



30 Years of Empowering Members  
Through Sustainable Cooperative  
Finance

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# CARECOOP ANNUAL REPORT 2025



## 30 YEARS OF EMPOWERING MEMBERS THROUGH SUSTAINABLE COOPERATIVE FINANCE

We proudly celebrate thirty (30) years of service to our members. This milestone marks three decades of commitment to changing lives and empowering members through sustainable cooperative finance.

Since its establishment on 11 March 1996, CareCoop has remained grounded in cooperative values of self-help, mutual support, transparency, and democratic participation. Over the years, the unwavering trust, loyalty, and support of our members and stakeholders have been central to the cooperative's growth, resilience, and impact. Together, we have built an institution that not only provides financial services but also creates opportunities for economic empowerment and improved livelihoods.

We extend our sincere appreciation to our members, partners, regulators, and employees for their continued support and confidence in CareCoop. As we reflect on our journey and achievements over the past 30 years, we reaffirm our commitment to strengthening sustainable cooperative finance and delivering lasting value that continues to transform lives and empower generations to come.



## 2025 PERFORMANCE HIGHLIGHT —

This Annual Report presents a comprehensive review of CareCoop's performance for the year ended 2025. During the year under review, the cooperative recorded notable progress in strengthening its financial position, expanding member participation, and enhancing service delivery, despite a challenging operating environment. These achievements underscore the resilience of the cooperative model and the effectiveness of CareCoop's strategic focus.

### Revenue:

CareCoop's total revenue grew slightly by **1%** from **ZMW 31.60 million** in 2024 to **ZMW 31.88 million** in 2025.

1%



13%



### Membership:

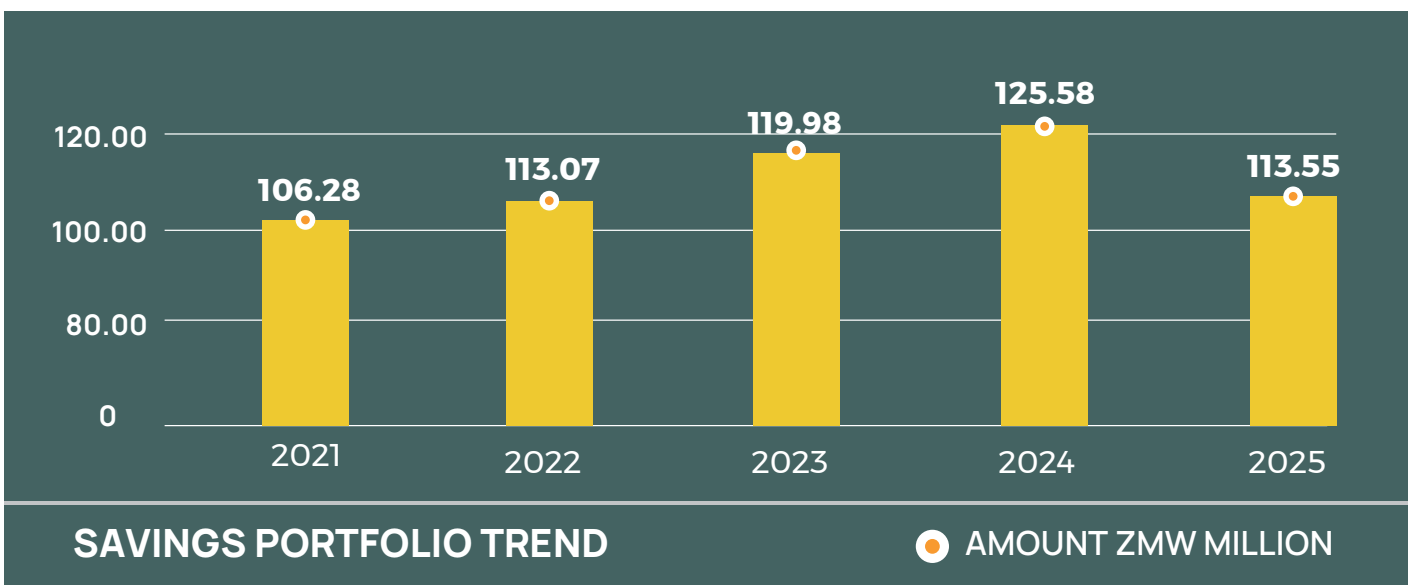
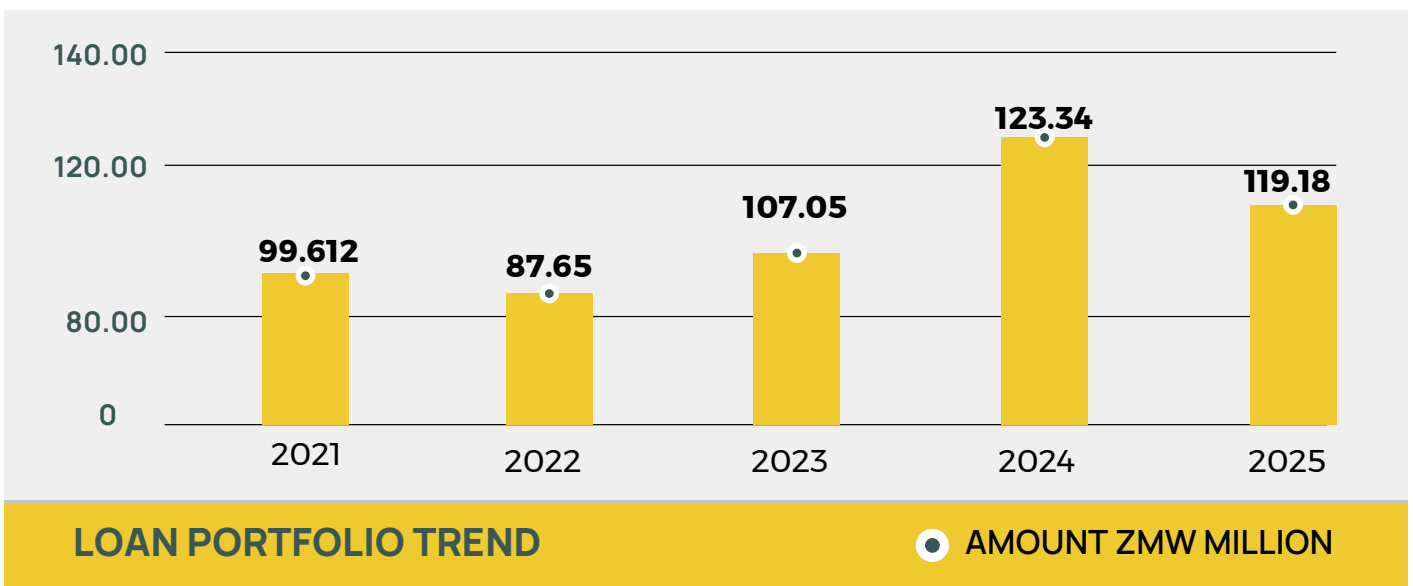
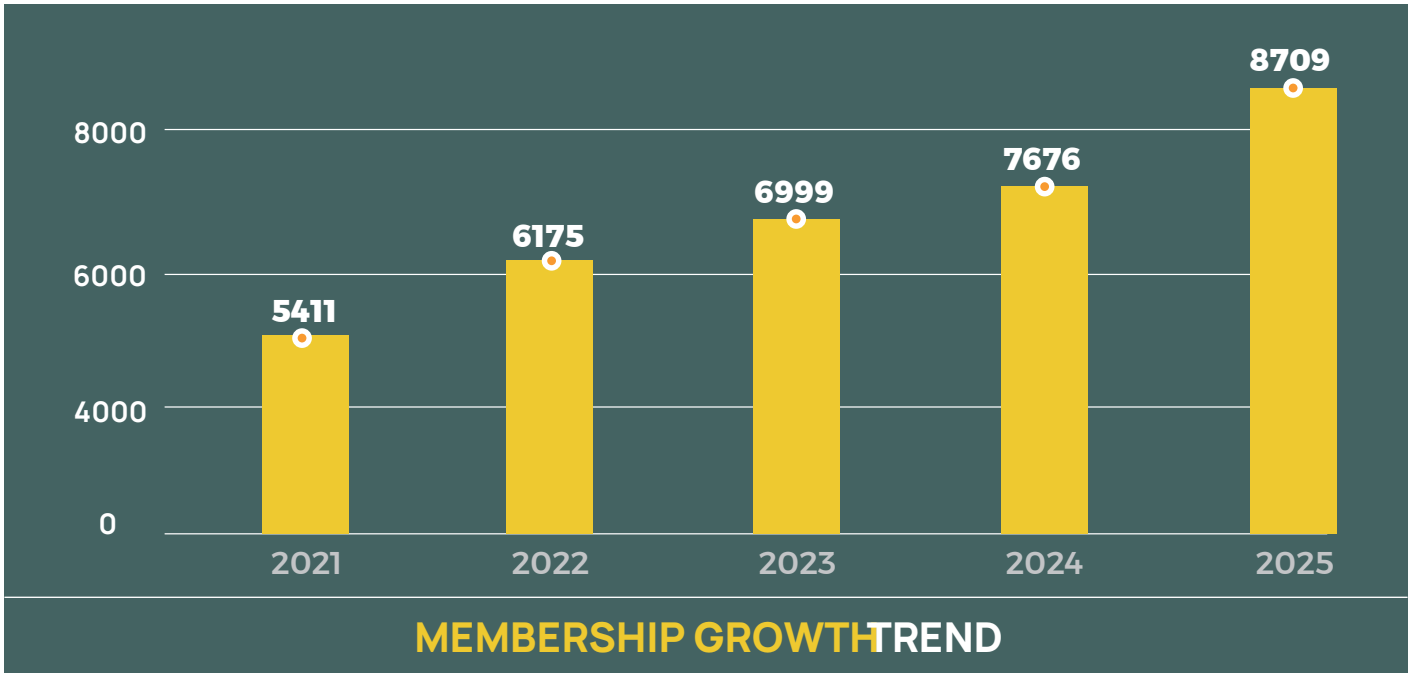
CareCoop's membership grew by **13%** from **7676** in 2024 to **8709** in 2025.

