	5,579,722
Dividends paid	28	(4,911,551)	(5,039,818)
Net cash from financing activities		**430,787**	**539,904**
Movement in cash and cash equivalents		**56,590,920**	**(64,841,103)**
At start of year		286,003,384	350,844,487
At end of year	12	**342,594,304**	**286,003,384**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES

1. Material Accounting Policy Information

The accounting policy information considered material in the preparation of these financial statements is set out below. The accounting policy information has been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared under the historical cost basis,except where otherwise stated in the accounting policy information below, and are in accordance with IFRS Accounting Standards. The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The financial performance of the society is set out in the report of the directors and in the statement of profit or loss and other comprehensive income. The financial position of the society is set out in the statement of financial position.

Based on the financial performance and position of the society and its risk management policies, the directors 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 other comprehensive incomerepresents the profit and loss account referred to in the Act. The statement of financialposition represents the balance sheet referred to in the Act.

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

1. Material Accounting Policy Information (continued)

New standards, amendments and interpretations adopted by the society

The Sacco has or will adopt the following Standards on their effective dates.

IAS 24, Related Party Disclosures (Amendment)
Effective date,on or after 1st January 2011.It clarifies and simplifies the defination of a related party and its identification as to remove any inconsistencies in its application.The Sacco assessed the impact and adopted the amendment.

IFRS 9, Financial Instruments: Classification and Measurement
This standard has been adopted by the Sacco in classifying and and measuring its financial assets.

IFRIS 14, Prepayment of a Minimum Funding Requirement
Effective date after 1st January 2011 with retrospective application.The amendment corrects an unintended consequence of IFRIS 14, IAS 19.Without the amendments,entities are not permited to recognise as an asset some voluntary prepayments for minimum funding contributions. These amendments provides guidance on assessing the recoverable amount of a net pension asset.The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

The amendment has no impact on this financial statements of the Sacco.

IAS 40, Investment Property
Effective 1st January, 2012. The amendment introduces a presumption that an investment property is recovered entirely through sale.This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time,rather than through sale. The standard is not applicable in the operations of the Sacco.

IFRS 13, Fair Value Measurement
Effective 1st January 2013.This new standard provides guidance on how to measure fair value of financial and non-financial assets and liabilities when fair value measurement is required or permitted by IFRS. Because of its effective date, the Sacco is not intending to adopt the amendment on its Financial Position or performance.

(b) Significant accounting judgements, estimates and assumptions

The directors 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 year.

- Measurement of expected credit losses (ECL):

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour.

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

1. Material Accounting Policy Information (continued)

- Measurement of expected credit losses (ECL): (continued)

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

The ECL model applied for financial assets contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

-Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.

-Stage 2 - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.

- Stage 3 - When one or more events that have a detrimental impact on the estimated future of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk: The determination of asignificant increase in credit risk takes into account many different factors including a comparison of a financial instrument's credit risk or PD at thereporting date and the credit risk or PD at the date of initial recognition. However, IFRS 9 includes rebuttable presumptions that contractual payments that are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The society uses these guidelines in determining the staging of its financial assets unless there is persuasiveevidence available to rebut these presumptions.

-Useful lives, methods of depreciation and residual values of property and equipment and intangible assets

Management reviews the useful lives, methods of depreciation and residual IAS 38.p104 values of the items of property, plant and equipment, intangible assets and IAS 38.p109 right-of-use assets on a regular basis. During the financial year, the directors IFRS 16.p31 determined no significant changes in the useful lives and residual values.

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

1. Material Accounting Policy Information (continued)

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Sacco and the revenue can be reliably measured.Revenue is recognised at fair value of consideration received or receivable taking into account contractually defined terms of payment (mostly monthly) and recognised net of taxes. The following specific recognition criteria must be met before revenue is recognised:-

i) Interest from loans to members

Interest on loans to members is calculated on a reducing balance method at a monthly rates from 1% . Interest income is recognised on a time proportion basis by reference to the principal ouststanding and the effective interest rate applicable.

