

THE SACCO SOCIETY REGULATORY AUTHORITY
RECEIVED
12 MAR 2025
(SASRA)
P. O. Box 25089-00100, NAIROBI



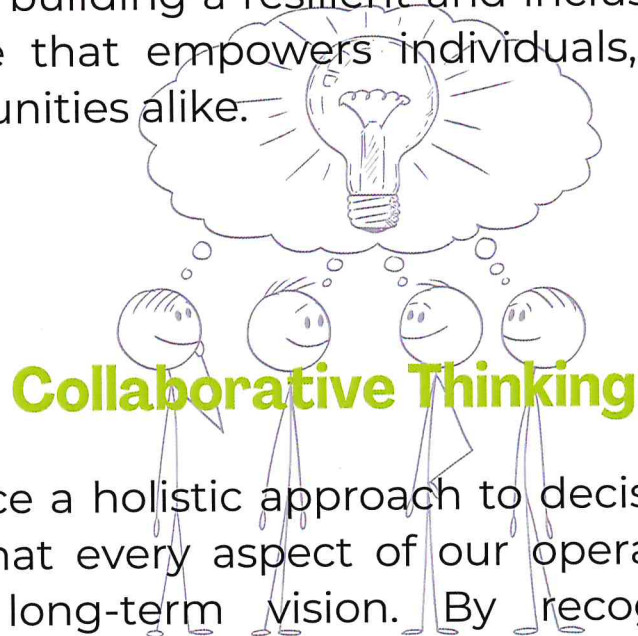
SECTION A

Introduction & Preliminary Information

APPROVED
for publication and presentation
to AGM or ADM subject to observations Issued
12 MAR 2025
SIGN: 
THE SACCO SOCIETIES REGULATORY
AUTHORITY

Welcome to our 2024 Integrated Report

At Fortune Sacco, we are dedicated to transforming lives through innovative financial solutions. This report highlights our journey, showcasing the steps we have taken to strengthen our impact, enhance member experiences, and drive sustainable growth. As we evolve to meet emerging needs, our focus remains on building a resilient and inclusive financial future—one that empowers individuals, businesses, and communities alike.



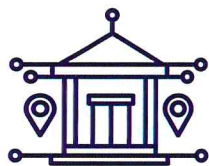
Collaborative Thinking

We embrace a holistic approach to decision-making, ensuring that every aspect of our operations aligns with our long-term vision. By recognizing the relationships between various resources, challenges, and opportunities, we create strategies that balance growth, sustainability, and stakeholder expectations. This dynamic framework allows us to enhance value while responsibly managing environmental, social, and governance (ESG) considerations. Through this integrated mindset, we strengthen resilience, drive meaningful impact, and position ourselves for a sustainable future.

ABOUT US

Fortune Sacco, originally established in 1972 as the Union Banking Section of Kirinyaga District Cooperative Union, began by serving coffee and tea farmers. Over the years, we've evolved to support a diverse range of agricultural and business communities. In 1998, we became an independent entity, rebranding as Kirinyaga District Farmers Sacco, and in 2011, we adopted the name Fortune Sacco Society Ltd to reflect our broader mission.

Today, we proudly serve over 124,000 members across 16 branches in Kirinyaga, Nairobi, and Kajiado counties. With assets exceeding 7 billion and a growing loan portfolio, we are a Tier 1 Sacco committed to financial inclusion. Aligned with Environmental, Social, and Governance (ESG) principles, we strive to make a positive impact on both our members and the community.



16 Branches



124,000 Members



VISION

Empowered members with improved living standards



MISSION

We exist to grow member's wealth through quality financial and non-financial services



CORE VALUES

Quality, Integrity and Respect

BOARD OF DIRECTORS



**MR. STEPHEN MUNYI
RUITA-TREASURER &
CHAIRMAN FINANCE AND
ADMIN COMMITTEE**



**MR. ROBERT NJAGI NJUGI-
DIRECTOR & CHAIRMAN
EDUCATION COMMITTEE**



**MR. CYRUS MUGO
NJOGU-VICE CHAIRMAN
& CHAIRMAN CREDIT
COMMITTEE**



MR. RUFUS KAMAU CIIRA-CHAIRMAN



**MR. JOSEPH MUGO
KIGAA-HON.
SECRETARY**



**MR. JOSEPH WAMWATI KINYEKI-
DIRECTOR & CHAIRMAN AUDIT
COMMITTEE**



**MRS. JOSPHINE
RUITII-DIRECTOR**

SUPERVISORY BOARD



**MR.SIMON MURIITHI
MIGWI-CHAIRMAN**



**MRS.VIRGINIA MURIMI-
SECRETARY**



**MR.ROBINSON MUGO-
MEMBER**

RESOURCE ALLOCATION

To execute our strategy, we've focused resources on transformative projects in technology, people, and brand. We take an agile investment approach, aligning capital deployments with our goals, risk appetite, and stakeholder value creation.

Technology: We'll modernize our systems to deliver innovative digital banking services, while enhancing our cybersecurity and technology operations.

People: We'll invest in strategic hires and improve the employee experience to become an employer of choice, fostering a culture of innovation, risk-taking, and inclusivity.

Brand: We aim to strengthen local relevance, boost customer loyalty, and amplify our commitment to sustainability, reinforcing our positive impact on society.

STAKEHOLDERS



Members



Employees



Board of Directors
& Supervisory
Board



Partners



Regulators &
Government



Investors

ESG POLICY STATEMENT

ENVIRONMENTAL

SOCIAL

GOVERNANCE

At Fortune Sacco, we are dedicated to integrating Environmental, Social and Governance (ESG) principles into our operations. We strive to promote sustainable practices that minimize our environmental impact, foster community development and uphold the highest standards of governance. Our commitment is reflected in our efforts to support responsible investment/lending, enhance transparency, and engage with stakeholders. Together, we aim to create long term value for our members and contribute positively to society.

Our ability to create and sustain value relies on strong relationships with our stakeholders. By engaging in transparent and meaningful communication, we build valuable connections that support our strategy. We aim to be responsive to stakeholder needs while ensuring we create lasting value for all.