### Surplus:

CareCoop's surplus grew by **33%** from **ZMW 3.38 million** in 2024 to **ZMW 4.51 million** in 2025.

33%







# OUR MOMENTUM



## Drive Organic Growth

Continually pursuing opportunities to grow revenue through the expansion of the member base, savings base and assets in ways that are prudent, innovative, sustainable and align with the CareCoop's risk appetite.



## Maintain Efficiency and Expense Control

Striving to perform efficiently for the benefit of members and employees by investing in technology, automating processes and evaluating operations.



## Optimize the SACCO Operations

Enhancing both physical and digital delivery channels to make operations more convenient, accesible and consistent for members.



## Build a Durable, Scalable Infrastructure

Developing the processes and investing in modern financial tools that support the organization today and prepare it for the future.



## Build a Strong, Differentiated Brand

Distinguishing CareCoop as a diversified financial institution with experienced leadership, dedicated employees and a comprehensive array of products and capabilities.



## Promote Core Values and Corporate Responsibility

Instilling in each employee the values that guide CareCoop's strategic vision: Accountability, Transparency, Integrity Respect, Excellence, Commitment, Ownership and Innovation.

## Our product offering

### Savings

- Ordinary Savings
- Long-Term Savings
- Junior Saver
- Golden Saver
- Holiday Saver

### Loans

- Building Loan
- Commodity Loan
- Consolidation Loan
- Education Loan
- Emergency Loan
- Flexy Loan
- Gadget Financing
- Insurance Premium
- Land Purchase
- Ordinary Loan
- Share Financing Loan
- Utility Loan
- Vehicle Loan

### Value Added Services

- Land
- Insurance
- Digital Financing
- Funeral Cover- Benevolent Fund
- Alternative Energy Financing
- Water Utility Financing



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## ABOUT CARECOOP

Officially registered on 11th of March 1996, CareCoop is a member-owned cooperative financial institution established to provide accessible, affordable, and sustainable financial services to its members. Founded on cooperative principles of self-help, democratic control, transparency, and mutual benefit, CareCoop exists to improve the social and economic well-being of its membership.

For the past thirty (30) years, CareCoop has played a pivotal role in promoting financial inclusion through savings mobilisation, responsible lending, member education, and prudent financial management. The cooperative operates within a strong governance framework, ensuring accountability to members while maintaining financial sustainability and regulatory compliance.

CareCoop operates in compliance with the Cooperative Societies Act No. 20 of 1998 and its By-Laws, with regulatory oversight by the Registrar of Cooperatives.

In 2025 and with a membership of over 8,700, CareCoop continues to advance its mission of changing lives and empowering members through sustainable cooperative finance, leveraging its experience, institutional strength, and member-centred approach to deliver long-term value and inclusive growth.



### OUR MISSION

To empower our members by providing affordable, innovative financial products and services, and aspire to be the leading SACCO in Zambia.



### OUR VISION

To be a leading and dynamic SACCO that empowers our members to attain their financial aspirations.

# OUR CORE VALUES



## ACCOUNTABILITY

All actions of the members, board, and staff shall be in the best interest of the Co-operative with zero tolerance to corruption, fraud and theft.



## TRANSPARENCY

We will maintain openness in all our Co-operative dealings.



## INTEGRITY

All members, board and staff will maintain the highest levels of honesty and truthfulness in all our day to day interactions.



## RESPECT

We will hold in high esteem the values and opinions of all members and other stakeholders.



## EXCELLENCE

We demand of ourselves the highest quality of service.



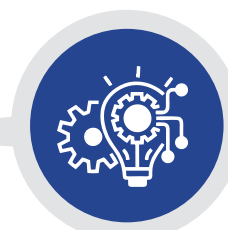
## COMMITMENT

We pledge dedication and loyalty to the Co-operative.



## OWNERSHIP

Fostering a culture of responsibility and dedication among the Cooperative's internal stakeholders



## INNOVATION

We will continue to implement innovative solutions and technologies to enhance our service delivery



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 31st Annual General Meeting (AGM) of the Care Cooperative Savings and Credit Society Ltd in respect of the year ended 31st December 2025 will be held on Saturday 28th March 2026, virtually, in Lusaka at 08:30 hours to transact the following business:

1	Welcome Remarks and Prayer
2	Adoption of agenda
3	Confirmation and Adoption of 30th AGM minutes
4	Board Chairperson's Speech
5	Speech by the Guest of Honour
6	Presentation and Adoption of 2025 Audited Financial Statements
7	Declaration of dividend and interest
8	Ratification and re-appointment of External Auditors
9	Risk and Audit Committee's Report
10	Amendments to the By-Laws
11	Election of Directors
12	Closing Remarks and Prayer



Issued by Order of the  
Board on 27th February 2026

**MR MALAMA MWILA**  
**BOARD SECRETARY**



# CHAIRPERSON'S REPORT



MS. CHIKWE ANTOINETTE  
MBWEEDA

**CHAIRPERSON** ———



# CHAIRPERSON'S REPORT —

On behalf of the Board of Directors, I am pleased to present the Chairperson's Report for the year ended 2025. The year unfolded within a complex and uncertain operating environment, marked by USAID related funding disruptions and broader macroeconomic pressures. Despite these challenges, CareCoop demonstrated resilience, discipline, and strategic focus.

The operating year was characterised by macroeconomic pressures that affected households, businesses, and financial institutions. Although inflation trended downward in the latter half of the year, closing at 11.2%, exchange rate volatility and rising operational costs continued to strain disposable incomes and borrowing capacity, creating a cautious climate for cooperative financial institutions.

The withdrawal of USAID support further impacted the development financing landscape, affecting CareCoop's performance and cash flows with the Stop Work Orders (SWO). Job losses among members previously in formal employment led to a shift in our priorities.

In response, CareCoop prioritised prudent financial management, adaptability, and strategic decision making to maintain institutional stability and protect member value.

## Financial Sustainability

The USAID SWO materially altered CareCoop's operating landscape during the year under review. In response to this external shock, our focus pivoted decisively toward safeguarding institutional sustainability while preserving member value. Strategic priorities were recalibrated and elements of the annual plan were adjusted to ensure stability, liquidity resilience, and continuity of service amid heightened uncertainty.

The impact of the disruption is reflected in our financial performance. Loan disbursements closed at ZMW 130.00 million, compared to ZMW 162.37 million in 2024, representing a 20% decline year-on-year. The Gross Loan Portfolio (GLP) reduced to ZMW 119.18 million, down from ZMW 123.34 million, reflecting a contraction of 3%. The overall asset base similarly declined from ZMW 168.71 million to ZMW 157.94 million, a reduction of approximately 6%, largely attributable to the same external pressures.

