



DHAMINI SACCO SOCIETY

ACK Parking Silo, Bishops Road, Opp. NSSF
P. O. Box 44749 - 00100, Nairobi Kenya
Cell: 0777 497 564, 0714 373 862
Email: dhamini sacco@gmail.com
Website: www.dhamini.com

DHAMINI REGULATED NON- WDT SACCO SOCIETY LTD

37TH ANNUAL GENERAL MEETING

9th March 2026

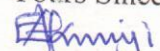
ANNUAL GENERAL MEETING NOTICE

Notice is hereby given to Dhamini Regulated Non WDT Sacco Ltd Members that the 37th Annual General Meeting will be held on Saturday 21st March 2026 at the ACK Parking Silo Grounds starting at 10.00am.

The agenda will be:

1. Opening Prayers and Welcome remarks.
2. To read the notice of AGM and adoption of agenda paper
3. Matters arising from the last AGM minutes.
4. Supervisory committee report
5. Chairman's report.
6. Consider and approve 2025 audited financial accounts
7. To consider and approve 2027 budget proposals.
8. Appointment of auditors for 2026
9. Resolutions proposed by the board.
10. Remarks by the director of Co- operatives -- Nairobi County
11. Elections of retiring board members and supervisory committee
12. Confirmation of the previous minutes of AGM held on 21st March 2025
13. Receive any other business
14. Vote of thanks and closing prayers

Yours Sincerely,


Idah Omolo

Hon.Secretary

"Our Savings, Our Future"

DHAMINI REGULATED NON-WDT SACCO SOCIETY LTD
CHAIRMAN'S REPORT TO THE 37TH ANNUAL GENERAL MEETING
ON 21ST MARCH 2026 AT ACK PARKING SILO.

Distinguished members, ladies and gentlemen on behalf of the Board of Directors, I am pleased to present the Chairman's report of Dhamini Regulated Non-WDT Sacco Society Limited for the financial year ended 31 December 2025.

The year under review was characterized by a dynamic economic environment with continued pressure on household incomes due to inflation, rising costs of living and increased statutory deductions for salaried members which reduced their disposable income. Despite these challenges, the Sacco demonstrated resilience and continued to strengthen its financial position while supporting members through affordable and accessible financial services. A big thank you to members who have continued to intentionally patronize the Sacco services despite the aforementioned challenges.

1. Membership Growth

Membership remains the foundation of our Sacco's sustainability; it is the fuel that guarantees the perpetual existence of the Society. During the year under review, total the membership increased from 6,678 members in 2024 to 6,973 members in 2025, representing steady growth.

However, the Board noted a significant increase in dormant members from 1,679 in 2024 to 3,288 in 2025. Addressing dormancy will be a key priority moving forward as the Sacco seeks to reactivate members and enhance participation in savings and borrowing activities which are our core mandate.

The Sacco continues to encourage active member participation as well as recruitment of new members to strengthen our financial base. We call upon every member to introduce at least one member which will see the Sacco double it's membership.

Today we celebrate member No. 2326 Mr. Jacob Wasonga from Fidelity Security who introduced 7 (Seven) members and thus becoming the top in respect to member introduction in the year under review. Mr. Jacob the Sacco appreciates your efforts and we have a gift for you.

During the year, seven went to be with the Lord, let us please stand and observe a moment of silent as we remember our departed colleagues. We pray for God's comfort to continue reigning with their family members, friends and the Sacco at large.

2. Financial Performance

The Sacco recorded positive financial growth during the year.

- a. Total Assets grew from KShs 612.5 million in 2024 to KShs 655.5 million in 2025, reflecting an increase of approximately 7%. The growth was largely attributed to increased member deposits and investments.
- b. Members' Deposits, which form the backbone of the Sacco's lending operations, increased from KShs 481.0 million to KShs 500.6 million. This continued growth demonstrates members' confidence in the Sacco as a reliable savings, credit and investment avenue.
- c. The loan portfolio (net of provision) grew from KShs 446.7 million in 2024 to KShs 464.1 million in 2025, enabling the Sacco to continue supporting members' development needs including education, business expansion, and household investments through our various loan products. The total loans disbursed during the year were KShs. 322.6 million with the highest patronized loans product being; mobile loan 3946 loans of KShs. 48,575,287, followed by Jitengeme loan 680 loans of KShs. 30,177,748 and Holiday loan 286 loans of KShs. 2,782,280.
- d. The Sacco's investment portfolio increased significantly from KShs 106.1 million to KShs 126.6 million, strengthening the Sacco's income diversification strategy. These funds invested are available for members to take as loans, we only invest when the demand for loans is less than the funds available.
- e. Total revenue increased from KShs 73.7 million in 2024 to KShs 78.6 million in 2025, mainly driven by growth in interest income which rose to KShs 58.5 million. We commend our members who have faithfully serviced their loans and contributed their deposit on time.
- f. Total expenses increased marginally to KShs 32.5 million compared to 31.9 million in 2024, reflecting prudent cost management despite inflationary pressures.

3. Capital and Institutional Growth

The Sacco continued to strengthen its capital base during the year. We are glad to report that we have fully complied with Regulator's requirement on capital adequacy as you may have noted in the statistical information.

Core capital stood at KShs 66.2 million compared to 65.3 million in 2024, while share capital increased to KShs 54.0 million from 51.3 million in 2024. Institutional capital grew significantly from KShs 40.8 million in 2024 to KShs 59.0 million in 2025, strengthening the Sacco's long-term financial stability.

4. Loan Portfolio Quality

The quality of Loan improved significantly during the year. The non-performing loans ratio declined from 11.4% in 2024 to 6.1% in 2025, reflecting strengthened credit monitoring and recovery strategies. We congratulate our staff for their efforts in following up repayments. Members we beseech you to give the staff the necessary support in this regard as we appreciate those members who have religiously honored their obligations.

The Board remains committed to improving loan performance further in order to maintain a healthy loan portfolio and safeguard members' funds. The regulatory requirement ratio for non-performing loans (PAR) is less than 5%. With your support this year we will achieve this requirement.

5. Liquidity and Financial Stability

The Sacco maintained strong liquidity levels. The liquidity ratio stood at 32.9%, significantly above the recommended minimum of 10%. This demonstrates the Sacco's ability to meet its short-term financial obligations and member withdrawal demands.

The Sacco continued to operate without external borrowing, ensuring financial independence and minimizing financial risk.

6. Operational Efficiency

Operational efficiency improved during the year. The total expenses to total revenue ratio stood at 41.4%, which is within the recommended threshold of below 45%.

However, personnel costs remained slightly above recommended benchmarks at 17% of total revenue, and the Board will continue reviewing cost optimization strategies while maintaining staff productivity and service quality. With automation of our services the expenditure lines will be marginally maintained.

7. Member Returns

The Board remains committed to rewarding members for their continued savings and investment in the Sacco.

For the year under review, the Board recommends the following returns to members, subject to approval by this Annual General Meeting:

- Dividend on Share Capital - 13% (2024 - 10%)
- Interest on Members' Deposits - 6% (2024 – 6%)

These returns reflect a step forward with increased dividend rate compared to last year, the board and management promise that the next AGM the return on Members' Deposit will also have a positive trajectory.

8. Strategic Focus 2026

This year, the Board together with management and staff have identified key strategic priorities which will guide the Sacco's growth:

1. Strengthening membership growth and reducing dormant accounts.
 - ✚ Visiting, calling dormant members for activation
 - ✚ Targeted marketing including diaspora recruitment
2. Enhancing loan portfolio quality and credit management.
 - ✚ Monthly monitoring of non-performing loans and corrective measures taken in good time
 - ✚ Diversified collection channels for members' choice
 - ✚ Keen loan appraisal procedures to minimize bad loans
 - ✚ Consistently implement product of the month with weekly SMS reminders to members
 - ✚ Introduction of solar product loan in our panel of product offering.
3. Improving operational efficiency and cost management.
 - ✚ Continuous automation of our systems to reduce expenditure
 - ✚ Regular reviews of our business processes
4. Strengthening governance, risk management, stakeholder relations and compliance.
 - ✚ Working closely with the internal and external auditors for strengthen internal control systems
 - ✚ Building strong network with stakeholders including SASRA, KRA, Co-operative Bank and other institutions
 - ✚ Developing intentional stakeholders' engagement, in this regard the board has developed a feedback form for members to fill and share their thoughts through structured questionnaire.

These priorities will position the Sacco for sustainable growth while protecting members' savings.

9. Delegate system

The Ministry of issued a circular directing all Co-operatives with a membership exceeding 5,000 to adopt a delegate system. This is a compliance issue and if you recall, previously we tried to go the delegate way. We propose that we kickstart the process by educating members and set out the delegates nomination process before the next AGM for adoption. The Ministry representative will give further guidance on this issue.

10. Proposed Resolutions

- Distribute interest on Deposits at a rate of 6% Ksh 29,247,311
- Distribute dividends on Share capital at the rate of 13% Ksh 8,322,153
- Approve 2027 budget.
- Approve supplementary budget 2026.
- Appointment of auditors for the year 2026.
- Approve change of bylaws from AGM to ADM in the next one year.
- Retain the Borrowing powers at Ksh.10 million.
- Pay honoraria of Kshs. 129,619/= to the Board and Supervisory.
- Pay bonus of Kshs. 108,016/= to staff

11. Board and Supervisory Retirement

The retiring members of the board and supervisory are;

- ✚ Mr. Jackson Kirikiru
- ✚ Mr. Gregory Waikwa
- ✚ Mr. Dan Omondi
- ✚ Rev. Dishon Gathome

The Process of vetting and interviewing members who applied for the vacant positions as advertised was completed in good time by the vetting committee. The Chairman of the committee will bring the report and conduct the elections as stipulated in our bylaws at the appropriate time.

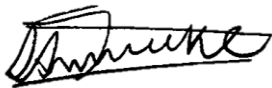
12. Appreciation & Conclusion

On behalf of the Board of Directors, I extend our sincere appreciation to our members for your continued trust and commitment to the Sacco.

I also thank my fellow Board members for their dedication and leadership, The Supervisory Committee for their oversight, as well as the management and staff for their professionalism and service to members throughout the year.

Wishing you all God's blessings and favour in this year and years to come.

On behalf of the Board of Directors



Francis Mueke

Chairman - Dhamini Sacco

DHAMINI REGULATED NON WDT SACCO SACCO SOCIETY LTD

SUPERVISORY COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

**For Presentation at Dhamini SACCO's Annual General Meeting on
21st March 2026 at ACK Parking Silo, Nairobi**

1. Introduction

In accordance with the Co-operative Societies Act and the Sacco's By-laws, the Supervisory Committee is mandated to oversee the Society's operations and ensure that appropriate internal controls, governance frameworks, and risk management systems are in place.

The Committee is pleased to present its report for the financial year ended 31 December 2025.

2. Committee Composition and Meetings

The Supervisory Committee comprised duly elected members who served throughout the year under review.

The Committee held **eight (8) meetings** during the year, through which it discharged its oversight responsibilities.

3. Scope of Work

During the year under review, the Committee undertook the following activities:

- Reviewed internal audit reports and followed up on outstanding audit issues
- Examined financial statements, management accounts, and key performance indicators
- Assessed internal control systems and risk management practices
- Reviewed loan management processes, including disbursement, monitoring, and recovery
- Evaluated compliance with policies, procedures, and regulatory requirements
- Monitored implementation of Board and Management decisions

4. Summary of Key Findings

4.1 Loan Monitoring and Recovery

The Committee noted areas requiring improvement in loan monitoring and recovery, with delinquency levels remaining elevated during the year under review. Delays in follow-up on overdue loans were also observed.

Management has initiated measures to strengthen recovery efforts, and the Committee is closely monitoring progress in this area.

Recommendation: Continued strengthening of recovery processes and enforcement of timelines will further improve portfolio performance.

4.2 Internal Controls – System Overrides

Instances were noted where established approval procedures were not fully adhered to, including cases where loan approvals did not meet the required dual authorization standards.

While control systems are in place, stricter adherence will enhance accountability and strengthen the overall control environment.

Recommendation: Reinforce compliance with approval procedures and enhance monitoring of system controls.

4.3 Governance and Board Oversight

The Committee observed opportunities to strengthen governance practices, including timely signing of Board minutes, improved tracking of resolutions, and maintaining clear separation between oversight and operational roles.

Efforts are ongoing to enhance governance structures and processes.

Recommendation: Continue strengthening governance practices and ensure timely documentation and follow-up of Board decisions.

4.4 Financial Reporting and Reconciliations

The Committee noted some challenges in financial reporting processes, particularly in paybill reconciliations, largely due to system limitations that have necessitated manual interventions.

Management is actively working to resolve system-related issues and improve reconciliation processes.

Recommendation: Prioritize system enhancements to support timely and reliable reconciliations and strengthen financial reporting accuracy.

4.5 Information Systems and Data Integrity (Navision ERP)

The Committee observed challenges with the Navision system, including inefficiencies and reliance on manual processes in certain areas.

These issues are being addressed, and efforts are underway to improve system performance and data reliability.

Recommendation: Continue system improvements, strengthen controls, and minimize manual processes to enhance efficiency and data integrity.