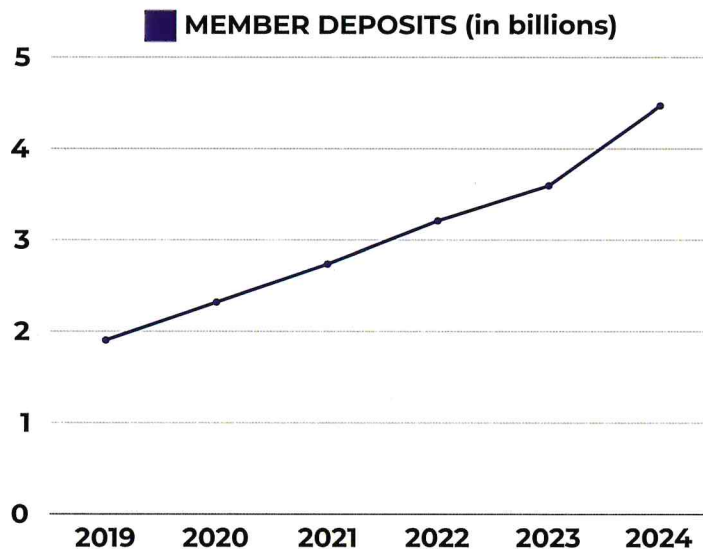
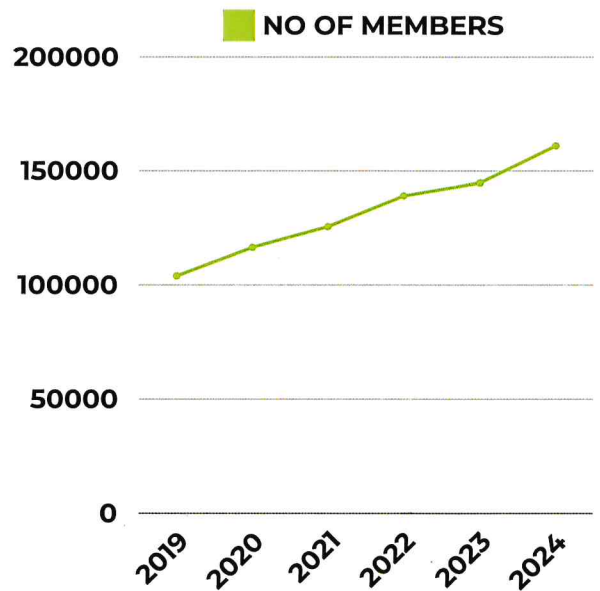
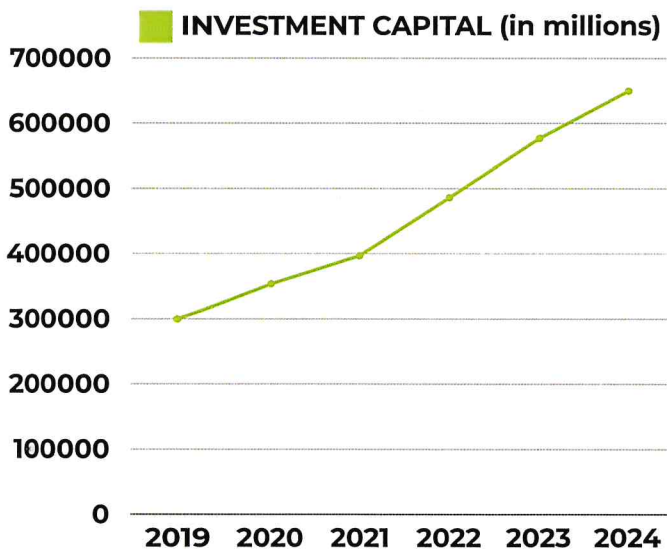
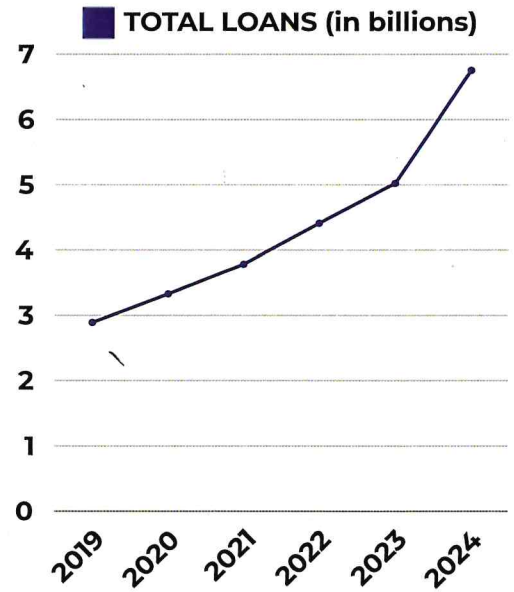


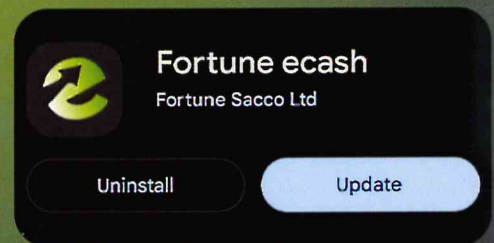
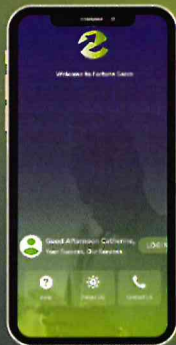
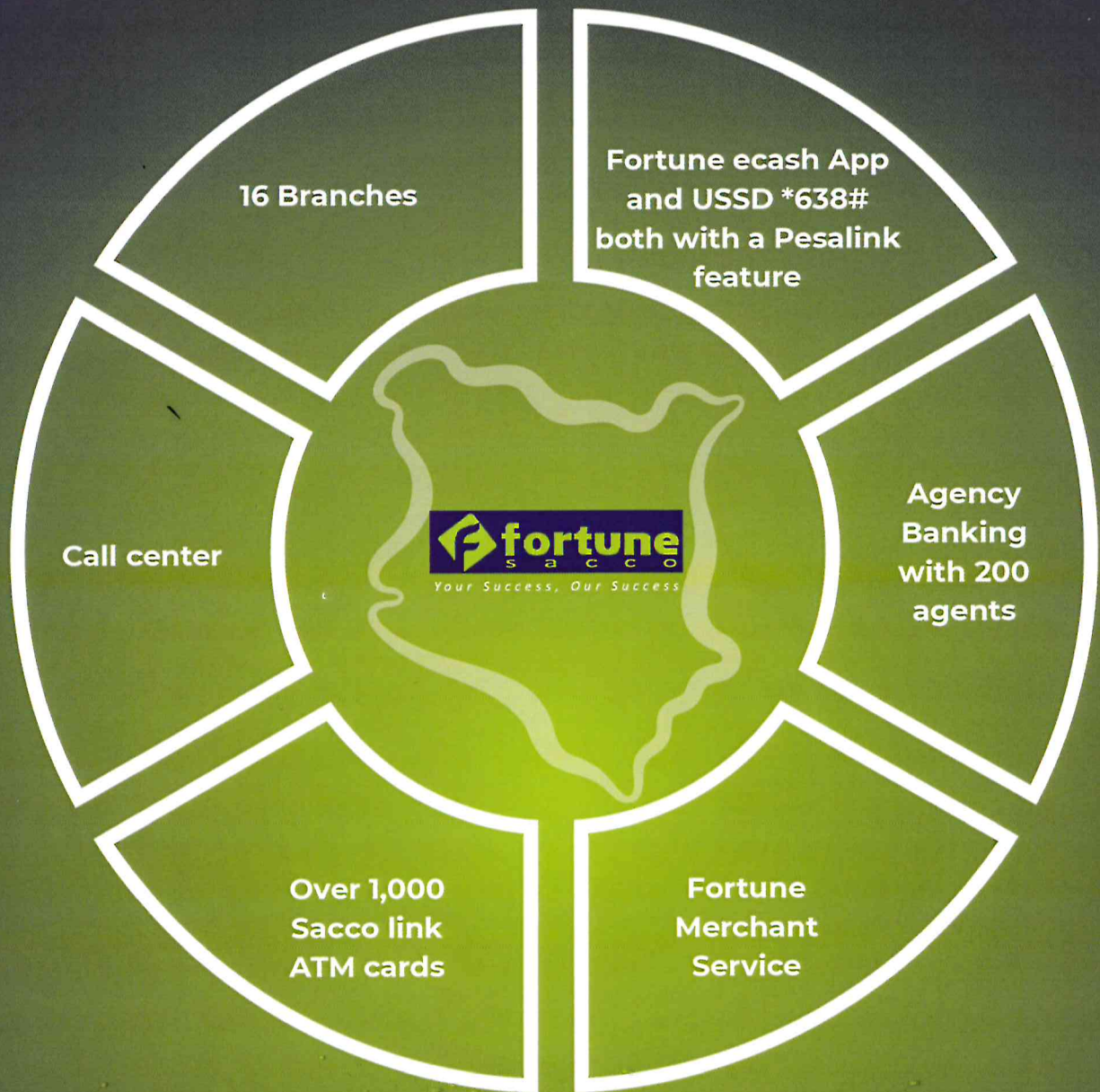
A green banner with the text "ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES IN PRACTICE" in the center. On either side of the text, there is an image of hands holding a small green plant growing out of soil.





