

STIMA INVESTMENT CO-OPERATIVE SOCIETY LIMITED CS/10856  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2025



Henry Smith & Wilson  
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**Stima Investment Co-operative Society Limited CS/10856**  
**Annual Report and Financial Statements**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

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**SOCIETY INFORMATION**

**a) Management Committee**

Eng. Joseph Ng'ang'a	Chairman
Ms. Hogleh Wanjohi	Vice Chairperson
Mr. David Makezi	Secretary
Ms. Phenny Abisae	Treasurer
Mr. Maurice Mwangi	Member
Ms Jenniffer A Oduor	Member

**b) Supervisory Committee**

Ms. Salome Musyoka	Chairman
Mr Felix Okumu	Secretary
Ms.Peris Jelimo	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)  
Kalson Towers, 6th Floor  
P.O. Box 9937 - 00100  
Nairobi, Kenya  
Tel: 020-2104874  
Email: [info@henrysmithwilson.com](mailto:info@henrysmithwilson.com)

**Principal Bankers**

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

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

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**REPORT OF THE MANAGEMENT COMMITTEE**

The Management Committee submits their Report together with the audited Financial Statements for the year ended 31 December 2025, 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, and non- movable assets.

**Results**

The results for the year are as follows and is also shown on page 9.

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Profit before corporate tax	36,074,531	28,590,915
Income tax expense	<u>(10,990,104)</u>	<u>(7,885,155)</u>
Profit after tax	<u><u>25,084,427</u></u>	<u><u>20,705,759</u></u>

**Management Committee**

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

**Dividends**

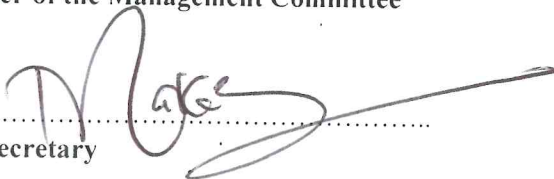
Management committee recommend payment of dividend at the rate of 0.5%.

**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 25/02/ 2026

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**STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES**

The Co-operative Societies Act, Cap 490 requires the management committee 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

Approved by the Board on 25/02.....2026 and signed on its behalf by:

Chairman.....

Treasurer.....

Hon. Secretary.....

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**STATISTICAL INFORMATION**

		2025	2024
		Kshs	Kshs
<b>Membership</b>	- Active	1,954	2,001
	- Dormant	13,191	13,027
<b>Total</b>		<b>15,145</b>	<b>15,028</b>
<b>Employees</b>	Female	17	19
	Male	26	24
		<b>43</b>	<b>43</b>
Total Assets		3,274,143,688	2,366,336,749
Current Assets		2,151,500,434	1,248,292,203
Current Liabilities		925,912,800	761,888,251
Financial Assets		57,838,256	51,510,809
Members' funds/equity		1,299,750,372	1,243,991,428
Cash and Cash equivalents		6,075,676	(9,295,531)
Non - current loan		886,342,807	196,911,570
Total liabilities		1,974,393,315	1,122,345,321
Share Capital		2,447,064,882	2,241,656,252
Core Capital		1,299,750,372	1,243,991,428
Institutional Capital		(1,147,314,509)	(997,664,824)
Total revenue		71,450,976	70,731,722
Total expenditure		35,376,445	42,140,807
Profit before appropriation		25,084,427	20,705,759
Interest expense		12,354,297	10,290,003
<b>Key Ratios</b>			
<b>Capital adequacy ratios</b>			
	<b>STD</b>		
Core Capital /Total assets	≥ 10%	40%	53%
Institutional Capital/total assets	≥ 8%	-35%	-42%
<b>Liquidity ratio</b>			
Current assets/current liabilities		232%	164%
Cash equivalents/current liabilities		1%	-1%
<b>Operative efficiency</b>			
Total operating expenses/total revenue		50%	60%

# HENRY SMITH & WILSON

## CERTIFIED PUBLIC ACCOUNTANTS KENYA

Stima Investment Co-operative Society Limited CS/10856  
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### REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STIMA INVESTMENTS CO-OPERATIVE SOCIETY LIMITED

#### Opinion

We have audited the financial statements of Stima Investment Co-operative Society Limited set out on from pages 9 to 30 which comprises of the statement of comprehensive income, statement of financial position as at 31 December 2025, 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 2025, 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 Accountant's 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.

