

**STIMA INVESTMENT CO-OPERATIVE SOCIETY LIMITED CS/10856**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2024**

Henry Smith & Wilson  
Certified Public Accountants and Secretaries (Kenya)  
Kalson Towers  
P.o Box 9937- 00100 Nairobi  
TEL. 020-315592  
[info@henrysmithwilson.co.ke](mailto:info@henrysmithwilson.co.ke)

---

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

---

**SOCIETY INFORMATION**

**a) Management Committee**

Eng. Joseph Ng'ang'a	Chairman
Ms. Elizabeth Mbebe	Vice Chairperson
Mr. Preston Mutangili	Secretary
Ms. Phenny Abisae	Treasurer
Mr. Maurice Mwangi	Member
Mrs. Hogla Wanjohi	Member
Ms Jenniffer A Oduor	Member

**b) Supervisory Committee**

Ms. Salome Musyoka	Chairman
Mr Felix Okumu	Secretary
Mr. Benjamin Komen	Member

**Registered Office**

Stima Investment Plaza  
LR No.209/1430/2  
P.o Box 37895-00200  
Mushembi Road  
Parklands, Nairobi

**Society's Auditor**

Henry Smith & Wilson  
Certified Public Accountants and Secretaries (K)  
Kalsion Towers, 6th Floor  
P.o Box 9937 - 00100  
Nairobi, Kenya  
Tel: 020-2104874  
Email: info@henrysmithwilson.com

**Principal Bankers**

Stima Sacco Society  
Nairobi Branch  
P.o Box 75629-00200  
Nairobi , Kenya.

Co-operative Bank of Kenya Ltd  
Stima Paza Branch  
Nairobi, Kenya.  
P.O Box 68764-00600

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

**REPORT OF THE MANAGEMENT COMMITTEE**

The Management Committee submits their Report together with the audited Financial Statements for the year ended 31st December 2024, which disclose the state of affairs of the Society.

**Incorporation**

The Society is incorporated in Kenya under the Co-operative Societies Act, Cap 490 and licensed under the Sacco Societies Act No.14 of 2008, and is domiciled in Kenya.

**Principal activities**

The principal activity of the Society is that of investment in movable, non- movable and

**Results**

The results for the year are as follows and is also shown on page 10.

	<b>2024</b> <b>Kshs</b>	<b>2023</b> <b>Kshs</b>
Profit/Loss before corporate tax	28,590,915	20,606,372
Income tax expense	(7,885,155)	(5,390,985)
Profit/Loss after tax	<u><b>20,705,759</b></u>	<u><b>15,215,387</b></u>

**Directors**

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

**Dividends**

Directors recommend payment of dividends at rate of 0.4%

**Independent Auditors**

Messrs Henry Smith & Wilson, Certified Public Accountants(K) who served during the year and have expressed their willingness to continue in office in accordance with the Co-operative Societies Act (Cap 490), as per Amendment No.2 of 2004.

**By order of the Management Committee**



.....  
Hon Secretary

Date 11/02 2025

### STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

The Co-operative Societies Act, Cap 490 requires the Directors to prepare Financial Statements for each year which give true and fair view of the state of affairs of the Society as at the end of the Financial year and of its operating results for the year in accordance with IFRS. It also requires the members of the Board to ensure that the Society keeps proper accounting records which disclose with reasonable accuracy at any time the Financial Position of the Society. It is also responsible for safe guarding the assets of the Society and ensuring that the business of the Society has been conducted in accordance with its objectives, by-laws and any other resolutions made at the Society's Annual Delegates meeting.

The management committee accepts responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Co-operative Societies Act, Cap 490.

The management committee is of the opinion that the Financial Statements give a true view of the state of the Financial affairs of the Society and of its operating results in accordance with IFRS. The management committee further accepts responsibility for the maintenance of sound accounting records which may be relied upon in the preparation of Financial Statements, as well as adequate systems of internal control frame work.

The members of the committee who held office at the date of approval of this Directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Co-operative's auditors are unaware and each member has taken all the steps that they ought to have taken as member to make themselves aware of any relevant audit information and to establish that the Co-operative Society's auditors are aware of that information.

Nothing has come to the attention of the members of the management committee to indicate that the Society will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board on.....11/02/2025 and signed on its behalf by:

Chairman.....

Treasurer.....

Hon. Secretary.....

**DIRECTORS' VIABILITY STATEMENT**

Our Society reported a surplus of Kshs 28 million before tax compared to Kshs 20 million in the year 2023. This performance is as a result of solid turnaround strategies put in place by the Board and the Management over the last three years. We are confident that the Society will maintain a positive trajectory going forward.

Some of the issues that have significantly been addressed are;

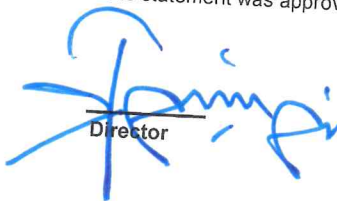
1. Processing of titles for pending projects. The Board and Management projects conclusion of the matters in Court relating to Konza 3 and Lamu 1 & 2 project and processing of individual titles.
2. Reconciliation of General ledger accounts. The Management have been able to reconcile most of the General Ledger accounts supporting the reported balances with relevant documentary evidence e.g. all the cash book accounts have been reconciled with respective Bank Accounts. The Management anticipates to close on reconciliation of historical matters before end of the year 2025.
3. Historical liabilities. The Society has been able to address 95% of all the historical obligations thus, improving the customers confidence with the Society.

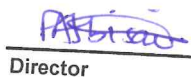
**Achievements in the year 2024**

1. Stima Heights project. The Society was able record 98% uptake of the available units in this project. Proper conceptualization and structuring of this project resulted to the successful uptake and implementation of the Project.
2. New Housing project. Considering the demand noted on affordable housing project, the Board and Management projects to roll out another project on or before end of first quarter 2025. The new project is anticipated to address all the lessons learned at the Stima Heights hence high uptake of the proposed units is expected.
3. Strategic plan. The Society has developed a five (5) year (2022 - 2026) strategic plan which is focused towards improving service delivery to Members.

Considering the above improved performance reported in the year 2024 and the strategic plan already in place, the Board and Management have confidence that the Society's going concern is viable.