KEY TRENDS FOR THE SACCO





SAVINGS PRODUCTS

CURRENT ACCOUNTS

- Premium Savings Account
- Mwelekeo Savings Account
- Kahawa Savings Account
- Business Savings Account
- Staff Savings Account
- Group Savings Account

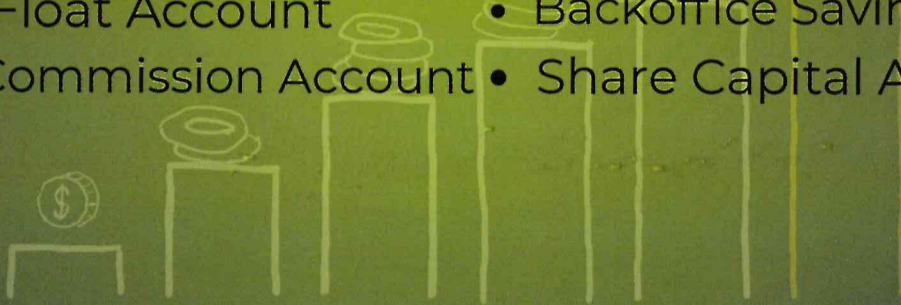


A current account allows for frequent transactions, such as deposits, withdrawals, and payments. It's primarily used for everyday banking needs and is typically associated with individuals in farming or businesses who need easy access to their funds.

AGENCY ACCOUNTS

SPECIAL DEPOSIT ACCOUNTS

- | | |
|-----------------------------|------------------------------|
| • Wakala Savings Account | • Zidisha shares Account |
| • Agency Float Account | • Backoffice Savings Account |
| • Agency Commission Account | • Share Capital Account |



INVESTMENT ACCOUNTS

- Thamani Junior Account
- Lengo Term Deposit Account
- Jiinue Investment Account
- Fixed Deposit Receipt Account
- Call Deposit Account

Earns a 10% Interest P.A

Earns a 8% Interest P.A

Earns a 10% Interest P.A

Earns upto 13% Interest P.A

Earns a 6% Interest P.A

LOAN PRODUCTS

AGRICULTURAL LOANS

- Kahawa Development Loans
- Tea Development Bonus
- Tea Development Monthly
- Maziwa Loan
- Rice Production (Star)
- Kilimo Biashara Loan
- Ng'ombe Loan



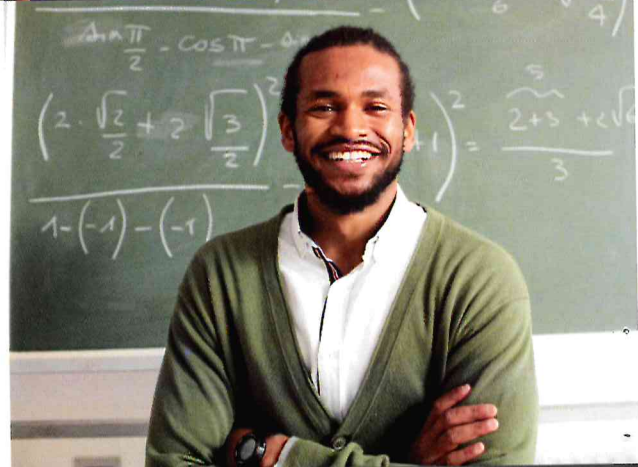
BUSINESS LOANS

- Inuka Working Capital
- Zidisha Loan



CONSUMER LOANS

- Golden Salary loans
- Super Golden Loan
- County Assembly Per Diem Loan



ADVANCES

- LPO Financing
- Business Advances
- Insurance Premium Financing
- Tea Advance
- Salary Advance
- Mpesa Float Advance

OTHER LOAN TYPES

- Project Financing
- Asset Financing
- Mobile Loan



SECTION B

Financial statements

FORTUNE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED - CS/NO. 8379

ANNUAL FINANCIAL STATEMENTS AND REPORTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Annual Financial Statements And Reports
For the year ended 31st December 2024

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Fortune Savings and Credit Co-operative Society Limited C/S - 8379