New members to the society are required to pay an entrance fee. The fees is recognised in the income statement in accordance with IAS 1.

ii) Other interest Income

Other interest income comprises of interest receivable from deposits with banks and investment in securities. It is recognised when it is probable that the economic benefits will flow to the Sacco and the amount of income can be measured reliably and accrued in statement of comprehensive income,using the effective interest rate method.

d) Property and equipment

All property and equipments are initially recorded at cost less accumulated depreciation and accumulated impairment in value. Land and building class of property and equipments are stated at valued amounts by independent valuers. Increase in carrying value arising on revaluations are credited to other comprehensive income and accumulated in revaluation reserves in equity.

Each year, the difference between the depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost is transferred to revaluation reserves,all other decreases are charged to the Statement of Comprehensive Income.

Depreciation is computed on reducing balance to write down the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates in use are:

	Rate
Computers and accessories	25%
Office equipments	10%
Furniture and fittings	10%

Poperty and equipment are reviewed annually for impairment.Where the carrying amount of an asset is greater than its estimated recoverable amount,it is written down immediately to its recoverable amount. Gains or losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit. On disposal of a revalued asset, amount in the revaluation reserve relating to that asset is transferred to retained earnings.

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

1. Material Accounting Policy Information (continued)

e) Amortisation

Computer Software licence cost is capitalised on the basis of the cost incurred to acquire it. This cost is amortised over its estimated useful life at 20% per year.

f) Trade Receivables

Trade receivables are carried at anticipated realizable values. An estimate is made for doubtful receivables based on the review of all outstanding amounts at year end.

g) Bad Debts

Bad debts are written off when all reasonable steps to recover them have failed. Subsequent recoveries of amounts previously written off are credited to the profit or loss in the year of recovery.

h) Payables

Payables are stated at their nominal value.

i) Loans and Advances

Loans and advances are carried at amortized cost using the effective interest rate method and reported net of specific provision of impairement losses.

j) Unquoted Investments

The unquoted investments are stated at cost.

k) Investment in Equities

Investment in equities are initially recorded at cost and subsequently adjusted to their fair values.
Gains or losses arising from changes in fair value are recognized in the income statement in the period in which they arise.

l) Currency

The Financial Statements are presented in Kenya shillings rounded off to the nearest one shilling. Previous years comparatives have also been restated by rounding them off to the nearest shilling

m) Retirement benefits obligations

The Society contributes to a mandatory defined contribution Provident Fund, the National Social security Fund (NSSF) at varying values for its employees as legislated from time to time.

(n) Revaluation/Capital (Non-distributable) reserves

The revaluation (non-distributable) reserve relates to items that are not distributable to the Shareholders, such as fair value adjustments on revaluation of investment property, borrowings, derivatives, non- cash, capital items charges and deferred taxation.

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

1. Material Accounting Policy Information (continued)

(o) Taxation

Current income tax is the amount of income tax payable on the profit for the year determined in accordance with the existing tax legislation. Deferred tax income is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and the carrying value for the financial reporting purposes. Deferred tax is determined using tax rates enacted or substantively enacted at balance sheet date and are expected to apply when related deferred income tax liability is settled. Deferred income tax on Assets are recognized only on the extent that is probable that future taxable profits will be available against temporary differences that can be utilized.

(p) Cash and cash equivalent

Cash and cash equivalent are carried in the Statement of Financial Position Net of overdraft. For the purpose of the Statement Cash Flows, cash and cash equivalent comprises cash in hand, deposits held at call with banks and investments in money market instruments, net of bank overdraft.In the Statement of Financial Position bank, overdrafts are included in borrowings in current liabilities.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition or contraction of a asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is the gross amount incurred on those loans less any investment income arising on their temporary investment. Interest is capitalized as from the commencement of the development work until the date of practical completion, i.e. when substantially all of the development work is completed. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for development are in progress.

(r) Dividends/Rebates

Rebates/Dividends are charged to equity in the period in which they are declared. Proposed dividends/rebates are shown as a component of equity until they have been ratified at an annual general meeting.