#### 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 planned 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	How the matter was addressed in our audit
<p><b>1) Receivables and prepayments</b></p> <p>The GL suspense in trade receivables has increased from Kshs. 461,829,293.00 to Kshs 516,506,638.20 which relates to historical cleaning up, that still continue to be reconciled.</p>	<p>We took the assurance of the board through the management, that there are still reconciliations which are ongoing and the matter will be cleared in due course.</p>
<p><b>2) Contingent liability on Lamu land (court case)</b></p> <p>The society has land in Lamu worth Kshs 98,231,613 whose ownership is a court matter which is awaiting determination.</p>	<p>The earlier ruling was in favor of the society, we believe that the final verdict will be favorable to the society, this is based on the documents we reviewed which are in the custody of the society.</p>
<p><b>3. Delayed Completion of Investment in Housing Project</b></p> <p>The society has made a significant investment in an ongoing housing development project. During the year under review, the project experienced delays in completion due to factors such as construction challenges, regulatory approvals, and funding constraints.</p> <p>The delayed completion increases uncertainty regarding the recoverability and valuation of the investment, as management is required to assess whether the project costs continue to be appropriately capitalized and whether any impairment or write-down is required.</p>	<p>i) Evaluating management's accounting policy for the capitalization of housing project development costs to ensure compliance with applicable financial reporting standards.</p> <p>ii) Assessing whether the delays indicated any impairment triggers and evaluating management's impairment assessment of the housing project investment.</p> <p>iii) Testing a sample of costs capitalized to the project to supporting documentation, ensuring they were directly attributable and properly recorded.</p>



UNIQUE CODE 62865260226

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**Auditor's Report Continued**

Key Audit Matters	How the matter was addressed in our audit
<p><b>3. Delayed Completion of Investment in Housing Project....</b>                      This matter involved significant management judgment, particularly in evaluating the project's expected completion timelines, forecasted cash flows, and the potential impact of delays on the overall viability of the investment.</p>	
<p><b>Additional Borrowings</b>                      During the year under review, the Investment Society obtained additional external loan facilities to enhance liquidity, finance member-related investment activities, and support ongoing capital and operational requirements. As a result, the Society's total borrowings increased significantly compared to the previous year.</p> <ul style="list-style-type: none"> <li>- Loan facilities introduce increased finance costs and repayment obligations which may affect the Society's surplus and liquidity position.</li> <li>-Loan agreements often contain specific terms, covenants, and security requirements that require careful accounting treatment.</li> <li>-There is a risk of misstatement in the classification, measurement, and disclosure of borrowings in accordance with IFRS 9 – Financial Instruments.</li> </ul>	<ul style="list-style-type: none"> <li>i) Reviewing the Society's governance and approval processes for sourcing additional borrowings, including Board and Committee minutes.</li> <li>ii) Inspecting signed loan agreements to verify key conditions such as principal amounts, interest rates, repayment terms, and collateral pledged.</li> <li>iii) Obtaining independent confirmations from lending institutions to validate outstanding loan balances as at the reporting date.</li> <li>iii) Recalculating interest expense and testing whether related finance charges were accurately accrued in the Society's books.</li> <li>iv) Assessing whether the borrowings were correctly classified between current and non-current liabilities based on repayment schedules.</li> <li>v) Evaluating compliance with loan covenants and considering any implications for the Society's financial stability and going concern assessment.</li> <li>vi) Reviewing the adequacy of disclosures in the financial statements relating to additional borrowings, including security arrangements, repayment obligations, and related financial risks.</li> </ul>

**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.

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 or other information, then we are required to report that fact. We have nothing to report in this regard.

**Stima Investment Co-operative Society Limited CS/10856**  
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**Auditor's Report Continued**

**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

**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 rise from fraud and 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism 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 are 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 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**  
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**Auditor's 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.