Society group information

For the year ended 31st December 2024

Board of directors	Rufus Kamau Cira	-	Chairman	
	Cyrus Mugo Njogu	-	Vice chairman	
	Stephen Munyi Ruita	-	Treasurer	
	Joseph Mugo Kigaa	-	Hon. Secretary	
	Joseph Wamwati Kinyeki	-	Director	
	Robert Njagi Njugi	-	Director	
	Josephine Wambura	-	Director	- Appointed in May 2024
Supervisory Committee	Symon Muritthi Migwi	-	Chairman	
	Virginia Nyaguthii	-	Secretary	- Appointed in April 2024
	Robinson Mugo	-	Member	- Appointed in April 2024
Chief Executive Officer (CEO)	Amos Kimotho Njeru			
Registered office	Fortune Sacco Society Limited Fortune Plaza Opposite ACK Cathedral P.O. Box 559 - 10300 Kerugoya, Kenya			
Independent auditor	RSM Eastern Africa LLP Certified Public Accountants P.O. Box 349 - 00606 Nairobi, Kenya			
Principal bankers	Co-operative Bank of Kenya Limited P.O. Box 635 - 10300 Kerugoya, Kenya KCB Bank Kenya Limited P.O. Box 90 - 10300 Kerugoya, Kenya Sidian Bank Limited P.O. Box 1041 - 10300 Kerugoya, Kenya African Banking Corporation Limited P.O. Box 13889 - 00800 Nairobi, Kenya Equity Bank Limited P.O. Box 1056 - 10300 Kerugoya, Kenya Absa Bank Kenya Plc P.O. Box 181 - 10300 Kerugoya, Kenya			
Legal advisers	Kibue Mugiira & Mbagara Advocates P.O. Box 1375, 00232 Ruiru, Kenya		Magee Law LLP P.O. Box 42354-00100 Nairobi, Kenya	

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Report of the directors
For the year ended 31st December 2024

The directors submit their annual report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of Fortune Savings and Credit Co-operative Society Limited (the "Society" or "Sacco") and its subsidiaries together referred to as the "Group".

Incorporation

The Society is incorporated in Kenya under the Co-operative Societies Act, Cap. 490 and is domiciled in Kenya. It was registered as a deposit taking Sacco under the Sacco Societies Act No. 14 of 2008 with effect from 19 May 1998.

Principal activities

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

Results	Group		Sacco	
	2024 KSh	2023 KSh	2024 KSh	2023 KSh
Profit before tax	256,423,886	202,367,306	254,701,887	200,582,884
Income tax expense	(2,178,791)	(1,178,662)	(1,655,679)	(643,335)
Profit for the year	<u>254,245,095</u>	<u>201,188,644</u>	<u>253,046,208</u>	<u>199,939,549</u>
Total comprehensive income for the year	<u>259,357,790</u>	<u>188,310,015</u>	<u>258,158,903</u>	<u>187,060,920</u>
Interest on members' deposits	<u>156,622,562</u>	<u>132,796,693</u>	<u>156,622,562</u>	<u>132,796,693</u>

Investment shares

The issued and paid up share capital of the Society was increased during the year from KSh 577,092,635 to KSh 650,707,938.

Dividends and interest

The directors have recommended payment of 13.5% (2023: 13%) as dividend on investment shares and 8% (2023: 8%) interest on sacco back office deposits.

Directors

The directors who held office during the year and to the date of this report are shown on page 1. In accordance with the Society's by-laws, two directors; Rufus Kamau Cira and Cyrus Mugo Njogu retire by rotation and being eligible, offer themselves for re-election.

Statement as to disclosure to the Sacco's auditor

With respect to each director at the time this report was approved:


- (a) there is, so far as the director is aware, no relevant audit information of which the Sacco's auditor is unaware; and
- (b) the director has taken all the steps that the director ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Sacco's auditor is aware of that information.

Terms of appointment of the auditor

RSM Eastern Africa were appointed as auditors in the year, and have indicated willingness to continue in office until the date of rotation of the society auditor in accordance with the Sacco Societies Act No. 14 of 2008.

The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KSh 1,500,000 has been charged to profit or loss in the year.

By order of the board



Hon Secretary
 10th March
 2025

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Corporate governance statement
For the year ended 31st December 2024

Corporate governance is the process and structure used to manage business affairs of the Society towards enhancing prosperity and corporate accounting with the ultimate objective of realizing members' long term value while taking into account the interest of other stakeholders.

The board of directors are responsible for the corporate governance practices of the Society. This statement sets out the main practices in operation during the year under review, unless otherwise indicated. The Society is committed to business integrity and professionalism in all its activities.

Board of directors

The board meets monthly to deliberate on the Society's financial performance and discuss reports from each sub-committee and deal with any strategic issues and opportunities for the Sacco. Board and committee papers are supplied in time to members, in appropriate form and quality to facilitate effective deliberations. Board of directors have access to relevant information through the office of the Chief Executive Officer.

Board meetings are held in line with the annual calendar except when critical business necessitates ad hoc meetings. The following meetings were held during the period ended 31 December 2024;

	No. of meetings	Membership	Average attendance %
Full Board	12	7	100
Finance and Administration	5	3	100
Credit and Loan Recovery Committee	5	3	100
Audit and Risk Management Committee	5	3	100
Education and Marketing Committee	6	3	100
Supervisory Board	8	3	100

Board sub-committees

The Society had the following sub-committees in place during the year with terms of reference clearly defined in the by-laws to facilitate the decision-making of the management board in the execution of its powers, duties, and authorities.

(a) Finance and Administration Committee

The Committee is established in accordance with the Sacco by law 56 to deal with finance, investment and staff matters. The committee is chaired by Stephen Munyi Ruita. Other members are; Cyrus Mugo Njogu, Rufus Kamau Cira and Joseph Mugo Kigaa.

(b) Credit Committee

The Committee is formed in accordance with the provisions of Regulation 60 (8) of the Sacco Societies (Deposit – Taking Sacco Business) with the responsibility of reviewing and overseeing the overall lending policy. The committee is chaired by Cyrus Mugo Njogu. Other members are Stephen Ruita Munyi and Joseph Kigaa.

(c) Audit and Risk Management Committee

This Committee is formed in accordance with the Sacco Regulation 56 and by law to review the financial conditions of the Sacco Society and its internal controls. The committee is chaired by Joseph Wamwati Kinyeki. Other members are Jospine Nyambura and Robert Njagi Njugi.

(d) Education and Marketing Committee

The Committee is established in accordance with the Sacco by law 57 to deal with business development as well as members, delegates and staff education matters. The committee is chaired by Robert Njagi Njugi. Other members are Rufus Kamau Cira, Joseph Wamwati Kinyeki and Josephine Nyambura.

Board sub-committees (continued)

(e) Supervisory Committee



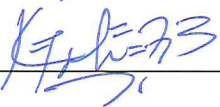
The Committee is established under Rule 28 of the Co-operative Society Rules to ensure that adequate checks and balances are put in place and that the principles of transparency and accountability are observed. The committee is composed of three independent members who are appointed by delegates during the Annual General Meeting namely;

- i. Symon Muriithi Migwi - Chairperson
- ii. Virginia Nyaguthii Murimi - Secretary; and
- iii. Robinson Mugo Mwarā - member.