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

		2025 Shs	2024 Shs
2	**Interest Income**		
	Normal loans	30,619,261	27,799,996
	Super Saver	23,223,102	20,805,541
	Development loan	9,852,925	8,517,636
	Premium loan	7,481,100	8,348,285
	Mavuno	249,497	590,161
	Jumbo Loan	21,101,787	14,035,589
	Special loan	3,532,049	4,821,879
	Top up commision	2,611,918	2,355,258
	Emergency loan	879,800	1,076,638
	School fees loan	1,608,232	1,695,744
	Household loan	8,111	42,267
	Salary advance	6,078	8,276
	Dhamana loan	359,366	793,471
	Commission on IOD	280,912	157,836
	Mobile loan	326,211	-
	Haraka loan	-	42,664
		102,140,349	**91,091,241**
3	**Interest on members deposits**		
	Proposed during the year	82,161,480	82,700,000
4	**Other operating Income**		
	Income from members rejoining	40,000	40,000
	Entrance fees	90,000	74,000
	Income from AGM and education day penalty	389,500	522,500
	Share Boosting Fee	607,699	499,369
	Income from dormant account reactivation	33,000	33,000
	Household items	4,000	2,500
		1,164,199	**1,171,369**
5	**Investment income**		
	CIC Asset Management Limited	3,168,109	5,581,205
	NCBA Fixed Deposit	5,585,130	17,353,932
	Interest from Britam Investment	3,972,713	-
	Interest from Sanlam Investment	6,121,698	10,243,497
	Interest from Jubilee Investment	2,730,103	-
	Interest from Jubilee Fixed deposit	459,269	-
	Interest from Old Mutual Investment	298,599	-
	Interest from Old Mutual Special fixed deposit	516,057	-
	Dividends CIC Shares	-	13,263
	NCBA Call Account	187,808	1,899,107
	Co-op Bank Shares	503,180	182,284
	Stanbic Fixed	2,270,834	1,199,761
		25,813,500	**36,473,049**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

			2025 Shs	2024 Shs
6	**Governance expenses**			
	Committee allowances (Note 6(a))		2,155,869	1,769,106
	Committee education expenses		418,600	582,280
	Committee travel and subsistence		260,920	198,061
	Vetting committee		80,000	120,000
	AGM expenses		861,400	600,510
			3,776,789	**3,269,957**
6(a)	**Breakdown of Board & Supervisiory Committee Allowances**			
	Name	**Position**		
	Monica Kasiime	Board Chairperson - left in March 2024	-	21,690.00
	Jane Karanja	Board Chairperson-left in March 2025	74,793	155,263
	Isaac Manyeki	Board Chairperson	310,460	212,190
	Lucy Muthui	Vice Chairperson & Chair Education Committee	268,615	214,079
	Symon Chebor	Treasurer & Chair FAC	222,772	176,571
	Josephat Otieno	Hon. Secretary- left in March 2024	-	23,354
	Barack Wanjawa	Hon. Secretary & Member of the Education Committe	266,154	186,125
	Grace Miceka	Chaiperson - Credit & Risk Management Committee	334,617	213,921
	Elvira Omondi	Secretary -Credit & Risk Management Committee	238,460	195,921
	Sanni Kayode	Member - Education Committee	96,922	93,418
	Wanjiku Kiarie	Member - Credit & Risk Management Committee	146,923	-
	Supervisory Committee			
	Sylvia Kamau	Chairman - Supervisory Committee	66,923	94,499
	Frank Odhiambo	Member - Supervisory Committee	62,307	87,576
	Beatrice Mutahi	Secretary - Supervisory Committee	66,923	94,499
			2,155,869	**1,769,106**
7	**Personnel Expenses**			
	Salaries and wages		6,009,632	5,256,684
	Pension		845,379	791,123
	Leave allowance		20,000	30,000
	Staff bonus		-	300,000
	Trainee allowance		-	104,900
	Staff Welfare		45,000	-
	Staff severance		202,375	331,596
	Staff medical		895,794	854,645
	Staff development		145,000	339,800
	Staff insurance		112,578	106,509
	Travel expenses		176,606	155,983
	NSSF		173,875	74,520
	NITA		2,250	1,500
	Housig Levy		84,713	68,355
			8,713,202	**8,415,615**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