*Henry Smith & Wilson*

**HENRY SMITH & WILSON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Date *26th February* .....2026

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



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**STATEMENT OF COMPREHENSIVE INCOME**

		2025	2024
	Notes	Kshs	Kshs
<b>REVENUE</b>			
Net land sales	3	5,748,079	7,388,301
Rent Income	4a	36,688,693	34,038,565
Net Service Charge Gain	4 e	6,549,825	4,190,783
Interest income	5a	1,958,722	7,594
Commission on Agency Agreement	5b	11,290,100	16,515,000
Other operating income	5c	9,215,557	8,591,479
<b>Total Income</b>		<b><u>71,450,976</u></b>	<b><u>70,731,722</u></b>
<b>Operating Expenses</b>			
Personnel expenses	6	8,770,535	9,157,508
Administrative expenses	7	5,148,856	13,165,952
Governance and members expenses	8	2,820,530	3,378,857
Marketing expenses	9	2,060,105	2,603,470
Finance costs	10	14,077,348	10,878,595
Depreciation & Amortization	11	2,499,072	2,956,426
<b>Total Expenses</b>		<b><u>35,376,445</u></b>	<b><u>42,140,807</u></b>
<b>Profit before income tax expense</b>		<b><u>36,074,531</u></b>	<b><u>28,590,915</u></b>
Tax expense		10,990,104	7,885,155
<b>Profit after income tax expense</b>		<b><u>25,084,427</u></b>	<b><u>20,705,759</u></b>
<b>Other comprehensive income</b>			
Change in fair value of financial assets	25	6,327,448	3,485,047
<b>Net Profit for the year and other Comprehensive Income</b>		<b><u>31,411,874</u></b>	<b><u>24,190,807</u></b>

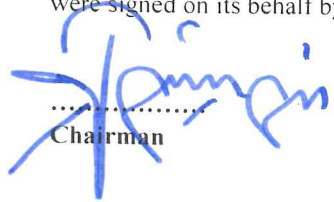
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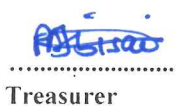
STATEMENT OF FINANCIAL POSITION

	Notes	2025 Kshs	2024 Kshs
<b>REPRESENTED BY:</b>			
<b>Non-Current Assets</b>			
Property and Equipment	27	31,017,977	32,371,743
Intangible assets	26	2,756,560	3,131,534
Investment property	18	1,031,030,461	1,031,030,461
Other financial assets	25	57,838,256	51,510,809
<b>Total Non-Current Assets</b>		<b>1,122,643,254</b>	<b>1,118,044,546</b>
<b>Current Assets</b>			
Trade Receivables & Prepayments	15	1,070,609,431	1,004,313,102
Cash and Cash Equivalents	16	6,075,676	(9,295,531)
Land inventory	12	1,071,215,326	249,674,632
House inventory	13	3,600,000	3,600,000
<b>Total Current Assets</b>		<b>2,151,500,434</b>	<b>1,248,292,203</b>
<b>Total Assets</b>		<b>3,274,143,688</b>	<b>2,366,336,749</b>
<b>Liabilities</b>			
<b>Non Current liabilities</b>			
Real estate fund	20	162,137,708	163,545,500
Long term loans	21	886,342,807	196,911,570
		<b>1,048,480,515</b>	<b>360,457,071</b>
<b>Current Liabilities</b>			
Short term Trade and Other Payables	22	818,814,954	670,266,961
Short term real estate fund	20	45,000,000	45,000,000
Rebates payable	17	481,440	481,440
Short term loans	21	33,000,000	33,000,000
Dividend Payable	28	12,235,324	9,641,930
Tax Payable	19	16,381,082	3,497,920
<b>Total Current Liabilities</b>		<b>925,912,800</b>	<b>761,888,251</b>
<b>Total Liabilities</b>		<b>1,974,393,315</b>	<b>1,122,345,321</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital	23	2,447,064,882	2,241,656,252
Reserves	24	(1,147,314,509)	(997,664,824)
<b>SHAREHOLDERS' FUNDS</b>		<b>1,299,750,372</b>	<b>1,243,991,428</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,274,143,688</b>	<b>2,366,336,749</b>

REGISTERED  
SEC. 25(7) Co-operative Societies  
ACT CAP 490 (AMENDED 2004)  
CPA Javel M. Murira (P/2583)  
27 FEB 2025  
Sign.....  
JAVEL M. MURIRA  
FOR: COMMISSIONER OF CO-OPERATIVES

The financial statements on pages 9 to 30 were approved for issue by the board of directors on... 25/12/2026 and were signed on its behalf by:

  
.....  
Chairman

  
.....  
Treasurer

  
.....  
Hon. Secretary

Titima Investment Co-operative Society Limited CS/10856  
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2025