To the best of our knowledge, no situation of conflict of interest arose at the board.

Internal controls

The society has systems and processes to ensure that requisite controls, physical security of assets and reporting of accurate and up-to date information with a comprehensive accounting system is in place.

 _____	CHAIRMAN
 _____	TREASURER
 _____	BOARD MEMBER

Fortune Savings and Credit Co-operative Society Limited CS/NO - 8379
Financial and statistical information
For the year ended 31st December 2024

	2024	2023
	Numbers	Numbers
Membership		
- Active	118,069	134,613
- Dormant	6,120	10,200
	<u>124,189</u>	<u>144,813</u>
Number of branches	<u>16</u>	<u>16</u>
Number of employees		
- Male	94	89
- Female	133	127
	<u>227</u>	<u>216</u>
	2024	2023
	KSh	KSh
Financial		
Cash and cash equivalents	1,589,796,342	847,996,383
Total assets	7,931,484,314	6,260,009,718
Core capital	1,990,199,333	1,740,169,881
Institutional capital	1,605,423,940	1,229,147,311
Members' deposits	4,447,894,048	3,590,027,676
Loans and advance to members	5,880,937,376	5,759,315,472
Provision for loan losses and suspended interest	822,640,110	752,535,078
Investments	33,424,506	38,346,511
Total revenue	1,277,577,562	1,006,827,594
Total interest income	1,151,252,479	883,862,530
Total expenses	1,000,951,194	779,160,558
Investment shares	650,707,938	577,092,635
Statutory reserve	366,634,512	316,025,270
Appropriation reserve	972,856,883	846,946,989
Key ratios:	2024	2023
Capital adequacy ratios	%	%
Core capital/total assets	25%	28%
Minimum ratio	10%	10%
Core capital/total deposits	45%	48%
Minimum ratio	8%	8%
Institutional capital/total assets	20%	20%
Minimum ratio	10%	10%
Liquidity ratio		
Liquid assets/total deposits & short-term liabilities	36%	24%
Minimum ratio	15%	15%
Operating efficiency/loan quality ratios		
Total expenses/total revenue	78%	77%
Interest on member deposits/total revenue	12%	13%
Interest rate on members' deposits	8%	8%
Dividend rate on members share capital	13.5%	13%
Total delinquent loans/gross loan portfolio	15%	17%

Fortune Savings and Credit Co-operative Society Limited CS/NO - 8379
Statement of directors' responsibilities
For the year ended 31st December 2024

The Sacco Societies Act No. 14 of 2008 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Sacco as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the society keeps proper accounting records that (a) show and explain the transactions of the Sacco; (b) disclose, with reasonable accuracy, the financial position of the Sacco; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Sacco Societies Act No. 14 of 2008.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Sacco Societies Act No 14 of 2008. They also accept responsibility for:

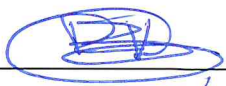
- i. designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. selecting suitable accounting policies and applying them consistently; and
- iii. making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Society as at 31 December 2024 and of the Society's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Sacco Societies Act No. 14 of 2008.

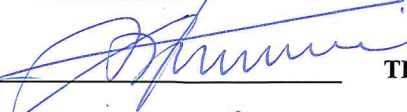
Having made an assessment of the Sacco's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Sacco's ability to continue as a going concern.

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 10th March 2025 and signed on its behalf by:



CHAIRMAN



TREASURER



BOARD MEMBER

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF FORTUNE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED - CS/NO - 8379**

Opinion

We have audited the accompanying financial statements of Fortune Savings and Credit Co-operative Society Limited (the "Society" or "Sacco") and its subsidiaries (together referred to as the "Group"), set out on pages 10 to 51, which comprise the consolidated and company statement of financial position as at 31st December 2024, the consolidated and company statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of the Group and the Sacco as at 31st December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Sacco Societies Act No. 14 of 2008.

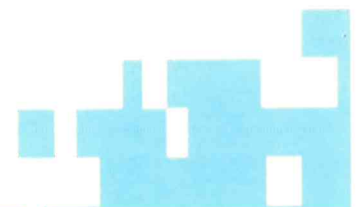
Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Sacco and the Group in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters are summarised on the table below:

Key audit matter	How the matter was addressed
<p>As described in the notes to the financial statements, the impairment losses have been determined in accordance with International Financial Reporting Standards (IFRS) 9 Financial Instruments.</p> <p>This was considered a key audit matter as IFRS 9 is complex financial reporting standard which requires significant judgement to determine the impairment provisions required.</p> <p>Key areas of judgement included:</p> <ul style="list-style-type: none"> The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Sacco's expected credit loss model; and Assumptions used in the expected credit loss model. 	<p>Our audit procedures include understanding and testing of the design and operating effectiveness of the key controls over the Sacco's impairment process:</p> <ul style="list-style-type: none"> Controls over identification of which loans are impaired. For individually significant loans, this included controls over credit grading and the monitoring process. We assessed the modelling techniques and methodology against the requirements of IFRS 9; and Controls over the completeness and accuracy of data input into the impairment model. <p>Reperforming certain credit procedures for individually significant advances as follows:</p> <ul style="list-style-type: none"> performing a credit assessment of a sample of advances assessed as non performing in credit risk Stage 3 and determine whether the evaluation was appropriate and assess the reasonableness of the amount and timing of the estimated cash flows including realisable values of collateral; and performing a credit assessment of a sample of loans assessed as Stage 2 and Stage 3 to determine whether their grading was appropriate. <p>Assessing whether the disclosures in the financial statements appropriately reflect the Sacco's exposure to credit risk.</p>



**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF FORTUNE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED - CS/NO - 8379**

Other information

The directors are responsible for the other information. Other information comprises the information in the reports accompanying the consolidated financial statements, other than our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Co-operative Societies Act, Cap. 490, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

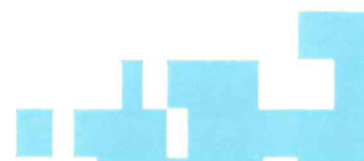
Those charged with governance are responsible for overseeing the Sacco's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sacco's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sacco's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Sacco or the Group to cease to continue as a going concern.



