

CS/19736

EAST AKIBA SACCO LIMITED

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31ST DECEMBER 2025**

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors' submit their report and audited financial statements for the year ended 31st December, 2025.

1.0 PRINCIPAL ACTIVITY

The society receives savings from its members and advance Normal, Emergency and Education loans at an average nominal rate of 1% per month on the reducing balance method.

	<u>2025</u> <u>Kshs.</u>	<u>2024</u> <u>Kshs.</u>
<u>2.0 RESULTS</u>		
Interest Income	3,870,831.00	2,072,145.00
Net Surplus after Tax	<u>3,870,831.00</u>	<u>2,072,145.00</u>
Retained Surplus for the year	<u>3,870,831.00</u>	<u>2,072,145.00</u>

3.0 DIVIDENDS

The Board of Directors recommends payment of dividends on Share capital at 11% And on member deposit at the rate of 5.5% on members deposit

4.0 AUDITORS

Messrs Kigo Njenga & Company, Certified Public Accountants (K) were appointed auditors of the society for the year ended 31st December, 2025 and express their willingness to continue in office, under the terms of section 25(3) of Co-operative societies CAP 490 as amended in 2004.

By order of the Board

Hon. Secretary



Date..... 2026

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ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 31ST DECEMBER 2025

CASHFLOW STATEMENT

	<u>2025</u>	<u>2024</u>
	<u>KSHS</u>	<u>KSHS</u>
<u>Cash flows from operating activities</u>		
Interest Receipts	13,192,925.00	9,472,267.00
Other operating income	1,744,327.00	1,184,791.00
Interest Payments	(4,509,941.00)	(325,702.00)
Payments to employees and suppliers	(3,977,744.00)	(3,289,717.00)
	<u>6,449,567.00</u>	<u>6,841,639.00</u>
<u>Working capital changes</u>		
Increase in loans to Members	(42,942,799.00)	(18,741,546.00)
Increase in Members deposits	31,451,202.00	18,424,116.00
Debtors & receivables	2,216,890.00	(3,685,990.00)
Decrease/Increase in creditors and accruals	780,087.00	(64,344.00)
	<u>(8,494,620.00)</u>	<u>(4,067,764.00)</u>
<u>Cashflow from financing activities</u>		
Purchase of assets	(2,628,540.00)	(567,120.00)
Increase in Share Capital	2,843,498.00	756,620.00
Net cashflow from financing activities	<u>214,958.00</u>	<u>189,500.00</u>
<u>Cash flow from investing activities</u>		
Investment Income	23,183.00	24,070.00
	<u>23,183.00</u>	<u>24,070.00</u>
Net increase in cash and cash equivalent	(1,806,912.00)	2,987,444.00
Cash and cash equivalent as at beginning	4,462,173.00	1,474,729.00
Net cash and cash equivalent at end of period	<u>2,655,261.00</u>	<u>4,462,173.00</u>

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STATEMENT OF FINANCIAL POSITION

	NOTES	2025 KSHS	2024 KSHS
ASSETS			
Cash and bank balances	9	2,655,261.00	4,462,173.00
Loans to members	10	131,436,775.00	88,793,259.00
Debtors & receivables	11	1,469,100.00	3,685,990.00
Property, plant and equipment	12	3,745,589.00	1,689,869.00
		<u>139,306,725.00</u>	<u>98,631,291.00</u>
Total Assets		<u>139,306,725.00</u>	<u>98,631,291.00</u>
FINANCED BY:			
CURRENT LIABILITY			
Members deposit	13	113,450,126.00	81,998,924.00
Interest on members deposits	14	6,239,757.00	4,509,941.00
Payables and accruals	15	1,035,087.00	55,000.00
		<u>120,724,970.00</u>	<u>86,563,865.00</u>
EQUITY			
Share capital	16	5,388,118.00	2,544,620.00
Reserves	17	13,193,637.00	9,522,806.00
		<u>18,581,755.00</u>	<u>12,067,426.00</u>
TOTAL EQUITY AND LIABILITY		<u>139,306,725.00</u>	<u>98,631,291.00</u>

REGISTERED
 SEC. 25(7) Co-operative Societies
 ACT CAP 490 (Amended 2004)
 05 MAR 2026
 Sign: JAVEL M. MURIRA
 FOR COMMISSIONER OF CO-OPERATIVES