		2025 Shs	2024 Shs
8	**Administrative expenses**		
	Group insurance	2,624,574	3,020,695
	Education day expenses	607,005	696,870
	Publicity /Research and Development	518,114	618,810
	ILRI - ICT support	2,022,870	1,168,584
	Software maintenace	260,191	256,212
	Stategic plan expenses	37,300	848,860
	Telephone and postage	10,492	110,105
	Office supplies	30,000	24,000
	Printing and stationery	178,156	142,153
	Audit fees	232,000	232,000
	Corporate social responsibility	-	92,900
	Legal fees	217,860	915,094
	Internal audit fees	-	200,000
	Professional Fees	262,999	8,100
	System audit fee	348,000	-
	Repair and Maintenance	2,700	-
	SASRA Levies	1,216,182	843,842
		8,568,443	**9,178,225**
9	**Finance expenses**		
	Bank charges	247,802	230,342
	Net provision for loan losses	(1,034,038)	(1,487,002)
	Provision for impairment (KUSCCO investment)	5,518,010	7,000,000
	Provision for employer receivables	154,597	-
	KUSCCO shares write off	-	16,525
	Interest on holiday savings	153,157	178,390
		5,039,528	**5,938,255**

The Sacco holds an investment in KUSCCO Limited amounting to Shs. 37 million. Due to financial challenges faced by KUSCCO, the recoverable amount of this investment remains uncertain and is contingent upon the outcome of an ongoing court case.

In accordance with IAS 37, the Sacco management has made a provision of Shs. 5,518,010 for impaired investments in the financial year 2025 (2024:7million). Additional provisions will be recognized in subsequent years if KUSCCO fails to repay the investment.

10	**Depreciation and amortization**		
	Amortization of intangible assets	256,106	291,392
	Depreciation of property and equipment	16,447	17,471
		272,553	**308,863**
11	**Taxation**		
	Tax expense (Note 22)	**4,046,655**	**5,470,957**

Corporation tax is calculated at 30% on 50% of income earned, other than income directly attributable to interest on member loans.

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

		2025 Shs	2024 Shs
12 Cash and cash equivalents			
NCBA - current account		7,919,689	17,116,982
NCBA fixed deposit		24,099,649	85,628,153
CIC Limited - cash management		30,054,005	41,885,896
Sanlam investment		47,924,560	79,802,862
Britam investment		53,972,713	-
NCBA - safe deposit locker		10,000	10,000
M-pesa account - C2B		783,208	294,000
Petty cash		45,300	10,730
Stanbic investment		5,470,595	61,199,761
Jubilee Investment		57,730,103	-
Old Mutual Fixed deposit		30,516,057	-
Jubilee Fixed deposit		30,459,269	-
Old Mutual Investment		45,298,599	-
B2C Mpesa		8,310,557	55,000
		342,594,304	**286,003,384**
13 Prepayments			
Prepaid Insurance		**1,087,938**	**1,101,461**

The insurance policy covers the period from June 2025 to May 2026. The prepaid balance represents the portion relating to January 2026 through May 2026 that is yet to be expensed.

14 Other receivables			
Employer receivables		13,302,838	14,114,072
Less: provision		(154,597)	-
International Livestock Research Institute (ILRI)		1,391,056	1,243,999
Refundable deposit-Legal		2,589,957	-
Kuscco investment		36,198,680	36,198,680
Provision for Impairment (KUSCCO investment)		(12,518,010)	(7,000,000)
		40,809,924	**44,556,751**

*Receivables of the Sacco comprise expected remittances from employers for November and December 2025 relating to loanees whose loan repayments are deducted directly from their salaries. The balance also includes amounts due from ILRI, refundable deposits relating to an ongoing legal matter, and an investment in KUSCCO which is periodically provided for due to impairment.