	Notes	Share	Statutory	Accumulated	Revaluation	Other	Total
		Capital Kshs	Reserves Kshs	Losses Kshs	Reserve Kshs	Reserves Kshs	Kshs
At 1st January 2025		2,410,482,487	14,497,313	(1,290,274,000)	108,253,252	1,032,376	1,243,991,428
Surplus for the year		-	-	25,084,427	-	-	25,084,427
Transfer 20% to statutory		-	5,016,885	(5,016,885)	-	-	-
Revaluation of share placements	26	-	-	-	6,327,448	-	6,327,448
Prior period adjustment		-	-	-	-	-	-
Additions during the year		36,582,395	-	-	-	-	36,582,395
Proposed dividend		-	-	(12,235,324)	-	-	(12,235,324)
<b>As at end of year 2025</b>		<b>2,447,064,882</b>	<b>19,514,198</b>	<b>(1,282,441,783)</b>	<b>114,580,700</b>	<b>1,032,376</b>	<b>1,299,750,373</b>
At 1st January 2024		2,364,828,272	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	26	-	-	-	3,485,047	-	3,485,047
Additions during the year		45,654,215	-	-	-	-	45,654,215
Proposed dividend		-	-	(9,641,930)	-	-	(9,641,930)
<b>As at end of year 2024</b>		<b>2,410,482,487</b>	<b>14,497,313</b>	<b>(1,290,274,000)</b>	<b>108,253,252</b>	<b>1,032,376</b>	<b>1,243,991,428</b>

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STATEMENT OF CASH FLOWS

		2025 Kshs.	2024 Kshs.
<b>Cash flows from operating activities</b>	Notes		
Net income from land sales	3	5,748,079	7,388,301
Rental income	4	36,688,693	34,038,565
Other operating income	5	1,696,918	8,591,479
Payment to employees and suppliers	7-10	(32,877,373)	(39,184,331)
Commission on Agency Agreement	5	11,290,100	16,515,000
Net service charge	4	6,549,825	4,190,783
<b>Net cashflow from operating activities</b>		<u>29,096,242</u>	<u>31,539,797</u>
<b>Increase/(decrease) in operating assets</b>			
Trade and other receivables	16	(66,296,329)	(95,227,565)
Inventory	13 & 14	(821,540,694)	154,708,560
		<u>(887,837,023)</u>	<u>59,480,995</u>
<b>Increase/(decrease) in operating liabilities</b>			
Trade and other Payables	23	151,141,388	(148,396,284)
<b>Cash flow from operating activities before income taxes</b>		(707,599,393)	(88,915,289)
Income tax paid		(7,885,156)	-
<b>Net cash from operating activities</b>		<u>(715,484,549)</u>	<u>(57,375,492)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible and intangible properties	28	(985,218)	(1,176,891)
Disposal of asset		(214,887)	-
Interest received	5	11,293	7,594
Dividends received	5	7,518,639	-
<b>Net cash used in investing activities</b>		<u>6,329,827</u>	<u>(1,169,297)</u>
<b>Cash flows from financing activities</b>			
Shares Capital proceeds	24	36,135,085	44,619,061
Increase in share premium		447,310	1,035,154
Decrease/ Increase in real estate fund	21	(1,407,792)	(1,304,469)
Dividends paid	29	(5,898,354)	(8,788,149)
Loan repayments		(32,652,293)	-
Borrowings	22	727,901,974	4,254,607
<b>Net cash used in financing activities</b>		<u>724,525,929</u>	<u>39,816,204</u>
Net Increase (Decrease) in cash and cash equivalents		15,371,207	(18,728,585)
Cash and cash equivalents at start of the year		(9,295,531)	9,433,054
<b>Cash and cash equivalents at end of the year</b>		<u>6,075,676</u>	<u>(9,295,531)</u>

## 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.

#### 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, 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 realizable 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 categorized into level 1,2 or 3 based on the degree of 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.

#### 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.

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**NOTES (Continued)**

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.

**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. Lessor 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.

NOTES (Continued)

**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 made 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 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.

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**

To recognise revenue under IFRS 15, the society has applied the following steps:

- i) identified the contract(s) with a customer.
- ii) identify the performance obligations in the contract. Performance obligations are promises in a contract of transfer to a customer goods or services that are distinct.
- iii) determined the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer.
- iv) recognised revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer).

