



**JUMBO SAVINGS & CREDIT COOPERATIVE  
SOCIETY LIMITED CS/2404  
ANNUAL REPORT AND FINANCIAL  
STATEMENT FOR THE YEAR ENDED  
31ST DECEMBER 2025**



*Chartafai LLP  
Certified Public Accountants (K)  
Mayfair Business Centre,  
Msapo Close off Parklands Road  
P.O Box 40568-00100  
Nairobi Kenya  
[info@chartafai.com](mailto:info@chartafai.com)*

***Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025***

**Table of Contents**

Society Information.....	2
Report of the Management Committee.....	3
Statistical Information.....	4
Statement of the Management Committee's Responsibilities.....	5
Independent Auditor's Report.....	6
Statement of Comprehensive Income.....	9
Statement of Financial Position.....	10
Statement of Changes in Equity.....	11
Statement of Cash Flows.....	12
Notes to Financial Statements.....	19
Tax Computation.....	26

***Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025***

**Society Information**

The following Members of the Committee served during the year

**Board of Directors**

Chairman	Mr. Mathew Mwangi Kongo
Vice Chairman	Mr. Eddieh Okello Stephens
Hon. Secretary	Ms. Eliza Ichingwa
Hon. Treasurer	Ms. Charity Tatu Dzoga
Member	Mr. George Maina Kariuki
Member	Ms. Lucy Wanjiru Mwangi
Member	Mr. William Mwangi Maina
Member	Mr. Francis Ndinika Gitau
Member	Mr. Daniel Otieno Akokoh

**Supervisory Committee Members:**

Chairman	Mr. Stanley Omondi
Secretary	Mr. Julius Mutabari
Member	Mr. Peter Njomo Waweru

**Registered Office:**

4th floor Jubilee Exchange Building  
Kaunda Street  
P.O. Box 26379 - 00100  
**Nairobi**

**Principal Bankers:**

Co-operative Bank of Kenya Limited  
City Hall Branch  
P.O. Box 44805 - 00100  
**Nairobi**

Diamond Trust Bank  
Wabera Street  
P.O. Box 61711-00100  
**Nairobi**

**Auditors:**

Chartafai LLP  
Certified Public Accountants (K)  
Mayfair Business Centre,  
Msapo Close off Parklands Road  
P.O Box 40568-00100  
**Nairobi, Kenya**

***Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025***

**Report of the Management Committee**

The Board of Directors has the pleasure to submit their twelve month's report together with the audited financial statements for the year ended 31st December 2025.

**Incorporation**

The society is incorporated in Kenya under the Co-operative Society's Act, Cap 490 and is domiciled in Kenya.

**Principal Activities**

The principal activity of the society is to promote thrift amongst its members by affording them an opportunity for accumulating their savings and to create there by a source of funds from which loans can be made.

<b>Results of the year:</b>	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Surplus before tax	3,829,665	6,848,415
Income tax	-	(16,875)
Net Surplus after Tax	3,829,665	6,831,540
Statutory Reserve	(579,884)	(1,366,308)
Surplus for the year available for distribution	3,249,781	5,465,232
Proposed dividends	(930,243)	-
<b>Surplus for the year retained to reserves</b>	<b>2,319,538</b>	<b>5,465,232</b>

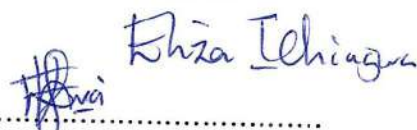
**Board of Directors**

The members of the Board who served during the year and to the date of this report is as listed on page 1.

**Auditors**

The Society's auditor, Chartafai LLP' CPA (K) have expressed their willingness to continue in office in accordance with CAP 490 of the Co-operative Societies Act.

**BY ORDER OF THE BOARD**

Signature ..... 

Date..... 24/03/2026.....2026

**Ms. Honorary Secretary  
Nairobi, Kenya**

**Jumbo Savings & Credit Cooperative Society Limited CS/2404**  
**Annual Report And Financial Statement**  
**For The Year Ended 31st December 2025**

**Statistical Information**

		<u>2025</u>	<u>2024</u>
<b>Membership</b>			
	- Active	558	581
	- Dormant	403	363
	- Withdrawals	352	312
	- Deceased	10	9
		<u>1,323</u>	<u>1,265</u>
Employees			
Male		5	4
Female		5	3
Total		<u>10</u>	<u>7</u>
<b>Financial:</b>	<b>Note</b>	<b>Kshs</b>	<b>Kshs</b>
Total Assets		195,896,935	195,658,298
Members' Deposits		103,061,323	99,023,238
Loans to Members		127,513,700	112,650,673
Investments		15,474,254	11,986,742
Core Capital		61,598,536	54,041,183
Share Capital		31,008,096	29,862,043
Institutional Capital		27,102,928	24,179,140
Statutory Reserve		13,265,283	12,685,399
Retained Earnings		7,805,796	5,486,258
Total Revenue		33,436,109	30,504,766
Total Expenses		29,606,444	23,656,351
Non-Current Assets		144,592,364	125,978,728
<b>Key Ratios:</b>	<b>Prudential Ratio</b>	<b>Sacco Ratio</b>	<b>Sacco Ratio</b>
Core capital/Total Assets	10.0%	31%	28%
Core capital/Total Deposits	8.0%	60%	55%
Institutional Capital/Total Assets	8.0%	16%	12%
<b>Liquidity ratio (Ideal 10%)</b>			
Liquid Assets/Total Deposits	15%	4%	10%
<b>Operating Efficiency</b>			
Ordinary expenses/Total revenue		66%	60%
Interest on member deposits/Total revenue		0%	0%
Interest rate on member deposits		0%	0%
Dividends rate on Share Capital		3%	0%

**Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025**

**Statement of the Management Committee's Responsibilities**

The Co-operative Societies (Amendment) Act 2004 and the requires the Management Committee to prepare financial statements for each 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 the operating results of the Society for that year. It also requires the Management Committee to ensure the Society keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society.

The Management Committee accepts responsibility for the annual financial statements, which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS and in a manner required by the Co-operative Societies Act.

The Management Committee is also responsible for: -

- a. Maintenance of accounting records which can be relied upon in the preparation of annual financial statements which comply with applicable accounting standards,
- b. Selection of suitable accounting policies and applying them consistently,
- c. Maintaining an adequate system of internal control for prevention and detection of fraud and other irregularities, and safeguarding the assets of the society, and
- d. Making estimates that are reasonable and prudent.

The Management Committee is of the opinion that the financial statements give a true and fair view of the state of affairs of the society and of its operating results.

The Management Committee have made an assessment of the society's ability to continue as a going concern and have no reason to believe that the society will not be a going concern for at least the next twelve months from the date of this statement.

**Approval of financial statements**

The financial statements as indicated above were approved by the Management Committee  
.....24<sup>TH</sup> MARCH.....2026 and were signed on its behalf by:

Chairman: .....METUK MASHA MUKAMI KANZO.....

Treasurer: .....CHARITY TATU DZOGA.....

Hon. Secretary: .....Eliza Idiagwa.....

## **Independent Auditor's Report**

### **REPORT OF THE INDEPENDENT AUDITOR TO MEMBERS OF JUMBO SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED. -C5/2404 FOR THE YEAR ENDED 31ST DECEMBER 2025 (CONTD)**

#### **Auditors Report on the Financial Statements**

We have audited the accompanying Financial Statements of Jumbo Savings & Credit Society Limited that comprise of:-

- i. The Statement of Financial Position as at 31 December 2025
- ii. The Statement of Comprehensive Income;
- iii. Statement of Changes in Equity;
- iv. Statement of Cash Flows for the year then ended; and
- v. A summary of significant accounting policies and other explanatory information.

#### **Opinion**

In Our Opinion, the financial statements give a true and 'fair view of the state of financial affairs of the Sacco as at 31st December 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Cooperative Society ACT Cap 490.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described as Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Societies in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in addition to the opinion we have determined the matters described below to be key matters to be communicated in our report.

#### **Investment in KUSCCO Shares and Savings**

The SACCO has an investment of Ksh 4,728,694 in KUSCCO shares and Ksh 15,397,771 in savings with KUSCCO as at the reporting date. These balances raises concerns regarding their recoverability and impairment risk. Given the materiality of this investment and its potential impact on the SACCO's financial position, this has been identified as a key audit matter.

## **Independent Auditor's Report (Continued)**

### **Other Information**

The Management Committee is responsible for the other information, which comprises the information included in the 'Report of the board Directors'. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Report on the financial statements**

We have audited the accompanying financial statements of Jumbo Savings and Credit Co-Operative Society Limited to give a true and fair view in accordance with International Financial Reporting Standards, and in a manner required by the Co-operative Societies Act, and for such internal control as the directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. set out on pages 9 to 25, which comprise the statement of financial position as at 31<sup>st</sup> December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

### **Directors' responsibility for the financial statements**

The company's directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and in a manner required by the Co-operative Societies Act, and for such internal control as the directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

**Independent Auditor's Report (Continued)**

**Report on other legal requirements**

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii. The company's balance sheet and profit and loss account are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is

**CPA J. Njeru Mwangi-Practising no. 2198**



**Chartafai LLP**

**Certified Public Accountants Nairobi**

.....24/03/.....2026

***Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report and Financial Statement  
For The Year Ended 31st December 2025***