**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF FORTUNE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED - CS/NO - 8379**

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

Report on other legal requirements

In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

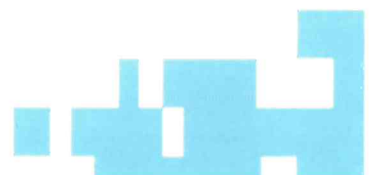
The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Elvis Ogeto**, Practising Certificate No. 2303.



for and on behalf of RSM Eastern Africa LLP
Certified Public Accountants
Nairobi

10 March

..... 2025
042/2025



Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Financial Statements
For the year ended 31st December 2024

**CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 KSh	2023 KSh
Revenue			
Interest on loan and advances	4(a)	1,054,620,146	827,695,441
Other interest income	4(b)	<u>96,632,333</u>	<u>56,167,089</u>
Total interest income		1,151,252,479	883,862,530
Interest expenses	4(c)	<u>(177,975,927)</u>	<u>(134,658,669)</u>
Net interest income		973,276,552	749,203,861
Net fee and commission income	4(d)	81,351,576	74,309,107
Other operating income	4(e)	48,694,320	51,963,021
Impairment charge and write-off on loan and advances	9	(169,394,866)	(105,817,478)
Impairment losses on cash and cash equivalents	7	(31,544,748)	(11,430,446)
Governance expenses	29	(46,103,228)	(50,652,799)
Staff costs	30	(266,101,084)	(206,974,165)
Other administrative expenses	31	(163,488,945)	(128,462,699)
Marketing expenses	32	(23,580,160)	(27,832,475)
Other operating expenses	33	<u>(146,685,531)</u>	<u>(141,938,621)</u>
Profit before tax		256,423,886	202,367,306
Income tax expense	6	<u>(2,178,791)</u>	<u>(1,178,662)</u>
Profit for the year		<u>254,245,095</u>	<u>201,188,644</u>
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
- Deficit on revaluation of property, plant and equipment		-	(12,675,238)
- Fair value gain/(loss) on equity instruments at fair value through other comprehensive income	10	<u>5,112,695</u>	<u>(203,391)</u>
Other comprehensive profit/(loss) for the year		<u>5,112,695</u>	<u>(12,878,629)</u>
Total comprehensive income for the year		<u><u>259,357,790</u></u>	<u><u>188,310,015</u></u>
Dividend:			
Proposed dividend for the year		<u>74,495,362</u>	<u>64,895,444</u>

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Financial Statements
For the year ended 31st December 2024

**SACCO PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**


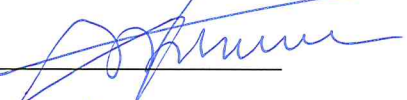
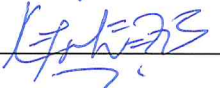
	Notes	2024 KSh	2023 KSh
Revenue			
Interest on loan and advances	4(a)	1,054,620,146	827,695,441
Other interest income	4(b)	<u>96,632,333</u>	<u>56,167,089</u>
Total interest income		1,151,252,479	883,862,530
Interest expenses	4(c)	<u>(177,975,927)</u>	<u>(134,658,669)</u>
Net interest income		973,276,552	749,203,861
Net fee and commission income	4(d)	81,351,576	74,309,107
Other operating income	4(e)	44,973,507	48,608,409
Impairment charge and write-off on loan and advances	9	(169,394,866)	(105,817,478)
Impairment losses on cash and cash equivalents	7	(31,544,748)	(11,430,446)
Governance expenses	29	(46,103,228)	(50,652,799)
Staff costs	30	(265,250,232)	(206,227,943)
Other administrative expenses	31	(163,443,786)	(128,459,569)
Marketing expenses	32	(23,580,160)	(27,832,475)
Other operating expenses	33	<u>(145,582,728)</u>	<u>(141,117,783)</u>
Profit before tax		254,701,887	200,582,884
Income tax expense	6	<u>(1,655,679)</u>	<u>(643,335)</u>
Profit for the year		<u>253,046,208</u>	<u>199,939,549</u>
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
- Deficit on revaluation of property, plant and equipment		-	(12,675,238)
- Fair value gain/(loss) on equity instruments at fair value through other comprehensive income	10	<u>5,112,695</u>	<u>(203,391)</u>
Other comprehensive profit/(loss) for the year		<u>5,112,695</u>	<u>(12,878,629)</u>
Total comprehensive income		<u>258,158,903</u>	<u>187,060,920</u>
Dividend:			
Proposed dividend for the year		<u>74,495,362</u>	<u>64,895,444</u>

Fortune Savings and Credit Co-operative Society Limited CS/NO - 8379
Financial Statements
For the year ended 31st December 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	2024 KSh	2023 KSh
ASSETS			
Cash and cash equivalents	7	1,562,302,613	850,387,925
Other receivables and prepayments	8	62,239,263	56,772,973
Loans and advances to members	9	5,880,937,376	5,006,780,394
Financial assets at fair value through other comprehensive income	10	33,424,506	38,346,511
Inventories	12	25,763,111	14,982,022
Right-of-use-assets	13	29,021,118	22,408,216
Property and equipment	14	268,949,428	235,735,797
Intangible assets	15	64,094,893	27,456,683
Tax recoverable	6	6,887,499	7,845,516
Total assets		7,933,619,807	6,260,716,037
LIABILITIES:			
Interest due to Members	16	24,929,068	27,878,430
Other payables	17	162,320,877	106,058,780
Members' deposits	18	4,447,309,902	3,589,228,238
Retirement benefit obligations	19	90,078,837	78,982,605
Lease liabilities	20	21,352,120	11,121,979
Borrowings	21	498,089,552	-
Provision for liabilities	22	430,702,934	494,682,755
		5,674,783,290	4,307,952,787
FINANCED BY:			
Investment shares	23	650,707,938	577,092,635
Statutory reserves	24(i)	366,634,512	316,025,270
Appropriation reserve	24(ii)	975,561,522	848,557,728
Fair value reserves	24(iii)	6,239,769	1,127,074
Sinking fund	24(iv)	185,197,414	145,065,099
Proposed dividends	24(vi)	74,495,362	64,895,444
		2,258,836,517	1,952,763,250
Total liabilities and capital		7,933,619,807	6,260,716,037

The financial statements on pages 10 to 51 were authorised for issue by the board of directors on 10th March 2025 and were signed on its behalf by:


 CHAIRMAN

 TREASURER

 BOARD MEMBER

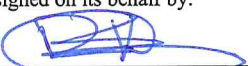
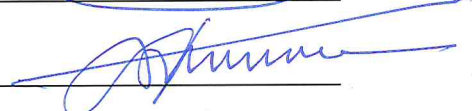