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**Notes (Continued...)**

**h) Investments and other Financial Assets**

The quoted investments are stated at fair value (IFRS 13) at the balance sheet date. Investment property is initially recognized at market value and subsequently depreciated/amortized /impaired based on the existing policies and recorded at net realizable value and/or fair value whichever is lower.

**i) Property and equipment**

All equipment's 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.

**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.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.

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**Notes (Continued...)**

**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.

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.

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**Notes (Continued...)**

**ii) Financial guarantee contract liabilities**

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

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 interim. 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 suffered an impairment are for possible reversal of the impairment at each reporting date.

**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.

**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 anticipation. 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.

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**Notes (Continued...)**

**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.

**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.

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**Note (Continued...)**

**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.

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	2025 Kshs	2024 Kshs
<b>3 Land sales</b>		
Plots	23,630,000	20,680,000
Cost	<u>(17,881,921)</u>	<u>(13,291,699)</u>
	<u><b>5,748,079</b></u>	<u><b>7,388,301</b></u>
<b>4 a) Rental income</b>		
Stima Sacco	31,988,150	30,225,695
Mpesa shop	72,000	98,483
Safaricom ltd	337,784	321,699
Yes2wealth International Ltd	823,248	687,204
CR Advocates	673,638	1,657,292
CFA Motors	-	20,000
Joekash Investment	355,276	177,638
ATC Kenya Operations Ltd	467,250	383,621
Njeru & Company	622,577	466,933
Okello Njoroge & Nganga Advocates	391,050	-
Agan & Associates	318,360	-
John Bwire Associates	639,360	-
	<u><b>36,688,693</b></u>	<u><b>34,038,565</b></u>
<b>b) Service charge</b>		
Stima Sacco	6,095,168	5,844,198
CR Advocates	251,589	487,880
Yes2wealth International Ltd	140,000	364,500
Joekash Investment	124,728	62,364
Njeru & Company	259,407	-
Okello, Njoroge & Nganga Advocates	109,350	-
Agan & Associates	113,700	-
John Bwire & Associates	199,800	194,555
	<u><b>7,293,742</b></u>	<u><b>6,953,497</b></u>
<b>c.) Parking fees</b>		
Stima Sacco	868,000	924,000
Yes2wealth International Ltd	48,276	72,414
CR Advocates	63,000	42,000
Njeru & Company	84,000	63,000
Joekash Investment	84,000	-
Agan & Associates	84,000	-
	<u><b>1,231,276</b></u>	<u><b>1,101,414</b></u>
<b>TOTAL</b>	<u><b>45,213,711</b></u>	<u><b>42,093,476</b></u>
<b>d) Service costs</b>		
Stima plaza	1,975,193	3,852,768
Stima village	-	11,360
	<u><b>1,975,193</b></u>	<u><b>3,864,128</b></u>
<b>e) Net service charge</b>	<u><b>6,549,825</b></u>	<u><b>4,190,783</b></u>
<b>5 (a) Interest Income</b>		
Interest Income (Call Deposit)	1,947,428	-
Interest Income	11,293	7,594
	<u><b>1,958,722</b></u>	<u><b>7,594</b></u>
<b>(b) Commission on sale agency agreement</b>	<u><b>11,290,100</b></u>	<u><b>16,515,000</b></u>