**Statement of Comprehensive Income**

	NOTES	2025 Kshs.	2024 Kshs.
<b>REVENUE</b>			
Interest on Loans to Members	4	25,877,779.92	27,522,529.46
Other Interest Income	5	1,449,901.90	1,033,075.30
<b>Net Interest Income</b>		<b>27,327,681.82</b>	<b>28,555,604.76</b>
Other Operating Income	6	6,108,427.53	1,949,161.19
<b>Net Revenue</b>		<b>33,436,109.35</b>	<b>30,504,765.95</b>
<b>EXPENDITURE</b>			
Governance expenses	8	(4,330,845.47)	(3,498,505.00)
Personnel expenses	9	(10,279,540.38)	(8,570,204.48)
Administration expenses	10	(7,352,302.34)	(6,047,864.19)
Increase in Provisions	21	(7,643,756.02)	(5,539,777.07)
<b>Total expenses</b>		<b>(29,606,444.21)</b>	<b>(23,656,350.74)</b>
<b>Net operating surplus before tax</b>		<b>3,829,665.14</b>	<b>6,848,415.21</b>
Income Tax Expense	24	-	(16,875.00)
Proposed Dividend	7	(930,242.88)	-
<b>Net Surplus for the Year after Tax</b>		<b>2,899,422.26</b>	<b>6,831,540.21</b>
20% Transfer to Statutory Reserve		(579,884.45)	(1,366,308.04)
Other Gains/(Losses) net of Taxes	11	3,487,512.00	-
<b>Surplus for the Year</b>		<b>5,807,049.81</b>	<b>5,465,232.17</b>

**Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report and Financial Statement  
For The Year Ended 31st December 2025**

**Statement of Financial Position**

	<u>NOTES</u>	<u>2025</u> <u>Kshs</u>	<u>2024</u> <u>Kshs</u>
<b>ASSETS</b>			
Cash and Cash Equivalent	12	4,613,879.78	10,251,498.65
Trade and Other Receivables	13	46,413,839.34	58,589,826.08
Loans to Members	14	127,513,700.05	112,650,672.67
Other Financial Assets	15	15,474,253.95	11,986,741.95
Property and Equipment	16	1,604,410.38	1,341,313.54
Software	a b	276,851.64	838,245.24
<b>TOTAL ASSETS</b>		<b><u>195,896,935.14</u></b>	<b><u>195,658,298.13</u></b>
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	19	31,008,095.85	29,862,042.93
Reserves		30,590,439.68	24,179,139.64
<b>Total Shareholders' Funds</b>		<b><u>61,598,535.53</u></b>	<b><u>54,041,182.57</u></b>
<b>LIABILITIES</b>			
Members Deposits		103,061,323.13	99,023,237.52
Trade and Other Payables	18	8,821,783.91	7,367,850.93
Taxation		(49,735.00)	(49,735.00)
Provision for Loan Loss	14	22,465,027.57	35,275,762.00
<b>TOTAL LIABILITIES</b>		<b><u>134,298,399.61</u></b>	<b><u>141,617,116.45</u></b>
<b>TOTAL SHAREHOLDERS FUNDS &amp; LIABILITIES</b>		<b><u>195,896,935.14</u></b>	<b><u>195,658,298.02</u></b>

**REGISTERED**  
 SEC. 25(7) Co-operative Societies  
 ACT CAP 490 (2004)  
 24 MAR 2026  
 Sign: JAVEL M. MURIRA (P/2538)  
**JAVEL M. MURIRA**  
 FOR: COMMISSIONER OF CO-OPERATIVES

The financial statements on pages 9 to 26 were authorized for issue by the Board of Directors on  
 .....<sup>rf</sup> ~~24 March~~ .....2026 and signed on its behalf by:

Chairman: Mthuli MASHAU Mwanzi Kongo

Treasurer: CHARITY TATU DZOGA

Hon. Secretary: Eliza Ichigwa

*Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report and Financial Statement  
For The Year Ended 31st December 2025*

**Statement of Changes in Equity**

	Share Capital	Retained Earning	Statutory Reserve	Other Reserve	Totals
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>2025</b>					
Balance as at 1st January 2025	29,862,042.93	5,486,258.04	12,685,398.97	6,007,482.63	54,041,182.57
Surplus for the year	-	2,319,537.81	-	3,487,512.00	5,807,049.81
Prior year adjustment*	-	29,580.00	-	(5,214.22)	24,365.78
Transfer to statutory reserve	-	-	579,884.45	-	579,884.45
Issue of share capital	1,146,052.92	-	-	-	1,146,052.92
<b>At 31st December 2025</b>	<b>31,008,095.85</b>	<b>7,835,375.85</b>	<b>13,265,283.42</b>	<b>9,489,780.41</b>	<b>61,598,535.53</b>
<b>2024</b>					
Balance as at 1st January 2024	28,185,346.40	21,025.87	8,393,672.93	20,493,545.00	57,093,590.20
Surplus for the year	-	5,465,232.17	-	-	5,465,232.17
Prior year adjustment*	-	-	2,925,418.00	(14,486,062.37)	(11,560,644.37)
Transfer to statutory reserve	-	-	1,366,308.04	-	1,366,308.04
Issue of share capital	1,676,696.53	-	-	-	1,676,696.53
<b>At the end of the year 2024</b>	<b>29,862,042.93</b>	<b>5,486,258.04</b>	<b>12,685,398.97</b>	<b>6,007,482.63</b>	<b>54,041,182.57</b>