This statement was approved by the Directors on 11/02 2025

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

**STATISTICAL INFORMATION**

		2024 Kshs	2023 Kshs
<b>Membership</b>	- Active	2,001	2,456
	- Dormant	13,027	12,604
<b>Total</b>		<b>15,028</b>	<b>15,060</b>
<b>Employees</b>	Female	19	21
	Male	24	27
		<b>43</b>	<b>48</b>
Total Assets		2,362,838,829	2,447,228,052
Current Assets		1,244,794,283	1,330,889,018
Current Liabilities		758,390,331	905,932,784
Investments		51,510,809	48,025,762
Members' funds/equity		1,243,991,428	1,183,788,336
Cash and Cash equivalents		(9,295,531)	9,433,054
Non - current loan		196,911,570	192,656,963
Total liabilities		1,118,847,401	1,263,439,717
Share Capital		2,241,656,252	2,197,037,191
Core Capital		1,243,991,428	1,183,788,336
Institutional Capital		(997,664,824)	(1,013,248,855)
Total revenue		70,731,722	63,203,501
Total expenditure		42,140,807	42,597,129
Profit before appropriation		20,705,759	15,215,387
Interest expense		10,290,003	7,630,359
<b>Key Ratios</b>			
<b>Capital adequacy ratios</b>			
	STD		
Core Capital /Total assets	≥ 10%	53%	48%
Institutional Capital/total assets	≥ 8%	-42%	-41%
<b>Liquidity ratio</b>			
Current assets/current liabilities		164%	147%
Cash equivalents/current liabilities		-1%	1%
<b>Operative efficiency</b>			
Total operating expenses/total revenue		60%	67%



**HEAD OFFICE:**

Wilson Towers, 6th Floor  
2 Crescent (Off Parklands Rd.)  
Opposite M.P. Shah Hospital  
P.O. Box 9937-00100  
Nairobi - Kenya.  
Tel: +254 (20) 2104874  
+254 743 758 686  
+254 735 240 888  
mailto:info@henrysmithwilson.co.ke  
Website: www.henrysmithwilson.co.ke

**BRANCHES:**

Independence Building, 2nd Floor  
Nyeri Avenue,  
Adjacent to Finance House  
P.O. Box 336-20100  
Nakuru - Kenya  
Tel: +254 721 210 792  
Email: info.nakuru@henrysmithwilson.co.ke

Ngiglo Plaza, 2nd Floor,  
Office No: K2:33B  
Kuruma Road, Thika Town  
P.O. Box 1881- 00200  
Nairobi - Kenya  
Tel: +254 743 767 882  
Email: info.thika@henrysmithwilson.co.ke

**SERVICES:**

Audit & Assurance

Accountancy

Taxation

Consultancy &  
Business Advisory

Training &  
Development

**PARTNERS:**

CPA. S.K. Ndegwa  
(Managing)

CPA. W.M. Mutero

CPA. P.M Njathi

CPA. S. Muturi

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
STIMA INVESTMENT CO-OPERATIVE SOCIETY LIMITED CS/10856  
FOR THE YEAR ENDED 31ST DECEMBER, 2024**

**Opinion**

We have audited the financial statements of Stima Investment Co-operative Society Limited set out on pages 10 to 31 which comprise the statement of financial position as at 31 December 2024, the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and the 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 Society's financial position as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with International Reporting standards and the requirements of the Co-operatives Societies Act, Cap 490.

**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 Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya and we have fulfilled our other 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.

**Uncertainty Related to Going Concern**

We draw attention to statement of Directors' Viability of the Society in the financial statements, which states that the Society has returned to profitability of Kshs 28,590,914 during the year under review.

We have reviewed business strategy put in place by the board once fully implemented will return the Society to profitability and change the going concern status.

Uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern. Our evaluation of the directors' assessment of the Society's ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of the directors' going concern assessment process, including the control over review of budgets and plans.
  - evaluating management's historical forecasting accuracy and consistency with information obtained in other areas of the audit.
  - evaluating the amount and timing of identified mitigating actions available and whether those actions are feasible within their control.
  - assessing the appropriateness of the going concern disclosure in the directors' viability statement.
- Based on the work we have performed, we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these financial statements are not a guarantee as to the Society's ability to continue as a going concern.

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

**Auditor's Report Continued**

**Key Audit Matters**

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

We have also set out how we structured our audit to address these specific areas and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

**Key Audit Matters**

Information Technology (IT) Systems and Controls.	How the matter was addressed in our audit
<p>The accuracy and completeness of interest income is an inherent risk in the sector due to processing of large volumes of transactions with a combination of several products and complete IT systems</p> <p><b>2) Receivables and prepayments</b>            Included in trade receivables are amounts of Kshs 568,846,578.00 Which relates to historical cleaning up, which needs to be reconciled.</p> <p><b>4) Contingent liability on Lamu land (court case)</b>            The society has land in Lamu worth kshs 98,231,613 whose ownership</p>	<p>We evaluated the relevant IT system and the design of controls, and tested the operational effectiveness of controls over the;</p> <ul style="list-style-type: none"> <li>- Capture and recording of loan transactions and rates.</li> <li>- Approvals, authorization of rates and interest.</li> <li>- Using data extracted from the Society's accounting system, we verified the Based on our work we noted no significant issues in accuracy of interest and other transactions recorded in the year.</li> </ul> <p>We took the assurance of the board through the management, there are reconciliations which are ongoing, which once concluded will show the correct position of receivables account</p> <p>The earlier ruling was in favour of the society, we believe that the final verdict will be favourable to the society, this is based on the documents we reviewed</p>

**Other Information**

The directors are responsible for the other information. The other information comprises the report of the directors and financial and statistical information which we obtained prior to the date of this auditors report, and the (chairman's report supervisory committee report, sustainability report and corporate social investment report) which are expected to be made available to us at the same time. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

**HENRY SMITH & WILSON**  
**CPA (K)**  
**P. O. Box 9937 - 00100**  
**NAIROBI**

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

---

**AUDITORS' REPORT (CONTINUED)**

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 that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with governance for the financial statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Co-operatives Societies Act, Cap 490, 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.

In preparing the financial statements the directors are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities**

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 a report of independent auditor that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standard on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- i) 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.
- ii) 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 society's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- iv) Conclude on the appropriateness of the director'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 report of the independent auditor to the related disclosures in the financial statements or, if such a disclosure is inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the independent auditor. However, future events or conditions may cause the Society to cease to continue as a going concern.
- v) 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.

HENRY SMITH & WILSON  
CPA (K)  
P. O. Box 9937 - 00100  
NAIROBI

**Stima Investment Co-operative Society Limited CS/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024**

---

**AUDITOR REPORT -Continued**

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 identified during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current year and are therefore the key audit matters. We describe these matters in our report of the independent auditor unless the law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits.

**Report on Other legal requirements**

As required by the Co-operative Societies Act, Cap 490, we report to you based on our audit that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purposes of our audit;
- ii) In our opinion, proper books of account have been kept by the Society, so far as appears from our examination of those books;
- iii) The Society's statement of financial position and 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 Co-operative Societies Act Cap. 490, the Sacco Societies act No.14 of 2008 and in accordance with the Society's by-laws and any other resolutions made by the Society at a delegate's meeting.