4.6 Human Resource Management and Policy Compliance

The Committee noted areas for improvement in adherence to HR procedures and in strengthening performance management systems.

Management is in the process of reviewing and enhancing HR policies to support staff accountability and performance.

Recommendation: Finalize and implement HR policies and strengthen performance management frameworks.

5. Status of Implementation of Audit Recommendations

The Committee noted that Management has initiated corrective actions in several areas. While progress has been made, continued focus is required to ensure timely and full implementation of audit recommendations.

The Committee will continue to monitor progress and provide oversight.

6. Overall Assessment and Opinion

Based on the reviews conducted during the year, the Supervisory Committee is of the opinion that:

The Society's operations are **generally satisfactory**, with key systems and controls in place. Opportunities exist to further strengthen certain areas, including credit management, internal controls, governance, financial reporting, information systems, and human resource management.

The Committee is satisfied that Management is taking steps to address these areas and will continue to provide oversight to ensure sustained improvement.

7. Conclusion

The Supervisory Committee remains committed to safeguarding members' interests and supporting the continued growth and stability of the Society.

We will continue to work closely with the Board and Management to strengthen governance, improve efficiency, and enhance service delivery to members.

8. Appreciation

The Committee wishes to thank the Board of Directors, Management, and staff for their cooperation and support in the execution of its mandate during the year under review.

Signed on behalf of the Supervisory Committee

Chairperson – Rev. Dishon Gathome



Secretary – Simon Oruka



Member – Evelyne Mwangi

.....EM.....

Date: 19th March 2026

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
C/S NO.4331
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

TABLE OF CONTENTS

	PAGE NO.
Society Information	1
Statistical Information & Other Disclosures	2
Statement of Corporate Governance	3
Report of the Board of Directors	4
Statements of Directors' Responsibilities	5
Report of the Independent Auditor	6-7
Financial statements:	
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 25

Signed:

Chairperson.....

Member.....

Member.....

CEO.....

Finance Officer.....

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
SOCIETY INFORMATION

THE BOARD AND SUPERVISORY COMMITTEE MEMBERS
BOARD COMMITTEE MEMBERS

Francis Mueke	Chairperson
Jeff Adero	Vice-Chairperson
Idah Omollo	Hon. Secretary
Jackson Kirikiru	Treasurer
Gregory Ndiritu	Member
Simon Oriedo	Member
Daniel Omondi	Member
David Manali	Member (from 5 April 2025)
Julius Nzele	Member (from 5 April 2025)
Samuel Omondi	Member (up to 5 April 2025)
Jeremiah Kuria	Member (up to 5 April 2025)

SUPERVISORY COMMITTEE

Dishon Gathome	Chairperson
Simon Oruko	Secretary
Evelyne Wacuka	Member (from 5 April 2025)
Elizabeth Taama	Member (up to 5 April 2025)

REGISTERED OFFICE

Dhamini NWDI Sacco Society Ltd
Ground Floor ACK Parking Silo
P.O Box 44749 - 00100
Nairobi.
L.R No 209/8342/2
Telephone 020-2728378
Email: customercare@dhaminisacco.com

PRINCIPAL BANKERS

Co-operative Bank of Kenya Limited
Upperhill Branch
NAIROBI.

INDEPENDENT AUDITOR

Mbuthia Karite & Associates
Certified Public Accountants (Kenya)
P.O. Box 28691-00200
NAIROBI.

CHIEF EXECUTIVE OFFICER


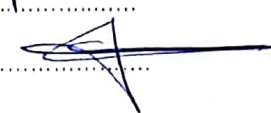
Emily Kago (up to 31 December 2025)
P.O. Box 44749 - 00100
Nairobi.

Hezekiel Mbogo (from 1 January 2026) Acting
P.O. Box 44749 - 00100
Nairobi.

FINANCE OFFICER

Charles Okonji
P.O. Box 44749 - 00100
Nairobi.

Signed: 
Chairperson.....
Member..... 
Member..... 


CEO.....
Finance Officer..... 

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATISTICAL INFORMATION AS AT 31 DECEMBER 2025

	<u>2025</u>	<u>2024</u>
Membership		
Active	3,685	4,999
Dormant	3,288	1,679
Total	<u>6,973</u>	<u>6,678</u>

Financials

	Kshs	Kshs
Total Assets	654,109,619	612,547,325
Members' Deposits	500,621,100	481,040,295
External Borrowing	-	-
Loans and Advances to Members	464,090,035	446,725,756
Investments	126,585,646	106,082,872
Core Capital	66,073,951	65,340,897
Share Capital	53,998,816	51,338,993
Institutional Capital	58,931,992	40,810,902
Total Revenue	78,561,357	73,737,319
Total Interest Income	58,453,193	53,564,708
Total Expenses	32,646,123	31,926,709

Number of Employees

Male	5	5
Female	6	6
Total	<u>11</u>	<u>11</u>

Key ratios:

	Recommended		
Capital Adequacy Ratio	STD		
Core Capital / Total Assets	≥ 8%	10.1%	10.7%
Core Capital / Total Deposits	≥ 5%	13.2%	13.6%
Retained Earnings & Disclosed Reserves/Core Capital	≥ 50%	55.1%	43.3%

Liquidity Ratio(10%)

Liquid Assets / Short Term liabilities	≥ 10%	25.3%	20.8%
--	-------	-------	-------

Operating Efficiency / Loan quality Ratios

Total expenses / Total revenue	41.6%	43.3%	
Interest on Members deposits / Total revenue	37.2%	44.7%	
Interest rate on Members' Deposits	6.0%	6.0%	
Dividend rate on Members' Share Capital	13.0%	10.0%	
Total Delinquency Loans/Gross Loan portfolio	<5%	6.1%	11.4%

Signed:

Chairperson..... 

Member..... 

Member..... 

CEO..... 

Finance Officer..... 

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submit their annual report together with the audited financial statements for the year ended 31 December 2025 which disclose the Society's state of affairs.

INCORPORATION

The Sacco 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 ACTIVITY

The principal activity of the Society is that of receiving savings and provision of loans to its members.

OPERATING RESULTS

The operating results are shown below.

	2025	2024
	Kshs	Kshs
Surplus Before Tax	16,667,922	13,904,978
Income Tax expense	(10,974)	(1,236,945)
Net surplus After Tax	<u>16,656,948</u>	<u>12,668,033</u>
Transfer to statutory reserve	(3,331,390)	(2,533,607)
Provision for Dividends	(8,322,153)	(5,020,385)
Provision for Honoraria	(129,619)	(350,000)
Staff Bonus	(108,016)	
Retained surplus for the year	<u>4,765,770</u>	<u>4,764,041</u>
Interest on members' deposits	(29,247,311)	(27,905,632)

DIVIDENDS AND INTEREST

The Board of Directors are pleased to recommend to the members for approval of payment based on weighted average deposits of 6% (2024: 6%) in rebates on active accounts and dividend of 13% (2024: 10%) on share capital.

MEMBERS OF THE BOARD OF DIRECTORS






The Members of the Board of Directors who served during the period and to the date of this report are shown on page 1. The following will retire this year (2026) on rotational basis: Jackson Kirikuru, Gregory Ndiritu and Daniel Omondi. As per the Society's by laws, Dishon Gathome of Supervisory Committee is also retiring on rotational basis.

INDEPENDENT AUDITOR

Mbuthia Karite & Associates, Certified Public Accountants, were appointed as external auditors during the year in accordance with the provisions of the Sacco Societies Act No. 14 of 2008 and have expressed their willingness to continue in office.

BY ORDER OF THE BOARD

Signature  Date 12/03/2026
 Hon. Secretary

Signed:
 Chairperson.....  CEO..... 
 Member.....  Finance Officer..... 
 Member..... 

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

STATEMENT OF BOARD OF DIRECTORS RESPONSIBILITIES

The Sacco Societies Act No 14 of 2008 requires the Board of Directors to prepare financial statements for each financial year which give a 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 that year in accordance with International Financial Reporting Standards (IFRS). The Directors are also required to ensure that the Society maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Society. They are also responsible for safeguarding 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 general meeting.

The Directors accept responsibility for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and the Sacco Societies Act, 2008. They also accept responsibility for:

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

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


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

Approved by the Board of Directors on 14 / 02 / 2026 and signed on its behalf by:

Chairman 

CEO 

Treasurer 

Finance Officer 

Secretary 



Mbuthia Karite & Associates

Certified Public Accountants (K)

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

REPORT OF INDEPENDENT AUDITOR TO MEMBERS OF DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

Auditor's Report on the Financial Statements

We have audited the accompanying financial statements set out on page 8 to 25 of Dhamini Regulated Non WDT SACCO Society Limited, that comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash flows, and a summary of significant accounting policies and other explanatory information.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

Opinion

In our opinion, the financial statements give a true and fair view of the state of financial position of the Society as at 31 December 2025 and of its financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the SACCO Society Act No 14 of 2018.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

<u>Loan accounts</u> : Need to align loans aging report with financial statements, consider removal of fully repaid balances from the loans aging report, regularise two insider loans, and ensure insider loans report includes all loan products.	Management undertook to initiate corrective action.
<u>KUSSCO</u> : The Sacco holds KShs 12.6m (net) deposit with KUSSCO. No additional impairment provision was recorded in 2025 despite non-recovery.	Management confirmed that it was pursuing recovery of the outstanding amount.
<u>PRD Receivables</u> : KShs 28.4m recorded as receivable from check-off employers, which was not supported by a schedule or confirmation of balances from employers.	Management acknowledged it as a historical balance and undertook to reconcile it.
<u>Under-Accrual of Interest and Dividends</u> : Cumulative under-accrual of interest of KShs 6,599,773 and dividends KShs 651,155 arising from prior years' distributions exceeding provisions.	Management acknowledged this and undertook to adjust against retained earnings in a phased manner over the next few years.

Other Information

The directors are responsible for the other information. Other information comprises the directors' reports and other statements included within the annual report but does not include our report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the audit or otherwise appears to be materially misstated if based on the work we have performed we conclude that there is no material misstatement of this information. We are required to report that we have nothing to report on this regard.

Auditors, Accountants & Tax Consultants



**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

Responsibilities of Board of Directors and those Charged with Governance

As explained more fully in the Statement of Directors' responsibilities on Page 5, the Board of Directors is responsible for the preparation of the Financial statements and for being satisfied that they give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Kenyan SACCO Societies Act.

In preparing the financial statements the Board of Directors are responsible for assessing the Society's ability to continue as a going concern and using the going concern basis of accounting unless Management either intends to liquidate the Society or to cease operations or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process. The responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that included our opinion.

Reasonable assurance is a high level assurance but not a guarantee that an audit conducted in accordance with International Standard on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

As part of an audit in accordance with ISA we exercise professional judgement and maintain professional skepticism throughout the audit.

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

Report on other Legal Requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 account.
- iv) The Society is solvent and we have reasonable grounds to believe it will remain solvent in the foreseeable future, and
- v.) Nothing has come to our attention that causes us to believe that the business has not been conducted in accordance with the provisions of the SACCO Societies Act and the Co-operative Societies Act.

The engagement partner responsible for the audit resulting in this independent auditors' report was CPA David Karite, Practising License No. P/1650.

Mbuthia Karite & Associates

Mbuthia Karite & Associates
Certified Public Accountants

Date: *12 March 2026*



UNIQUE CODE: 79998260311

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	<u>NOTES</u>	<u>2025</u> <u>Kshs</u>	<u>2024</u> <u>Kshs</u>
ASSETS:			
Cash and Cash Equivalents	5	13,731,863	8,181,260
Receivables and Prepayments	6	46,445,303	47,372,907
Loans and Advances	7	464,090,035	446,725,756
Financial Assets	8	126,585,646	106,082,872
Property, Plant & Equipment	9	854,251	1,139,245
Intangible Assets	10	2,402,521	3,045,285
TOTAL ASSETS		654,109,619	612,547,325
LIABILITIES:			
Trade and Other Payables	11	10,879,354	12,328,147
Members Deposits	12	500,621,100	481,040,295
Interest on Members' Deposits	13	22,647,538	21,309,303
Tax Payable	18	10,974	1,236,945
TOTAL LIABILITIES		534,158,966	520,397,429
FINANCED BY:			
Share Capital	SCE	53,998,816	51,338,993
Statutory Reserves	SCE	19,428,894	16,097,504
Revaluation Reserve	SCE	22,513,200	12,489,270
Revenue Reserves	SCE	16,771,095	12,005,325
Capital Reserves	SCE	218,803	218,803
Dividends on Members' Shares	14	7,019,845	4,482,740
TOTAL EQUITY		119,950,653	92,149,895
TOTAL LIABILITIES AND EQUITY		654,109,619	612,547,325

APPROVED
for publication and presentation
to AGM or ADM subject to observations Issued
19 MAR 2026
SIGN: [Signature]
SACCO SOCIETIES REGULATORY
AUTHORITY

The financial statements on pages 8 to 25 were approved & authorised for issue by the Board of Directors on14/02/2026 and were signed on its behalf by:-

Chairman [Signature]
Treasurer [Signature]
Secretary [Signature]

CEO [Signature]
Finance Officer [Signature]