Despite this sharp shift in operating conditions, CareCoop remained resilient and closed the year with a surplus of ZMW 4.51 million, compared to ZMW 3.38 million in the prior year, representing a 33% positive variance. This underscores the strength of our governance framework and disciplined financial stewardship during a challenging year.

## Savings Performance

CareCoop's savings portfolio closed at ZMW 113.55 million, compared to ZMW 125.58 million in the previous year, reflecting a 10% reduction. This decline was primarily driven by withdrawals from members affected by employment disruptions following the SWO.

CareCoop adopted a pragmatic approach, prioritising the sustenance of lending activity and the protection of interest income. Consequently, savings conditions were temporarily relaxed, particularly in the final quarter of 2025, to support loan uptake and stabilise overall performance.

While the year presented undeniable headwinds, CareCoop's ability to remain profitable, preserve member returns, and maintain operational stability reflects the resilience of our model and the commitment of the board, management, and members.

## Collections Performance

Collections performance remained steady in 2025, with an average rate of 97%, consistent with the prior year. This reflects effective credit monitoring, structured recoveries, and resilient member repayment behaviour despite economic challenges. The sustained performance supports liquidity stability, protects portfolio quality, and reinforces CareCoop's long-term sustainability.

## Technological Enhancements

During the year, CareCoop advanced its digital transformation agenda to enhance member convenience and service efficiency. A key milestone was the launch of the new Member Portal, which improves accessibility, transparency, and turnaround times through a more secure self-service platform.

The Fastele Instant Loan USSD platform also successfully completed its pilot phase, in readiness for full rollout. Once launched, it will expand access to SACCO services, particularly for members without internet connectivity and seeking convenience.

Together, these initiatives strengthen our technology modernisation efforts and position CareCoop for sustainable growth in an increasingly digital environment.

## Membership Growth

CareCoop's membership growth remained resilient notwithstanding the early-year disruptions experienced. Through sustained onboarding initiatives and focused member engagement, CareCoop recruited over 1,000 new members during the year.

Encouragingly, attrition remained contained at 1%, well within the defined risk appetite threshold of 5% for regrettable attrition, underscoring continued member confidence in CareCoop's value proposition. As a result, total membership closed at 8,709 individual members, up from 7,676 in 2024, representing growth of 13%.



## Member Service Enhancements

In 2025, CareCoop advanced a deliberate programme of service excellence initiatives designed to enhance member experience and operational effectiveness. These interventions included the streamlining of internal workflows, the introduction of clearly defined performance metrics for staff, and the strategic realignment of roles to ensure optimal service delivery. This transformation journey was further strengthened by the launch of a new Member Portal, providing a more seamless, accessible, and efficient service platform.

These efforts yielded measurable outcomes, reaching an all-time high member satisfaction at 80.2%, surpassing the 80% target and reflecting the positive impact of our focused execution and service discipline.

In line with CareCoop's commitment to continuous improvement and sustainable value creation, we will continue to invest in systems, processes, and people to ensure that service excellence remains embedded in our operating model and that member satisfaction continues to strengthen over time.

## Building Project

CareCoop advanced its building project with the signing of the construction contract and the commencement of works by Zhengtai, under the supervision of Michel Design Studio. Demolition of the old structure was completed by November 2025, and construction of the new facility began in December 2025, with completion expected within twelve months.

Due to external financial pressures arising from the US government's aid withdrawal, the project scope was prudently revised from a multi-storey to a single-storey modern facility. Despite this adjustment, the design remains functional, environmentally conscious, and allows for future expansion, with the objective of enhancing member service delivery and providing a contemporary working environment for staff.

## Visibility and Sector Leadership

CareCoop continues to strengthen its national and regional presence through deliberate strategic engagement within the cooperative movement. Notably, our Chief Executive Officer, Ms. Mutinta Lumayi was co-opted to play a leading role in the revival of the National Savings and Credit Union (NASCU), the apex body for SACCOs in Zambia. This appointment reflects both the credibility of CareCoop's governance model, and the confidence placed in our leadership at a national level.

Our active participation in the revitalisation of NASCU demonstrates our commitment to shaping the future of the SACCO sector, contributing to policy dialogue, strengthening institutional frameworks, and promoting sector-wide sustainability. By taking a leadership position in national forums, CareCoop continues to enhance its institutional profile while contributing to the broader advancement of cooperative finance in Zambia.

At the continental level, CareCoop remains an active affiliate of the African Confederation of Cooperative Savings and Credit Associations (ACCOSCA). Through participation in regional platforms and knowledge-sharing forums, we continue to benchmark against best practice, exchange insights, and strengthen our operational model to enhance member welfare. These engagements ensure that CareCoop remains aligned with evolving global standards in cooperative finance while maintaining a strong local impact.

## Environmental, Social and Governance (ESG) and Community Impact

While we engage in various initiatives to help manage our sustainability and governance profile and respond to stakeholder expectations, which continue to evolve, such initiatives can be costly to undertake. However, in demonstration of our responsible corporate citizenship, CareCoop remains committed to responsible and sustainable business practices anchored in ESG principles. Our corporate social responsibility strategy is aligned with the United Nations Sustainable Development Goals (SDGs) and Zambia's National Development Plan, ensuring that our interventions are both impactful and nationally relevant.

From a governance perspective, we remain committed to transparency, accountability, and strong oversight structures. ESG considerations are increasingly integrated into our reporting and strategic planning processes, ensuring that financial performance is balanced with social responsibility, environmental stewardship, and sound governance practices.

Under **Community Impact**, CareCoop undertook a key initiative aligned with **SDG 4 (Quality Education)** and **SDG 6 (Clean Water and Sanitation)**. During the year, we funded and facilitated the rehabilitation of a borehole and put up a new water reticulation system at Chifundo Community School in Kanyama, providing learners and the surrounding community with access to clean and safe running water. This initiative contributes directly to improved health outcomes, school attendance, and a more conducive learning environment.

Through these initiatives, CareCoop reinforces its identity not only as a financial services provider, but as a responsible corporate citizen dedicated to sustainable growth, community empowerment, and long-term value creation for members and stakeholders alike.

## Governance and Oversight

CareCoop's Board of Directors remained fully engaged throughout the year, exercising its governance mandate by providing oversight and strategic guidance while ensuring adherence to regulatory requirements and cooperative principles. In fulfilling its fiduciary duties, the Board safeguarded organizational integrity, accountability, and the responsible stewardship of resources. Board committees played a critical role in strengthening governance structures, supporting effective decision-making in key areas, and ensuring that risk management, compliance, and ethical standards were consistently upheld.



From a governance and risk perspective, the Audit and Risk Committee affirmed that CareCoop operates with a robust system of governance, risk management, and internal control. No systemic breakdowns or material weaknesses were identified, underscoring the institution's resilience and sound oversight. Risk exposures were consistently managed within acceptable tolerance levels, even in a challenging environment. Through disciplined financial stewardship and proactive mitigation strategies, CareCoop not only preserved institutional stability but also strengthened its foundation, positioning the institution confidently for measured and sustainable growth in 2026.

## Board Changes

The year also saw changes in Board of Directors composition, reflecting both leadership renewal and continuity.

At CareCoop's 2025 Annual General Meeting (AGM), Mr. Kudakwashe Mucheka retired as Board Chairperson, following six years of dedicated service having held various board positions. The Board sincerely appreciates his leadership, particularly in guiding the cooperative through a challenging operating environment at the beginning of 2025 and laying a sturdy foundation for the growth achieved during the period.

Ms. Helen Khunga Chirwa also retired as Board Secretary after six years of service, and Ms. Brenda Kayumba stepped down after completing her three-year term. The Board extends its gratitude to both Directors for their valuable contributions. Meanwhile, Mr. Malama Mwila was re-elected for his second and final term, and Mr. Mushashu Mwansa Lumpa, Ms. Maambo Mweemba Muleya and Ms. Elizabeth Makeche Mbao joined the Board, bringing fresh perspectives and renewed energy.

At the forthcoming AGM, Ms Monica Mutesa will retire after six years of service, while Mr Isaac Mwape, Ms Memory Banda Simwaba, and Mr Jobrith Mutembo will each complete their first three-year term of office this year.

I take this opportunity to acknowledge the dedication and contributions of the Directors, whose service has helped steer CareCoop through a demanding operating period and position it for future growth.