The engagement Partner responsible for the audit resulting in this Independent auditor's report is CPA Simon K. Ndegwa P/NO 1173



FOR AND ON BEHALF OF HENRY SMITH & WILSON  
CERTIFIED PUBLIC ACCOUNTANTS

Date: <sup>the</sup> 12 February, 2025

HENRY SMITH & WILSON  
CPA (K)  
P. O. Box 9937 - 00100  
NAIROBI

Stima Investment Co-operative Society Limited cs/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2024

	Notes	2024 Kshs	2023 Kshs
<b>REVENUE</b>			
Net land sales	3	7,388,301	1,740,766
Rent Income	4a	34,038,565	30,274,673
Net Service Charge Gain	4 e	4,190,783	6,936,814
Interest income	5a	7,594	215,309
Commission on Agency Agreement	5b	16,515,000	14,249,000
Other operating income	5c	8,591,479	9,786,939
<b>Total Income / ( Loss)</b>		<b>70,731,722</b>	<b>63,203,501</b>
<b>Operating Expenses</b>			
Personnel expenses	6	9,157,508	7,750,279
Administrative expenses	7	13,165,952	17,578,367
Governance and members expenses	8	3,378,857	2,219,519
Marketing expenses	9	2,603,470	4,000,947
Finance costs	10	10,878,595	7,755,575
Depreciation & Armotisation	11	2,956,426	3,292,442
<b>Total Expenses</b>		<b>42,140,807</b>	<b>42,597,129</b>
<b>Profit/(Loss) before income tax expense</b>		<b>28,590,915</b>	<b>20,606,372</b>
Tax expense		7,885,155	5,390,985
<b>Profit/(Loss) after income tax expense</b>		<b>20,705,759</b>	<b>15,215,387</b>
<b>Other comprehensive income</b>			
Change in fair value of financial assets	25	3,485,047	358,118
<b>Net Profit/(Loss) for the year and other Comprehensive Income</b>		<b>24,190,807</b>	<b>15,573,505</b>

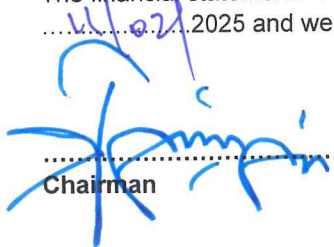
Stima Investment Co-operative Society Limited cs/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024

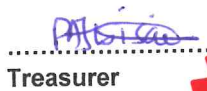
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2024

	Notes	2024 Kshs	2023 Kshs
<b>REPRESENTED BY:</b>			
<b>Non-Current Assets</b>			
Property and Equipment	27	32,371,743	33,368,394
Intangible assets	26	3,131,534	3,914,417
Investment property	18	1,031,030,461	1,031,030,461
Other financial assets	25	51,510,809	48,025,762
<b>Total Non-Current Assets</b>		<b>1,118,044,546</b>	<b>1,116,339,035</b>
<b>Current Assets</b>			
Trade Receivables & Prepayments	15	1,004,313,102	909,085,537
Cash and Cash Equivalents	16	9,295,531	9,433,054
Land inventory	12	249,674,632	404,383,192
House inventory	13	3,600,000	3,600,000
Tax recoverable	19	3,497,920	4,387,235
<b>Total Current Assets</b>		<b>1,244,794,283</b>	<b>1,330,889,018</b>
<b>Total Assets</b>		<b>2,362,838,829</b>	<b>2,447,228,052</b>
<b>Liabilities</b>			
<b>Non Current liabilities</b>			
Real estate fund	20	163,545,500	164,849,970
Long term loans		196,911,570	192,656,963
		<b>360,457,071</b>	<b>357,506,933</b>
<b>Current Liabilities</b>			
Short term Trade and Other Payables	22	670,266,961	818,663,245
Short term real estate fund	20	45,000,000	45,000,000
Rebates payable	17	481,440	481,390
Short term loans	21	33,000,000	33,000,000
Dividend Payable	28	9,641,930	8,788,149
<b>Total Current Liabilities</b>		<b>758,390,331</b>	<b>905,932,784</b>
<b>Total Liabilities</b>		<b>1,118,847,401</b>	<b>1,263,439,717</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital	23	2,241,656,252	2,197,037,191
Reserves	24	997,664,824	1,013,248,855
<b>SHAREHOLDERS' FUNDS</b>		<b>1,243,991,428</b>	<b>1,183,788,336</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,362,838,829</b>	<b>2,447,228,052</b>

**REGISTERED**  
 SEC. 25(7) Co-operative Societies  
 ACT CAP 490 (Amended 2004)  
 13 FEB 2025  
 Sign.....  
**JAVEL M. MURIRA**  
 FOR: COMMISSIONER OF CO-OPERATIVES

The financial statements on pages 10 to 31 were approved for issue by the board of directors on ..... 2025 and were signed on its behalf by:

  
Chairman

  
Treasurer



  
Secretary

Stima Investment Co-operative Society Limited CS/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024

Note:	Share Capital Kshs	Share Premium Kshs	Statutory Reserves Kshs	Accumulated Losses Kshs	Revaluation Reserve Kshs	Other Reserves Kshs	Total Kshs
At 1st January, 2024	2,197,037,191	167,791,081	10,356,161	(1,297,196,677)	104,768,205	1,032,376	1,183,788,336
Surplus for the year	-	-	-	20,705,759	-	-	20,705,759
Transfer 20% to statutory	-	-	4,141,152	(4,141,152)	-	-	-
Revaluation of share placements	-	-	-	-	-	-	-
Additions during the year	44,619,061	1,035,154	-	-	3,485,047	-	3,485,047
Proposed dividend	-	-	-	-	-	-	-
As at end of year 2024	<u>2,241,656,252</u>	<u>168,826,235</u>	<u>14,497,313</u>	<u>(1,290,274,000)</u>	<u>108,253,252</u>	<u>1,032,376</u>	<u>(9,641,930)</u>
At 1st January, 2023	2,163,710,011	167,161,143	7,313,083	(1,300,580,838)	104,410,087	1,032,376	1,143,045,862
Surplus for the year	-	-	-	15,215,387	-	-	15,215,387
Transfer 20% to statutory	-	-	3,043,077	(3,043,077)	-	-	-
Revaluation of share placements	-	-	-	-	-	-	-
Additions during the year	33,327,180	629,938	-	-	358,118	-	358,118
Proposed dividend	-	-	-	(8,788,149)	-	-	33,957,118
At 31st December 2023	<u>2,197,037,191</u>	<u>167,791,081</u>	<u>10,356,161</u>	<u>(1,297,196,677)</u>	<u>104,768,205</u>	<u>1,032,376</u>	<u>(8,788,149)</u>
							<u>1,183,788,336</u>