DIHAMINI REGULATED NON WBT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF COMPREHENSIVE INCOME

	<u>NOTES</u>	<u>2025</u> <u>Kshs</u>	<u>2024</u> <u>Kshs</u>
Revenue			
Interest on Loans and Advances	2 (a)	58,453,193	53,564,708
Other interest income	2 (d)	13,086,872	12,616,394
Total Interest		71,540,065	66,181,102
Interest expenses	13	(29,247,311)	(27,905,632)
Net Interest Income		42,292,754	38,275,470
Other Operating Income	2 (c)	7,021,291	7,556,217
Total Comprehensive Income		49,314,045	45,831,687
EXPENDITURE			
Governance Expenses	3a	(3,225,918)	(2,619,737)
Administrative Expenses	3b	(3,306,713)	(2,616,140)
Financial Expenses	3(e)	(8,564,450)	(7,236,922)
Marketing Expenses	3(d)	(265,487)	(606,143)
Depreciation And Amortisation	3(e)	(1,208,757)	(1,507,031)
Personnel Expenses	3(f)	(13,196,287)	(12,851,623)
Other Operating Expenses	4	(2,878,511)	(4,489,112)
Total Expenditure		(32,646,123)	(31,926,709)
Net Surplus before Tax		16,667,922	13,904,978
Income Tax Expense	18	(10,974)	(1,236,945)
Net Surplus for the Year		16,656,948	12,668,033
Transfer to Statutory Reserve (20%)		(3,331,390)	(2,533,607)
Surplus for the Year		13,325,558	10,134,427
Honoraria	11(c)	(129,619)	(350,000)
Proposed Dividends		(8,322,153)	(5,020,385)
Staff Bonus		(108,016)	-
Retained Earnings		4,765,770	4,764,041

Signed: 
Chairperson
Member: 
Member: 

CFO: 
Finance Officer: 

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	<u>NOTES</u>	<u>2025</u> <u>Kshs</u>	<u>2024</u> <u>Kshs</u>
ASSETS:			
Cash and Cash Equivalents	5	13,731,863	8,181,260
Receivables and Prepayments	6	46,445,303	47,372,907
Loans and Advances	7	464,090,035	446,725,756
Financial Assets	8	126,585,646	106,082,872
Property, Plant & Equipment	9	854,251	1,139,245
Intangible Assets	10	2,402,521	3,045,285
TOTAL ASSETS		<u>654,109,619</u>	<u>612,547,325</u>
LIABILITIES:			
Trade and Other Payables	11	10,879,354	12,328,147
Members Deposits	12	500,621,100	481,040,295
Interest on Members' Deposits	13	22,647,538	21,309,303
Tax Payable	18	10,974	1,236,945
TOTAL LIABILITIES		<u>534,158,966</u>	<u>520,397,429</u>
FINANCED BY:			
Share Capital	SCE	53,998,816	51,338,993
Statutory Reserves	SCE	19,428,894	16,097,504
Revaluation Reserve	SCE	22,513,200	12,489,270
Revenue Reserves	SCE	16,771,095	12,005,325
Capital Reserves	SCE	218,803	218,803
Dividends on Members' Shares	14	7,019,845	4,482,740
TOTAL EQUITY		<u>119,950,653</u>	<u>92,149,895</u>
TOTAL LIABILITIES AND EQUITY		<u>654,109,619</u>	<u>612,547,325</u>

The financial statements on pages 8 to 25 were approved & authorised for issue by the Board of Directors on14/02/.....2026 and were signed on its behalf by:-

Chairman
Treasurer
Secretary

CEO.....
Finance Officer.....

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserves	Capital Reserves	Revaluation Reserves	Retained Earnings	Total
	<u>Kshs</u>	<u>Kshs</u>			<u>Kshs</u>	<u>Kshs</u>
Year 2025						
Balance at 1 January 2025	51,338,993	16,097,504	218,803	12,489,270	12,005,325	92,149,895
Surplus for the year	-	-	-	-	16,656,948	16,656,948
Transfer to statutory reserve	-	3,331,390	-	-	(3,331,390)	-
Revaluation gain	-	-	-	10,023,930	-	10,023,930
Proposed dividends	-	-	-	-	(8,559,788)	(8,559,788)
Share capital contribution	2,659,823	-	-	-	-	2,659,823
Balance at 31 December 2025	53,998,816	19,428,894	218,803	22,513,200	16,771,095	112,930,808

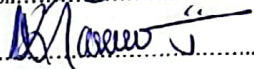
Year 2024


Balance at 1 January 2024	48,361,539	13,563,897	218,803	12,489,270	7,241,284	81,874,793
Surplus for the year	-	-	-	-	12,668,033	12,668,033
Transfer to statutory reserve	-	2,533,607	-	-	(2,533,607)	-
Proposed dividends	-	-	-	-	(5,020,385)	(5,020,385)
Proposed honoraria	-	-	-	-	(350,000)	(350,000)
Contributions for the year	2,977,454	-	-	-	-	2,977,454
Balance at 31 December 2024	51,338,993	16,097,504	218,803	12,489,270	12,005,325	92,149,895

Signed:

Chairperson..... 

CEO..... 

Member..... 

Finance Officer..... 

Member..... 

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF CASH FLOWS	<u>NOTES</u>	2025 Kshs	2024 Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest from members loans	2(a)	58,453,193	53,564,708
Less: interest paid	13	(27,909,076)	(25,157,248)
Other interest income	2(c)	7,021,291	7,556,217
Honoraria Paid	12	(350,000)	(350,000)
Tax Paid	18	(2,532,192)	(666,845)
Payment to Employees and Suppliers	3&4	(25,558,194)	(23,177,826)
		<u>9,125,022</u>	<u>6,830,206</u>
(Increase)/Decrease in operating income			
Receivables and Prepayments	6	927,604	(15,189,323)
Loans and Advances to Members	7	(22,486,992)	(62,025,590)
Trade and other Payables	11	(1,448,793)	(9,933,108)
Member Deposits	12	19,580,805	35,391,077
Net cash generated from/(used in) operating activities		<u>5,697,646</u>	<u>(50,379,616)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend Income	2 d)	3,322,926	1,977,054
Interest Received	2 d)	9,763,947	10,639,340
Purchase of Property, Plant & Equipment	9	(281,000)	(684,440)
Purchase of Investments securities	8	(10,478,844)	32,816,284
Purchase of Intangible Assets	10	-	(36,000)
Net cash used/generated from investing activities		<u>2,327,028</u>	<u>11,895,954</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital Contribution	16	2,659,823	2,977,454
Dividend Paid	14	(5,133,895)	(4,938,799)
Net cash generated from financing activities		<u>(2,474,071)</u>	<u>(1,961,346)</u>
Net cash inflows		5,550,603	(2,689,924)
Cash and cash equivalents at start of the year		8,181,260	10,871,184
Cash and cash equivalents at end of the year	3	<u>13,731,863</u>	<u>8,181,260</u>

Signed:
Chairperson.....
Member.....
Member.....

CEO.....
Finance Officer.....

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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) Statement of compliance and basis of preparation.

The financial statements are prepared in accordance with and comply (where applicable) with International Financial Reporting Standards (IFRSs).

These financial statements are presented in Kenya Shillings (Kshs), rounded to the nearest shilling, and have been prepared under the historical cost convention, except for the revaluation of certain property and equipment, marketable securities, and financial instruments measured at fair value. In addition, impaired assets are stated at their recoverable amounts, and actuarially determined liabilities are carried at their present value, where applicable. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

The financial statements have also been prepared in accordance with the Co-operative Societies Act Cap 490 and the Sacco Societies Act No 14 of 2008, and comply therewith in all material respects.

(b) Accounting policies and disclosures

The accounting policies adopted are consistent with previous years, except where amendments are adopted from improvements to IFRSs. The latest IFRS improvements are noted below:

Standard	Nature of Change	Effective Date
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	Clarifies that the right to defer settlement doesn't have to be "unconditional" to classify a liability as non-current; also changes how covenants are treated in presentation.	1 January 2024 (with some deferral options)
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	Provides clarification on how the lessee should measure the lease liability such that no gain or loss arises from the retained right-of-use asset in a sale and leaseback.	01-Jan-24
Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements	Enhanced disclosures for supplier finance / reverse factoring arrangements; better clarity on presentation, especially in the notes.	01-Jan-24
Annual Improvements to IFRS – Volume 11	Narrow-scope amendments to several standards (IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7) to clarify wording, remove inconsistencies, and correct minor anomalies IAS.	Annual reporting period beginning on or after 1 January 2026 (early application permitted)
Amendments to Classification & Measurement of Financial Instruments (IFRS 9 & IFRS 7)	Clarifications and guidance for financial assets, including treatment of features such as ESG-linked features, and alignment between IFRS 7 disclosures and IFRS 9 classification.	Annual reporting period beginning on or after 1 January 2026.

The improvements to the IFRS standards did not have a material impact on the basis of preparation and presentation of these financial statements. The Society has not early adopted any new or amended standards or interpretations that are not yet effective for the current reporting period.

Signed:

Chairperson.....

CEO.....

Member.....

Finance Officer.....

Member.....

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS

(c) Revenue recognition

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

Interest on loans to members

Interest on loans to members is recognised on a reducing balance method at monthly rates ranging from 1% to 1.5%. Interest income is recognized on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

New members to the Society are required to pay an entrance fee. The fees are recognised in the income statement.

Income on investments

Income from bank deposits and investments in securities is recognised as it accrues, using the effective interest method.

Dividend income

Dividend income is recognised when the Society's right to receive the amount is established.

Other income

Other income is recognised as it accrues, using the effective interest method.

(d) Financial assets

All financial assets are recognized initially using the trade date accounting which is the date the Sacco commits itself to the purchase or sale. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. All other categories of financial assets are recorded at the fair value of the consideration given plus the transaction costs.

Subsequently, held-to-maturity investments, loans and receivables are carried at amortized cost using the effective interest method, while all other financial assets are carried at their fair values, without deduction for transaction costs that may be incurred on sale.

(e) Impairment of Financial Assets

The entity assesses at each reporting date whether there is objective evidence that a financial asset is impaired. If any such evidence exists, an impairment loss is recognised. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. In the case of held-to-maturity investments and loans and receivables, the recoverable amount is the present value of the expected future cash flows, discounted using the asset's effective interest rate. Changes in fair value of financial assets at fair value are recognised in profit or loss account.

Changes in fair value for available-for-sale financial assets are recognised in other comprehensive income except for impairment losses measured at the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognised in profit or loss which are recognised in the profit and loss account. In the year of sale, the cumulative gain or loss recognised in other comprehensive income is recognised in the profit or loss account as reclassification adjustment.

Signed:

Chairperson..........CEO.....

Member..........Finance Officer.....

Member..........

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS

(f) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the company has transferred substantially all risks and rewards of ownership.

Effective interest method

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

(g) Receivables

Receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest rate. A provision for impairment is recognized in the profit and loss in the year when the recovery of the amount due as per the original terms is considered doubtful. The provision is based on the difference between the carrying amount and the present value of the expected cash flow, discounted at the effective interest rates. Receivables not collectable are written off against the related provisions. Subsequent recoveries of amounts previously written off are credited to the profit and loss in the year of recovery.

(h) Financial liabilities and equity instruments issued by the Society

i. Classification as debt or equity

Debt and equity instrument are classified as either financial liabilities or as equity in accordance with the substance of By-laws of the Society.

ii. 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. The capital comprise primarily of minimum share capital prescribed under the By-laws of the Society.

(i) Financial liabilities

All financial liabilities are recognised initially at fair value of the consideration given plus the transaction cost with the exception of financial liabilities carried at fair value through profit or loss, which are initially recognised at fair value and the transaction costs are expensed in the statement of comprehensive income. Subsequently, all financial liabilities are carried at amortised cost using the effective interest method except for financial liabilities through profit or loss which are carried at fair value. All financial liabilities are classified as non-current except financial liabilities at fair value through profit or loss, those expected to be settled in the company's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the company does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

Signed:

Chairperson..........CEO.....

Member..........Finance Officer.....

Member.....

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities cont.

i. Derecognition of Financial Liabilities

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

ii. Provision for liabilities and charges

Provisions are recognised when the Society has present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

iii. Other financial liabilities

All other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis.

(j) Impairment of non-financial assets

The carrying amounts of the Society's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such condition exists, the recoverable amount of the assets is estimated to determine the extent of impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, impairment loss is recognised immediately, unless the relevant asset is carried at revalued amount in which case the impairment loss is treated as a decrease in revaluation reserve. The respective asset is reduced to its recoverable amount.

Where an impairment loss subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation reserve.

(k) Employee benefits

The Society makes contributions to the mandatory statutory contribution scheme, the National Social Security Scheme (NSSF) at amounts legislated from time to time.

(l) Tax

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

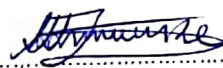

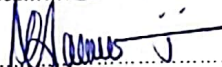

Where applicable, deferred tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

(m) Statutory reserve

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

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value, net of bank overdrafts.

Signed:  CEO..... 
Chairperson.....
Member.....  Finance Officer.....
Member..... 

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES (CONTINUED)

(o) Property and Equipment

All property and equipment are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society.