**Jumbo Savings & Credit Cooperative Society Limited CS/2404**  
**Annual Report and Financial Statement**  
**For The Year Ended 31st December 2025**

**Statement of Cash Flows**

		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cashflow From Operating Activities</b>			
Interest Received	3	25,877,779.92	27,522,529.46
Other Operating Income	5	9,595,939.53	1,949,161.19
Payment to Employees & Suppliers	23	<u>(20,784,533.43)</u>	<u>(18,622,339.28)</u>
		<b>14,689,186.02</b>	<b>10,849,351.37</b>
<b>Increase/(Decrease) in operating Assets</b>			
Loan to Members	14	(14,863,027.38)	(9,569,238.03)
Other Receivables	13	<u>(6,668,326.61)</u>	<u>6,222,596.55</u>
		<b>(21,531,353.99)</b>	<b>(3,346,641.48)</b>
<b>Increase/ (Decrease) in Operating Liabilities</b>			
Increase in Deposits from members	17	4,038,085.45	2,155,413.97
Trade and Accrued Expenses	18	<u>582,850.10</u>	<u>744,113.43</u>
		<b>4,620,935.55</b>	<b>2,899,527.40</b>
<b>Net Cash from Operating Activities before tax</b>		<b>(2,221,232.42)</b>	<b>10,402,237.29</b>
Prior Year Adjustment		(1,824,371.27)	(3,607,398.48)
Tax paid		-	(79,422.00)
Withholding Tax		-	66,610.00
<b>Net Cash From Operating Activities after tax</b>		<b>(4,045,603.69)</b>	<b>6,782,026.81</b>
<b>Cashflow From Investing Activities</b>			
Other interest income	4	1,449,901.90	950,719.10
Purchase of Property and Equipment	16	<u>(700,458.00)</u>	<u>(730,620.00)</u>
<b>Net cash From Investing Activities</b>		<b>(2,738,068.10)</b>	<b>220,099.10</b>
<b>Cashflow From Financing Activities</b>			
Increase in share capital	19	<u>1,146,052.92</u>	<u>1,676,696.53</u>
<b>Net Cash from Financing Activities</b>		<b>1,146,052.92</b>	<b>1,676,696.53</b>
<b>Net (Decrease)/ Increase in cash and Cash</b>		<b>(5,637,618.87)</b>	<b>8,678,822.44</b>
<b>Equivalents</b>			
Cash and cash Equivalent at the beginning of Year		<u>10,251,498.65</u>	<u>1,572,676.21</u>
<b>Cash and Cash Equivalent at the End of the Year</b>	12	<b>4,613,879.78</b>	<b>10,251,498.65</b>

**Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report and Financial Statement  
For The Year Ended 31st December 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are reported in Kenya Shillings.

**a) Basis of preparation**

The financial statements are prepared under the historical cost basis of accounting except as specified under fair value measurement in accordance with applicable IFRS.

**b) Revenue recognition**

Interest on loans to members is calculated on a reducing balance method. Interest income is recognized on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

- i. Interest on loans is recognized when received.
- ii. Interest on bank deposits is recognized when received.
- iii. Investment income is recognized in the period it is earned.
- iv. Other income is recognized when received.

**c) Property, plant and equipment**

Property and equipment are initially recorded at cost. All items of property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these assets. Costs incurred in the process of acquiring or constructing an item of property and equipment are recognized as capital work in progress. Once acquisition or construction is complete and the item is ready for use, the carrying amount is transferred to the relevant property and equipment category. Depreciation commences when the item of property or equipment is put into use.

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

Computers	30%
Furniture & Fittings	12.5 %
Plant and Equipment	12.5 %

**d) Intangible assets**

The costs incurred to acquire and bring to use specific computer software licenses are capitalized. The costs are amortized on a straight-line basis over the useful lives, from the date it is available for use, not exceeding five years. Costs associated with maintaining the software are recognized as an expense as incurred while major software upgrades are capitalized.

Amortization is charged on the assets on a straight-line basis to allocate the cost of each to its residual value over their estimated useful lives. The amortization rate is based on the estimated useful lives of the assets.

**e) Financial instruments**

Financial assets and liabilities are initially recognized on the Sacco's balance sheet at cost using settlement date accounting, when the Sacco has become a party to the contractual provisions of the instrument.

*Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report and Financial Statement  
For The Year Ended 31st December 2025*

**Accounting Policies (Continued)**

**a) Held to maturity investments**

Financial assets with fixed or determinable payments and fixed maturity where the Sacco has the positive intent and ability to hold other than staff loans and other receivables originated by the Sacco are measured as amortized cost.