SACCO STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	2024 KSh	2023 KSh
ASSETS			
Cash and cash equivalents	7	1,558,251,594	847,996,383
Other receivables and prepayments	8	63,671,952	57,778,472
Loans and advances to members	9	5,880,937,376	5,006,780,394
Financial assets at fair value through other comprehensive income	10	33,424,506	38,346,511
Investment in subsidiary	11	213,889	213,889
Inventories	12	25,763,111	14,982,022
Right-of-use-assets	13	29,021,118	22,408,216
Property and equipment	14	268,949,428	235,735,797
Intangible assets	15	64,094,893	27,456,683
Tax recoverable	6	7,156,447	8,311,356
Total assets		7,931,484,314	6,260,009,723
LIABILITIES:			
Interest due to Members	16	24,929,068	27,878,430
Other payables	17	162,305,877	106,058,780
Members' deposits	18	4,447,894,048	3,590,027,676
Retirement benefit obligations	19	90,078,837	78,982,605
Lease liabilities	20	21,352,120	11,121,979
Borrowings	21	498,089,552	-
Provision for liabilities	22	430,702,934	494,682,755
		5,675,352,436	4,308,752,225
FINANCED BY:			
Investment shares	23	650,707,938	577,092,635
Statutory reserves	24(i)	366,634,512	316,025,270
Appropriation reserve	24(ii)	972,856,883	847,051,976
Fair value reserves	24(iii)	6,239,769	1,127,074
Sinking fund	24(iv)	185,197,414	145,065,099
Proposed dividends	24(vi)	74,495,362	64,895,444
		2,256,131,878	1,951,257,498
Total liabilities and capital		7,931,484,314	6,260,009,723

APPROVED
 for publication and presentation
 to AGM or ADM subject to observations Issued
12 MAR 2025
 SIGN: *[Signature]*
**THE SACCO SOCIETIES REGULATORY
 AUTHORITY**

The financial statements on pages 10 to 51 were authorised for issue by the board of directors on 10th March 2025 and were signed on its behalf by:


 _____ CHAIRMAN

 _____ TREASURER

 _____ BOARD MEMBER

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Financial Statements
For the year ended 31st December 2024

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

Year ended 31 December 2024	Notes	Share capital Shs	Statutory reserves Shs	Appropriation reserve Shs	Fair value reserve Shs	Loan sinking fund	Proposed dividends Shs	Total Shs
At start of year		577,092,635	316,025,270	848,557,728	1,127,074	145,065,099	64,895,444	1,952,763,250
Changes in equity 2024								
Profit for the year		-	-	254,245,095	-	-	-	254,245,095
Other comprehensive income		-	-	-	5,112,695	-	-	5,112,695
- Change in fair value of equity instruments designated as at fair value through other comprehensive income		-	-	-	5,112,695	-	-	5,112,695
Total comprehensive income for the year		-	-	254,245,095	5,112,695	-	-	259,357,790
Transfer to statutory reserve		-	50,609,242	(50,609,242)	-	-	-	-
Net contribution to loan sinking fund	24(iv)	-	-	-	-	40,132,315	-	40,132,315
Transactions with owners:								
Issue of investment shares	24(i)	73,615,303	-	-	-	-	-	73,615,303
Dividends:								
- Paid 2023	24(vi)	-	-	(2,136,697)	-	-	(64,895,444)	(67,032,141)
- Proposed 2024	24(vi)	-	-	(74,495,362)	-	-	74,495,362	-
At end of year		650,707,938	366,634,512	975,561,522	6,239,769	185,197,414	74,495,362	2,258,836,517

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Financial Statements
For the year ended 31st December 2024

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

Year ended 31 December 2023	Notes	Share capital KSh	Statutory reserves KSh	Appropriation reserve KSh	Fair value reserve KSh	Dividend reserve KSh	Loan sinking fund KSh	Proposed dividends KSh	Total KSh
At start of year		486,344,638	275,067,197	663,388,675	14,005,703	144,563,667	16,488,925	51,810,353	1,651,669,158
Changes in equity 2023									
Profit for the year		-	-	201,188,644	-	-	-	-	201,188,644
Other comprehensive income									
- Change in fair value of equity instruments designated as at fair value through other comprehensive income		-	-	-	(203,391)	-	-	-	(203,391)
Total comprehensive income for the year		-	-	201,188,644	(203,391)	-	-	-	200,985,253
Revaluation loss		-	-	-	(12,675,238)	-	-	-	(12,675,238)
Transfer to statutory reserve		-	40,958,073	(40,958,073)	-	-	-	-	-
Transfer from dividend reserve		-	-	144,563,667	-	(144,563,667)	-	-	-
Transfer to loan sinking fund	24(iv)	-	-	(53,237,451)	-	-	53,237,451	-	-
Net contribution to loan sinking fund	24(iv)	-	-	-	-	-	75,338,723	-	75,338,723
Transactions with owners:									
Issue of investment shares	24(i)	90,747,997	-	-	-	-	-	-	90,747,997
Dividends:									
- Paid 2022	24(vi)	-	-	(1,492,290)	-	-	-	(51,810,353)	(53,302,643)
- Proposed 2023	24(vi)	-	-	(64,895,444)	-	-	-	64,895,444	-
At end of year		577,092,635	316,025,270	848,557,728	1,127,074	-	145,065,099	64,895,444	1,952,763,250

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Financial Statements
For the year ended 31st December 2024

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

Year ended 31 December 2024	Notes	Share capital KSh	Statutory reserves KSh	Appropriation reserve KSh	Fair value reserve KSh	Loan sinking fund KSh	Proposed dividends KSh	Total KSh
At start of year		577,092,635	316,025,270	847,051,976	1,127,074	145,065,099	64,895,444	1,951,257,498
Changes in equity 2024								
Profit for the year		-	-	253,046,208	-	/	-	253,046,208
Other comprehensive income								
- Change in fair value of equity instruments designated as at fair value through other comprehensive income		-	-	-	5,112,695	-	-	5,112,695
Total comprehensive income for the year		-	-	253,046,208	5,112,695	-	-	258,158,903
Transfer to statutory reserve		-	50,609,242	(50,609,242)	-	-	-	-
Net contribution to loan sinking fund	24(iv)	-	-	-	-	40,132,315	-	40,132,315
Transactions with owners:								
Issue of investment shares	24(i)	73,615,303	-	-	-	-	-	73,615,303
Dividends:								
- Paid 2023	24(vi)	-	-	(2,136,697)	-	-	(64,895,444)	(67,032,141)
- Proposed 2024	24(vi)	-	-	(74,495,362)	-	-	74,495,362	-
At end of year		<u>650,707,938</u>	<u>366,634,512</u>	<u>972,856,883</u>	<u>6,239,769</u>	<u>185,197,414</u>	<u>74,495,362</u>	<u>2,256,131,878</u>

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Financial Statements
For the year ended 31st December 2024