Depreciation is calculated on a reducing balance basis to write down the cost of each asset to its residual value over its estimated useful life at the following annual rates from the date of purchase.

	Rate
Computer hardware, software and accessories	25%
Furniture, fittings and equipment	10%
Office partitions	12.5%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining the surplus for the year.

(p) Financial Risk Management

Credit risk

The Society is exposed to the risk that some members may not repay loans when due and in full. Exposure to the credit risk is managed by:

- (i) Ensuring that granting of loans is completely vetted by the credit committee.
- (ii) No member is granted loans exceeding three times the shares held and/or amounts stipulated in the by-laws.
- (iii) All loans are co-guaranteed by members.
- (iv) An insurance policy cover is established against deceased members loan balances.
- (v) Members of the sponsoring employee who change employment are promptly followed up.

Unearned interest income risk

The society is exposed to the risk that unearned interest income may be accrued but not received. Exposure to unearned interest income is managed by only recognising the interest income received.



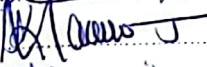
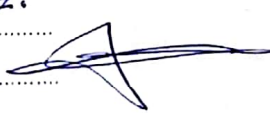

Interest risk

The Society is not exposed to interest risk, since the interest rate on loans is standardised at between 1% and 1.5% per month.

Liquidity risk

The Society is exposed to the risk that it may have difficulties in meeting member loan obligations. Liquidity risk is addressed through:

- (i) An aggressive policy on increasing members deposits.
- (ii) Not investing members share savings in fixed properties.
- (iii) Use of bank loans and overdraft facilities to meet short term liquidity requirements.
- (iv) Approval of loans is subject to availability of funds as indicated in the cash flow reports.

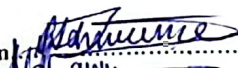


Signed:  CEO: 
 Member:  Finance Officer: 
 Member: 

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2025	2024
	<u>Kshs</u>	<u>Kshs</u>
2 Income		
a) Interest Income		
Interest from member loans	58,453,193	53,564,708
Total interest income	<u>58,453,193</u>	<u>53,564,708</u>
b) Interest Expenses		
Interest on Member Deposits	29,247,311	27,905,632
Total Interest Expenses	<u>29,247,311</u>	<u>27,905,632</u>
Net Interest Income	<u>29,205,882</u>	<u>25,659,076</u>
c) Other operating income		
Income from core operating activities		
Other Income (Insurance, penalties, etc as shown in (e) below)	6,897,672	7,416,842
Commission Income	123,619	139,375
	<u>7,021,291</u>	<u>7,556,217</u>
d) Investment Income		
Interest from CCK Fixed Deposits	2,845,167	4,932,870
Interest from CCK Investment	1,790,711	3,013,419
Interest on KUSCCO SACCO special fixed deposits	-	-
Dividends from Co-operative Bank shares	3,254,106	1,884,026
CIC Money Market Interest	2,433,366	987,439
Interest from Madison	2,682,558	1,493,636
Dividends on CIC shares	68,820	93,028
Interest from Call Deposit	-	32,055
Interest from CCK Current A/c	12,145	179,923
Total	<u>13,086,872</u>	<u>12,616,394</u>
e) Other Income comprises:		
Penalties on loans paid	159,863	475,736
Loan Transfer Charge	-	8,477
Share Capital Transfer charge	12,948	14,000
Registration Income	197,992	561,226
Tender Charge	-	4,000
Admin Charge	119,866	-
Photocopying/Ecitizen	267,083	656,834
Insurance Income Recognised	3,135,123	3,843,661
Administration Charge	2,596,911	1,399,587
Convenience Charge	18,910	12,265
Sale of Promotional Materials	5,800	4,750
Early Release	23,478	40,000
Refinancing Charge	164,098	140,211
Legal Charge	-	99,400
Boosting Charge	195,600	156,695
	<u>6,897,672</u>	<u>7,416,842</u>
Commission Income		
M_pesa Commissions	100,079	120,690
Agency Commission	23,540	14,400
Equity Agency commission	-	4,285
	<u>123,619</u>	<u>139,375</u>

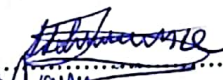


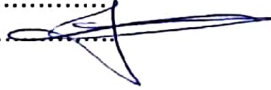
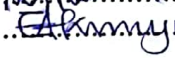
Signed:

Chairperson  CEO.....
Member  Finance Officer.....
Member 

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2025	2024
3(c) Financial Expenses		
Bank Charges	(110,583)	(223,079)
Loan Provisioning	5,122,714	5,000,000
Kussco Provisioning on Special Fixed Deposits	1,000,000	2,460,001
Tax Assessment	2,552,319	-
Total Financial Expenses	<u>8,564,450</u>	<u>7,236,922</u>
3(d) Marketing Expenses		
Marketing and Branding	265,487	606,143
Total Marketing Expenses	<u>265,487</u>	<u>606,143</u>
3(e) Depreciation And Amortisation		
Depreciation	565,993	703,576
Amortisation	642,764	803,455
Total depreciation & amortisation	<u>1,208,757</u>	<u>1,507,031</u>
3(f) Personnel Expenses		
Salaries & Wages (Net Pay)	3,841,677	3,952,510
House Allowances	2,867,758	2,903,655
Other Allowances	1,049,045	1,300,260
Staff Medical Cover/Insurance	1,032,837	941,305
Other Personnel Costs	1,161,479	866,146
Commuter Allowances	463,500	465,000
NSSF	631,974	22,744
PAYE	1,815,504	2,020,167
Employee Leave Allowances	242,512	307,836
Responsibility Allowances	90,000	72,000
Total Personnel Expenses	<u>13,196,287</u>	<u>12,851,623</u>
Total Administrative Expenses	<u>29,767,612</u>	<u>27,437,596</u>
4 Operating Expenses		
Rent and Rates	1,907,875	2,480,236
Repairs and Maintenance	127,276	104,530
Security Expenses	52,896	308,096
Staff Training & Seminars	198,225	143,839
Licences and Permits	187,374	1,244,412
Professional/legal Expense	404,865	207,999
Total Operating Expenses	<u>2,878,511</u>	<u>4,489,112</u>

Signed: CEO..... 
 Member... Finance Officer..... 
 Member... 

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)


	2025	2024
	<u>Kshs</u>	<u>Kshs</u>
5 Cash & Cash Equivalents		
CCK PDA Current A/c	277,320	258,023
Paybill A/c (375900)	2,882,663	2,572,070
Co-operative Current A/c	9,555,339	4,315,309
M-Pesa Float	340,351	340,351
Equity Agency A/c	283,293	282,853
Co-op Kwa Jirani Agency	247,990	247,990
KCB Agency	144,828	144,828
Petty Cash	80	19,836
	<u>13,731,863</u>	<u>8,181,260</u>

The carrying amounts of the Society's cash & cash equivalents are denominated in Kenya Shillings (Kshs).

6 Receivables & Prepayments		
PRD Receivables(Check-off) Employers	28,433,734	28,686,946
Accrued Income	4,208,461	2,832,965
Control account		2,523,705
Prepayments and Sundry Receivables/Installment Tax Prepaid	2,166,108	692,291
KUSSCO Special Deposits	<u>11,637,000</u>	<u>12,637,000</u>
	<u>46,445,303</u>	<u>47,372,907</u>

Receivables Aging Analysis

Receivables & Prepayments	Less than 1 Month	1 to 3 months	No. of Months		Amount (Ksh)
			3 months - 1 year	1-5 years	
PRD Receivables(Check-off) Employers	-	-	-	28,433,734	28,433,734
Accrued Income	-	-	4,208,461	-	4,208,461
Control account	-	-	-	-	-
Prepayments and Sundry Receivables/Installment Tax Prepaid	-	2,166,108	-	-	2,166,108
KUSSCO Special Deposits	-	-	-	11,637,000	11,637,000
TOTAL	-	<u>2,166,108</u>	<u>4,208,461</u>	<u>40,070,734</u>	<u>46,445,303</u>

Signed:  CEO.....
 Member.....  Finance Officer.....
 Member..... 

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2025 <u>Kshs</u>	2024 <u>Kshs</u>
7 Loans and Advances		
At the start of the year - As previously stated	459,618,086	397,592,496
Disbursements during the year	322,570,091	341,041,391
Repayments during the year	<u>(300,083,099)</u>	<u>(279,015,801)</u>
Total	<u>482,105,078</u>	<u>459,618,086</u>
Movement in allowance for loss on loan impairment		
Balance at the beginning of the year	12,892,330	12,532,093
Bad debts written off	-	-
Allowance for loss on loan impairment for the year	<u>5,122,714</u>	<u>5,000,000</u>
	<u>18,015,044</u>	<u>12,892,330</u>
Net Loans and Advances	<u>464,090,035</u>	<u>446,725,756</u>

Portfolio loans ageing report-2025

Classification	No. of			Amount (Ksh)
	A/C's	Amount (Ksh)	Rate (%)	
Performing	2636	391,071,229	1%	3,910,712
Watch	88	16,234,213	5%	811,711
Sub Standard	97	20,122,724	25%	5,030,681
Doubtful	19	2,976,592	50%	1,488,296
Loss	758	6,101,074	100%	6,101,074
	<u>3598</u>	<u>436,505,833</u>		<u>17,342,474</u>

Restructured 2025

Classification	No. of			Amount (Ksh)
	A/C's	Amount (Ksh)	Rate (%)	
Performing	39	43,694,681	1%	436,947
Watch	1	1,615,317	5%	80,766
Sub Standard	1	179,188	25%	44,797
Doubtful	0	-	50%	-
Loss	6	110,060	100%	110,060
	<u>47</u>	<u>45,599,246</u>		<u>672,570</u>
	3,645	482,105,078	-	18,015,043

Portfolio loans ageing report-2024

Classification	Amount (Ksh)	Rate (%)	Amount (Ksh)
Performing	332,288,976	1%	3,322,890
Watch	42,727,267	5%	2,136,363
Sub Standard	45,232,130	25%	11,308,033
Doubtful	1,452,498	50%	726,249
Loss	4,892,338	100%	4,892,338
	<u>426,593,210</u>		<u>22,385,872</u>

Restructured 2024

Classification	Amount (Ksh)	Rate (%)	Amount (Ksh)
Performing	30,677,729	1%	306,777
Watch	1,662,169	5%	83,108
Sub Standard	92,448	25%	23,112
Doubtful	187,586	50%	93,752
Loss	404,944	100%	404,944
	<u>33,024,877</u>		<u>911,694</u>
	459,618,086	0	23,297,567

8 A) Financial Assets

	2025	2024
Investment		
CIC Shares	773,737	773,737
Coop Holdings 1,479,408 shares@MPS Ksh 14	20,711,712	10,947,619
Kuscco Shares(MPS =0)	2,858,209	2,598,372
Co-operative Insurance 816,631 shares@MPS ksh3.5	<u>24,343,658</u>	<u>14,319,728</u>
Other Investments		
The Church Commissioners for Kenya Fixed Deposit A/c	32,531,056 ✓	41,525,576
The Church Commissioners for Kenya Investment	18,018,904 ✓	25,661,464
Kuscco special Fixed Dep	-	-
Madison Investment	43,417,583	11,735,025
CIC Money Market Inv.	8,274,445	12,841,079
Government Investment	-	-
Total Investments	<u>126,585,646</u>	<u>106,082,872</u>

8 B) PROVISION FOR KUSCCO SPECIAL FIXED DEPOSITS

	2025	2024
Opening bal brought forward	1,000,000	-
Provision for the year	<u>1,000,000</u>	<u>1,000,000</u>
Net Provision carried forward	<u>2,000,000</u>	<u>1,000,000</u>
Opening bal c/f Kuscco Special Fixed Deposits	12,637,000	13,637,000
Less Provision for the year	<u>1,000,000</u>	<u>(1,000,000)</u>
Net KUSCCO SPECIAL FIXED DEPOSITS	<u>11,637,000</u>	<u>12,637,000</u>

8 C) REVALUATION GAIN/LOSS

	2025	2024
CIC Shares b/f	773,737	773,737
Coop Holdings 1,479,408 shares@MPS Ksh 7.4 b/f	10,947,619	10,947,619
Kuscco Shares(MPS =0) b/f	-	-
Co-operative Insurance 816,631 shares@MPS ksh3.18 b/f	2,598,372	2,598,372
	<u>14,319,728</u>	<u>14,319,728</u>
Valuation Gain/(Loss)	<u>10,023,930</u>	<u>-</u>

Signed:  CEO 
 Chairperson  Finance Officer 
 Member 
 Member 

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 (a) Property, Plant and Equipment

	Computer & Accessories	Furniture & Fittings	Office Partitions	Total
	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>
<i>Rate</i>	25%	10.0%	12.5%	
Year ended 31st December 2025				
Cost				
As at 1 January 2025	3,413,303	1,240,164	1,794,702	6,448,169
Additions	<u>273,500</u>	<u>7,500</u>	<u>-</u>	<u>281,000</u>
As at 31 December 2025	<u>3,686,803</u>	<u>1,247,664</u>	<u>1,794,702</u>	<u>6,729,169</u>
Depreciation				
As at 1 January 2025	3,039,129	831,631	1,438,164	5,308,924
Charge for the year	<u>349,796</u>	<u>82,604</u>	<u>133,593</u>	<u>565,993</u>
As at 31 December 2025	<u>3,388,926</u>	<u>914,235</u>	<u>1,571,757</u>	<u>5,874,918</u>
Net Book Value 31.12.2025	<u>297,877</u>	<u>333,429</u>	<u>222,945</u>	<u>854,251</u>
Year ended 31st December 2024				
Cost				
As at 1 January 2024	<u>3,413,303</u>	<u>1,240,164</u>	<u>1,794,702</u>	<u>6,448,169</u>
As at 31 December 2024	<u>3,413,303</u>	<u>1,240,164</u>	<u>1,794,702</u>	<u>6,448,169</u>
Depreciation				
As at 1 January 2024	2,575,773	739,848	1,289,727	4,605,348
Charge for the year	<u>463,356</u>	<u>91,783</u>	<u>148,437</u>	<u>703,576</u>
As at 31 December 2024	<u>3,039,129</u>	<u>831,631</u>	<u>1,438,164</u>	<u>5,308,924</u>
Net Book Value 31 December 2024	<u>374,174</u>	<u>408,533</u>	<u>356,538</u>	<u>1,139,245</u>

Signed:

Chairperson.....CEO.....