The financial statements set out on pages 4 to 16 were approved by the Management Committee and signed on 16.02.2026 and signed on its behalf by:-

Chairman *[Signature]*

Treasurer *[Signature]*

Secretary *[Signature]*



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EAST AKIBA SACCO LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs.	Accumulated Surplus/Deficit Kshs.	Statutory Reserve Kshs.	General Reserve Kshs.	Total Kshs.
As at 1st January 2025	2,544,620.00	7,608,243.00	1,904,562.00	10,000.00	12,067,425.00
Additions during the year	2,843,498.00	-	-	-	2,843,498.00
Surplus for the period	-	3,870,831.00	-	-	3,870,831.00
Transfer to statutory Reserve	-	(774,166.00)	774,166.00	-	-
Transfer to General Reserve	-	(2,000.00)	-	2,000.00	-
Provision for Honoraria	-	(200,000.00)	-	-	(200,000.00)
As at 31st December 2025	5,388,118.00	10,502,908.00	2,678,728.00	12,000.00	18,581,754.00
As at 1st January 2024	1,788,000.00	5,952,528.00	1,490,132.00	8,000.00	9,238,660.00
Additions during the year	756,620.00	-	-	-	756,620.00
Surplus for the period	-	2,072,145.00	-	-	2,072,145.00
Transfer to statutory Reserve	-	(414,430.00)	414,430.00	-	-
Transfer to General Reserve	-	(2,000.00)	-	2,000.00	-
As at 31st December 2024	2,544,620.00	7,608,243.00	1,904,562.00	10,000.00	12,067,425.00

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NOTES TO THE ACCOUNTS CONTD.

	2025 <u>KSHS</u>	2024 <u>KSHS</u>
<u>2. INTEREST INCOME</u>		
Interest on development, Normal and Emergency loan	12,914,917.00	9,439,582.00
Interest on mobile loan	278,008.00	32,685.00
	<u>13,192,925.00</u>	<u>9,472,267.00</u>
<u>3. INTEREST EXPENSE</u>		
Interest on deposits	6,239,757.00	4,509,941.00
	<u>6,239,757.00</u>	<u>4,509,941.00</u>
<u>4. OTHER OPERATING INCOME</u>		
Loan administration fee	657,071.00	393,416.00
Registration fee	473,500.00	430,000.00
Lumpsum loan charges	613,756.00	361,375.00
	<u>1,744,327.00</u>	<u>1,184,791.00</u>
<u>5. INVESTMENT INCOME</u>		
Shares in C. I.C. (K) Ltd	23,183.00	24,070.00
	<u>23,183.00</u>	<u>24,070.00</u>

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	2025 <u>KSHS</u>	2024 <u>KSHS</u>
9. CASH AND CASH EQUIVALENT		
Bank balance	1,677,490.00	2,392,144.00
Petty cash	74,980.00	1,692.00
CIC Money Market	258,897.00	235,713.00
Mpesa	643,894.00	1,832,824.00
Total	<u>2,655,261.00</u>	<u>4,462,473.00</u>
10. LOANS TO MEMBERS		
At the start of the year 01.01	90,458,985.00	71,717,439.00
Loans issued during the year	83,250,082.00	54,390,532.00
Loan interest	13,192,925.00	9,504,952.00
Loan repayments	(48,248,205.00)	(33,648,986.00)
Interest repayment	(7,252,003.00)	(9,504,952.00)
Closing balance 31.12	<u>133,401,784.00</u>	<u>90,458,985.00</u>
Less Provision for doubtful loans	(1,965,009.00)	(1,665,726.00)
Net Loan to Members	<u>131,436,775.00</u>	<u>88,793,259.00</u>
(b) Ageing of loan portfolio	No. of accounts	Amount
0 days (Performing - 1% Provision)	500	124,843,164.00
1- 30 days (Watch - 5%)	110	531,367.10
31-180 days (Substandard - 25 %)	10	276,654.00
181-360 days (Doubtful - 50%)	5	105,000.00
Over 360 days (Loss - 100%)	8	568,346.00
	<u>633</u>	<u>126,324,531.10</u>
(c) Risk classification and Provisioning	Rate	
Performing	1%	1,248,431.64
Watch	5%	26,568.36
Substandard	25%	69,163.50
Doubtful	50%	52,500.00
Loss	100%	568,346.00
		<u>1,965,009.00</u>
(d) Movement in the Provision for doubtful debts		
Balance at beginning of the year	1,665,726.00	1,075,762.00
Provision for the year	299,283.00	589,964.00
Balance at end of the year	<u>1,965,009.00</u>	<u>1,665,726.00</u>
(e) Related party information		
Loans to : Staff	1,193,000.00	1,000,479.00
Directors/officials	13,879,065.00	7,025,652.00
Total	<u>15,072,065.00</u>	<u>8,026,131.00</u>
11. DEBTORS & RECEIVABLES		
Other Receivable	1,469,100.00	3,685,990.00
Total	<u>1,469,100.00</u>	<u>3,685,990.00</u>