As my own first 3-year term ends, I look back with deep gratitude and pride at what we have accomplished together. In the face of a challenging economic environment, the Board, Management, and members stood united, strengthening governance, enhancing financial stability, and guiding CareCoop toward sustained growth. These collective achievements are a testament to the resilience of the cooperative model and the unwavering commitment of Directors, Management, and our membership. I am profoundly thankful for the trust, collaboration, and dedication that have defined this journey, and I carry forward a strong sense of accomplishment in what we have built together.

## Profound Appreciation

On behalf of the Board, I wish to express my deepest gratitude to our members for the trust and steadfast support that continue to anchor CareCoop's journey. To Management and staff, your unwavering commitment, professionalism, and dedication have been the driving force behind our progress. To our regulators and partners, we are profoundly thankful for your guidance, collaboration, and confidence in our mission. Together, we remain devoted to strengthening CareCoop's role as a trusted cooperative financial institution, one that delivers lasting value, empowers its members, and upholds the spirit of solidarity at the heart of the cooperative model.

## Looking Ahead

As CareCoop celebrates 30 years of impact, we embrace the next phase of our journey with gratitude for the past and confidence in the future. While economic conditions may remain fluid, the Board is assured that our strong cooperative foundation, prudent fiscal management, and member-driven approach will continue to sustain growth and deepen our impact. With unity of purpose and the enduring spirit of cooperation, CareCoop stands ready to build on its legacy, delivering lasting value, empowerment, and resilience for our members and communities in the years ahead.



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**MS. CHIKWE ANTOINETTE  
MBWEEDA**

**BOARD CHAIRPERSON**



# CARECOOP GOVERNANCE STRUCTURE

CareCoop operates under a member-driven governance framework, with ultimate authority vested in the Annual General Meeting. The Board of Directors provides strategic oversight and delegates specific responsibilities to Board committees. Management is responsible for executing Board-approved strategies and policies and for the day-to-day operations of the cooperative.

## CareCoop Board of Directors



Ms. Chikwe Antoinette Mbweeda

**Board Chairperson**  
MBA



Mr. Isaac Mwape

**Board Vice Chairperson**  
MBA, MCom, BAcc, CIMA



Ms. Memory Banda Simwaba

**Board Treasurer**  
MSc, FCCA



Mr. Malama Mwila

**Board Secretary**  
MSc, BSc



Ms. Monica Mutesa

**Board Member**  
MSc



Mr. Mushashu Mwansa Lumpa

**Board Member**  
MSc, BSc



Ms. Maambo Mweemba  
Muleya

**Board Member**  
MBA



Ms. Angela Nkole Phiri

**Board Member**

MA, BSc



Ms. Elizabeth Makeche Mbao

**Board Member**

FCCA, FZICA, MBA Finance



Ms. Rosemary Zulu Phiri

**Board Member**

BSc



Ms. Mutinta S Lumayi

**Chief Executive Officer**

Ex-officio Member  
MBA, LLB, BA, Dip Sustainable Business, Dip BF, ADE

## Audit & Risk Committee



Mr. Jobrith Mutembo

**Chairperson-ARC**

BAEd, BA, PPM & E Cert.



Ms. Mebbie Chikwete

**ARC Member**

MBA, ACCA, NATech, MEAL



Mr. Douglas Chiyesu

**ARC Member**

ZDA, Post Grad Dip Mgmt



# Management

The management team is structured to support operational efficiency, financial sustainability, and responsive service delivery to members, while promoting transparency and adherence to cooperative principles. This structure enables effective coordination, decision-making, and reporting, ensuring that CareCoop remains well positioned to meet its mandate and serve the best interests of its members.



Ms. Mutinta S Lumayi

**Chief Executive Officer**

MBA, LLB, BA, Dip Sustainable Business, Dip BF, ADE



Mr. Sydney Kanyata

**Head Finance & Administration**

ACMA, ZICA



Ms. Prunella Kapinga Kalela

**Head Business Development**

MA, BSc, Dip Sustainable Business, ADE



Mr. Fred Musonda

**Head Risk & Internal Audit**

FCCA, FZICA



Ms. Annie Chita

**Executive & Board Liaison Officer**

BA, Dip Law

# 2025 Overview —



Our strategic focus is anchored on four thematic areas; Member centricity, Business growth, Digital transformation and Financial resilience.

**Ms. Mutinta S Lumayi**  
**Chief Executive Officer**

## Strategic Response

The 2025 financial year unfolded within a challenging external environment, particularly due to disruptions arising from USAID related funding reductions and Stop Work Orders (SWOs) that affected several member organisations. These developments reduced borrowing capacity, accelerated loan closures, increased loan impairment and placed pressure on savings balances, particularly in the first half of the year.

Despite these pressures, CareCoop demonstrated resilience anchored in its cooperative model and strong governance framework. The Board and Management worked closely to navigate the evolving operating environment, prioritising financial sustainability, liquidity management, and risk oversight, while remaining focused on CareCoop's mandate of changing lives and empowering members through sustainable cooperative finance.

Strategic decisions taken during the year, including the temporary relaxation of savings conditions to sustain lending activities and protect interest income, review and resizing of capital projects such as the office building project, reflected our commitment to financial prudence and long-term sustainability in the best interests of members.

CareCoop also continued to invest in member education and engagement, recognising that informed and active members are central to the resilience and success of the cooperative model, particularly during periods of economic uncertainty.



## Member Engagement

As a member-owned SACCO, we place members at the centre of what we do, ensuring that services remain aligned to members' evolving needs.

During the year, we prioritised structured member engagement through active AGM participation, open communication channels, regular performance updates, and forty (40) physical and virtual engagement and education sessions, reinforcing confidence, accountability, and long-term value creation.

Member education remains central to CareCoop's cooperative identity and long-term growth strategy. During the year, structured education initiatives were delivered across different member segments, reflecting a deliberate focus on life-stage relevance and financial resilience.

### Key initiatives included:

#### Junior Savers General Meeting

During the reporting period, CareCoop held its inaugural Junior Saver General Meeting and used the platform to deliver a financial education Session. The platform was used to provide visibility of the Junior Saver accounts, with the programme supported by externally designed, age-appropriate content focused on budgeting, responsible spending, and the importance of saving. This initiative strengthened early financial capability and reinforced a culture of saving among young members, while enhancing the long-term value proposition of the Junior Saver account.

#### Retirement Planning

Sessions were conducted to equip members with long-term wealth preservation strategies, emphasising early planning, income security in retirement, and structured savings discipline.

#### Estate Planning

Members were guided on wills, trusts, and succession planning, promoting financial preparedness and intergenerational wealth continuity.

## Building Personal Financial Resilience in Practice

Targeted sessions were delivered for members affected by USAID-related employment disruptions, providing practical guidance on budgeting adjustments, debt management, and maintaining cooperative participation during periods of income uncertainty.

Collectively, these initiatives deepened member engagement, strengthened financial literacy, and reinforced CareCoop's positioning not only as a financial services provider, but as a long-term partner in members' financial wellbeing and resilience.

## CareCoop Building Project Update

During the year under review, CareCoop made significant progress on its building project with the conclusion and signing of the construction contract. The appointed contractor, Zhengtai, commenced works on the project, with Michel Design Studio engaged as the Architect and Supervising Consultants.



By November 2025, the demolition of the old structure had been successfully completed, marking a key milestone in the project's implementation. Construction works for the new building commenced in December 2025. The project is scheduled for completion within a twelve (12) month period.



Project implementation was impacted by external challenges, including unexpected changes in the operating environment arising from the USAID SWO, which indirectly affected CareCoop's business performance and cash flows. As a result, the scope of the project was reviewed and adjusted from a multi-storey development to a single-storey modern facility to ensure financial prudence and project sustainability.

Despite the revised scope, the building design remains modern and functional, incorporating environmental considerations and efficiency in space utilisation. The facility is expected to significantly enhance service delivery to members while providing staff with a safe, decent, and contemporary working environment. Importantly, the design also allows for future expansion in line with CareCoop's long-term growth and development strategy.

### Concern for Community

CareCoop remained committed to contributing to sustainable community development in line with cooperative principles and national priorities. In 2025, the Cooperative funded and facilitated the drilling of a borehole at Chifundo Community School in Kanyama, improving access to clean and safe water for learners and the surrounding community.