Member.....Finance Officer.....

Member.....

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2025	2024
	<u>Kshs</u>	<u>Kshs</u>
10 Property & Equipment (continued)		
Rate	20%	20%
Intangible assets		
Cost		
At start of year	8,567,707	8,531,707
Additions	-	36,000
At end of the year	<u>8,567,707</u>	<u>8,567,707</u>
Amortisation		
At start of year	5,522,422	4,718,967
Charge for the year	642,764	803,455
At end of the year	<u>6,165,186</u>	<u>5,522,422</u>
Net book value	<u>2,402,521</u>	<u>3,045,285</u>
11 Trade & other Payables		
Overdeductions by Employer	7,586,027	8,609,274
Insurance Fund	2,435,556	2,435,556
Trade Creditors/Suppliers	38,506	69,006
CRB Fee Payable	351,558	255,957.95
Audit Fees	116,000	104,400
Junior account	77,666	85,766
Debt collector commission payable	6,523	6,523
Provision for Legal Fees	59,380	75,800
Personnel Liabilities(Staff Bonus unpaid)	176,850	309,002
Corporate tax payable	31,289	189
Members Deposits Account	-	26,673
Honoraria	-	350,000
	<u>10,879,354</u>	<u>12,328,147</u>
12 Members' Deposits		
At the start of the year	481,040,295	445,649,218
Deposits during the year	92,473,135	87,270,703
Refunds during the year	<u>(72,892,330)</u>	<u>(51,879,626)</u>
At end of year	<u>500,621,100</u>	<u>481,040,295</u>

Signed:

Chairperson..........CEO.....

Member..........Finance Officer.....

Member..........

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2025	2024
	<u>Ksh</u>	<u>Ksh</u>
13 Interest on Member Deposits		
Balance brought forward	21,309,303	18,560,919
Paid during the year	(27,909,076)	(25,157,248)
Provision for the year	29,247,311	27,905,632
Balance carried forward	<u>22,647,538</u>	<u>21,309,303</u>
14 Dividends on Member Shares		
Balance brought forward	4,482,740	4,401,154
Paid during the year	(5,133,895)	(4,938,799)
Provision for the year	8,322,153	5,020,385
Overpayment during the year	(651,154)	-
Balance carried forward	<u>7,019,845</u>	<u>4,482,740</u>
Interest on Deposits is charged at 6% (2024: 6%) and Dividends 13% (2024: 10%)		
15 Revenue Reserves		
At start of year	12,005,325	6,923,697
Surplus for the year	13,325,558	12,668,033
Transfer to statutory reserve	(3,331,390)	(2,533,607)
Proposed dividends	(8,322,153)	(5,020,385)
Proposed honoraria	(129,619)	(350,000)
Staff Bonus	(108,016)	-
At end of year	<u>13,439,706</u>	<u>11,687,738</u>
16 Share Capital		
At start of year	51,338,993	48,361,539
Contributions during the year	2,659,823	2,977,454
At end of year	<u>53,998,816</u>	<u>51,338,993</u>
17 Reserves		
Included in the members' balances are the following reserves which are as a result of statutory requirements:-		
17(a) Statutory Reserves		
The total transfer to statutory reserve for the year is 20% of net surplus for the year after tax.		
At start of year - as previously stated	16,097,503	13,563,897
20% transfer	4,347,815	2,533,607
	<u>20,445,319</u>	<u>16,097,503</u>
17(b) Dividends Account		
Proposed dividends	<u>8,322,153</u>	<u>5,020,385</u>
	<u>8,322,153</u>	<u>5,020,385</u>
17(c) Honoraria		
Balance brought forward	350,000	350,000
Paid during the year	(350,000)	(350,000)
Proposed honoraria to committee members	-	350,000
	<u>-</u>	<u>350,000</u>

Signed:

Chairperson.....*[Signature]*.....CEO.....*[Signature]*.....

Member.....*[Signature]*.....Finance Officer.....*[Signature]*.....

Member.....*[Signature]*.....

**DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

18 <u>Tax Computation</u>	2025	2024
	<u>Ksh</u>	<u>Ksh</u>
Interest Income from Investment		
Interest from The Church Commissioners for Kenya Fixed Deposits	2,845,167	4,932,870
Interest from The Church Commissioners for Kenya Investment	1,790,711	3,013,419
Dividends from Co-operative Bank shares	3,254,106	1,884,026
CIC Money Market Interest	2,433,366	987,439
Interest from Treasury Bills	2,682,558	1,493,636
Dividends on CIC shares	68,820	93,028
Interest from Call Deposits	-	32,055
Interest from The Church Commissioners for Kenya Current A/c	12,145	179,923
	<u>13,086,872</u>	<u>12,616,394</u>
 Operating Revenues (100%)		
Other income	6,897,672	7,416,842
Commission Income	123,619	139,375
	<u>7,021,291</u>	<u>7,556,217</u>
 Total Taxable Income		
	<u>7,021,291</u>	<u>7,556,217</u>
 Adjustments for Expenses		
Total expenses	32,326,154	30,419,677
Less: provision other assets	(8,675,033)	(7,460,001)
Less: depreciation & amortization	(1,208,757)	(1,507,031)
Add: wear and tear allowance	-	-
	<u>22,442,364</u>	<u>21,452,645</u>
 Expenses Attributed to the Revenues		
	2,667,220	3,536,873
 Taxable Revenues		
	4,354,071	4,019,344
 Tax Payable @ 30%		
	1,306,221	1,205,803
 Tax payable B/F		
	1,236,945	697,986
Tax charge for the year		
	1,306,221	1,205,803
Less: tax paid during the year		
	(1,205,804)	(666,845)
Less: Installment tax paid in advance		
	(1,326,388)	-
Tax Payable C/F	<u>10,974</u>	<u>1,236,945</u>

Signed:

Chairperson.....CEO.....

Member.....Finance Officer.....

Member.....

DHAMINI SACCO SOCIETY LIMITED					
PROPOSED BUDGET REVISION FOR YEAR 2026 AND PROPOSED BUDGET FOR YEAR 2027					
	B				
	APPROVED	ACTUALS	APPROVED	REVISED	PROPOSED
	BUDGET 2025	ACTUALS 2025	BUDGET 2026	BUDGET 2026	BUDGET 2027
	KES.	KES.			
INCOME					
Interest on members loans	63,178,962.75	58,453,193.07	69,496,859.03	65,438,376.94	71,982,214.63
Interest From Investment	16,618,296.54	13,086,872.41	18,280,126.20	14,395,559.65	15,835,115.62
Incomes on insurance ,penalties,admin	8,077,156.11	6,550,416.15	8,884,871.72	11,880,000.00	13,068,000.00
Registration Income	750,000.00	197,992.00	825,000.00	825,000.00	907,500.00
Commission from CIC, Mpesa,Agency	278,750.20	123,619.49	306,625.22	306,625.22	337,287.74
TOTAL INCOME	89,923,165.61	78,684,976.12	98,915,482.17	92,845,561.81	102,130,117.99
EXPENDITURE					
FINANCIAL EXPENSES					
Bank Charges	620,500.00		682,550.00	682,550.00	620,500.00
Provision for Bad Debts	7,500,000.00	7,675,033.00	8,250,000.00	8,250,000.00	8,250,000.00
Sub-Total	8,120,500.00	7,675,033.00	8,932,550.00	8,932,550.00	8,870,500.00
STAFF EXPENSES					
Salaries & Wages	13,101,349.61	12,702,238.65	14,411,484.57	14,411,484.57	15,852,633.03
Medical for Staff	1,035,435.50	1,032,836.94	1,138,979.05	1,138,979.05	1,136,120.63
Staff Training	951,500.00	198,225.00	1,046,650.00	1,046,650.00	1,046,650.00
Sub-Total	15,088,285.11	13,933,300.59	16,597,113.62	16,597,113.62	18,035,403.67
GENERAL ADMINISTRATION					
Audit & Supervision Fees (External)	350,000.00	316,792.00	385,000.00	385,000.00	385,000.00
Depreciation & Amortisation	1,804,308.00	1,208,757.25	1,984,738.80	1,984,738.80	1,984,738.80
Printing & Stationery	676,878.00	305,130.00	744,565.80	744,565.80	457,695.00
Telephone, Postage, Email and Internet	1,106,558.00	729,525.16	1,217,213.80	1,217,213.80	1,530,960.00
Marketing, Advertising & Publicity	1,052,000.00	265,487.00	1,157,200.00	1,157,200.00	1,711,400.00
Office Insurance	176,063.12	142,111.00	193,669.43	193,669.43	213,166.50
General office expenses	355,861.00	525,992.24	391,447.10	391,447.10	578,591.46
Professional Services	220,000.00	404,864.60	242,000.00	400,000.00	450,000.00
Legal fees	330,000.00	-	363,000.00	363,000.00	363,000.00
Security		52,896.00	-	-	-
Office Repairs & Maintenance	392,173.00	136,576.25	431,390.30	431,390.30	273,152.50
SP Evaluation & Monitoring	500,000.00	462,466.00	550,000.00	550,000.00	550,000.00
Subscriptions and publications	57,912.00	83,086.00	63,703.20	63,703.20	166,172.00
Staff Travelling and subsistence	424,923.40	404,145.00	467,415.74	467,415.74	484,974.00
Rent and service charges	2,308,532.00	1,907,874.94	2,539,385.20	2,539,385.20	2,539,385.20
External Back-up services	301,600.00	-	331,760.00	331,760.00	331,760.00
System Audit/Pen test services	191,400.00	-	210,540.00	210,540.00	301,600.00
Software licences and Maintenance	1,512,640.00	667,673.93	1,663,904.00	1,663,904.00	2,333,664.80
Sub-Total	11,760,848.52	7,613,377.37	12,936,933.37	13,094,933.37	14,655,260.26
Regulatory and Licencing Expenses					
SASSRA Authorisation fee	30,000.00	30,000.00	33,000.00	33,000.00	30,000.00
SASSRA Annual levy (0.13% on deposits)	628,017.00	-	690,818.70	690,818.70	759,900.57
County Council licences	112,000.00	112,000.00	123,200.00	123,200.00	112,000.00
Sub-Total	770,017.00	142,000.00	847,018.70	847,018.70	901,900.57
MEMBERS EXPENSES					
Training and Development	567,146.80	311,217.00	623,861.48	623,861.48	567,146.80
Annual General Meeting	654,587.20	404,537.00	720,045.92	720,045.92	485,444.40
Sub-Total	1,221,734.00	715,754.00	1,343,907.40	1,343,907.40	1,052,591.20
BOARD MEETING EXPENSES					
Statutory Committee Expenses	2,047,176.15	1,425,433.40	2,251,893.77	2,251,893.77	1,710,520.08
Training and Development	489,064.00	622,265.00	537,970.40	537,970.40	746,718.00
Vetting Expenses	137,500.00	175,992.50	151,250.00	151,250.00	263,988.75
Sub-Total	2,673,740.15	2,223,690.90	2,941,114.17	2,941,114.17	2,721,226.83
TOTAL EXPENSES	39,635,124.78	32,303,155.86	43,598,637.26	43,756,637.26	46,236,882.53
Surplus/(Deficit) before tax	50,288,040.82	46,381,820.26	55,316,844.90	49,088,924.55	55,893,235.46
	89,923,165.61	78,684,976.12	98,915,482.17	92,845,561.81	102,130,117.99
APPROPRIATION					
Surplus/(Deficit) before tax	50,288,040.82	46,381,820.26	55,316,844.90	49,088,924.55	55,893,235.46
30%Tax	1,360,639.23	1,205,804.00	1,768,831.00	1,768,831.00	1,326,384.40
Net After Tax	48,927,401.59	15,176,016.26	53,548,013.91	53,548,013.91	54,566,851.06
Interest on deposits	34,746,489.00	29,247,311.47	38,221,137.90	38,221,137.90	32,172,042.62
Provision for Dividends	5,610,505.00	5,399,881.65	6,732,606.00	6,732,606.00	7,405,866.60
Statutory Reserve	2,947,560.00	3,114,665.90	3,537,072.00	3,537,072.00	3,890,779.20
Staff Bonus	538,789.00	538,789.00	592,667.90	592,667.90	592,667.90
Honoraria	385,000.00	350,000.00	462,000.00	462,000.00	462,000.00
Net Surplus	4,699,058.59		4,002,530.11	4,002,530.11	10,043,494.74

CAPITAL EXPENDITURE							
Partitions and furniture	410,000.00	410,000.00					
Computer Hardware & Accessories	<u>3,222,400.00</u>	<u>3,222,400.00</u>					
	3,632,400.00	3,632,400.00					
Capital Reserve	<u>3,632,400.00</u>	<u>3,632,400.00</u>					

Approved on.....AGM

The Chairman.....Date.....