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2024**

		<b>2024</b>	<b>2023</b>
		<b>Kshs.</b>	<b>Kshs.</b>
<b>Cash flows from operating activities</b>	<b>Notes</b>		
Net income from land sales	<b>3</b>	7,388,301	1,740,766
Rental income	<b>4</b>	34,038,565	30,274,673
Other operating income	<b>5</b>	8,591,479	9,786,939
Payment to employees and suppliers	<b>6-10</b>	(39,184,331)	(39,304,687)
Agency Commissions	<b>5</b>	16,515,000	14,249,000
Net service charge	<b>4</b>	4,190,783	6,936,814
<b>Net cashflow from operating activities</b>		<b>31,539,797</b>	<b>23,683,505</b>
<b>Increase/(decrease) in operating assets</b>			
Trade and other receivables	<b>15</b>	(95,227,565)	(17,021,568)
Inventory	<b>12 &amp; 13</b>	154,708,560	338,637,250
		<u>59,480,995</u>	<u>321,615,682</u>
<b>Increase/(decrease) in operating liabilities</b>			
Trade and other Payables	<b>22</b>	(148,396,284)	(327,288,924)
<b>Cash flow from operating activities before income taxes</b>		<u>(88,915,289)</u>	<u>(5,673,243)</u>
Income tax paid		-	-
<b>Net cash from operating activities</b>		<b>(57,375,492)</b>	<b>18,010,262</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible and intangible properties	<b>27</b>	(1,176,891)	(513,544)
Interest received	<b>5</b>	7,594	215,309
Dividends received	<b>5</b>	-	-
<b>Net cash used in investing activities</b>		<b>(1,169,297)</b>	<b>(298,235)</b>
<b>Cash flows from financing activities</b>			
Shares Capital proceeds	<b>23</b>	44,619,061	33,327,180
Increase in share premium		1,035,154	629,938
Decrease/ Increase in real estate fund	<b>20</b>	(1,304,469)	4,746,404
Dividends paid	<b>28</b>	(8,788,149)	(5,793,593)
Borrowings	<b>21</b>	4,254,607	(35,994,274)
<b>Net cash used in financing activities</b>		<b>39,816,204</b>	<b>(3,084,346)</b>
Net increase (decrease) in cash and cash equivalents		(18,728,585)	14,627,682
Cash and cash equivalents at start of the year		9,433,054	(5,194,628)
<b>Cash and cash equivalents at end of the year</b>	<b>16</b>	<b>(9,295,531)</b>	<b>9,433,054</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 Summary of significant accounting policies**

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

#### **a) Basis of preparation and summary of significant accounting policies**

The financial statements have been prepared under the historical cost basis, except where otherwise stated in the accounting policies below and are in accordance with International Financial Reporting Standards. The historical cost convention is generally based on the fair value of the 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability the society takes into account the characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and or disclosure purposes in these financial statements is determined on such a basis except for measurement that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 on inventories or value in use in IAS 36 on Impairment of Assets. In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree in 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 price 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.

#### **b) Going Concern**

The financial performance of the Society is set out in the report of the management committee 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.

These financial statements comply with the requirements of Co-operative Society Act Cap 490. 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.

**NOTES (Continued)**

**c) Measurement of expected credit losses (ECL) AS PER IFRS 9:**

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

A number of significant judgments are also required in applying the requirements for measuring ECL, such as;

- i) Choosing appropriate models and assumptions for measurement of ECL;
- ii) Establishing the number and relative weighting of forward – looking scenarios for each type of product market and
- iii) Establishing groups of similar financial assets for the purpose of measuring ECL.

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

The measurements of ECLs are based primarily on the product of the instruments Probability of Default (PD) ,Loss Given Default(LGD) ,and exposure At Default(EAD)

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

**d) Key sources of estimation uncertainty**

Stage 1 – If, at the reporting date, the credit risk of non-impaired financial instrument 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.

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

Assessment of significant increase in credit risk; the determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition . IFRS 9 however includes rebuttable presumptions that contractual payments 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 assets unless there is persuasive evidence available to rebut these presumptions.

Useful lives of property and equipment and intangible assets: management reviews the useful lives and residual values of the items of property and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

**e) New and revised standards for 2020**

The following new and revised standards have become effective for the first time in the financial year beginning 1 January 2020. New standards and interpretation and a number of amendments to standards became effective for the first time in the financial year beginning 1 January 2020 and have been adopted by the society. Neither the amendments nor the interpretation has had an effect on the Society's financial statements.

**Covid -19 Related rent Concessions – Amendment to IFRS 16**

Effective for annual periods beginning on or after 1 June 2020 1 May 2020, the IASB amended IFRS 16. Leases to provide relief to leases from applying the IFRS 16 guidance on lease modifications to rent. The amendment does not apply to lessors. The amendment to IFRS 16 will provide relief to lease for accounting for rent concessions from lessors specifically arising from covid 19 pandemic. While lessees that select to apply the practical expedient do not need to assess whether a concession as the terms of the concession granted may vary. The directors assessed and determined that the amendments had no effect on the books of the Society.

**IFRS 16-(Amendment) leases**

Amendments to IFRS 16 'leases' specifies how to recognize, measure, present and disclose leases. The standard provides a single lease accounting model, requiring the recognition of asset and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Leasor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. Effective January 1 2019, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1,2020. The directors assessed and determined that the amendment did not have an impact on the Society's financial statements.

**Definition of Material – Amendments to IAS 1 and IAS 8**

Effective for annual periods beginning on or after 1 January 2020. In October 2018 ,the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition 'material' across the standards and to clarify certain aspects of the definition. The new definition states that the users are reasonably expected to influence decisions made on the general use of financial statements or make on the basis of those financial statements ,which provides financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

**f) New standards, amendments and interpretations issued but not effective that may have an effect on society in future periods**

At the date of authorization of these financial statements the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective for the year presented: IAS-1 Classification of liabilities as current or non-current. Amendments to IAS 1 effective for annual periods beginning on or after 1 January 2023. In January 2020, the Board issued amendments to [paragraphs 69 to 76 of IAS 1, presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

**Notes (Continued...)**

Amendments to IFRS 9 Financial Instruments. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. The amendments clarify the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Amendments to IAS 23 'Borrowing' costs effective for annual periods beginning on or after 1 January 2019 clarifying that specific borrowings remaining unpaid at the time the related asset is ready for its intended use or sale will comprise general borrowings.

**Amendments to IAS16 "Property, Plant and Equipment.**

Outlines the accounting treatment for most types of property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted.

The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

**g) Revenue recognition**

revenue on sale of land to members is recognized upon payment of more than 25% of the cost which is calculated based on the market prices and additional cost incidental to the land in question. Interest from bank, dividends from share investments are recognized as when earned.