The Sacco has recognized a provision for receivables from employers; however, these amounts are expected to be settled within one month after the year end, as detailed below.

	Gross amount Shs	2025 ECL provision Shs	Carrying amount Shs
Employer receivables (Appenfix I)	13,302,838	154,597	13,148,241

15 Loan and advances			
Opening balance		796,053,505	639,829,183
Loans issued during the year		677,561,506	668,449,033
Repayments during the year		(687,313,691)	(512,224,711)
Gross loans and advances to members		**786,301,320**	**796,053,505**
Less : impairment provision	**16**	(15,432,728)	(16,466,766)
Net loans and advances		**770,868,592**	**779,586,739**
Balance as per member listing		**786,301,320**	**796,053,505**
Difference		-	-

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

16 Ageing of past due impaired

As at 31 December 2025	**Number of accounts**	**Loan to Members**	**Provision Shs**
0 days (performing-1% provision)	921	775,772,949.1	7,757,729.5
1-30 days (Watch - 5%)	10	2,018,311.4	100,915.6
31-180 days (Substandard - 25%)	4	1,194,775.1	298,693.8
181-360 days (Doubtful -50%)	2	87,788.3	43,894.1
> 360 days or 12 Instalments overdue (Loss Account-100%)	10	7,227,494.6	7,227,494.6
	947	**786,301,319**	**15,428,728**

As at 31 December 2024	**Number of accounts**	**Loan to Members**	**Provision Shs**
0 days (performing-1% provision)	769	781,936,947	7,819,369
1-30 days (Watch - 5%)	8	2,571,479	128,574
31-180 days (Substandard - 25%)	9	3,481,912	870,478
181-360 days (Doubtful -50%)	7	829,647	414,823
> 360 days or 12 Instalments overdue (Loss Account-100%)	10	7,233,521	7,233,521
	803	**796,053,506**	**16,466,766**

17 Financial Assets

Quoted Shares:
Quoted prices in active markets to identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Shares in quoted companies:

	Number of shares	**Market price 31 December 2025**	**2025 Shs**	**2024 Shs**
Co-operative Bank of Kenya Limited	143,136	14.00	2,003,904	1,030,579
Co-operative Insurance Company of Kenya	116,424	3.50	407,484	370,440
Total Shares			**2,411,388**	**1,401,019**
Change in fair value		**Change**		
Co-operative Bank of Kenya Limited		973,325	2,003,904	1,030,579
Co-operative Insurance Company of Kenya		37,044	407,484	370,440
		1,010,369	**2,411,388**	**1,401,019**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

18 Property and equipment

	Furniture, Fittings & Equipment Shs	Computers & accessories Shs	Total Shs
Cost			
At 1 January 2024			
Cost	551,962	326,029	877,991
Accumulated Depreciation	385,984	322,537	708,521
Net Carrying Amount	**165,978**	**3,492**	**169,470**
Year ended 31 December 2024			
Opening Carrying Amounts	165,978	3,492	169,470
Charge for the Year	16,597	873	17,470
Closing Carrying Amount	**149,381**	**2,619**	**186,940**
At 31 December 2024			
Cost	551,962	326,029	877,991
Accumulated Depreciation	402,581	323,410	725,991
Net Carrying Amount	**149,381**	**2,619**	**152,000**
At 1 January 2025			
Cost	551,962	326,029	877,991
Additions	102,501	-	102,501
Accumulated Depreciation	402,581	323,410	725,991
Net Carrying Amount	**251,882**	**2,619**	**254,501**
Year ended 31 December 2025			
Opening Carrying Amounts	251,882	2,619	254,501
Charge for the Year	15,792	655	16,447
Closing Carrying Amount	**236,090**	**1,964**	**238,054**
At 31 December 2025			
Cost or Valuation	654,463	326,029	980,492
Accumulated Depreciation	418,373	324,065	742,438
Net Carrying Amount	**236,090**	**1,964**	**238,054**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