Treasurer.....Date.....

CEO.....Date.....



DHAMINI SACCO SOCIETY

ACK Parking Silo, Bishops Road, Opp. NSSF
P. O. Box 44749 - 00100, Nairobi Kenya
Cell: 0777 497 564, 0714 373 862
Email: dhamini sacco@gmail.com
Website: www.dhamini.com

DHAMINI SACCO 36th ANNUAL GENERAL MEETING HELD AT ACK PARKING SILO ON SATURDAY, 05TH APRIL, 2025

Members present Registered 240 physical

441 Virtual

Minute: 1/AGM 05/04/2025 OPENING Prayer and devotion.

The meeting was called to order at 11:20 a.m. by Daniel Omondi (board member) acting on behalf of the chairman who was to join the meeting later.

Rev. Dishon Gathome opened the meeting with prayers. He also encouraged the members from the word of God referring to Proverbs 21:5 and Jeremiah 29:11.

These reflected on 3 pillars that the Sacco is built on namely: Stewardship, unity and growth.

- Stewardship- All the coins are resources that have been entrusted to us and we are called to be good stewards (Luke 16:10). Trust and accountability is expected from us in relation to finances. We need to be faithful in contributions and also honour our responsibility as members of the Sacco.
- Unity- This is our strength together and success in relationship with each other. We should embrace unity of purpose and mutual respect coupled with understanding in leadership and members. (Psalms 133).
- Growth- When we invest, we expect growth and increase (Jeremiah 29:11). Growth means education and investing in young people so that they can take up leadership positions. This is actually a dream for a bigger and better Dhamini in the future. We are caretakers of the vision which is greater than us for transformation.

MINUTE. 2/AGM 05/04/2025 INTRODUCTION OF THE BOARD & OTHER OFFICERS

- | | | |
|---------------------|---|-----------|
| 1. Francis Mueke | - | Chairman |
| 2. Idah Omolo | - | Secretary |
| 3. Jackson Kirikiru | - | Treasurer |
| 4. Daniel Omondi | - | Member |
| 5. Jeff Omondi | - | Member |

6. Gregory Waikwa - Member- online
7. Emily Kago - CEO
8. All staff - Dhamin Sacco

SUPERVISORY COMMITTEE

1. Rev Dishon Gathome - Chairperson
2. Simon Oruka - Secretary
3. Elizabeth Taama - Member

ABSENT WITH APOLOGIES

1. Samuel Omondi - Board member
2. Rev Dr S J Oriedo - Board member
3. Jeremiah Kuria - Board member

INATTENDANCE

MINISTRY OF CO-OPERATIVE OFFICER.

- Gladys Ndegwa

AUDITORS

Henry & Smith certified Auditor

- Daniel Ndambuki-CPA
- Michael Kisyula-CPA
- P M Njathi - CPA

Some of the pioneers and old members of the Sacco were also recognized, these were Eric Mbeya M- 0069, Rev Victor Orodio- M-00450 and senior counsel Evans Gaturu- 03160. The acting chairman Jackson Kirikiru thanked them for taking and sparing their time to come and grace the occasion.

MINUTE. 3/AGM /05/04/2025.

The Notice of the meeting was read by the Hon Secretary Idah Omollo.

- Adoption - Proposed by David Manali – M_06289
- Seconded by David Otieno- M_03663

Agenda for the day was as follows:

1. Opening prayers and Welcome remarks
2. To read the notice of AGM and adoption of agenda paper
3. Chairman's report
4. Supervisory committee report
5. 2024 audited financial accounts.
6. To consider and approve budget proposals.
7. Appointment of auditors for 2025

8. To read and confirm minutes of the last AGM held on 16th March 2024
9. Matters arising from the last AGM Meeting.
10. Resolutions proposed by the board.
11. Remarks by the director of Co-operatives – Nairobi County
12. Elections of retiring directors and supervisory committee
13. Receive any other business.
14. Vote of thanks and closing prayers

MINUTE. 4/AGM/05/04/2025 CHAIRMAN’S REPORT.

DHAMINI REGULATED NON-WDT SACCO SOCIETY LTD

CHAIRMAN’S REPORT DURING THE 36TH ANNUAL GENERAL MEETING HELD ON 5TH APRIL 2025 AT ACK PARKING SILO.

Our Esteemed Members, Board of Directors, Management, and distinguished Guests,

I am pleased to present the Chairman’s Report for the year 2024, outlining our SACCO’s performance, progress, challenges and growth plans. This report reflects the collective effort, resilience, and commitment of our members, management, and staff in advancing the SACCO’s mission *‘to provide efficient and competitive financial services to our members while maintaining other stakeholders interest.’*

1. Overview of the Year

In the year 2024, our SACCO continued to build on its core mandate of empowering members through savings, credit facilities, and other financial services. Despite various challenges witnessed, including high cost of living that our members faced making it challenging to service their loans as well as monthly contributions. We experienced challenges with our umbrella union KUSCCO whom as you know underwent management challenges leading to loss of Saccos funds. The political climate was not spared and the government faced stiff rebellion from the Gen Zs who were against the punitive 2024 finance bill. Despite all these we made significant strides in achieving our goals. The year under review, saw an increase in member participation, growth in assets, and the reintroduction of the holiday loan product aimed at enhancing the value we offer to you our members.

2. Financial Performance

Our financial performance for the year has shown positive growth across key indicators:

	Kshs	Kshs	Change (Kshs.)	%
Total Assets	612,547,324.55	573,445,325.99	39,101,998.56	6.82
Members' Deposits	481,040,294.80	445,649,218.05	35,391,076.75	7.94
Loans and Advances to Members	446,725,756.40	385,060,403.29	61,665,353.11	16.01
Investments	106,082,872.16	140,359,157.40	- 34,276,285.24	-24.42
Total Revenue	73,737,318.75	61,458,041.84	12,279,276.91	19.98
Total Interest Income	53,564,707.64	40,411,226.94	13,153,480.70	32.55
Total Expenses	31,926,708.69	25,758,331.60	6,168,377.09	23.95
Core Capital	65,340,897.13	53,605,794.27	11,735,102.86	21.89
Share Capital	51,338,993.07	48,361,539.40	2,977,453.67	6.16
Institutional Capital	40,810,902.06	33,513,253.87	7,297,648.19	21.78
Statutory reserve	16,097,503.68	13,563,896.73	2,533,606.95	18.68
Interest on members' deposit	27,905,631.91	25,790,432.13	2,115,199.78	8.20

The SACCO's financial performance reflects prudent management, good governance practices, and a focus on sustainable growth.

3. Achievements

In the course of the year, we achieved several milestones:

- ◆ **Re-introduction of Products:** During the year, the mobile loan was activated and many have members patronized it. The Holiday loan was also reintroduced and the uptake has been impressive.
- ◆ **Enhanced Technology** - The new system is now stable, and the mobile loan has tremendously picked. In the coming days we will limit loans below Kshs. 50,000/- to be applied and disbursed through mobile App.
- ◆ **Member Education** - The marketer interacted with 2,972 members in addition to our annual members' education day which was hybrid i.e. physical and online reaching over 3,500 members.
- ◆ **Governance strengthening** - During the year the board engaged services of an internal auditor in line with Sacco Society Regulatory Authority requirement. This has greatly increased the level of financial surveillance and strengthening the internal controls of the Sacco.

4. Challenges

Despite our successes, we faced some challenges during the year:

i. Loan defaults

Loan default occurs when a borrower fails to meet the payment obligations outlined in a loan agreement, such as missing one or more payments or stopping payments altogether. High default rates reduce the SACCO's cash flow, increase recovery costs, and limit the funds available for lending to other members, potentially resulting in lower dividends. SACCOs may face operational difficulties due to loan defaults, including challenges in meeting financial

obligations and sustaining growth, which can affect member services and benefits.

As you may have noted from the society's information, our portfolio at risk PAR which is a measure of SACCO's loan portfolio that is at risk due to overdue payments was 11.4% which is twice the regulator requirement of $\leq 5\%$. A high PAR substantially affects our performance and returns to members.

<u>Portfolio loans ageing report-2024</u>				
Classification	NO.OF	Amount (Ksh)	Rate (%)	Amount (Ksh)
Performing	2984	332,288,976	1%	3,322,890
Watch	291	42,727,267	5%	2,136,363
Sub Standard	277	45,232,130	25%	11,308,033
Doubtful	41	1,452,498	50%	726,249
Loss	<u>992</u>	<u>4,892,338</u>	100%	<u>4,892,338</u>
	<u>4585</u>	<u>426,593,210</u>		<u>22,385,872</u>
Restructured 2024				
Classification	NO.OF	Amount (Ksh)	Rate (%)	Amount (Ksh)
Performing	28	30,677,729	1%	306,777
Watch	1	1,662,169	5%	83,108
Sub Standard	2	92,448	25%	23,112
Doubtful	3	187,586	50%	93,752
Loss	<u>5</u>	<u>404,944</u>	100%	<u>404,944</u>
	<u>39</u>	<u>33,024,877</u>		<u>911,694</u>
	4,624	459,618,086	-	23,297,567

ii. Kuscco challenges

The Sacco had invested

Kshs. 13,637,00 in KUSCCO's special deposit and Kshs. 1,460,001 deposits which is now at risk of loss following the mismanagement issues at our umbrella body as you all are aware. This has made us provide Kshs. 2,460,001 in our books besides the unrecognized interest receivable. This therefore translates to diminished performance and constrained interest. We are however hopeful that these funds will be refunded as the government is working on a turnaround of KUSCCO and once revived the funds will be treated as income in our books.

iii. KRA tax reclassification

Our Sacco passed a resolution to have members from corporate entities e.g. chamas, groups, housing operative, churches and organized groups. This meant that our Sacco is now classified as a secondary Sacco for tax purposes and liable for corporate tax at 30%. Additionally, all incomes other than interest on members loans now attracts excise duty payable to KRA at 10%. This has also reduced our earnings as you will note that the tax expense is larger as compared to previous years.

We are working closely with members and the bodies to overcome these challenges especially the defaults and taxation to ensure that we continue serving members effectively.

5. Growth and Future Plans

Looking forward, we are committed to building on our achievements and addressing the challenges faced in the past year. Some of the key focus areas for the coming year include:

- **Increasing Membership** - Sacco strength lies with numbers and accumulated deposits, this year we are committed to recruiting over 600 members. We call upon members to be good ambassadors of our Sacco and in-turn help in recruitment.
- **Enhancing Product Offerings** - We are committed to inventions that resonate to the evolving needs of our members. We will be launching different products in the course of the year and re-engineering the existing to meet the diverse needs of our members.
- **Improving Financial Stability** - We will continue to strengthen our financial base by implementing better risk management strategies and improving loan recovery processes. We have developed all the necessary policies and others have been reviewed t
- **Member Support and Education** - We will focus on increasing the frequency of financial literacy programs and other member support services. We will be having a monthly engagement of all new and other interested members in our office.
- **Strengthening Governance and Leadership** - we will ensure the SACCO is managed by a strong, capable leadership team with clear policies, accountability, and oversight. Through regular training for board members and management on financial planning, risk management, and regulatory compliance the team will be equipped for decision-making and governance.
- **Managing Operational Costs** - we will on regular basis review our operational costs expenses and identify areas where cost-saving measures can be implemented without compromising service delivery. We also optimize the use of technology in disbursement of loans.

6. Auditors for year 2025 - 2027

The board appreciates the great work our outgoing auditors have done over the last three years. As a regulatory requirement, Sacco are required to change auditors after three years. Henry Smith & Wilson CPA(K) have finished their term, and we appreciate them for great insights, advice and professionalism they have offered.

The position of external auditor was advertised and the process underwent due process. Three audit firms were selected after being interviewed and in due time members will participate in appointing one to become our auditor for the next three years. The three are;

- i. MBUTHIA KARITE & ASSOCIATES
- ii. NG'ANG'A PIUS & PARTNERS

iii. TAX MART KENYA

The three firms have extensive experience in auditing Saccos and are approved by the regulatory body SASRA. The board recommends **Mbuthia Karite & Associates** based on their charges

7. Retiring Board Members and Election

The retiring members of the board and supervisory;

- ❖ Mr. Samuel Omondi
- ❖ Mr. Jeremiah Kuria
- ❖ Mrs. Idah Omolo
- ❖ Mrs. Elizabeth Taama

The vetting and election committee completed the work of processing and interviewing members who had applied for the vacant board and supervisory positions. The report will be brought by the Committee Chairman and conduct the election as required by the law.