This intervention aligns directly with Sustainable Development Goal (SDG) 6- Clean Water and Sanitation, by enhancing access to safe water, and contributes to SDG 4 - Quality Education, as improved water access supports a healthier and more conducive learning environment. The initiative also supports Zambia's national development agenda under the Eighth National Development Plan (8NDP), particularly pillars related to human development, health outcomes, and community resilience.

By investing in basic social infrastructure, CareCoop reinforces its identity as a member-owned institution committed not only to financial services, but to broader socio-economic empowerment. The borehole project reflects a deliberate approach to CSR, prioritising interventions that create lasting community impact while strengthening CareCoop's social footprint.



# Business Development —



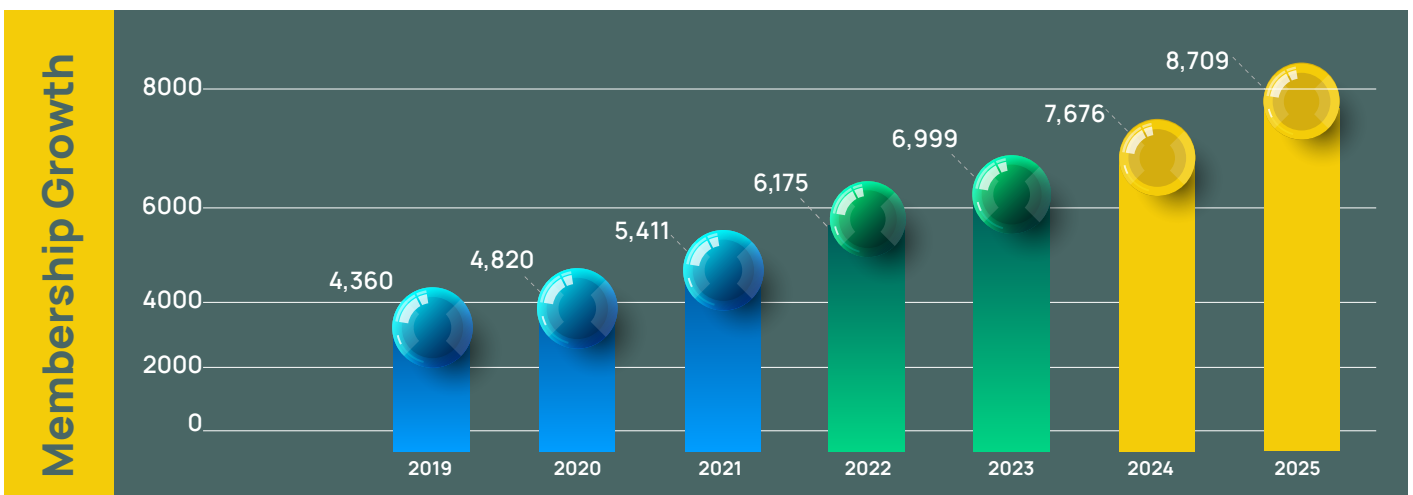
Business Development closed 2025 on a strong footing, underpinned by robust membership growth and the achievement of a surplus, despite challenges experienced in loan disbursements. This performance reflects our deliberate strategic focus on delivering impactful financial solutions and value propositions tailored to our members' evolving needs. It further reinforces CareCoop's commitment as being truly member centred.

**Ms Prunella Kapinga Kalela**  
**Head Business Development**

## Membership Growth & Expansion

In 2025, CareCoop remained steadfast in its commitment to expanding financial inclusion while strengthening member primacy. Despite the challenging operating environment, CareCoop delivered strong membership growth anchored on targeted acquisition strategies, enhanced member engagement, and strategic partnerships.

CareCoop's total shareholding stood at 87,978 shares, reflecting a 3% increase compared to the previous reporting period. This growth was largely driven by shares issued to newly on-boarded members, as well as additional shares purchased by existing members to comply with the minimum five-share membership requirement.





Shareholding concentration remains well within regulatory thresholds. The largest individual shareholder held 670 shares, representing 0.76% of total shareholding, significantly below the regulatory risk concentration limit of 20%.

Membership growth exceeded annual target, with 1,034 new members recruited against a target of 1,000. CareCoop maintained strong retention, recording a low 1% attrition rate compared to the 5% target. As a result of sustained recruitment and strong retention, CareCoop achieved its 13% annual individual membership growth target, closing the year with 8,709 individual members, up from 7,676 in 2024. This performance reflects continued confidence among members and prospective members in CareCoop's stability, resilience, and long-term viability.

## Strategic Partnerships

During the year under review, CareCoop actively pursued and strengthened strategic partnerships to support growth and enhance service delivery. We formalized collaborations with five (5) employer institutions and continued working closely with community organizations and fellow SACCOs to expand our outreach.

In addition, partnerships with financial literacy stakeholders were leveraged to increase member awareness and engagement. CareCoop also advanced fintech collaborations aimed at simplifying onboarding and improving access to services. Building on these efforts, the Airtel USSD platform, introduced in the previous year, continued to provide a convenient payment and disbursement channel, while the MTN USSD platform was successfully launched during the reporting period as an additional access channel for members. These initiatives culminated in the strengthened rollout and integration of both platforms, enhancing service accessibility and convenience.

Collectively, these partnerships strengthened recruitment channels and enhanced CareCoop's capacity to deliver accessible, efficient, and holistic financial solutions to its members.

## Loans and Savings

CareCoop recorded loan disbursements of ZMW 130.00 million in 2025 against a target of ZMW 153.00 million, reflecting a 15% adverse variance, largely due to USAID SWO that led to member retrenchments and reduced borrowing capacity. Short-term contracts among some members further limited access to higher loan amounts. Despite these challenges, targeted loan promotions and aggressive new member onboarding supported continued demand with the loan portfolio closing at ZMW 119.18 million, 3% below the prior year record of ZMW 123.34 million. Average collections rate was maintained within acceptable risk levels at 97%.

While volatility was observed during the year, the savings base remained relatively resilient, supported by continued contributions from members who maintained participation despite reduced income stability. Portfolio concentration remained well diversified across member organisations, mitigating liquidity and concentration risks. The savings portfolio opened the year at ZMW 125.58 million, peaked at ZMW 128.78 million, and closed the year at ZMW 113.55 million, reflecting an overall decline of approximately 10% against 2024. CareCoop anticipates improved savings mobilisation in 2026 as portfolio growth stabilises and new member onboarding in new sectors is accelerated.



## Member Service Delivery and Digital Enablement

During the year, CareCoop undertook a comprehensive Member Service Improvement Initiative, grounded in an institutional review of people, processes, and systems. Organisational roles were realigned, workflows streamlined, and procurement processes initiated for a modern core banking system to support automation and integration. The initiatives implemented had immediate outcomes reflected in the average query resolution time reducing to 3.59 hours, within the 8-business hour standard, and the annual member satisfaction score reached 80.25%, exceeding the 80% target.

Digital enablement was advanced with the launch of the MTN Mobile Money USSD platform and relaunch of the enhanced member portal to incorporate a broader range of service requests onto a single digital channel. This strengthened convenience, improved transparency, and supported CareCoop's evolving self-service model.

## Business Outlook

Despite a challenging year marked by a shrinking member earning base, subdued loan disbursements, and rising operational costs, CareCoop remained resilient. We look forward to a positive 2026, supported by strengthened business development initiatives and strategic expansion into new markets aimed at driving sustainable growth.

# Finance & Administration —



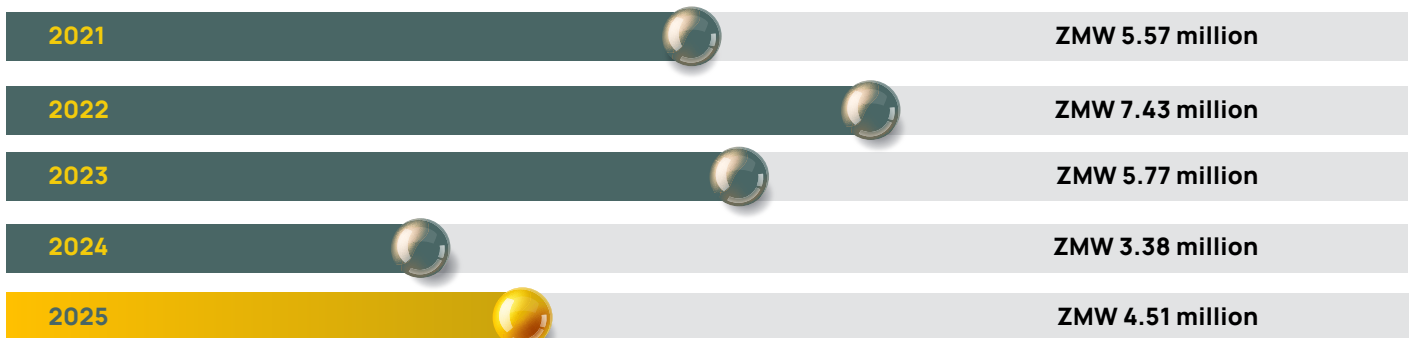
Our strategic focus on strengthening financial resilience remained a key priority. Despite operating in a challenging environment, we maintained disciplined cost management and optimized our product mix, enabling CareCoop to record a surplus for the year.