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	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>5 (c) Other operating income</b>		
<b>Dividend income</b>		
Stima sacco dividends	5,907,067	5,554,650
Co-operative dividends	1,260,042	756,025
KCB dividends	4,138	1,129
Kengen dividends	279,419	128,963
KPLC Dividend	52,294	-
Centum dividends	-	21
NCBA Group	15,680	18,816
CIC Insurance	-	79,696
Insurance commission	128,893	416,979
Entrance fees	388,495	536,200
Land application fee	354,000	233,000
Share/Land transfer fee	83,000	106,000
Land withdrawal penalties	95,000	390,000
Penalties on repossession Stima Village houses	-	280,000
Gain on disposal	-	-
Other income	647,530	90,000
	<u><u>9,215,557</u></u>	<u><u>8,591,479</u></u>
<b>6 Personnel expenses</b>		
Salaries and wages	6,689,488	6,729,263
Housing levy employer contribution	103,565	109,503
Staff gratuity and Pension	939,586	1,342,340
NSSF Employer contribution	276,266	186,157
Medical insurance premium	761,630	790,245
<b>Total Staff Costs</b>	<u><u>8,770,535</u></u>	<u><u>9,157,508</u></u>
<b>7 Administrative Expenses</b>		
Telephone & postage	55,908	9,450
Office transport	51,196	55,311
Printing & stationery	358,534	83,976
Electricity	151,228	242,059
Cleaning	141,306	485,579
Audit fees	203,000	812,000
Supervisory fees	81,200	81,200
Land recurrent expenses	7,685	-
Annual licences	26,625	125,600
Subscriptions	35,805	165,475
Land rent and rates	59,614	231,124
Repairs and maintenance	56,376	241,614
General insurance	738,761	422,322
Professional fees	2,146,341	2,790,000
Office expenses	160,627	237,699
Ushirika Day	19,250	-
Strategic plan	164,465	260,469
ICT costs	411,012	632,765
Software maintenance	279,925	139,200
Provision for tax expense on assessment	-	6,150,108
<b>Total Administrative Expenses</b>	<u><u>5,148,856</u></u>	<u><u>13,165,952</u></u>

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	2025 Kshs	2024 Kshs
<b>8 Governance and management expenses</b>		
<b>a) Governance expenses</b>		
Board sitting allowances	935,000	1,105,769
Board subsistence	106,631	135,679
Board data bundles & airtime	84,250	90,000
	<u>1,125,881</u>	<u>1,331,448</u>
<b>b) Members expenses</b>		
SDM/AGM	311,896	560,345
Education to members	1,382,753	1,487,064
	<u>1,694,648</u>	<u>2,047,409</u>
<b>Total governance and members expenses (a+b)</b>	<u><u>2,820,530</u></u>	<u><u>3,378,857</u></u>
<b>9 Marketing &amp; publicity expenses</b>		
Sales commission	906,465	2,160,867
Advertising ,marketing and publications	1,153,640	442,603
	<u>2,060,105</u>	<u>2,603,470</u>
<b>10 Financial costs</b>		
Bank charges	1,723,051	588,591
Interest on loans	12,354,297	10,290,003
	<u>14,077,348</u>	<u>10,878,595</u>
<b>11 Depreciation and Amortisation</b>	<u>2,499,072</u>	<u>2,956,426</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>12 Land Inventory</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	6,210,000	11,070,000
Konza 1	2,375,000	2,375,000
Kathwana commercial	2,031,250	1,828,125
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 New FY22 Plots	24,751,472	-
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
Konza Primerose 2 plots	7,820,000	12,900,000
Stima Daystar Park Estate plots	8,855,000	24,035,000
Sunshine PI-Makutano plots	25,900,000	-
Neema Gardens plots	85,200,000	-
Fahari Garden Plots	90,850,000	-
Veridian Park- Gatanga plots	619,756,097	-
<b>Total</b>	<b><u>1,071,215,326</u></b>	<b><u>249,674,632</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>