8. Proposed Resolutions

1. Distribute interest on Deposits at a rate of 6% Ksh 27,905,632
2. Distribute dividends on Share capital at the rate of 10% Ksh 5,020,385
3. Approve 2026 budget.
4. Approve 2025 supplementary budget.
5. Appointment of auditors for the year 2025.
6. Retain the Borrowing powers at Ksh.10 Million.
7. Increase loan ceiling from 15 Million to 25 Million
8. Pay honoraria of Kshs. 350,000/= to the Board and Supervisory.

9. Appreciation and Conclusion

I would like to take this opportunity to thank all our members for their unwavering support and commitment to the SACCO. Your active participation and loyalty have been instrumental in our growth and success.

I also extend my gratitude to the management team and staff for their dedication, hard work, and professionalism. Together, we will continue to achieve our mission and ensure the long-term sustainability of our SACCO.

As I conclude, I am filled with optimism for what lies ahead for our beloved SACCO. Together, we will build a stronger, sustainable, and more prosperous future.

Thank you and God bless you.



Francis Mueke
Chairman, Dhamini Sacco

The report was adopted as follows - Proposed by Erick Mbeya- 00069
-Seconded by Duncan Mutai- 06068

MINUTE. 5/AGM/05/04/2025 SUPERVISORY COMMITTEE REPORT.

The report was adopted as follows - Proposed by Anjela Macharia- 01723
-Seconded by Patrick Imbasu -05402

DHAMINI REGULATED NON WDT SACCO SOCIETY LIMITED

SUPERVISORY COMMITTEE

Annual Report (1st January 2024 to 31st December 2024)

For Presentation at Dhamini SACCO's Annual General Meeting on 5th April 2025 at ACK Parking Silo, Nairobi

Supervisory Committee Members

**Rev. Dishon Gathome
Oruka**

**Chairperson Simon
Secretary**

Elizabeth Taama

Member

1 Introduction

To the honorable members, the Board of directors, Management Team, distinguished guests, ladies and gentlemen, with the grace of God Almighty, I salute you all.

The year 2024 financial year had its fair share of up and downs that directly impacted on the operations and day-to-day running of Dhamini Sacco. However, as your trusted watchdog, the SC team faithfully carried out its mandate as outlined in the prevailing Sacco's by laws and the related governing legislations in force during the year under review and duly compiled quarterly reports that were presented to the board and commissioner of Cooperatives and SASRA as is required of us.

On behalf of the SC team, allow me to briefly share with you some highlights on our general observations and findings with regard to the overall running of the Sacco in Year 2024.

2 Key Highlights of 2024

2.1 Internal Controls – Onboarding of the Internal Auditor

The year saw the onboarding of Internal auditors. The SC noted that the Internal Audit relayed a rigorous plan for the year that covered the entire business i.e. Governance, Credit Management, Customer Services, HR, ICT, Marketing, Finance and Administration, Business external environment among others.

The internal audit quarterly reports were prepared professionally and in a timely manner. The reports had recommendations and highlighted areas of improvement that have been to reasonable extent adopted in the Sacco operations.

Revision, update, and full implementation of Sacco policies came out as a sticking point. We note that the Board has put out a plan to fast track the process. Improved policies will go a long way in enhancing Sacco operations, performance, regulatory compliance and stability.

We report that the Internal auditors performed their roles and responsibilities to our satisfaction.

2.2 General Performance Parameters

The three main performance highlights for the Year 2024 as compared with Year 2023 are summarized below:

		<u>2024</u>	<u>2023</u>	<u>Percentage Change</u>
<u>Financial Performance</u>	Net surplus before tax	13,490,993	9,909,278	+36.1%
	Net surplus after tax	12,831,685	9,242,434	+38.8%
	Investment income	9,602,976	16,057,861	- 40.2%
	Interest on loans	53,564,708	40,411,227	+32.5%
	Net interest income	25,659,071	14,620,795	+75.5%
	Total income/Turnover	42,818,263	35,667,610	+20.0%
	Active	4,999	2,457	+103%

Membership	Dormant	1,679	3,959	- 58%
	Total	6,678	6,416	+4.1%
Loan book	Loans & Advances	448,725,756.00	385,060,403.00	+16.5%
	Loans disbursed during year	335,145,263.40	279,990,029.60	+19.7%
	Loan repayment during year	322,542,758.37	256,968,095.60	+25.5%
	PAR	11.37%	15.93%	- 28.64%

- The report shows a positive growth in all the three areas except for a decline in the investment income caused by the potential loss of our investment funds held at KUSCCO.

2.3 Financial Position/Performance of Sacco in the last three years

Below is a table summarizing key parameters used to track the financial performance of the SACCO from 2022 to 2024:

		(KSHS)	(KSHS)	(KSHS)	% Change	% Change
1	ITEM	2024	2023	2022	2024/2023	2023/2022
1.1	Members Deposits	481,040,295.00	445,649,218.00	420,221,970.00	8%	6%
1.2	Share Capital	51,337,993.00	48,361,539.00	44,881,902.00	6%	8%
1.3	Loans and advances	448,725,756.00	385,060,403.00	325,344,397.00	16%	18%
1.4	Net Interest income	25,659,071.00	14,620,795.00	10,249,835.00	75%	43%
1.5	Investment income	9,602,976.00	16,057,861.00	16,202,173.00	-40%	-1%
1.6	Total Income/Turnover	42,818,263.00	35,667,610.00	32,856,993.00	20%	9%
1.7	Total Expenses	(29,327,270.00)	(25,758,332.00)	(23,252,277.00)	14%	11%
1.8	Net surplus after tax	12,831,685.00	9,242,434.00	8,802,423.00	39%	5%
1.9	Financial Investments	118,997,082.00	140,359,157.00	169,006,531.00	-15%	-17%

- There has been a stable growth in all areas of the Sacco except for the Investment income that was occasioned by the collapse of KUSSCO as you are all aware. It is recommended that the Board continuously review the Sacco Investments to determine risks and mitigation measures put in place to reduce future losses.

2.4 SACCO Performance against *Strategic Plan 2023-2027*

A review of membership, loan uptake, member deposits and investments are as follows: -

a) Membership

Growth of membership was relatively low at 4% as compared to the strategic target of 15% annually i.e. 75 new members per month.

The Sacco needs to put more effort in marketing to enhance growth in membership and also implement retention strategies to avoid losing members.

b) Loan uptake

Loans disbursed during the year stood at Ksh.335,145,263.40 against a strategic target of Ksh.207M per year in loan disbursements. The target was exceeded by 60%, a significant achievement.

The turnaround time for loan disbursements was set at 2 weeks for asset finance loans and at 2-3 days for all other loan products. The SACCO managed to achieve a better TAT of up to 5 days for Vehicle asset finance loans, 3 weeks for Land asset finance and 3 days for guarantor loans, which is commendable.

c) Deposits

The SACCO target for deposit growth is 10% annually. The deposits grew by 8% in 2024/2023 and 6% in 2023/2022 below the set target.

d) Investment Portfolio

The goal is to invest in a portfolio of financial assets with returns above 10%. The Average rate of return for investments in 2024 was 10.24%.

It is important to note that in 2025 this rate may decline due to the base lending rates that have significantly declined, hence affecting returns. The SC recommends that the Board to produce a robust strategy to ensure that optimum returns are achieved despite the projected difficult investment environment.

In summary, the Strategic plan needs to be reviewed by the Board and Management to ensure that it aligns to the current market and Dhamini Sacco performance realities.

2.5 Loans disbursements, Recovery and PAR

		Amount (KSHS)	Amount (KSHS)	% Change
1	ITEM	2024	2023	
1.1	Loans and advances	448,725,756.00	385,060,403.00	+16.5%
1.2	Loan disbursements during year	335,145,263.40	279,990,029.60	+19.7%
1.3	Loan repayments during year	322,542,758.37	256,968,095.60	+25.5%
1.4	Portfolio at Risk (PAR)	11.37%	15.93%	- 28.64%

There was a 20% increase in loan disbursements in 2024.

The Portfolio at Risk has reduced significantly as shown in the table above. The target is 5% and members are encouraged to repay loans promptly to minimize delinquencies.

The SC recommends that the Board and Management to ensure timely enforcement of recovery mechanisms to mitigate loan delinquencies.

2.6 SACCO Governance, Risk and Compliance

Good governance of any organization is essential to the achievement of its goals and objectives.

We recommend that the Board continue emphasizing the following:

Regulations and compliance – The Sacco management and Board need to review all regulatory requirements and ensure compliance to the same to avoid potential risks that could affect the capacity of the SACCO to be a going concern. Compliance with SASRA, KRA, UFAA, AML regulations and policies should be reviewed and any gaps closed.

Training and Development – Skills and knowledge improvement cannot be overemphasized in today's fast-changing business environment. The SC recommends that training schedules be developed annually to mainstream training and development as a key activity within the Sacco both for staff and the Board.

Member participation in Elections – Members should be encouraged to get involved in the election processes when vacancies arise to have a chance to contribute positively to the growth of the SACCO.

3.0 CONCLUSION

The SACCO indicators of performance are positive. The Year 2024 saw a marked improvement in loan repayments, loan book growth, deposits growth that should translate to better returns to the members.

Meanwhile, the SC recommends reinforcement of areas that require improvement and particularly the continuous monitoring and implementation of the recommendations that are regularly provided by the Internal auditor, the supervisory committee and including the external auditors for a more vibrant and stable Sacco that will be of benefit to members today and into the future.

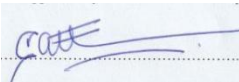


We conclude by noting that, despite the above-mentioned areas of improvement amongst others that we periodically raise with the board, our reviews revealed that the board generally carried out its mandate diligently within the confines of existing control frameworks, with reasonable fidelity to both internal and external regulatory measures in place, thereby mitigating any deliberate fraud or error.

We are therefore confident that the financial accounts and accompanying reports presented before you at this 2025 AGM reflect Dhamini Sacco achievements in 2024.

Lastly, we conclude by urging members to keep rallying our support to Dhamini Saccos Board and staff as they diligently continue stewarding the Sacco with devotion and dedication for even greater success.

Thank you all, God bless you, God bless Dhamini Sacco.

Report compiled by Dhamini SACCO Supervisory Committee comprising:

Rev. Dishon Gathome		Chairman
Simon Oruka		Secretary
Elizabeth Taama		Member

MINUTE.6/AGM/05/04/2025 -SUMMARY OF THE 2024AUDITED ACCOUNTS.

The Sacco Treasurer Mr. Jackson took time to thank and appreciate the external auditors for the great work they have done in auditing the books of the Sacco for the past 3 years. He then introduced the team to the members.

The Audited accounts were presented by CPA Michael Kisyula and the key highlights were as:

- The comprehensive income statement of the Sacco showed that the Society is on an upward trajectory in spite of the tough economic environment that is prevailing in the country.
- The Sacco's financial position is solid and this is quite impressive for any financial institution.
- The statistical information however showed the members have no appetite for loans. The audit report advises members to leverage on tax exemption on loans interest as opposed to being taxed when funds are taken to other investment channels.
- Proper books of accounts have been kept by the Sacco and there is nothing worrying that came to attention of the auditors during their course of audit.

The report was adopted as follows - Proposed by John Wanyonyi - 02779
-Seconded by Solomon Mwangi -01793

Members reactions to reports presented was as below.

1. M 00450 – Victor Orodi complimented Rev. Dishon on behalf of the supervisory committee and the auditors for a well summarised report. He however wanted to know the following:
 - a) *How can the Sacco empower and equip members with financial security knowledge at old age?.*
 - b) *Where was SASRA on the areas of compliance and legislation check with KUSSCO?*
 - c) *Was the investment at KUSCCO insured to mitigate loss?.*

2. M_02084 – Rosalia Nduta noticed that the administration expenses dropped by a significant figure and she wanted to know what was done differently?

3. M-02251- Hannington Ojura- questioned and wanted clarifications the following:

- a) *Why did the Sacco fail to issue writing materials to the members in an AGM function?*
- b) *How has the KUSSCO investment crisis affected the members savings?.*
- c) *Why has the Sacco increased expenditure to 6 million as compared to the previous years?.*
- d) *Why has the Sacco been constantly paying dividends at 6% for the last 3 years?*
- e) *Can the present auditors term be extended beyond 3 years because of their exemplary performance?*
- f) *What action is being taken by the ministry of cooperatives in regards to defaulters?*

4.M-06390 – Shadrack Umulepu was concerned about the following:

- a) *Low dividends rates at 6% for 3 consecutive years.*
- b) *Members want to see value for the money they have invested in the Sacco*
- c) *Board to increase the repayment period for mobile loans and come up with ways of loans security instead of relying on guarantors*
- d) *Give free gifts like umbrellars to members who attend AGM*

5.M-06380 – Gedaliah Samson – sought clarification on audited account page 26 administration expenses and the saccos website was not functional and the mobile app was not compatible with some phone handset devices.

6.M-06285- Grace Chege challenged the board to raise the loan ceiling to KES 25 million.