**MR SYDNEY KANYATA**  
**Head Finance & Administration**

## Financial Performance Summary

Despite a challenging shift in operating conditions during the year under review, CareCoop demonstrated resilience and closed the year with a surplus of ZMW 4.51 million, compared to ZMW 3.38 million in the prior year, representing a positive variance of 33%. Notably, CareCoop also outperformed its budgeted surplus of ZMW 2.73 million by 65%, reflecting disciplined financial management during a challenging period.

## Surplus Trend



Gross income for the year amounted to ZMW 31.88 million, up from ZMW 31.60 million in the previous year, representing a marginal 1% increase. Interest income on loans contributed ZMW 28.31 million, reflecting a 4% decline compared to ZMW 29.64 million recorded in 2024, largely attributable to lower loan disbursements during the period. Interest on investments contributed ZMW 0.99 million, up from ZMW 0.66 million in 2024.

Performance was also supported by growth in non-interest income streams, which increased to ZMW 3.58 million, compared to ZMW 1.96 million in the prior year.

The current year's gross income includes a residual amount relating to the Tandizo Fund from the prior year, which has been incorporated for onward transfer to reserves.

Total operating costs, including interest on savings expenses and impairment charges, were contained at ZMW 27.37 million, representing a 3% reduction from ZMW 28.21 million in 2024. This performance aligned closely with budget expectations and reflects disciplined cost management during the year. The positive outturn was further supported by lower interest expenses, driven by a reduced savings portfolio.

Following year-end appropriations and transfers, the negative reserve position improved significantly, declining from negative ZMW 5.90 million in 2024 to negative ZMW 3.38 million in 2025.

Planned initiatives in the coming financial year are expected to further strengthen the reserve position and support its normalization by 2026, ahead of the initial projection of 2028.

## People and Service Excellence

As at year end, CareCoop employed 26 full-time staff and 2 interns, supporting operations across the organisation. Staff development remained a key priority throughout the year. Targeted training programmes were implemented to strengthen technical competencies and service capabilities. In addition, operational adjustments were introduced to streamline workflows, reduce bottlenecks, and enhance overall productivity and accountability. These improvements translated into stronger service delivery, with member satisfaction rising above target to 80.25% and query resolution improving by 80%. Staff performance improved significantly, with over 88% meeting key deliverables, up from 64% in the prior year. CareCoop remains committed to further developing its human capital, recognizing that staff are central to delivering value to members.

## Looking Ahead

CareCoop enters 2026 with membership growth exceeding target, attrition well below risk appetite, strong collections discipline, controlled exposure following the USAID SWO and customer satisfaction above benchmark. The focus for 2026 will be on rebuilding loan portfolio growth in a measured and risk-aware manner, restoring savings momentum, accelerating digital transformation, deepening member education, strengthening community impact initiatives, and supporting controlled expansion into lower-risk market segments while maintaining the discipline and resilience demonstrated during 2025.

# Audit & Risk Update —



During the 2025 financial year, the Audit and Risk function remained focused on providing independent oversight and assurance over governance, risk management, and internal control processes across CareCoop. The function continued to discharge its responsibilities in accordance with its mandate, focusing on strengthening governance, enhancing internal controls, monitoring risk exposures, and supporting the achievement of CareCoop's strategic objectives.

**MR FRED MUSONDA**  
**Head Risk & Internal Audit**

## Internal Control Environment

During the year under review, the internal control environment was assessed as generally effective, with most review areas reflecting satisfactory levels of control maturity. Identified weaknesses were largely moderate in nature, and appropriate corrective actions have been instituted across the organisation with defined implementation timelines to strengthen control effectiveness and mitigate risk exposure. Audit activities highlighted the need for continued focus on operational planning alignment, strategic performance monitoring and cost management efficiency.

## Follow-Up and Assurance Activities

Oversight was maintained over the follow-up of both internal and external audit findings to ensure accountability and timely remediation. Key focus areas included; monitoring implementation of agreed corrective actions, tracking high-risk findings to closure, strengthening compliance with internal policies and industry best practice and reinforcing documentation and reporting standards. There were no indications of systemic control breakdowns or material weaknesses that would compromise institutional stability.

## Information Technology Governance and Digital Risk

Considering the ongoing digital transformation initiatives, information technology governance remained a priority area. Focus areas during the year included, strengthening cybersecurity controls, enhancing infrastructure resilience, improving data integrity and protection mechanisms and supporting system modernization initiatives.

These enhancements form part of a broader institutional strategy aimed at improving operational efficiency and safeguarding digital assets.

## Risk Management and Emerging Risk Landscape

The Committee continued to oversee the evolving risk environment, with particular attention to, strategic and financial sustainability risks, external funding uncertainties with the onset of the USAID funding cuts affecting a segment of CareCoop's membership and portfolio, system implementation and transformation risks, capital and infrastructure project risks as the organization commenced its building project during the period under review and regulatory and compliance exposures.

Mitigation strategies were supported through structured risk assessments, enhanced oversight mechanisms, and continuous monitoring of emerging risk trends.

The risk management framework remains appropriate to the size and complexity of the organization, with risk exposures managed within acceptable tolerance levels.

## Overall Assessment

CareCoop maintained a sound system of governance, risk management, and internal control during the 2025 financial year. While areas for enhancement were identified, corrective measures have been embedded within organisational processes to promote, institutional accountability, operational resilience, regulatory compliance and long-term financial sustainability.

The Audit and Risk function will continue to provide independent oversight to ensure continuous improvement and strengthened organisational integrity.

## Risk Appetite Statement

Risk appetite represents the level and type of risk CareCoop is willing to accept in pursuit of its strategic objectives. It establishes clear boundaries within which management operates when executing the business strategy.

To guide this process, CareCoop maintains a formal Risk Management Framework (RMF), which defines how risk appetite is set, communicated, cascaded, governed, and monitored across the organisation. The framework ensures a structured and consistent approach to risk management and aligns risk-taking with strategic priorities.

The RMF is integrated with key strategic processes, including budgeting and planning, stress testing, recovery planning, and the cost structure, thereby ensuring that risk considerations are embedded in decision-making at all levels.

The Board of Directors retains ultimate responsibility for risk oversight. It approves the Risk Management Framework, sets appropriate risk limits based on the CareCoop risk-bearing capacity, and monitors the aggregate risk profile to ensure alignment with the approved appetite.



While the Board provides strategic oversight, risk management is a shared responsibility. All staff are accountable for identifying, assessing, and managing risks within their respective roles, guided by the CareCoop values, professional judgement, and relevant expertise.

The Chief Executive Officer (CEO) holds primary responsibility for the day-to-day management and operations of CareCoop. The CEO is expected to maintain a comprehensive understanding of the institution's activities, the risks to which it is exposed, and the effectiveness of its internal control environment.

In addition, the CEO ensures that the organisation operates in full compliance with applicable legal, regulatory, and industry requirements, while remaining informed of emerging issues, policy developments, and trends affecting the financial cooperative sector.

## Cooperate Governance Statement

### 1. Governance Framework and Commitment

Care Cooperative Savings and Credit Society Limited (CareCoop) is committed to the highest standards of corporate governance, guided by principles of **accountability, transparency, integrity, respect, and member-centricity**. These principles underpin our governance framework and align with regulatory requirements under the Cooperative Societies Act No. 20 of 1998, our By-Laws and best practice frameworks for financial cooperatives.

Our governance framework enables the Board of Directors to fulfil its oversight role, provide strategic counsel, and ensure operational performance is aligned with CareCoop's mission to empower members through affordable financial services.