**b) Financial assets at fair value through the profit and loss**

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains and losses arising from changes in fair value are recognized in the income statement.

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

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

**d) Impairment and un-collectability of financial assets**

At each balance sheet date, all financial assets are subject to review for impairment. In the instance that the Sacco will not be able to collect all amounts due (principal and interest) according to the contractual terms of the staff loans, other receivables, or held to maturity investments carried at amortized cost an impairment or bad loss has occurred. The carrying amount of the asset is reduced to its estimated recoverable amount either directly or through use of an allowance account. The amount of loss incurred is included in the income statement for the period.

**e) Financial liabilities**

After initial recognition, the Sacco measures all financial liabilities other than liabilities held for, trading at amortized cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

**f) Taxation**

Taxation is provided for at the rate of 30% on net surplus after adjusting for non-allowable expenses under the Income tax Act.

**g) Operating leases**

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Any payment required to be made to the lessor by way of penalty for termination of the lease before expiry of the lease period is recognized in the period in which the termination takes place.

## **1. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING THE SACCO'S POLICIES**

In the process of applying the Sacco's accounting policies, the Board of Directors is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Key sources of estimation uncertainty**

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the balance sheet date that has a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year:

#### **Property, equipment and intangible assets**

Critical estimates are made by the Board of Directors in determining depreciation and amortization rates of property equipment and intangible assets.

#### **Impairment**

At each balance sheet date, the Sacco reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Sacco estimates the recoverable amount of the cash generating unit to which the asset belongs.

## **2. FINANCIAL RISK MANAGEMENT**

The Board of Directors monitors and manages financial risk relating to the operations of the Sacco funds. These risks include market risk (including interest and price risks), credit risk and liquidity risk.

### **Market risk**

- **Foreign exchange risk**

The Sacco is not faced with significant foreign exchange risk.

- **Price risk**

The Sacco does not hold investments that would be subject to price risk: hence this risk is not relevant.

***Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report and Financial Statement  
For The Year Ended 31st December 2025***

- **Credit risk**

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

- Ensuring that granting of loans is completely vetted by the credit Board
- No member is granted loans exceeding three time the shares/deposits held, and/or amounts stipulated in the bye-laws
- All loans advanced are co-guaranteed by members
- An insurance policy cover is established against deceased members loan balances
- 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 recognizing the interest income received.

- **Interest risk**

The society is not exposed to interest risk since the interest rate on loans is standardized at 1% per month.

- **Liquidity risk**

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

- The society has an aggressive policy of increasing members' deposits.
- The society does not invest members' shares/deposits savings in fixed properties.
- Approval of loans is subject to availability of funds as indicated in the cash flow report.

**Comparatives/Presentation**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

**Jumbo Savings & Credit Cooperative Society Limited CS/2404**  
**Annual Report and Financial Statement**  
**For The Year Ended 31st December 2025**

**3. EXPECTED CREDIT LOSS ALLOWANCE ON LOANS AND ADVANCES**

The institution recognises impairment on loans and advances in accordance with **IFRS 9 Financial Instruments**, which requires recognition of expected credit losses based on historical credit performance and forward-looking information.

Loans are classified into the following credit risk stages:

- **Stage 1:** Performing loans with no significant increase in credit risk since origination (12-month ECL recognised).
- **Stage 2:** Loans with significant increase in credit risk but not credit impaired (lifetime ECL recognised).
- **Stage 3:** Credit-impaired loans (lifetime ECL recognised).

Credit risk staging is primarily determined using days-past-due criteria and management's assessment of borrower credit quality.

**(a) Loan Portfolio by Credit Stage**

Credit Stage	Number of Loans	Gross Loans (KES)	% of Loan Book
Stage 1 – Performing	325	90,454,389.59	66.3%
Stage 2 – Underperforming	103	20,337,812.36	14.9%
Stage 3 – Credit Impaired	97	25,554,702.02	18.8%
<b>Total Gross Loan Book</b>	<b>525</b>	<b>136,346,903.97</b>	<b>100%</b>

**(b) Expected Credit Loss Allowance by Stage**

Credit Stage	Gross Exposure (KES)	ECL Allowance (KES)	Coverage Ratio
Stage 1 – Performing	90,454,389.59	1,863,894.32	2.06%
Stage 2 – Underperforming	20,337,812.36	5,059,285.63	24.88%
Stage 3 – Credit Impaired	25,554,702.02	15,541,847.62	60.82%
<b>Total</b>	<b>136,346,903.97</b>	<b>22,465,027.57</b>	<b>16.48%</b>

**(c) Movement in Expected Credit Loss Allowance**

Description	Amount (KES)
Opening balance (1 January 2025)	16,361,041
Increase in expected credit loss allowance	6,103,986.57
Write-offs during the year	–
Recoveries of amounts previously written off	–
<b>Closing balance (31 December 2025)</b>	<b>22,465,027.57</b>

**(d) Basis of Measurement of Expected Credit Loss**

The expected credit loss model incorporates three key components:

**Probability of Default (PD)**

Estimated using historical default patterns observed over a three-year period based on loan performance data.

***Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report and Financial Statement  
For The Year Ended 31st December 2025***

**Loss Given Default (LGD)**

Estimated based on historical recovery experience and expected realisation of collateral.

**Exposure at Default (EAD)**

Represents the outstanding loan balance at the reporting date.

The model incorporates historical portfolio performance together with management's forward-looking adjustments where relevant.

**(e) Credit Risk Management**

Credit risk represents the risk that a borrower will fail to meet contractual obligations resulting in financial loss to the institution. The institution manages credit risk through:

- formal credit appraisal procedures prior to loan approval
- collateral requirements and guarantees
- continuous monitoring of loan performance
- periodic review of delinquent accounts

**Jumbo Savings & Credit Cooperative Society Limited CS/2404**  
**Annual Report and Financial Statement**  
**For The Year Ended 31st December 2025**

**Notes to Financial Statements**

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>4 Interest Income</b>		
Interest on Normal Loan	2,171,961.23	3,578,726.44
Interest on Emergency Loan	1,991,894.93	3,527,061.27
Interest on Flexi Loan	6,550,164.99	8,867,651.97
Interest on Development Loan	6,330,645.16	2,043,975.59
Interest on Karibu Loan	47,876.00	6,400.00
Interest on school Loan	501,645.85	1,145,596.08
Loan application	5,214,390.18	5,221,250.00
Insurance Income	1,779,954.11	2,041,740.00
Interest on Special Advance loan	264,160.00	789,533.34
Interest on College Loan	562,519.75	146,635.46
Interest on Official Loan	44,428.33	41,450.65
Interest on Staff Loan	17,317.86	122,295.37
Interest on restructuring Loan	(9,786.71)	(9,786.71)
Interest on Mobi Loan	410,608.24	-
	<b>25,877,779.92</b>	<b>27,522,529.46</b>
<b>5 Other Dividends and Interest Income</b>		
Interest from KUSCCO Savings	-	112,500.00
Dividends	1,449,901.90	920,575.30
	<b>1,449,901.90</b>	<b>1,033,075.30</b>
<b>6 Other Members income</b>		
Entrance Fee	720,066.10	1,413,585.87
Administration fees	815,809.64	457,305.00
Sundry income-Member based	191,388.79	78,270.32
Income From Penalties	4,377,393.00	-
Commissions on Withdrawals	3,770.00	-
	<b>6,108,427.53</b>	<b>1,949,161.19</b>
<b>7 Dividend &amp; Interest on Members Deposit</b>		
Proposed Dividend	930,497.88	-
	<b>930,497.88</b>	-
The Sacco management does not propose to pay interest on members deposits for the year but has proposed payment of dividend at 3%;		
<b>8 Governance Expenses</b>		
AGM and SGM Expenses	1,633,970.00	979,705.00
Sitting Allowance	990,200.47	1,192,800.00
Committee Travelling Allowance	1,493,817.00	1,326,000.00
Members Education	212,858.00	-
	<b>4,330,845.47</b>	<b>3,498,505.00</b>

***Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025***

**Notes to Financial Statements (Continued)**

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>9 Personnel Expenses</b>		
Salaries and Wages	8,789,884.63	7,159,198.23
Pension	499,410.00	327,300.00
Medical Expenses	926,245.75	1,058,106.25
Staff training	64,000.00	25,600.00
	<b>10,279,540.38</b>	<b>8,570,204.48</b>
<b>10 Administration Expense</b>		
Office Rent	1,820,706.60	1,739,583.90
Office Expenses	224,275.73	204,177.00
Legal and Professional Expenses	197,300.00	1,217,000.00
Depreciation	437,361.16	153,352.01
Printing and Stationery	99,540.00	49,550.00
Audit Fees	145,000.00	170,500.00
VAT on Audit Fees	23,200.00	27,280.00
Subscription Fees	1,085,252.25	718,422.25
Supervision Fees	11,200.00	11,200.00
Internet Expense	48,648.00	85,590.35
Repairs & Maintenance	71,065.00	1,088,359.80
Bank Charges	16,250.00	21,455.28
Amortisation	561,393.60	561,393.60
Loans insurance	2,611,110.00	-
	<b>7,352,302.34</b>	<b>6,047,864.19</b>
<b>11 Other Gains/(Losses) net of Taxes</b>		
Increase in Value of Co-Operative Bank Shares	3,487,512.00	-
	<b>3,487,512.00</b>	<b>-</b>

**Jumbo Savings & Credit Cooperative Society Limited CS/2404**  
**Annual Report And Financial Statement**  
**For The Year Ended 31st December 2025**