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ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 31ST DECEMBER 2025

STATEMENT OF FINANCIAL PERFORMANCE

	<u>NOTES</u>	<u>2025</u> <u>KSHS</u>	<u>2024</u> <u>KSHS</u>
<u>INCOME</u>			
Loan interest	2	13,192,925.00	9,472,267.00
Interest on members deposit	3	(6,239,757.00)	(4,509,941.00)
Net interest income		<u>6,953,168.00</u>	<u>4,962,326.00</u>
Other Operating Income	4	1,744,327.00	1,184,791.00
Net operating revenue		<u>8,697,495.00</u>	<u>6,147,117.00</u>
Investment income	5	23,183.00	24,070.00
Total Income after interest expense		<u>8,720,678.00</u>	<u>6,171,187.00</u>
Administration Expenses	6	(2,664,907.00)	(2,013,142.00)
Personnel costs	7	(1,671,330.00)	(1,513,600.00)
Committee expenses	8	(513,610.00)	(572,300.00)
Total expenses		<u>(4,849,847.00)</u>	<u>(4,099,042.00)</u>
Net surplus for the year		<u>3,870,831.00</u>	<u>2,072,145.00</u>

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	<u>2025</u> <u>KSHS</u>	<u>2024</u> <u>KSHS</u>
<u>6. OPERATING & ADMINISTRATION EXPENSES</u>		
Transport	54,785.00	28,550.00
Printing & stationery	37,663.00	31,198.00
Marketing-hanners	84,000.00	13,000.00
Rent	78,000.00	70,500.00
Insurance	309,848.00	390,711.00
Office Administration	102,865.00	88,876.00
Depreciation	572,820.00	219,361.00
Bank and Mpesa charges	170,457.00	154,678.00
Provision for Doubtful Debts	299,283.00	589,964.00
Audit fees	100,000.00	50,000.00
Ministry Supervision	10,200.00	5,000.00
Professional services	35,000.00	48,000.00
Hospitality	67,402.00	9,000.00
Internet	22,105.00	18,000.00
Bulk SMS charge	130,000.00	11,000.00
Telephone & postage	17,940.00	178,375.00
Repairs and maintenance	8,500.00	59,700.00
Auctioneer,debt collection charges charges	367,839.00	47,229.00
Cleaning services	22,200.00	-
Consultation	174,000.00	-
Total	<u>2,664,907.00</u>	<u>2,013,142.00</u>
<u>7. PERSONNEL EXPENSES</u>		
Staff salary	1,623,880.00	1,437,700.00
Housing levy	27,450.00	-
Staff training & Welfare	20,000.00	75,900.00
Total	<u>1,671,330.00</u>	<u>1,513,600.00</u>
<u>8. GOVERNANCE EXPENSES</u>		
Meetings and training	355,000.00	195,950.00
AGM expenses	158,610.00	376,350.00
Total	<u>513,610.00</u>	<u>572,300.00</u>