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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2025</b>	<b>2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>14 a) Receivables and Prepayments</b>		
Malindi 1/8	-	2,867,680
Malindi 1/4	111,316	1,448,411
Lamu 1	3,632,162	3,737,706
Lamu 2	7,366,862	7,068,862
Naivasha	3,196,711	3,159,565
Thika special	605,000	899,000
Vipingo	2,163,484	3,963,484
Kathwana	2,318,920	7,445,920
Nanyuki hill view	447,500	1,487,500
Konza 3	8,774,790	10,036,935
Eldoret PTL	-	212,000
Embu	57,500	57,500
Kakamega	2,021	2,021
Kitengela Springs	153,322	888,698
Voi 1	77,000	77,000
Nakuru Njoro	75,000	75,000
SykhSES	4,442,722	10,297,552
Surcharged debtors	4,528,418	4,528,418
Vat control	89,571,756	91,866,384
Deposit With Stima Sacco	92,500	77,500
Due from Bahati	7,200,000	7,200,000
Due from SME	22,863,800	22,863,800
Rent debtors	10,964,411	8,499,198
Nanyuki Timau Land	7,500,000	7,500,000
Malindi boheholes contractor	2,541,312	2,541,312
Konza Primerose Plots	4,807,709	14,160,806
Stima Daystar Park Estate Debtors	14,839,832	21,430,832
Sunshine PI-Makutano debtors	630,000	-
Neema Gardens debtors	1,064,940	-
Fahari Garden debtors	5,215,205	-
Veridian Park- Gatanga debtors	44,521,069	-
<b>Sub - Total</b>	<b>249,765,261</b>	<b>234,393,082</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2025</b>	<b>2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>15 b) Receivables and Prepayments</b>		
Joska Sunshine	525,500	2,157,500
Naivasha Longonot	1,052,000	5,645,788
Kisaju dawn	-	1,815,000
Malindi new FY22 Debtors	5,268,119	5,912,369
Coast values Ltd	28,946,514	115,800,000
Prepaid general insurance	1,307,399	1,458,642
Proposed stima height	32,350,155	24,106,688
Prepaid medical	1,942,655	2,131,457
Receivables from stima height	305,130,940	211,270,211
Stima Garden Kitengela Debtors	2,142,000	5,747,000
Prepaid Income tax instalment	1,196,007	1,196,007
The Breeze Garden Kangundo rd Debtors	8,225,330	17,783,830
Eldoret -Optiven Debtors	100,000	100,000
Malindi greenhouse	1,938,230	-
GL Suspense	517,506,638	461,829,293
W/H Vat payable	50,912	16,693
W/H tax payable	551,684	537,012
Tax Claimable	10,820,048	10,622,483
<b>Sub - Total</b>	<b>919,054,131</b>	<b>868,129,980</b>
<b>Gross Total (a+b)</b>	<b>1,168,819,391</b>	<b>1,102,523,062</b>
Provision for bad and doubtful debts	(98,209,960)	(98,209,960)
<b>Total</b>	<b>1,070,609,431</b>	<b>1,004,313,102</b>

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	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>16 Cash and Cash equivalents</b>		
Co-op bank -current account	(10,111,236)	(10,144,004)
Co-op bank -project account	7,195	41,792
Co-op bank - real estate account	5,120	16,498
Co-op bank insurance a/c	6,317	9,557
Fosa land account	26,222	25,820
Fosa real estate fund account	7,401	7,401
Fosa Prime A/C	168,141	135,968
Call Deposit Account	14,475,000	-
Mpesa	1,463,089	609,049
Petty Cash	28,427	2,389
<b>Total cash and cash equivalents</b>	<b><u>6,075,676</u></b>	<b><u>(9,295,531)</u></b>
<b>17 Provision for Rebates</b>		
Balance brought forward	481,440	481,440
<b>Blance of Rebates payable</b>	<b><u>481,440</u></b>	<b><u>481,440</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 31/12/2025</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	3,497,920	(4,387,235)
Movement in the year	12,883,162	7,885,155
<b>Tax balance</b>	<b><u>16,381,082</u></b>	<b><u>3,497,920</u></b>
<b>20 Real Estate fund</b>		
As at start year	208,545,500	209,849,970
Utilised during year	(1,407,792)	(1,304,469)
<b>As at 31/12/2025</b>	<b><u>207,137,708</u></b>	<b><u>208,545,500</u></b>
<b>Useful as follows</b>		
Within 12 Months	45,000,000	45,000,000
After 12 Months	162,137,708	163,545,500
<b>As at 31/12/2025</b>	<b><u>207,137,708</u></b>	<b><u>208,545,500</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