**Notes to Financial Statements (Continued)**

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>12 Cash and Cash Equivalents</b>		
Mobile money	694,258.20	674,980.00
Co-Operative Bank C/A '01120000557900	2,368,449.92	8,890,333.99
Jumbo Housing Saving	507,100.00	507,100.00
Diamond Trust Bank -current	168,373.66	168,373.66
School fees Savings Account	10,711.00	10,711.00
M-Pesa Paybill	864,987.00	-
	<b>4,613,879.78</b>	<b>10,251,498.65</b>
<b>13 Trade and other Receivables</b>		
<b>a) Interest receivable on loans</b>	22,185,246.83	17,910,454.09
Jubilee Insurance	11,800,498.87	9,406,965.00
Other assets	109,877.00	17,414,413.35
	<b>34,095,622.70</b>	<b>44,731,832.44</b>
<b>b) Kuscco savings</b>	1,894,770.71	1,894,770.71
Kuscco special Savings	13,500,000.00	13,500,000.00
Kuscco savings vijanaa	3,000.00	3,000.00
Impairment loss of Investments withheld by KUSCCO Ltd	(3,079,554.07)	(1,539,777.07)
	<b>12,318,216.64</b>	<b>13,857,993.64</b>
<b>Total Trade and other Receivables</b>	<b>46,413,839.34</b>	<b>58,589,826.08</b>
<b>14 Loan to Members</b>		
At the start of the year	112,662,160.73	103,092,922.70
Granted during the year	107,917,694.00	102,947,566.00
Repayment during the year	(83,585,235.92)	(80,315,863.25)
Offset with deposits	(9,480,949.06)	(13,062,464.72)
<b>At the end of the year</b>	<b>127,513,669.75</b>	<b>112,662,160.73</b>
Less Bad debts written off		
<b>Net loans to members</b>	<b>127,513,700.05</b>	<b>112,650,672.67</b>
<b>Balance as per MPA</b>	<b>127,513,700.05</b>	<b>112,662,160.73</b>
Balance to be reconciled	-	(11,488.06)
<i>(Difference to be reconciled before next audit)</i>		
Discrepancy		
<b>Loans have been Restated as follows</b>		
Balance as per MPA control account	103,393,314.83	89,831,374.30
Doubtful debts	24,151,214.22	22,830,786.73
	<b>127,544,529.05</b>	<b>112,662,161.03</b>
<b>Expected Credit Loss (ECL) Provision</b>		
Loan loss provision b/f	(35,275,762.00)	(22,659,098.00)
Prior year provisions	-	(8,616,664.00)
Loan loss during the year	(6,103,978.95)	(4,000,000.00)
Write-off Against Other Asset	18,914,713.38	-
<b>Balance c/f</b>	<b>(22,465,027.57)</b>	<b>(35,275,762.00)</b>
<b>Balance carried forward</b>	<b>105,079,501.48</b>	<b>77,386,399.03</b>

***Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025***

**Notes to Financial Statements (Continued)**

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>15 Other Financial Assets</b>		
<b>Quoted Investments</b>		
Co-operative Bank Shares		
Balance b/f	7,126,392.00	7,126,392.00
Revaluation during the year	3,487,512.00	-
	<b>10,613,904.00</b>	<b>7,126,392.00</b>
<b>Un-quoted investments</b>		
KUSCCO -Jungu Kuu Account	422,524.57	422,524.57
KUSCCO-Jungu Kuu Shares	4,306,169.00	4,306,169.00
CODIC Membership - 101@ Shs 100 each	131,656.38	131,656.38
	<b>4,860,349.95</b>	<b>4,860,349.95</b>
<b>Total</b>	<b>15,474,253.95</b>	<b>11,986,741.95</b>

**Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025**

**Notes to Financial Statements (Continued)**

**16 a) Property and Equipment**

	Furniture, fittings & Equipment Kshs	Computer & accessories Kshs	Total Kshs
<b>Cost</b>			
As at 1 January 2025	1,532,798.00	1,282,937.00	2,815,735.00
Additions	605,338.00	95,120.00	700,458.00
As at 31st December 2025	<u>2,138,136.00</u>	<u>1,378,057.00</u>	<u>3,516,193.00</u>
<b>Accumulated depreciation</b>			
As at 1 January 2025	866,838.30	607,583.16	1,474,421.46
Charge for the year	158,207.91	279,153.25	437,361.16
As at 31st December 2025	<u>1,025,046.21</u>	<u>886,736.41</u>	<u>1,911,782.62</u>
<b>Net book value</b>			
As at 31st December 2025	<u><u>1,113,089.79</u></u>	<u><u>491,320.59</u></u>	<u><u>1,604,410.38</u></u>
As at 31 December 2024	<u><u>665,959.70</u></u>	<u><u>675,353.84</u></u>	<u><u>1,341,313.54</u></u>