**h) Investments**

The quoted investments are stated at fair value (IAS39). Investment property after initial recognition is stated at cost less accumulated depreciation /impairment.

**i) Property and equipment**

All equipments are stated at historical cost less accumulated depreciation, amortization and impairment.

Depreciation is calculated using reducing balance method to write down the net book value of each asset to its residual value over its estimated useful life. The annual depreciation rates in use are;

Asset	Rate (%)
Land	lease period 99 years
Buildings	2.50%
Computers, photocopies and other accessories	30%
Computer software	20%
Furniture, fixtures and fittings	12.50%
Office equipment	12.50%

A full year's depreciation is charged in the year of acquisition. No depreciation is charged in the year of disposal. Gains or losses arising from disposal of equipment are computed by reference to the sales proceeds and the net carrying amounts at the date of disposal. The gains or losses are dealt with through the income statement. On disposal of a re-valued asset, amount in the re-valuation reserve relating to the asset is transferred to retained earnings.

Notes (Continued...)

**j) Intangible assets**

Software costs are stated at historical costs less accumulated amortization and any impairment losses. Amortization is calculated using reducing method to write down the cost of the software to its residual value.

**k) Taxation**

Current taxation is provided for on the basis of results for the year as shown in the financial statements adjusted in accordance with the tax legislation.

**i) Cash and cash equivalents**

Cash and cash equivalent includes cash in hand, demand and term deposits with maturities of 12 months or less from the date of acquisition, that are ready convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net bank overdrafts.

For the purpose of cash flow statement, the year end cash and cash equivalents comprises cash and cash equivalents as defined above.

**m) Trade receivables**

Trade receivables are carried at amortized invoice amounts less estimates made for bad and doubtful receivables based on the review of all outstanding amounts, on account by account basis, at the year end. Bad debts are written off in the year in which they are identified as irrecoverable.

**n) Trade payables**

Trade and other payables are carried at cost, which is measured at the fair or contractual value to be paid in respect of goods or services supplied to the Society, whether billed or not.

**o) Provision for liabilities and charges**

Provisions for liabilities are recognized when there is a present obligation (legal or constructive) resulting from a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of monetary value of the obligation.

**p) Employee benefits**

**Retirement benefits costs.**

The Society and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The society's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate.

The Society operates a defined contribution scheme for all employees. A defined contribution plan is a plan under which the Society pays fixed contributions into a separate entity. The assets of these schemes are held in a separately administered fund that is funded by the contribution from the Society and employees.

**q) Financial Instruments**

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets, are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been impacted. In respect of AFS equity securities, impairment losses previously recognized through profit and loss are not reversed through profit and loss account.

**r) Financial Assets**

The Society classifies its assets into the following categories: financial assets at fair value through profit and loss, receivables and held to maturity investments.

**Notes (Continued...)**

Any increase in fair values subsequent to an Impairment loss is recognized directly in equity. For unlisted classified listed shares as available –for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include ; significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the probability that the borrower will enter bankruptcy or financial re-organization.

**i) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the society are recorded at the proceeds received, net of direct issue costs. Capital includes the minimum share capital prescribed under the by-laws of the society.

**ii) Financial guarantee contract liabilities**

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of;

i) the amount of obligation under the contract, as determined in accordance with IAS 36 Provision, Contingent Liabilities and Contingent Assets and

ii) the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

Where financial assets are carried at fair value in the statement of financial position, management classifies the fair values of financial assets based on qualitative characteristics of the fair valuations at the year end, the three hierarchy levels is used by management are ;  
Level 1; where for values are based on non-adjusted quoted pricing in active markets for identical financial assets .  
Level 2; where fair values are based on adjusted quoted prices and observable prices of similar financial assets.  
Level 3: where fair values are not based on observable market data.

**iii) Financial liabilities**

The Society's financial liabilities are classified as other financial liabilities. All the society's financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and subsequently at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

**iv) De-recognition of financial liabilities.**

The Society de-recognizes financial liabilities when, and only when, the society's obligations are discharged, cancelled or they expire.

**v) Impairment of non-financial asset.**

Assets that have indefinite useful life are not subject to amortization and are tested for impairment interrimly. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and value use. For the purpose of assessing impairment value in use, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating). Non –financial assets that suffere an impairment are for possible reversal of the impairment at each reporting date.

Notes (Continued...)

**r) Financial assets**

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on collective basis. Objective evidence of impairment for a portfolio of receivables could include the Society's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows. Included in trade receivables are amounts of Kshs 568,846,578.00

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of available for sale equity instruments, if, in a subsequent year, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss to the extent that the carrying amount of the investment at the date, the impairment reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

**i) Financial assets at fair value through 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 in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains and losses arising from changes in fair value are recognized in the income statement.

**ii) Receivables**

Receivables comprise of non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and excludes assets which the entity intends to sell immediately or in the near term or those which the entity upon initial recognition designates as at fair value through profit or loss or as available-for-sale financial assets.

**iii) Available-for-sale financial assets**

Financial assets that are not (a) loans and receivables originated by the society, (b) held-to-maturity investments, or (c) financial assets held for trading are measured at fair values. Gains and losses arising from changes in fair values are recognized in equity.

**s) Effective interest method**

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant years. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial asset or where appropriate a short period.

**t) Financial liabilities and equity instruments issued by the society classification as**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

**Note (Continued...)**

**u) Risk management objectives and policies**

**i) Financial risk management**

The Society's operations are exposed to financial risks. These risks include market risk (including currency risk, fair value, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Society's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Society's financial performance.

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

**ii) Market risk**

Market risk is the risk that fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk.

**ii) Interest rate risk management**

The Society is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed through maintaining an appropriate mix between fixed and floating rate borrowings. The Society exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**iv) Currency risk**

Currency risk arises on financial instruments that are denominated in foreign currency.

**v) Other price risk**

The Society is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The society does not actively trade these.

**vi) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the society and arises principally from the Society's loans and advances to its members.

**vii) Liquidity risk**

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The management committee has developed a risk management framework for the management of the Society's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The Society manages liquidity risk by continuously reviewing forecasts and actual cash flows, and maintaining banking facilities and short term investments to cover any shortfalls.

**viii) Accounting estimates and judgments**

Estimates are based on factors, including experience of future events that are believed to be reasonable under the circumstances.