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	2025	2024
	KSHS	KSHS
<u>13. MEMBERS DEPOSIT</u>		
Opening balance 01.01	81,998,924.00	63,574,808.00
Prior year adjustment	-	(1,675,753.00)
Addition during the year	32,177,616.00	20,818,516.00
Withdrawal during the year	(726,414.00)	(718,647.00)
Closing balance 31.12	<u>113,450,126.00</u>	<u>81,998,924.00</u>
<u>14. INTEREST ON MEMBERS DEPOSITS</u>		
Balance Brought down	4,509,941.00	525,702.00
Paid during the year	(4,509,941.00)	(525,702.00)
Interest on deposits	6,239,757.00	4,509,941.00
Balance carried forward	<u>6,239,757.00</u>	<u>4,509,941.00</u>
<u>15. PAYABLES AND ACCRUALS</u>		
Ministry Supervision	10,300.00	5,000.00
Audit fees	100,000.00	50,000.00
Software	724,687.00	-
	<u>835,087.00</u>	<u>55,000.00</u>
Provision for Honoraria	200,000.00	-
Total	<u>1,035,087.00</u>	<u>55,000.00</u>
<u>16. SHARE CAPITAL</u>		
Balance Brought Forward	2,544,620.00	1,789,000.00
Additions During the Period	2,843,498.00	756,620.00
Balance Carried Forward	<u>5,388,118.00</u>	<u>2,544,620.00</u>
<u>17. RESERVES</u>		
(a) Retained earnings		
Balance Brought Forward	7,608,244.00	5,952,528.00
Surplus for the year	3,870,831.00	2,072,145.00
Transfer to General Reserve	(2,000.00)	(2,000.00)
Transfer to Statutory Reserve	(774,166.00)	(414,429.00)
Provision for Honoraria	(200,000.00)	-
Balance Carried Forward	<u>10,502,909.00</u>	<u>7,608,244.00</u>
(b) Statutory reserve		
Balance Brought Forward	1,904,562.00	1,490,132.00
Additions During the Period	774,166.00	414,430.00
Balance Carried Forward	<u>2,678,728.00</u>	<u>1,904,562.00</u>
(c) General reserve		
Balance Brought Forward	10,000.00	8,000.00
Additions During the Period	2,000.00	2,000.00
Balance Carried Forward	<u>12,000.00</u>	<u>10,000.00</u>
Total reserves	<u>13,193,637.00</u>	<u>9,522,806.00</u>

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**ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31ST DECEMBER 2025**

STATISTICAL INFORMATION

		2025	2024
		<u>KSHS</u>	<u>KSHS</u>
Number of Members	Active	1276	1370
	Domant	<u>465</u>	<u>166</u>
		1741	1536

FINANCIAL SUMMARY

	<u>KSHS</u>	<u>KSHS</u>
Investments	23,183.00	24,070.00
Loans to members	133,401,784.00	90,458,985.00
Current assets	139,306,725.00	98,631,291.00
Current liabilities	1,035,087.00	55,000.00
Total Interest income	14,937,252.00	10,657,058.00
Total Expenses	4,849,847.00	4,099,042.00
Members deposit	113,450,126.00	81,998,924.00
Interest on Member deposits	6,239,757.00	4,509,941.00
Share capital	2,678,728.00	2,544,620.00
Reserves	13,193,637.00	9,522,806.00
Net Revenue	8,697,495.00	6,147,117.00

Key Ratio

Percentage of Expenses to Revenue	74.91%	66.68%
Total Expenses/Total Revenue	25.09%	38.46%
Interest on Member deposits/total revenue	71.74%	38.46%
Interest rate on Member deposits	5.5%	5.5%

EAST AKIBA SACCO LIMITED
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NOTES TO THE ACCOUNTS CONTD.

12. FIXED ASSETS SCHEDULE

	Office Container Kshs.	Computer & Accessories Kshs.	Furniture & Fittings Kshs.	Software Kshs.	Work in Progress Kshs.	Equipment Kshs.	Total Kshs.
Costs							
As at 01.01.25	1,155,585.00	359,500.00	154,075.00	367,700.00	442,620.00	36,000.00	2,515,480.00
Additions	50,000.00	-	63,000.00	1,500,000.00	954,540.00	61,000.00	2,628,540.00
As at 31.12.25	1,205,585.00	359,500.00	217,075.00	1,867,700.00	1,397,160.00	97,000.00	5,144,020.00
Depreciation							
As at 01.01.25	313,164.00	191,359.00	45,411.00	263,302.00	-	12,375.00	825,611.00
Charge for the year	89,242.00	50,442.00	21,458.00	401,100.00	-	10,578.00	572,820.00
As at 31.12.25	402,406.00	241,801.00	66,869.00	664,402.00	-	22,953.00	1,398,431.00
Net Book Value							
As at 31.12.25	803,179.00	117,699.00	150,206.00	1,203,298.00	1,397,160.00	74,047.00	3,745,589.00
As at 31.12.24	842,421.00	168,141.00	108,664.00	104,398.00	442,620.00	23,625.00	1,689,869.00