**16 b) Intangible Asset - Software**

<b>Cost</b>		
As at 1 January	2,806,968.00	2,806,968.00
As at 31st December	<u>2,806,968.00</u>	<u>2,806,968.00</u>
<b>Accumulated depreciation</b>		
As at 1 January	1,968,722.76	1,622,778.75
Prior year adjustment	-	(215,449.59)
Charge for the year	561,393.60	561,393.60
As at 31st December	<u>2,530,116.36</u>	<u>1,968,722.76</u>
<b>Net book value</b>		
As at 31st December	<u><u>276,851.64</u></u>	<u><u>838,245.24</u></u>

*Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025*

**Notes to Financial Statements (Continued)**

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>17 Members' Deposits</b>		
At the start of the year	99,023,237.52	96,867,822.84
Contribution during the year	20,219,933.15	28,324,491.83
Offset with loans	(9,480,949.06)	(22,635,724.64)
Transfer to share capital	(459,276.23)	(717,054.40)
Refunds	(6,241,622.25)	(2,816,298.11)
	<b>103,061,323.13</b>	<b>99,023,237.52</b>
<b>Balance as per Members listing</b>	<b>103,061,323.13</b>	<b>99,023,237.68</b>
<b>Balance to be reconciled</b>	<b>-</b>	<b>(0.16)</b>
<b>18 Trade and other Payables</b>		
Benovolent Fund	3,606,018.55	3,184,564.55
Housing savings	977,203.00	977,203.00
Holiday savings	820,022.94	1,002,193.94
Unallocated Funds	2,338,476.54	1,194,909.44
Provision for Audit fees	119,500.00	170,500.00
VAT on Audit Fees	19,120.00	27,280.00
Supervision Fees	11,200.00	11,200.00
Provision for legal settlement	-	800,000.00
Accrued Dividend	930,242.88	
	<b>8,821,783.91</b>	<b>7,367,850.93</b>
<b>19 Share Capital</b>		
Opening balance	29,862,042.93	28,185,346.40
Issued in the year	1,146,052.92	1,676,696.53
<b>Total</b>	<b>31,008,095.85</b>	<b>29,862,042.93</b>
<b>Balance as per Members listing</b>	<b>31,008,095.85</b>	<b>29,862,042.93</b>
<b>Balance to be reconciled</b>	<b>-</b>	<b>-</b>
<b>20 Reserves</b>		
Statutory Reserve	13,265,283.42	12,685,398.97
General Reserve	9,489,780.41	6,007,482.63
Retained Earnings	7,835,375.85	5,486,258.04
	<b>30,590,439.68</b>	<b>24,179,139.64</b>
<b>21 Increase in Provisions</b>		
<b>21a Increase in loan loss provision</b>		
Loan loss provision	6,103,978.95	4,000,000.00
	<b>6,103,978.95</b>	<b>4,000,000.00</b>
<b>21b Increase in provision - KUSCCO savings</b>		
Provision for loss on Investments	1,539,777.07	1,539,777.07
	<b>1,539,777.07</b>	<b>1,539,777.07</b>
<b>Total Provisions</b>	<b>7,643,756.02</b>	<b>5,539,777.07</b>

**Jumbo Savings & Credit Cooperative Society Limited CS/2404**  
**Annual Report And Financial Statement**  
**For The Year Ended 31st December 2025**

**Notes to Financial Statements (Continued)**

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>22 Payment to Suppliers to Employees</b>		
Administration Expense	(7,352,302.34)	(6,047,864.19)
Personnel Expenses	(10,279,540.38)	(8,570,204.48)
Governance costs	(4,330,845.47)	(3,498,505.00)
	<b>(21,962,688.19)</b>	<b>(18,116,573.67)</b>
<b>Add:</b>		
Depreciation	437,361.16	(153,352.01)
Amortization	561,393.60	(561,393.60)
Audit fees	145,000.00	170,500.00
VAT on Audit Fees	23,200.00	27,280.00
Supervision Fees	11,200.00	11,200.00
	<b>(20,784,533.43)</b>	<b>(18,622,339.28)</b>

**23 Contingent Liability**

The SACCO was sued by a former employee for wrongful dismissal. The court awarded the employee a settlement of **Ksh 1,000,000** in which **KShs 200,000** was paid in the previous year. During the current financial year, the SACCO paid **Ksh 800,000** towards this settlement. The liability is now fully settled

*Jumbo Savings & Credit Cooperative Society Limited CS/2404  
Annual Report And Financial Statement  
For The Year Ended 31st December 2025*

**Notes to Financial Statements (Continued)**

**Tax Computation**

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>24 Taxation</b>		
Interest Income	-	112,500.00
Taxable Income @ 50%	-	56,250.00
<b>Net taxable amount</b>	-	56,250.00
Tax @ 30%	-	16,875.00
Bal b/f	(49,735.00)	168,750.00
Prior year adjustment	-	(89,328.00)
Tax Paid	-	(79,422.00)
Withholding tax recoverable	-	(66,610.00)
<b>Tax Payable</b>	<b>(49,735.00)</b>	<b>(49,735.00)</b>