Stima Investment Co-operative Society Limited CS/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024

NOTES TO THE FINANCIAL STATEMENTS

	2024 Kshs	2023 Kshs
<b>3 Land sales</b>		
Plots	20,680,000	6,100,000
Cost	(13,291,699)	(4,359,234)
	<u><u>7,388,301</u></u>	<u><u>1,740,766</u></u>
<b>4 a) Rental income</b>		
Stima Sacco	30,225,695	27,346,794
Syokimau houses	-	-
Mpesa shop	98,483	120,000
Safaricom Ltd	321,699	306,618
Yes2wealth International Ltd	687,204	694,674
CR Advocates	1,657,292	1,806,587
CFA Motors	20,000	-
Joekash Investment	177,638	-
ATC Kenya Operations Ltd	383,621	-
Njeru & Company	466,933	-
	<u><u>34,038,565</u></u>	<u><u>30,274,673</u></u>
<b>b) Service charge</b>		
Stima Sacco	5,844,198	5,888,208
CR Advocates	487,880	543,450
Yes2wealth International Ltd	364,500	364,500
Joekash Investment	62,364	-
Njeru & Company	194,555	-
	<u><u>6,953,497</u></u>	<u><u>6,796,158</u></u>
<b>c.) Parking fees</b>		
Stima Sacco	924,000	924,000
Yes2wealth International Ltd	72,414	72,414
Joekash Investment	42,000	-
Njeru & Company	63,000	-
	<u><u>1,101,414</u></u>	<u><u>996,414</u></u>
<b>TOTAL</b>	<u><u>42,093,476</u></u>	<u><u>38,067,245</u></u>
<b>d) Service costs</b>		
Stima plaza	3,852,768	854,292
Stima village	11,360	1,466
	<u><u>3,864,128</u></u>	<u><u>855,758</u></u>
<b>e) Net service charge</b>	<u><u>4,190,783</u></u>	<u><u>6,936,814</u></u>
<b>5 (a) Interest Income</b>		
Interest Income (Call Deposit)	-	169,707
Interest Income	7,594	45,602
	<u><u>7,594</u></u>	<u><u>215,309</u></u>
<b>(b) Commission on sale agency agreement</b>	<u><u>16,515,000</u></u>	<u><u>14,249,000</u></u>

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Kshs	2023 Kshs
<b>5 (c) Other operating income</b>		
Dividend income		
Stima sacco dividends	5,554,650	5,554,650
Co-operative dividends	756,025	1,260,042
KCB dividends	1,129	752
Kengen dividends	128,963	85,975
Centum dividends	21	40
NCBA Group	18,816	25,088
CIC Insurance	79,696	79,696
Insurance commission	416,979	420,522
Entrance fees	536,200	538,851
Land application fee	233,000	62,000
Share/Land transfer fee	106,000	493,000
Land withdrawal penalties	390,000	290,000
Penalties on repossession Stima Village houses	280,000	265,741
Other income	90,000	710,582
	<b><u>8,591,479</u></b>	<b><u>9,786,939</u></b>
<b>6 Personnel expenses</b>		
Salaries and Wages	6,729,263	6,538,769
Housing Levy Employer	109,503	58,282
Staff gratuity and Pension	1,342,340	240,111
NSSF Employer	186,157	97,374
Medical insurance premium	790,245	815,743
<b>Total Staff Costs</b>	<b><u>9,157,508</u></b>	<b><u>7,750,279</u></b>
<b>7 Administrative Expenses</b>		
Telephone & postage	9,450	17,509
Office Transport	55,311	28,249
Printing & Stationery	83,976	140,949
Electricity	242,059	90,467
Cleaning	485,579	46,552
Audit fees	812,000	812,000
Supervisory fees	81,200	81,200
Land recurrent Expenses	-	682,832
Annual licences	125,600	8,020
Subscriptions	165,475	14,662
Land rent and rates	231,124	11,345
Repairs and maintenance	241,614	43,549
General Insurance	422,322	738,608
Consultancy fees	2,790,000	7,457,843
Office expenses	237,699	71,445
Strategic plan	260,469	22,300
ICT Costs	632,765	954,915
Software maintenance	139,200	205,813
Provision for tax expense on assessment	6,150,108	6,150,108
<b>Total Administrative Expenses</b>	<b><u>13,165,952</u></b>	<b><u>17,578,367</u></b>

Stima Investment Co-operative Society Limited CS/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024

NOTES TO THE FINANCIAL STATEMENTS

	2024 Kshs	2023 Kshs
<b>8 Governance and management expenses</b>		
<b>a) Governance expenses</b>		
Board sitting allowances	1,105,769	724,913
Board Subsistence	135,679	55,463
Board Data bundles & Airtime	90,000	72,000
Board Training	-	13,971
	<u>1,331,448</u>	<u>866,348</u>
<b>b) Members expenses</b>		
SDM/AGM	560,345	445,007
Education to members	1,487,064	908,164
	<u>2,047,409</u>	<u>1,353,171</u>
<b>Total governance and members expenses</b>	<u><u>3,378,857</u></u>	<u><u>2,219,519</u></u>
<b>9 Marketing &amp; publicity expenses</b>		
Sales commission	2,160,867	3,562,254
Advertising ,marketing and publications	442,603	438,692
	<u>2,603,470</u>	<u>4,000,947</u>
<b>10 Financial costs</b>		
Bank charges	588,591	125,216
Interest on loans	10,290,003	7,630,359
	<u>10,878,595</u>	<u>7,755,575</u>
<b>11 Depreciation and Amortisation</b>		
Depreciation expenses -note 27	2,173,543	2,313,840
Amortisation expenses- note 26	782,883	978,602
	<u>2,956,426</u>	<u>3,292,442</u>

**Stima Investment Co-operative Society Limited CS/10856**

**Annual Report and Financial Statements**

**For the Year Ended 31st December, 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2024</b>	<b>2023</b>
<b>12 Land Inventory</b>	<b>Kshs</b>	<b>Kshs</b>
Thika project	4,164,000	4,164,000
Juja Special	8,161,584	8,161,584
Kikambala I	47,600,000	47,600,000
Kikambala II	13,600,000	13,600,000
Kitengela I	617,000	617,000
Bahati 1/2	11,070,000	11,070,000
Konza 1	2,375,000	2,375,000
Kathwana commercial	1,828,125	5,484,375
Kabarak 2	742,000	742,000
Kakamega special	4,670,000	4,670,000
Nakuru Njoro	850,000	850,000
Eldoret	940,000	940,000
Eldoret- Optiven Projects	1,200,000	1,200,000
Nanyuki Mrrua block 3	600,000	600,000
Malindi 1/8		1,579,608
Malindi 1/4		9,477,702
Lamu 1	10,050,501	10,050,501
Lamu 2	88,181,112	88,181,112
Naivasha	1,690,310	1,690,310
Vipingo	12,000,000	12,000,000
Kathwana	480,000	480,000
Ukunda	1,920,000	1,920,000
Stima Garden Kitengela Plots	-	90,450,000
The Breeze Garden -Kangundo rd Plots	-	86,480,000
Konza Primerose 2 plots	12,900,000	-
Stima Daystar Park Estate plots	24,035,000	-
<b>Total</b>	<b><u>249,674,632</u></b>	<b><u>404,383,192</u></b>

The inventory adjusted from the Financials is part of inventory taken up on agency basis but with a time basis. When the time lapses the inventory is adjusted against the amount payable to the land owners.