	2025	2024
	Kshs.	Kshs.
<b>21 Borrowings</b>		
<b>Co-op Bank Loan '019J8070889200</b>		
As at start year	229,911,570	225,656,963
Addition	660,000,000	-
Draw downs	62,083,530	20,520,642
Repaid	(32,652,293)	(16,266,035)
<b>As at 31/12/2025</b>	<b>919,342,807</b>	<b>229,911,570</b>
<b>Payable as Follows:</b>		
With the 12 Months	33,000,000	33,000,000
After 12 Months	886,342,807	196,911,570
<b>Total Borrowings</b>	<b>919,342,807</b>	<b>229,911,570</b>
<b>22 Trade and other payables</b>		
Land sellers balances due	99,147,128	192,809,166
Land service providers	43,653,530	43,653,530
Provision Real Estate interest	98,289,563	98,289,563
Provision for current rebates	10,400,000	10,400,000
Malindi investors dues	5,113,744	7,443,744
Local Creditors	270,408,270	153,447,231
Receivables with credit balances	33,783,025	41,018,840
Unidentified deposits	31,010,437	31,135,853
Deposits on rent	11,181,933	10,607,488
Accrued expenses	7,210,634	4,318,101
Stima Height Payables ( Receipt from Members)	67,059,392	26,508,518
Salary Control A/c	889,997	821,553
Provision for Dividend	7,293,482	4,924,147
Provision for Dividend 2023	513,289	513,289
Provision for Dividend 2024	766,984	-
Control 2 Real Estate	38,801,374	38,801,374
Board meeting control account	198,692	183,579
Provision for Tax		5,390,985
Service charge	5,676,298	-
Gatanga value addition	18,842,799	-
Legal services	26,431,572	-
Operational services	42,142,809	-
<b>Total</b>	<b>818,814,954</b>	<b>670,266,961</b>
<b>23 Share Capital</b>		
As at start year	2,410,482,487	2,364,828,272
Contributions during the year	36,582,395	45,654,215
<b>As at 31/12/2025</b>	<b>2,447,064,882</b>	<b>2,410,482,487</b>
<b>24 Reserves</b>		
Accumulated Retained losses	(1,282,441,783)	(1,290,274,000)
Statutory reserves	19,514,198	14,497,313
Revaluation reserves	114,580,700	108,253,252
Other reserves	1,032,376	169,858,611
	<b>(1,147,314,509)</b>	<b>(997,664,824)</b>

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	2025 Kshs.	2024 Kshs.
<b>25 a) Quoted Shares</b>		
Kengen	4,144,900	1,624,475
Mumias Sugar	7,101	7,101
NCBA	458,388	259,208
KCB	51,480	31,680
HFCK	163,680	73,425
Centum	913.5	714
KPLC	393,185	354,653
Co-operative Bank .	12,706,529	10,767,513
Co-operative Insurance Company	2,881,080	1,361,040
	<u>20,807,256</u>	<u>14,479,809</u>
<b>b) Stima Sacco Ltd shares</b> @ par value of Kshs 100) As at 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 (a+b)</b>	<u>57,838,256</u>	<u>51,510,809</u>
<b>26 Software</b>	<b>2025</b>	<b>2024</b>
<b>Amortization</b>	<b>Kshs.</b>	<b>Kshs.</b>
Applicable Rate	<u>20%</u>	<u>20%</u>
<b>Cost</b>		
At 1st January 2025	21,236,614	21,236,614
Additions	290,000	-
Disposals	-	-
<b>At 31st December 2025</b>	<u>21,526,614</u>	<u>21,236,614</u>
<b>Amortization</b>		
At 1st January 2025	18,105,080	17,322,197
Charge for the Year	664,974	782,883
<b>At 31st December 2025</b>	<u>18,770,054</u>	<u>18,105,080</u>
<b>Net Book Value</b>		
<b>At 31st December 2025</b>	<u>2,756,560</u>	<u>3,131,534</u>

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NOTES TO THE FINANCIAL STATEMENTS CONT.ED

27 Property, Plant and Equipment

Applicable Rate, Cost	Building 2.5% Kshs	Computer & Accessories 30% Kshs	Furniture,fixtu re & fittings 12.50% Kshs	Total Kshs
At 1st January 2025	33,392,478	18,271,695	19,475,410	71,139,583
Additions	-	66,007.96	582,918	648,926
Disposals	-	(214,887)	-	(214,887)
<b>At 31st December 2025</b>	<b>33,392,478</b>	<b>18,122,816</b>	<b>20,058,328</b>	<b>71,573,622</b>
<b>Depreciation</b>				
At 1st January 2025	8,067,345	16,460,370	14,240,126	38,767,840
Charge for the year	633,128	519,566	747,528	1,900,223
Acc.depreciation at disposal	-	(112,418)	-	(112,418)
<b>At 31st December 2025</b>	<b>8,700,473</b>	<b>16,867,518</b>	<b>14,987,654</b>	<b>40,555,645</b>
<b>Net Book Value</b>				
<b>At 31st December 2025</b>	<b>24,692,005</b>	<b>1,255,298</b>	<b>5,070,674</b>	<b>31,017,977</b>
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 Value</b>				
<b>As at 31 December 2024</b>	<b>25,325,133</b>	<b>1,811,325</b>	<b>5,235,284</b>	<b>32,371,743</b>
28 Proposed dividends		<b>12,235,324</b>	<b>9,641,930</b>	