		2025 Shs	2024 Shs
19	**Members deposits**		
	As at start of year	901,370,900	809,993,952
	Deposits received during the year	90,622,213	141,378,997
	Deposits refunded during the year	(57,784,611)	(50,002,050)
	As at end of year	**934,208,502**	**901,370,900**
	Balance as per members listing	**934,208,502**	**901,370,900**
		-	-
20	**Holiday savings**		
	As at the start of the year	4,408,076	3,848,311
	Member savings Received during the year	3,658,709	4,229,686
	Refund during the year	(4,408,076)	(3,848,311)
	Total	**3,658,709**	**4,229,686**
21	**Other payables and accrued Expenses**		
	Utafiti housing co-operative	296,000	592,000
	Staff severance	3,544,296	3,341,921
	Uncollected deposits (dormant members)	45,735	45,735
	Staff Bonus	-	300,000
	Staff development	50,000	-
	Professional fees	36,600	-
	Internal Audit	-	200,000
	Unallocated deposits	158,200	103,200
	System Audit fees	278,400	-
	Payroll Deductions	204,951	143,917
	Audit fees	232,000	232,000
	HR Consultant	-	62,000
	Vetting committee	80,000	-
	Accrued Software Cost	174,270	182,120
	Payroll Overdeduction	76,206	275,531
	Accruals	339,970	1,260,329
		5,516,628	**6,738,753**

*The Sacco's payables comprise expenses accrued at the year end, including professional fees and payroll-related liabilities. The balance also includes unallocated deposits brought forward from the prior year and amounts payable to the housing cooperative.

22(a)	**Taxation**		
	Current tax	4,046,655	5,470,957
	The tax on the society's profit before tax differs from the theoretical amount that would arise using the basic rate as follows:		
	Profit/(loss) before tax	20,586,053	18,924,744
	Tax calculated at a tax rate of 30% (2024: 30%)	6,175,816	5,677,423
	Tax effect of:		
	-expenses not deductible for tax purposes	7,911,155	8,133,275
	-income not subject to tax	(5,993,661)	(2,517,372)
	-50% of investment income not subject to tax	(4,046,655)	(5,646,663)
	Charge for the year	**4,046,655**	**5,470,957**
22(b)	**Tax payable**		
	At Start of year	5,470,957	4,601,159
	Income tax expense	4,046,655	5,470,957
	Tax paid	(5,470,957)	(4,601,159)
	At end of year	**4,046,655**	**5,470,957**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

		2025 Shs	2024 Shs
23 (a)	**Interest on members deposits**		
	Balance brought forward	81,599,415	68,088,143
	Prior year adjustment*	-	(1,436,152)
	Proposed interest on members deposits for the year	82,161,480	82,700,000
	Paid during the year	(81,609,799)	(67,752,576)
	Loan advanced against interest on member deposit	(2,205,962)	-
		79,945,134	**81,599,415**
23(b)	**Interest on holiday savings**		
	At start of year	178,390	176,223
	Interest during the year	153,157	178,390
	Interest paid during the year	(178,390)	(176,223)
	At end of year	**153,157**	**178,390**
24	**Honorarium and staff bonus Payable**		
	Balance brought forward	1,000,000	1,000,000
	Paid during the year	(968,500)	(1,000,000)
	Provision during the year	1,600,000	1,000,000
	Balance carried forward	**1,631,500**	**1,000,000**
25	**Share capital**		
	Balance brought forward	46,458,695	40,878,973
	Additions during the year	5,342,338	5,579,722
	Balance carried forward	**51,801,033**	**46,458,695**
	Balance as per members listing	**51,801,033**	**46,458,695**
	Unreconciled	**-**	**-**
26	**Grants**		
	This comprises balance carried forward of a grant that was given by ILRI to the Sacco		
	Balance carried forward	**4,946,832**	**4,946,832**
27	**Reserves**		
	Included in the members balances are the following reserves which are as a result of statutory requirements:-		
i)	Statutory Reserve	24,047,443	20,739,563
ii)	Revenue Reserve	34,881,690	31,532,316
iii)	Proposed Dividends, Honoraria & Staff bonus	12,845,192	9,873,098
iv)	Grants	4,946,832	4,946,832
v)	Fair Value Reserve	1,838,687	828,319
vi)	Credit Risk Reserve	1,030,000	
vii)	Adjustment to equity	-	150,000
		79,589,844	**68,070,128**
28	**Dividends payable**		
	Balance brought forward	8,873,098	7,408,699
	Proposed during the year	7,252,145	6,504,217
	Paid during the year	(4,911,551)	(5,039,818)
	Balance carried forward	**11,213,692**	**8,873,098**
29	**Prior year adjustment**		
	Write back/off over provision for year	**-**	**150,000**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