**13 House inventory**

Shop No 2	<u>3,600,000</u>	<u>3,600,000</u>
	<b><u>3,600,000</u></b>	<b><u>3,600,000</u></b>

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2024</b>	<b>2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>14 Receivables and Prepayments</b>		
Malindi 1/8	2,867,680	5,078,53
Malindi 1/4	1,448,411	3,253,41
Lamu 1	3,737,706	3,214,70
Lamu 2	7,068,862	6,127,56
Naivasha	3,159,565	6,817,92
Juja commercial		568,13
Thika special	899,000	899,00
Vipingo	3,963,484	3,963,48
Kathwana	7,445,920	2,834,92
Nanyuki hill view	1,487,500	1,189,00
Konza 3	10,036,935	9,569,09
Eldoret PTL	212,000	212,00
Embu	57,500	57,50
Kabarak II	-	474,22
Kakamega	2,021	2,02
Kitengela Springs	888,698	10,811,29
Voi 1	77,000	77,00
Nakuru Njoro	75,000	75,00
Nanyuki 1	-	228,00
Sykhses	10,297,552	14,438,20
Surcharged debtors	4,528,418	4,528,41
Vat control	91,866,384	91,911,12
Deposit With Stima Sacco	77,500	60,00
Due from Bahati	7,200,000	7,200,00
Due from SME	22,863,800	22,863,80
Rent debtors	8,499,198	7,180,94
Nanyuki Timau Land	7,500,000	7,500,00
Malindi boheholes contractor	2,541,312	2,541,31
Konza Primerose Plots	14,160,806	349,90
Stima Daystar Park Estate Debtors	21,430,832	-
<b>Sub - Total</b>	<b><u>234,393,082</u></b>	<b><u>214,026,51</u></b>

**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**For the Year Ended 31st December, 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2024</b>	<b>2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>15 Receivables and Prepayments</b>		
Joska Sunshine	2,157,500	2,215,500
Utawala	-	4,757,859
Naivasha Longonot	5,645,788	5,987,788
Kisaju dawn	1,815,000	1,975,000
Juja ridges debtors	-	1,746,793
Malindi new FY22 Debtors	5,912,369	2,862,369
Coast values Ltd	115,800,000	132,400,000
Prepaid general insurance	1,458,642	1,576,966
Prepaid tax assessment provision	7	6,150,115
Proposed stima height	24,106,688	24,106,688
Prepaid medical	2,131,457	2,418,807
Receivables from stima height	211,270,211	131,126,322
Stima Garden Kitengela Debtors	5,747,000	10,286,500
Prepaid Income tax instalment	1,196,007	1,196,007
The Breeze Garden Kangundo rd Debtors	17,783,830	24,528,000
Eldoret -Optiven Debtors	100,000	100,000
GL Suspense	461,829,293	439,682,534
W/H Vat payable	16,693	47,048
W/H tax payable	537,012	104,684
Local Creditors with debit balance	10,622,483	-
<b>Sub - Total</b>	<b>868,129,980</b>	<b>793,268,979</b>
<b>Gross Total</b>	<b>1,102,523,062</b>	<b>1,007,295,497</b>
Provision for bad and doubtful debts	(98,209,960)	(98,209,960)
<b>Total</b>	<b>1,004,313,102</b>	<b>909,085,537</b>

NOTES TO THE FINANCIAL STATEMENTS CONT.ED

	2024 Kshs	2023 Kshs
<b>16 Cash and Cash equivalents</b>		
Co-op bank -current account	(10,144,004)	6,681,864
Co-op bank -project account	41,792	46,112
Co-op bank - real estate account	16,498	860
Co-op bank insurance a/c	9,557	95,625
Fosa land account	25,820	25,377
Fosa real estate fund account	7,401	7,401
Fosa Prime A/C	135,968	156,320
Mpesa	609,049	2,414,513
Petty Cash	2,389	4,983
<b>Total cash and cash equivalents</b>	<b><u>(9,295,531)</u></b>	<b><u>9,433,054</u></b>
<b>17 Provision for Rebates</b>		
Balance brought forward	481,440	481,390
Rebates paid	-	-
<b>Blance of Rebates payable</b>	<b><u>481,440</u></b>	<b><u>481,390</u></b>
<b>18 Investment property</b>		
<b>Cost</b>		
Land	151,030,461	151,030,461
Building	880,000,000	880,000,000
<b>As at 31/12/2023</b>	<b><u>1,031,030,461</u></b>	<b><u>1,031,030,461</u></b>
<b>19 Taxation account</b>		
As at start year	(4,387,235)	(9,778,220)
Provision for the year	7,885,155	5,390,985
Withheld tax at source	-	-
<b>Tax balance</b>	<b><u>3,497,920</u></b>	<b><u>(4,387,235)</u></b>
<b>20 Real Estate fund</b>		
As at start year	209,849,970	205,103,566
Change during the year		4,746,404
Utilised during year	(1,304,469)	-
<b>As at 31/12/2022</b>	<b><u>208,545,500</u></b>	<b><u>209,849,970</u></b>
<b>Useful as follows</b>		
Within 12 Months	45,000,000	45,000,000
After 12 Months	163,545,500	164,849,970
<b>As at 31/12/2022</b>	<b><u>208,545,500</u></b>	<b><u>209,849,970</u></b>

Stima Investment Co-operative Society Limited CS/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024