### 2. Role and Responsibilities of the Board

**The Board of Directors is the apex governing body and is responsible for:**

- Setting the strategic direction, vision and long-term goals of CareCoop.
- Ensuring prudent oversight of management to safeguard member interests.
- Approving major policies, internal controls, and risk management practices.
- Monitoring operational performance, compliance, and regulatory obligations.
- Upholding ethical conduct and accountability throughout the organisation.

The Board operates under a Board Charter, which clearly defines its mandate, authority and responsibilities. Directors are elected by members at the Annual General Meeting (AGM) and serve fixed terms in accordance with the cooperative bylaws.

### 3. Structure and Composition of the Board

The Board comprises ten (10) experienced directors with a diverse mix of skills across finance, risk management, governance, and cooperative development. In addition, there are three (3) members of the Audit and Risk Committee. All directors are members and shareholders elected by our cooperative membership body. The Board regularly reviews its composition to ensure that collective expertise remains aligned with strategic needs and evolving governance demands.

#### To strengthen governance effectiveness:

- Directors receive periodic training on cooperative governance best practices, ethical conduct, and regulatory compliance.
- The Board conducts performance evaluations to assess effectiveness and identify areas for development.

During the year under review, the Board was chaired by Ms. Chikwe Antoinette Mbweeda, with Mr. Isaac Mwape serving as Vice Chairperson. The other Board members were Mr. Malama Mwila (Honorary Secretary), Ms. Memory Banda Simwaba (Board Treasurer), Ms. Elizabeth Makeche Mbao, Ms. Monica Mutesa, Ms. Angela Nkole Phiri, Ms. Maambo Muleya, Ms. Rosemary Phiri, and Mr. Mushashu Mwansa Lumpa.

The Audit and Risk Committee comprised three Directors and was chaired by Mr. Jobrith Mutembo, with Ms. Mebbie Chikwete and Mr. Douglas Chiyesu serving as Committee members.

The Board met regularly during the year, convening quarterly meetings to oversee the performance and strategic direction of CareCoop. In addition, a Board orientation and training session was held to strengthen governance capacity and enhance effectiveness. The Board also held extraordinary meetings as required to address urgent matters and ensure timely decision-making.

### 4. Board Committees

To enhance governance effectiveness and allow for focused oversight of key areas, the Board has established committees with clearly defined mandates approved through formal Terms of Reference outlined in the By-Laws. Each committee operates under delegated authority from the Board and reports regularly on its activities, findings, and recommendations.

#### a. Audit and Risk Committee (ARC)

The Audit and Risk Committee is an independent committee established to support the Board in the discharge of its oversight responsibilities in respect of financial reporting, internal controls, risk management, and regulatory compliance. In line with the cooperative governance model, the Committee is accountable to and reports directly to the Annual General Meeting (AGM), while functionally engaging with the Board to ensure that the organisation's control environment remains sound, effective, and stable.



The committee meets regularly during the year and maintains open communication with management, the board and any other stakeholders. The committee was chaired by Mr Jobrith Mutembo, with Ms Mebbie Chikwete and Mr Douglas Chiyesu serving as Committee members.

### **b. Loans & Savings Committee**

The (LSC) supports the Board by providing oversight on savings governance and lending practices to safeguard member funds and ensure sustainability. Some key responsibilities of the LSC include, reviewing and approving credit policies and lending guidelines, monitoring loan portfolio quality, delinquency trends, and provisioning levels. The committee ensures that credit decisions are aligned with risk appetite and cooperative objectives and reviews exceptional credit exposures in line with approved thresholds.

The committee plays a critical role in maintaining prudent credit risk management while supporting member access to affordable financial services. The Loans and Savings Committee comprised Ms Monica Mutesa as Chairperson, with Mr Malama Mwila and Mr Mushashu Mwansa Lumpa serving as Committee members.

### **c. Finance & Operations Committee**

The Finance and Operations Committee is responsible for supporting the Board in overseeing the financial sustainability and operational effectiveness of CareCoop. The Committee provides guidance and oversight on budgeting, financial performance, resource utilisation, procurement, and operational policies to ensure that the cooperative's activities are conducted efficiently and in the best interests of members.

In line with the cooperative model, the Committee promotes prudent financial management, transparency, and accountability, while ensuring that operational decisions are aligned with CareCoop's strategic objectives and member-driven mandate. The Committee works closely with management to monitor implementation of approved plans and reports its deliberations and recommendations to the Board for consideration.

The Finance & Operations Committee assists the Board in ensuring effective leadership, ethical governance, and sound people management practices. The Finance and Operations Committee was chaired by Mr Isaac Mwape, with Ms Memory Banda Simwaba, who also serves as Board Treasurer, and Ms Elizabeth Makeche Mbao serving as Committee members.

### **d. Education and Shares Committee**

The Education and Shares Committee is established to support the Board in advancing member education, awareness, and participation in CareCoop, while overseeing matters relating to member shares and capital mobilisation. The Committee plays a key role in promoting cooperative principles, values, and financial literacy to ensure that members are well informed and actively engaged in the affairs of the cooperative.

In line with the cooperative model, the Committee oversees the development and implementation of education programmes aimed at strengthening member understanding of rights, responsibilities, governance, and benefits of membership. It also provides oversight on policies and initiatives relating to share mobilisation, shareholding growth, and member equity, ensuring transparency, fairness, and alignment with the cooperative's long-term sustainability objectives.

The Committee works closely with management and reports to the Board on progress, challenges, and recommendations to enhance member participation, capital growth, and overall cooperative development. The Education and Shares Committee was chaired by Ms Rosemary Zulu Phiri, with Ms Maambo Muleya and Ms Angela Phiri Nkole serving as Committee members.

The Chief Executive Officer, Ms. Mutinta Lumayi, sits on all Board Committees in an ex-officio capacity and is accompanied by the respective Head of Department to support committee deliberations.

## 5. Internal Control and Risk Management

CareCoop maintains a robust internal control framework designed to safeguard assets, ensure the integrity of financial reporting, and support operational efficiency. Key elements include:

- Clear policies and procedures that reflect prudent operational and financial controls.
- Independent risk and internal audit functions reporting to the Board through a designated committee.
- Regular monitoring of credit risk, liquidity risk, operational risk, and regulatory compliance.

The Board is responsible for overseeing risk management frameworks and ensuring that management implements corrective actions where necessary.

## 6. Ethical Standards and Conduct

CareCoop upholds the highest ethical standards. Board members, executives, and staff are expected to act with honesty, fairness and impartiality in all dealings. Conflicts of interest are disclosed and managed in line with our Code of Conduct. Disciplinary frameworks and whistle-blowing mechanisms are in place to protect stakeholders and maintain organisational integrity.



## 7. Continuous Improvement and Best Practice Alignment

CareCoop is committed to continuous governance improvement. We benchmark our governance frameworks against best practice standards observed in the financial cooperative sector including those outlined by internationally recognised governance codes and adapting them for our own relevance. Continuous review ensures that our governance remains responsive to emerging trends, regulatory expectations and member needs.

### 2025 AGM





# Junior Savers General Meeting



# CSR Chifundo



# Construction Contract Signing





# New Offices **Site inspection** —



# Ground Breaking Ceremony —





# 2025 Open Day



# Audited Financial Statements —

## Cooperative Information

Board of Directors	Designation	Date of election
Chikwe Antoinette Mbweeda	Chairperson	25 March, 2023
Isaac Mwape	Vice Chairperson	25 March, 2023
Memory Banda Simwaba	Treasurer	25 March, 2023
Malama Mwila	Secretary	29 March, 2025
Rosemary Zulu Phiri	Member	30 March, 2024
Jobrith Mutembo	Member	25 March, 2023
Elizabeth Makeche Mbao	Member	29 March, 2025
Angela Nkole Phiri	Member	26 March, 2021
Monica Mutesa	Member	29 August, 2020
Douglas Chiyesu	Member	30 March, 2024
Mebbie Chikwete	Member	30 March, 2024
Maambo Mweemba Muleya	Member	29 March, 2025
Mushashu Mwansa Lumpa	Member	29 March, 2025

Board of Directors Who Left	Designation	Date of leaving
Kudakwasha Mucheka	Chairperson	29 March, 2025
Brenda Muletambo Kayumba	Member	29 March, 2025
Helen Khunga Chirwa	Board Secretary	29 March, 2025