30 Related party transactions

Related party loans and deposits are provided to the Board of Directors and staff on an arm's length basis. The details are as follows (for further information, please refer to Appendix II).

Loans and advances	**2025 Shs**	**2024 Shs**
At Start of year	32,783,432	9,969,735
Granted during the year	25,473,622	34,948,000
Interest charged	46,194,451	4,456,685
Repayment	(63,460,621)	(16,590,928)
At end of year	**40,990,884**	**32,783,492**
Deposits		
At Start of year	35,779,042	31,805,682
Additions	5,742,035	3,973,360
At end of year	**41,521,077**	**35,779,042**

31 Intangible asset

The intangible assets is Dynamics 365 Business Central accounting Information System software.

Cost	1,821,200	1,821,200
Amortisation	(911,738)	(655,632)
Balance Carried Forward	**909,462**	**1,165,568**

Chairperson.....Treasurer.....Hon. Secretary.....CEO.....FO.....

NOTES (CONTINUED)

32 Financial Risk Management Objectives

The Sacco's operations are exposed to financial risks which include credit risk, investment risk and liquidity risk. Risk management is carried by the board of directors. The board evaluates and develops measures to mitigate risk exposures as follows:

Credit Risk Management

Credit Risk refers to the risk that members will default on their contractual obligations resulting in financial loss to the Sacco arising principally from the Sacco's loans and advances to its members. The amounts presented in the statement of financial position are net of impairment for doubtful debts, estimated by the board based on prior experience and assessment of the current economic environment. The Sacco has adopted a policy (as contained in its by-laws) of the only dealing with creditworthy members and obtaining sufficient collateral ,guarantors where appropriates a means of mitigating the risk of financial loss from defaults. The Sacco also structures the level of credit risk it undertakes by placing limits on amount of risk accepted in relation to one borrower or group of borrowers.

Trade receivables consist of Sacco members. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate ,credit guarantee insurance cover is purchased.

The Sacco has made a provision of Shs. 15,432,728 for bad and doubtful debts for 2025. (2024:Shs. 16,466,765.53).

Investment risk

The Sacco is at risk of losing Shs. 37 million in member deposits invested in KUSCCO due to KUSCCO's financial troubles. It is unlikely that the Sacco will recover the money, hence the provision of Shs. 5.5 milion in the financial year 2025 (2024:7 million).

Liquidity Risk Management

The board has built an appropriate liquidity risk management framework for the management of the Sacco's short ,medium and long term and liquidity management requirements. The Sacco manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows .

33 Contingent liabilities

The society did not have any contingent liabilities in the year 2025 (2024: Nil).

34 Presentation currency

The financial statements are presented in Kenya Shillings (Shs).

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Utafiti Regulated Non-Wdt-Sacco Society Ltd-CS/2959
Receivables age listing
For the year ended 31 December 2025

Receivables

Employers receivables

	Current Shs	0-30 days Shs	30-60 days Shs
ILRI	13,904,581.52	12,513,489.84	-
Kapiti Payroll	597,856.91	597,856.91	-
Icraf	191,455.25	-	191,455.25
Total	**14,693,893.68**	**13,111,346.75**	**191,455.25**

Expected Credit Loss provision

	Number of accounts	Amount (Shs)	ECL provision
0 days (performing-1% provision)	2	14,502,438.43	145,024.38
1-30 days (Watch - 5%)	1	191,455.25	9,572.76
			154,597.00