7.M_06289- David Manali was concerned on the following:

- a) *Marketing budget of KES 600,000/= was too low for serious marketing advancements to be realized having in mind that marketing is the bedrock for any organization.*
- b) *Why has the Sacco not invested in technology in the current era to avoid delays in loan disbursements*
- c) *The Sacco to send the financial reports one week in advance to the members for interrogations.*
- d) *Why are loans issued under collaterals were expensive in regards to valuation and legal fees services.*
- e) *The Sacco has not been felt in the ACK fraternity as expected.*

8. M-1723 Angela Macharia- asked the auditors on what needs to be done to bring the PAR down and where is the biggest magnitude in default is it in Private, ACK and ACK affiliates or the Corporate members.

9.M-3480- John Wabunyi- asked the board whether there are plans to introduce Last expenses covers for members of the society together with their next of kins.

10.M 6585- Francis Muigai- wanted to know whether the Sacco has any form of incentive for members who bring and recruit in new members.

Board responses to the members reactions to the 3 reports presented was as below:

- Loan ceiling to KES 25million is part of the board resolution presented to the members.
- Extension of the auditor’s term is guided by the law however HW Simth can do an official letter request to be considered. The chairman in regards to this commended the outgoing auditors for the great job they have done in aligning the Sacco books of accounts and offering much professional insight to the board and management.
- Last respect to members is in place and members to seek more information from the office.
- Apart from guarantors the board and management now considers other collaterals for loan security.
- Services such as legal and valuation have are being streamlined under friendly and affordable terms for members loan uptakes. More service providers will be added in the panel in 2025.
- Websites and other application challenges is work in progress currently.
- Mobile loan extension period is just underway after review.
- The management apologised to the members for note providing the writing materials.
- PAR improvement involves members education and loan restructuring is encouraged.

MINUTE. 7/AGM/05/04/2025- 2025 /2026-BUDGET APPROVAL.

- ✓ The 2025- 2026 budget was presented by the accountant.
- ✓ The accounts were proposed by Simon Muluka-00621 and seconded by Francisca Mutheu-Mno 01993.

DHAMINI SACCO SOCIETY LIMITED			
PROPOSED BUDGET REVISION FOR YEAR 2025 AND PROPOSED BUDGET FOR YEAR 2026			
	A	B	C
	APPROVED	REVISED	PROPOSED
	BUDGET 2025	BUDGET 2025	BUDGET 2026
INCOME	KES.	KES.	
Interest on members loans	56,630,653.00	63,178,962.75	69,496,859.03
Interest From Investment	18,639,194.00	16,618,296.54	18,280,126.20
Incomes on Loans Issued	7,004,968.00	8,077,156.11	8,884,871.72

Registration Income	501,600.00	750,000.00	825,000.00
Commission from CIC, Mpesa, Agency	406,403.00	278,750.20	306,625.22
Sale of Promotion Materials	119,790.00	60,000.00	66,000.00
Printing/Ecitizen/Photocopy	1,245,042.00	960,000.00	1,056,000.00
TOTAL INCOME	84,547,650.00	89,923,165.61	98,915,482.17
EXPENDITURE			
FINANCIAL EXPENSES			
Bank Charges	620,500.00	620,500.00	682,550.00
Provision for KUSCCO Deposits		2,500,000.00	2,500,000.00
Provision for KRA Tax Liability		2,000,000.00	
Provision for Loans	3,000,000.00	3,000,000.00	3,000,000.00
Sub-Total	3,620,500.00	8,120,500.00	6,182,550.00
STAFF EXPENSES			
Salaries & Wages	13,568,236.00	13,101,349.61	14,411,484.57
Medical for Staff	1,238,544.00	1,035,435.50	1,138,979.05
Staff Training	951,500.00	951,500.00	1,046,650.00
Sub-Total	15,758,280.00	15,088,285.11	16,597,113.62
GENERAL ADMINISTRATION			
Audit & Supervision Fees (External)	350,000.00	350,000.00	385,000.00
Depreciation & Amortisation	1,804,308.00	1,804,308.00	1,984,738.80
Printing & Stationery	676,878.00	676,878.00	744,565.80
Telephone, Postage, Email and Internet	1,106,558.00	1,106,558.00	1,217,213.80
Marketing, Advertising & Publicity	1,157,200.00	1,052,000.00	1,157,200.00
Office Insurance	142,111.00	176,063.12	193,669.43
General office expenses	355,861.00	355,861.00	391,447.10
Professional Services	220,000.00	220,000.00	242,000.00
Legal fees	330,000.00	330,000.00	363,000.00
Security	360,000.00		-

Office Repairs & Maintenance	392,173.00	392,173.00	431,390.30
SP Evaluation & Monitoring	500,000.00	500,000.00	550,000.00
Subscriptions and publications	57,912.00	57,912.00	63,703.20
Staff Travelling and subsistence	226,875.00	424,923.40	467,415.74
Rent and service charges	2,308,532.00	2,308,532.00	2,539,385.20
External Back-up services	301,600.00	301,600.00	331,760.00
System Audit/Pen test services	191,400.00	191,400.00	210,540.00
Software licences and Maintenance	1,512,640.00	1,512,640.00	1,663,904.00
Sub-Total	11,994,048.00	11,760,848.52	12,936,933.37
Regulatory and Licencing Expenses			
SASSRA Authorisation fee	30,000.00	30,000.00	33,000.00
SASSRA Annual levy (0.13% on deposits)	490,214.00	628,017.00	690,818.70
County Council licences	112,000.00	112,000.00	123,200.00
Sub-Total	632,214.00	770,017.00	847,018.70
MEMBERS EXPENSES			
Training and Development	515,588.00	567,146.80	623,861.48
Annual General Meeting	533,504.00	654,587.20	720,045.92
Sub-Total	1,049,092.00	1,221,734.00	1,343,907.40
BOARD MEETING EXPENSES			
Statutory Committee Expenses	1,353,602.00	2,047,176.15	2,251,893.77
Training and Development	489,064.00	489,064.00	537,970.40
Vetting Expenses	137,500.00	137,500.00	151,250.00
Sub-Total	1,980,166.00	2,673,740.15	2,941,114.17
TOTAL EXPENSES	35,034,300.00	39,635,124.78	40,848,637.26
Surplus/(Deficit) before tax	49,513,350.00	50,288,040.82	58,066,844.90
	84,547,650.00	89,923,165.61	98,915,482.17
APPROPRIATION			
Surplus/(Deficit) before tax	49,513,350.00	50,288,040.82	58,066,844.90

30%Tax	887,569.00	1,360,639.23	1,768,831.00
Net After Tax	48,625,781.00	48,927,401.59	56,298,013.91
Interest on deposits	37,746,489.00	37,746,489.00	41,521,137.90
Provision for Dividends	5,610,505.00	5,610,505.00	6,732,606.00
Statutory Reserve	2,947,560.00	2,947,560.00	3,537,072.00
Staff Bonus	538,789.00	538,789.00	592,667.90
Honoraria	385,000.00	385,000.00	462,000.00
Net Surplus	1,397,438.00	1,699,058.59	3,452,530.11
CAPITAL EXPENDITURE			
Partitions and furniture	410,000.00	410,000.00	
Computer Hardware & Accessories	3,222,400.00	3,222,400.00	
	3,632,400.00	3,632,400.00	
Capital Expenditure	3,632,400.00	3,632,400.00	

Member's reactions to the Budget report:

1. M_02251 Hannington Ojura- The sacco has done very little in exploring other areas of marketing such is facebook, tik tok and other digital platform channels. Why is it that the Sacco is still on rental while there was a proposal for ownership five years ago. The Sacco needs to bench mark with other Saccos under the same tier so as to pay more dividend rates.
2. M-04502- Johannes Wandera challenged the marketing docket to do much particularly in the ACK fraternity that are in the rural areas.

Board's response to the members reactions on the budget report:

For office ownership there are certain requirements and guideline that have to be followed by law. Only 5% of the total assets should be spent on property acquisition. Technocrats in properties such as NW Realite and Lloyd Masika will be sought and brought on board when this is ready.

The Sacco is reaching out to members all over the country and beyond. We have corporate members from Western Kenya.

Face book page for the Sacco is up and running and members are free interact, like and share.

MINUTE. 8/AGM/05/04/2025 Appointment of Auditors.

- ◆ The board of the Sacco brought to the attention of the house that it is in best financial practice that after every three years the Sacco should change the external auditors.
- ◆ The board therefore had sat down and outsourced for this service from the potential list approved and provided by SASRA. Out the list the board interrogated 3 firms namely:
 - I. MBUTHIA KARITE & ASSOCIATES
 - II. NG'ANG'A PIUS & PARTNERS
 - III. TAX MART KENYA
- ◆ Mbuthia Karite & associates emerged the most preferred both in terms their scope of works and professional fees charged.
- ◆ Based on this the board presented Mbuthia Karite & Associates for members approval and appointment.

Proposed by M 02514- Everlyne Wacuka

Seconded by M-00450- Victor Orod

MINUTE. 9/AGM/05/04/2025 Confirmation and reading of the previous AGM minutes.

The previous minutes were read by the Secretary Hon Idah Omollo.

Adoption- Proposed by M 5402- Patrick Imbasu

-Seconded by M-00783- Peterson Kioko.

MINUTE. 10/AGM/05/04/2025 Matters arising from the previous AGM minutes.

Office ownership – this is guided by ratios provision from the regulator and will be done based on the 2024 Audited Accounts.

Bad debt written off- this is ongoing and is done gradually.

Loan repayment- the due dates have now been streamlined and interests is run by 15th of every month.

MINUTE. 11/AGM/05/04/2025 Proposed Board Resolutions.

- 1) Distribute interest on Deposits at a flat rate of 6% Ksh 27,905,632
Proposed by M-06704 Caroline Nyambura and seconded by M-1755 Naomi Maina
- 2) Distribute dividends on Share capital at the rate of 10% Ksh 5,020,385
Proposed by M-2739 Tom Mboya and seconded by M-06880 Alex Muthui
- 3) Approve 2026 budget.
Proposed by M-5402 Patrick Mbasu & seconded by M-03436 Peter Simiyu
- 4) Approve 2025 supplementary budget.
Proposed by M-05347 Jacob wamaitha and seconded by M-6895 Vincent Aling.
- 5) Appointment of auditors Mbuthia Karite & associates for the year 2025.
Proposed by M-02514 Everlyne Wacuka and Victor Orod.
- 6) Retain the Borrowing powers at Ksh.10 Million.
Proposed by M-6744 Mumbe Kiema and M-05863 Rose Ayidi
- 7) Increase loan ceiling from 15 Million to 25 Million
Proposed by M-6289 David Manali and seconded by M-03663 David Otieno
- 8) Pay honoraria of Kshs. 350,000/= to the Board and Supervisory

Proposed by M-00069 Erick Mbeya and seconded by M-00621 Simon Muluka.

MINUTE. 12/AGM/05/04/2025 – Remarks from the Ministry Official.

Madam Gladys Ndegwa from the ministry of Industrialization, Cooperatives, and marketing development thanked the members for being concerned with Sacco matters and affairs and for their participations.

She mentioned the Sacco movement in Kenya is very strong and vibrant. She applauded the board and management of the SACCO for positive growth. She further encouraged Dhamini Sacco by these words '*its doable and achievable*'.

MINUTE. 13/AGM/05/04/2025- ELECTION OF RETIRING BOARD & SUPERVISORY COMMITTEE

- ◆ The notice declaring the vacant positions was read to the members by the ministry official Madam Gladys Ndegwa. The eligible candidates for elections were the following:

1-Idah Omolo- ACK affiliate- proposed by -00621 S Muluka and seconded -02779 John Malenge.

2-David Manali- Private member- proposed by M-03663 David Otieno and seconded by M-06808 Alex Muthui

3-Everlyne Wacuka-Supervisory -proposed by M-02551 H Ojura and M-02341 Joshau Chengo.

4-Anjela Macharia- Private member-proposed by M-05402 Patrick Imbasu and seconded by M-06218 Mary Mumbe.

5-Duncan Mutai- supervisory-did not show up during the Election time

Elections were done and the outcome was as follows:

1-Idah Omolo- ACK affiliate- elected unopposed

2-David Manali- Private member- 95 votes

3-Angela Macharia- Private member-25 votes

3-Everlyne Wacuka-Supervisory - elected unopposed.

- ◆ The ministry told the members that members have a right to vote and be voted, she then gave the elected leaders a chance to appreciate and address the members.
- ◆ The newly elected members of the board and supervisory were then officially welcomed to join the board by the ministry official.

MINUTE. 14/AGM/05/04/2025 AOB and Vote of thanks

- The chairman Rev. Francis Mueke gave thanked the members for patronizing Sacco products.
- He also thanked the staff for the good work and dedication to serving the members and resilience to be at the top.
- He further applauded the board of directors for their good work and to burn the mid night oil while discussing Sacco matters for a noble course.
- Then called upon Capt. Rev. Felix Kassums to give a vote of the on behalf of the members.

MINUTE. 15/AGM/05/04/2025 Closing Prayers

The closing prayers were done by Capt. Rev. Felix Kassum's at 15.58 pm

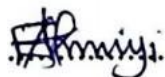
Signed by;



Chairman

Date.....

Secretary



Date.....