NOTES TO THE FINANCIAL STATEMENTS CONT.ED

	2024 Kshs.	2023 Kshs.
<b>21 Borrowings</b>		
<b>Co-op Bank Loan '019J8070889200</b>		
As at start year	225,656,963	255,988,988
Addition	-	-
Draw downs	20,520,642	-
Interest	-	-
Repaid	(16,266,035)	(30,332,025)
<b>As at 31/12/2024</b>	<b>229,911,570</b>	<b>225,656,963</b>
 <b>Payable as Follows:</b>		
With the 12 Months	33,000,000	33,000,000
After 12 Months	196,911,570	162,324,938
<b>Total Borrowings</b>	<b>229,911,570</b>	<b>195,324,938</b>
 <b>22 Trade and other payables</b>		
Land sellers balances due	192,809,166	226,866,701
Land service providers	43,653,530	63,689,114
Provision Real Estate interest	98,289,563	98,289,563
Provision for current rebates	10,400,000	10,400,000
Malindi investors dues	7,443,744	9,598,636
Local Creditors	153,447,231	263,410,747
Receivables with credit balances	41,018,840	34,779,955
Unidentified deposits	31,135,853	34,729,755
Deposits on rent	10,607,488	9,963,691
Accrued expenses	4,318,101	3,565,450
Stima Height Payables ( Receipt from Members)	26,508,518	20,303,615
Salary Control A/c	821,553	1,050,644
Provision for Dividend	5,437,437	3,036,875
Control 2 Real Estate	38,801,374	38,801,374
Board meeting control account	183,579	177,125
Provision for Tax	5,390,985	-
<b>Total</b>	<b>670,266,961</b>	<b>818,663,245</b>
 <b>23 Share Capital</b>		
As at start year	2,197,037,191	2,163,710,011
Contributions during the year	44,619,061	33,327,180
<b>As at 31/12/2022</b>	<b>2,241,656,252</b>	<b>2,197,037,191</b>
 <b>24 Reserves</b>		
Accumulated Retained losses	(1,290,274,000)	(1,297,196,677)
Statutory reserves	14,497,313	10,356,161
Revaluation reserves	108,253,252	104,768,205
Other reserves	169,858,611	168,823,457
	<b>(997,664,824)</b>	<b>(1,013,248,855)</b>

Stima Investment Co-operative Society Limited CS/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024

NOTES TO THE FINANCIAL STATEMENTS CONT.ED

	2024 Kshs.	2023 Kshs.
<b>25 a) Quoted Shares</b>		
Kengen	1,457,050	1,457,050
Mumias Sugar	7,101	7,101
NCBA	214,733	214,733
HFCK	52,635	52,635
Centum	585	585
KPLC	122,674	122,674
Co-operative insurance	2,226,000	2,226,000
Co-operative Bank	6,883,809	6,525,691
KCB	30,175	30,175
Share reduction/revaluation	3,485,047	358,118
	<u>14,479,809</u>	<u>10,994,762</u>
<b>b) Stima Sacco Ltd shares</b> @ par value of Kshs 100) As ar start of year	<u>37,031,000</u> <u>37,031,000</u>	<u>37,031,000</u> <u>37,031,000</u>
<b>Total Long term Investments</b>	<u>51,510,809</u>	<u>48,025,762</u>
<b>26 Software</b>		
<b>Amortization</b>	<b>2024</b>	<b>2023</b>
Applicable Rate	<b>Kshs.</b> <b>20%</b>	<b>Kshs.</b> <b>20%</b>
<b>Cost</b>		
At 1st January 2024	21,236,614	21,236,614
Additions	-	-
Disposals	-	-
<b>At 31st December 2024</b>	<u>21,236,614</u>	<u>21,236,614</u>
<b>Amortization</b>		
At 1st January 2024	17,322,197	16,343,595
Charge for the Year	782,883	978,602
<b>At 31st December 2024</b>	<u>18,105,080</u>	<u>17,322,197</u>
<b>Net Book Value</b>		
<b>At 31st December 2024</b>	<u>3,131,534</u>	<u>3,914,417</u>

Stima Investment Co-operative Society Limited CS/10856  
Annual Report and Financial Statements  
For the Year Ended 31st December, 2024

NOTES TO THE FINANCIAL STATEMENTS CONT.ED

27 Property, Plant and Equipment

Applicable Rate Cost	Building	Computer & Accessories	furniture,fixt ure & fittings	Total
	2.5% Kshs	30% Kshs	12.50% Kshs	Kshs
At 1st January 2024	33,227,578	17,715,239	19,019,876	69,962,692
Additions	164,900	556,457	455,534	1,176,891
Disposals	-	-	-	-
<b>At 31st December 2024</b>	<b>33,392,478</b>	<b>18,271,695</b>	<b>19,475,410</b>	<b>71,139,583</b>
<b>Depreciation</b>				
At 1st January 2024	7,417,983	15,684,088	13,492,228	36,594,298
Charge for the year	649,362	776,282	747,898	2,173,543
<b>As at 31 December 2024</b>	<b>8,067,345</b>	<b>16,460,370</b>	<b>14,240,126</b>	<b>38,767,840</b>
<b>Net Book Values</b>	<b>25,325,133</b>	<b>1,811,325</b>	<b>5,235,284</b>	<b>32,371,743</b>
At 1st January 2023	33,227,578	17,432,255	18,789,316	69,449,149
Additions		282,984	230,560	513,544
Disposals	-	-	-	-
<b>At 31st December 2023</b>	<b>33,227,578</b>	<b>17,715,239</b>	<b>19,019,876</b>	<b>69,962,692</b>
At 1st January 2023	6,756,502	14,821,389	12,702,567	34,280,458
Charge for the year	661,480	862,699	789,661	2,313,840
<b>As at 31 December 2023</b>	<b>7,417,983</b>	<b>15,684,088</b>	<b>13,492,228</b>	<b>36,594,298</b>
<b>Net Book Values</b>	<b>25,809,595</b>	<b>2,031,151</b>	<b>5,527,648</b>	<b>33,368,394</b>
28 Proposed dividends		<u>9,641,930</u>	<u>8,788,149</u>	

### 29 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Placings are made in the Society by the Management Committee and staff. Land as sold to members at 31st December 2024 include the ones sold to Management Committee Members. All transactions with related parties are at arm's length in the normal course of business, and on terms and conditions similar to those applicable to other Members.

### Key Management, Board and Supervisory Committee remuneration

The remuneration of Directors, the Supervisory committee members and staff during the year were as follows:

	2024	2023
Management Committees' Remunerations:		
Sitting allowances	1,105,769	724,913
Mileage claims	-	-
Air time	90,000	72,000
Subsistence	135,679	55,463
	<u>1,331,448</u>	<u>852,376</u>

### 30 Impact of Covid-19

In March 2020, the World Health Organization declared the outbreak of Covid-19, a pandemic negatively affecting worldwide trade and posing the threat of significant disruption to global supply chains, travel and tourism, investment and consumer spending. The local shutdown led to a close of businesses and an introduction of online services resulting in a drop in the purchasing power of members hence a reduction in disposable income for investments. The fact that the Covid-19 crisis has gone down and though dynamic in nature, the Directors continue to assess the evolving impact of Covid-19, more so the Omicron on the Society.

### 31 Contingent Liabilities

The Society was engaged in litigation which mostly involved matters to do with land transactions, a core business of the Society. The management committee had not quantified any possible liabilities that may result thereof, since the court cases were ongoing.

### 32 Comparative Figures

Where necessary comparative figures in the previous period were adjusted to conform with changes in presentation in the current year.

### 33 CURRENCY

The Financial Statements are presented in Kenya Shillings (Kshs)