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

Year ended 31 December 2023	Notes	Share capital KSh	Statutory reserves KSh	Appropriation reserve KSh	Fair value reserve KSh	Dividend reserve KSh	Loan sinking fund KSh	Proposed dividends KSh	Total KSh
At start of year		486,344,638	275,067,197	663,132,018	14,005,703	144,563,667	16,488,925	51,810,353	1,651,412,501
Changes in equity 2023									
Profit for the year		-	-	199,939,549	-	-	-	-	199,939,549
Other comprehensive income									
- Change in fair value of equity instruments designated as at fair value through other comprehensive income		-	-	-	(203,391)	-	-	-	(203,391)
Total comprehensive income for the year		-	-	199,939,549	(203,391)	-	-	-	199,736,158
Revaluation loss		-	-	-	(12,675,238)	-	-	-	(12,675,238)
Transfer to statutory reserve		-	40,958,073	(40,958,073)	-	-	-	-	-
Transfer from dividend reserve		-	-	144,563,667	-	(144,563,667)	-	-	-
Transfer to loan sinking fund	24(iv)	-	-	(53,237,451)	-	-	53,237,451	-	-
Net contribution to loan sinking fund	24(iv)	-	-	-	-	-	75,338,723	-	75,338,723
Transactions with owners:									
Issue of investment shares	24(i)	90,747,997	-	-	-	-	-	-	90,747,997
Dividends:									
- Paid 2022	24(vi)	-	-	(1,492,290)	-	-	-	(51,810,353)	(53,302,643)
- Proposed 2023	24(vi)	-	-	(64,895,444)	-	-	-	64,895,444	-
At end of year		577,092,635	316,025,270	847,051,976	1,127,074	-	145,065,099	64,895,444	1,951,257,498

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Financial Statements
For the year ended 31st December 2024

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 KSh	2023 KSh
Cash flows from operating activities			
Interest income on loans and advances	4(a)	1,054,620,146	827,695,441
Other interest income	4(b)	96,632,333	56,167,089
Interest paid on members' deposits	4(c)	(156,622,562)	(132,796,693)
Interest paid on borrowings	4(c)	(19,038,208)	-
Interest paid on lease liabilities	4(c)	(2,315,157)	(1,861,976)
KUSSCO shares impairment loss		10,034,699	-
Net fee and commission income	4(d)	81,351,576	74,309,107
Other operating income	4(e)	46,995,674	50,220,031
Payment to employees and suppliers		(621,806,810)	(505,355,578)
Cash generated from operating activities before		489,851,691	368,377,421
Changes in operating assets			
Advances to members	9	(3,400,777,018)	(3,778,168,612)
Repayments	9	2,357,225,170	3,076,659,661
Increase in loans and advances		(1,043,551,848)	(701,508,951)
Changes in operating liabilities			
Deposits received	18	47,646,004,802	44,296,371,053
Withdrawals	18	(46,787,923,138)	(43,917,982,973)
Increase in members' deposits		858,081,664	378,388,080
Cash generated from operating activities		302,002,026	45,256,550
Income tax paid		(1,220,774)	(673,089)
Net cash generated from operating activities		303,160,733	44,583,461
Cash flows from investing activities			
Purchase of property and equipment	14	(62,045,076)	(77,610,802)
Purchase of financial assets		-	(3,500,000)
Purchase of intangible assets	15	(41,105,000)	(2,610,000)
Dividends received	4(e)	1,698,646	1,742,990
Net cash (used in) investing activities		(101,451,430)	(81,977,812)
Cash flows from financing activities			
Proceeds from issue of investment shares	24(i)	73,615,303	90,747,997
Net contribution to loan sinking fund		40,132,315	43,440,521
Changes in restricted cash balances	7	9,500,000	(6,500,000)
Payments of principal portion of the lease liabilities	20	(3,054,896)	(4,623,677)
Dividends paid	20(vi)	(67,032,141)	(53,302,643)
Proceeds from borrowings		498,089,552	-
Net cash (used in)/from financing activities		551,250,133	69,762,198
Movement in cash and cash equivalents			
Cash and cash equivalents at start of year		838,335,257	805,967,410
Increase in cash and cash equivalents		752,959,436	32,367,847
Cash and cash equivalents as at end of the year	7	1,591,294,693	838,335,257

Fortune Savings and Credit Co-operative Society Limited C/S - 8379
Financial Statements
For the year ended 31st December 2024

SACCO STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 KSh	2023 KSh
Cash flows from operating activities			
Interest income on loans and advances	4(a)	1,054,620,146	827,695,441
Other interest income	4(b)	96,632,333	56,167,089
Interest paid on members' deposits	4(c)	(156,622,562)	(132,796,693)
Interest paid on borrowings	4(c)	(19,038,208)	-
Interest paid on lease liabilities	4(c)	(2,315,157)	(1,861,976)
KUSSCO shares impairment loss		10,034,699	-
Net fee and commission income	4(d)	81,351,576	74,309,107
Other operating income	4(e)	43,274,861	46,865,418
Payment to employees and suppliers		(620,250,186)	(504,009,921)
Cash generated from operating activities before		487,687,502	366,368,465
Changes in operating assets			
Advances to members	9	(3,400,777,018)	(3,778,168,612)
Repayments	9	2,357,225,170	3,076,659,661
Increase in loans and advances		(1,043,551,848)	(701,508,951)
Changes in operating liabilities			
Deposits received	18	47,646,004,802	44,297,170,491
Withdrawals	18	(46,788,138,430)	(43,917,982,977)
Increase in members' deposits		857,866,372	379,187,514
Cash generated from operating activities		302,002,026	44,047,028
Income tax paid		(500,770)	(603,602)
Net cash generated from operating activities		301,501,256	43,443,426
Cash flows from investing activities			
Purchase of property and equipment	14	(62,045,076)	(77,610,802)
Purchase of financial assets		-	(3,500,000)
Purchase of intangible assets	15	(41,105,000)	(2,610,000)
Dividends received	4(e)	1,698,646	1,742,990
Net cash (used in) investing activities		(101,451,430)	(81,977,812)
Cash flows from financing activities			
Proceeds from issue of investment shares	24(i)	73,615,303	90,747,997
Net contribution to loan sinking fund		40,132,315	43,440,521
Changes in restricted cash balances	7	9,500,000	(6,500,000)
Payments of principal portion of the lease liabilities	20	(3,054,896)	(4,623,677)
Dividends paid	20(vi)	(67,032,141)	(53,302,643)
Proceeds from borrowings		498,089,552	-
Net cash (used in)/from financing activities		551,250,133	69,762,198
Movement in cash and cash equivalents			
Cash and cash equivalents at start of year		835,943,715	804,715,903
Increase in cash and cash equivalents		751,299,959	31,227,812
Cash and cash equivalents as at end of the year	7	1,587,243,674	835,943,715