Chief Officers	Designation	Date of appointment
Mutinta Lumayi	Chief Executive Officer	01 July, 2019
Sydney Kanyata	Head of Finance & Administration	01 June, 2020
Fred Musonda	Head Risk & Internal Audit	05 November, 2016
Prunella Kapinga Kalela	Head Business Development	03 August, 2019



Board Committees	Chairperson	Members
Finance and Operations Committee	Isaac Mwape	Memory Banda Simwaba Elizabeth Makeche Mbao
Loans and Saving Committee	Monica Mutesa	Malama Mwila Mushashu Mwansa Lumpa
Audit and Risk Committee	Jobrith Mutembo	Douglas Chiyesu Mebbie Chikwete
Education and Shares Committee	Rosemary Zulu Phiri	Angela Nkole Phiri Maambo Mweemba Muleya

**Registered office and Principal place of business** Plot 9696 Mulombe Close, Chudleigh  
Lusaka, Zambia

<b>Independent Auditor</b>	MPH Chartered Accountants Plot 4434A Kumoyo Rd, Long Acres P.O. Box 31014 Lusaka, Zambia
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<b>Principal Bankers</b>	ABSA Bank Zambia Plc Kafue House P. O. Box 31936 Lusaka, Zambia	First National Bank Manda Hill P. O. Box 36187 Lusaka, Zambia
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<b>Lawyers</b>	Shamwana and Company, Advocates and Notaries Cedar Road, Woodlands P. O. Box 32369 Lusaka, Zambia	Wallace and Company Legal Practitioners Plot No. 43 Off Central Street Jesmondine Lusaka, Zambia
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# Directors' Report —

The Directors have pleasure in submitting their report on the financial statements of Care Cooperative Savings and Credit Society Limited for the year 31 December 2025.



## 1 Incorporation

The Cooperative was incorporated on 11 March 1996 and obtained its certificate to commence business on the same day



## 2 Principal Activities

The Cooperative offers savings and credit facilities to its members. There have been no material changes to the nature of the Cooperative's business from the prior year.



## 3 Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently to the prior years.

Full details of the financial position, results of operations and cash flows of the Cooperative are set out in these financial statements. A summary is presented below:

Financial Results Summary	2025 ZMW	2025 ZMW
Surplus before tax	4,507,937	3,384,479
Income tax expense	—	—
Profit/loss for the year	4,507,937	3,384,479
Other comprehensive income, net of tax	—	—
Total comprehensive income for the year	4,507,937	3,384,479
Interest Income	28,307,533	29,363,272
Interest on members' deposits	5,084,735	6,017,673



### **Dividend**

The Directors propose a final dividend of ZMW 18 per share (2024: ZMW 19.86 per share) amounting to a total of ZMW 1,586,068 (2024: ZMW1,692,240).



### **Directors**

The Directors who held office during the year and to the date of this report are shown on page 41. In accordance with the cooperative's by-laws Directors serve a maximum of six years.



### **Directors' interests in contracts**

During the financial year, no contracts were entered into which Directors or officers of the Cooperative had an interest and which significantly affected the business of the Cooperative.



### **Health and safety**

The Cooperative is committed to the promotion and maintenance of a healthy and safe work environment for its employees. The Cooperative values the health and safety of its employees and has in place policies and regulations for employee protection.



### **Internal control**

The control systems are designed to safeguard the Cooperative's assets, maintain proper accounting records and ensure the reliability of management and financial information produced by the Cooperative. Control systems are based on established Cooperative policies and procedures and are implemented by trained personnel, with appropriate segregation of duties. The effectiveness of these internal controls and systems is monitored by the Directors.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of the above-mentioned internal controls and systems has occurred during the year under review.



### **Directors' loans**

The Cooperative did extend loans to Directors in the year under review, and this is reported under related parties note.

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**Events subsequent to year end**

There have been no material events or circumstances since the reporting date to the date of approval of these financial statements, which require disclosure or adjustments to these financial statements.

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**Annual financial statements**

The annual financial statements set out on pages 10 to 52 have been approved by the Directors.

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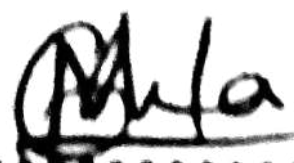
**Auditors**

The Cooperative's auditor, MPH Chartered Accountants were appointed during the year and has indicated its willingness to continue in office.

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**Going concern**

The financial statements have been prepared on a going concern basis which assumes that the Cooperative will continue in operation for the foreseeable future. Hence, it is assumed that the Cooperative has neither the intention nor the need to liquidate or significantly curtail the scale of its operations.


**Board Chairperson****Date:** 20th March 2026

**Board Secretary****Date:** 20th March 2026



## Director's responsibilities and approval

The Directors of the Cooperative are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Cooperative at the end of the financial year and of its profit or loss for that year. The Directors are also required to ensure that the Cooperative keeps proper accounting records that are sufficient to show and explain the transactions of the Cooperative; that disclose, with reasonable accuracy, the financial position of the Cooperative and that enable them to prepare financial statements of the Cooperative that comply with the International Financial Reporting Standards. The Directors are also responsible for safeguarding the assets of the Cooperative and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards. They also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; 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 Cooperative as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Having made an assessment of the Cooperative'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 Cooperative'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.

So far as each of the Directors is aware, there is no relevant audit information which the auditor is unaware of, and each of the Directors has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the board of directors on.....**20th March 2026**..... and signed on its behalf by:

Board Chairperson

Treasurer

Board member

# Independent auditor's report to the members of Care Cooperative Savings and Credit Society Limited

## Report on the financial statements

### Opinion

We have audited the financial statements of Care Cooperative Savings and Credit Society Limited (the Cooperative) which comprise the statement of financial position as at 31 December 2025, the 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 financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Cooperative as at 31 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 in the manner required by the Cooperative Societies Act 1998, of the laws of Zambia.

The financial statements of Care Cooperative Savings and Credit Society Limited as of 31 December 2024, were audited by another auditor whose report dated 20 March 2025, expressed an unqualified opinion on those statements.

### 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 Cooperative in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and have fulfilled our other responsibilities under those ethical requirements. 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.



## Loan impairment provisions

The Directors exercise significant judgement in classification of loans and advances to customers into the various credit grades/stage as described in note 1.4 to the financial statements as well as the level of expected credit loss provisions necessary for each grade/stage of loan which is based on the society's past experience and reference to the regulatory guidelines, industry standards and consideration of relevant forward looking factors. Because of the significance of these judgements and the quantum of loans and advances, the audit of loan expected credit loss provisions is a key audit matter. Further details of the loans and advances balances and expected credit loss provisions are included in note 16 to the financial statements.

Our audit procedures included testing the model used by the Directors in classifying loans and advances into their respective credit grades and stages of performance which included understanding the classification criteria and reviewing this for consistency with the society and industry experience. We tested a sample of loans and advances (including loans that had not been identified by management as impaired) to form our own assessment as to whether the loan classification and staging was reliable. For a sample of impaired loans, we tested the extraction of data used in the models, the assessment of probability of default and the estimation of the future expected cash flows from the members based on historic experience, as adjusted for recent outturn of events and their likely impact over the future term of the loans.

## Responsibilities of Management and those Charged with Governance for the Financial Statements

Management and the Board are responsible for the preparation and fair presentation of the financial statements in accordance with the Cooperative's accounting policies or other selected basis of accounting and for such internal control as Management and the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management and the Board are responsible for assessing the Cooperative'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 Management and the Board either intend to liquidate the entity or cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperative's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that 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 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 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 controls.
- 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 Cooperative's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 Cooperative'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 our auditor's report. However, future events or conditions may cause the Cooperative to cease to continue as a going concern.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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.



## Other information

The Directors are responsible for the other information included in the annual report. Other information includes the Directors' Report, and any supplementary information. Our opinion on the financial statements does not cover other information and we do not express an audit opinion thereon. Our responsibility is to read the other information and consider whether the information therein is materially consistent with the financial statements. If based on our work, we conclude that there is a material misstatement we are required to report that fact. We have nothing to report in this regard.

### Report on other legal and regulatory requirements

We report that, in our opinion, the required accounting records, registers and other records relating to the Cooperatives's accounts have been properly kept in accordance with the Cooperative Societies Act 1998, of the Laws of Zambia.

Lusaka, Zambia

MPH Chartered Accountants

**Hampande Hachongo (AUD/F000186)**  
Partner

## Statement of Income and expenditure and other Comprehensive Income

	2025 ZMW	2024 ZMW
<b>Revenue</b>		
Interest income	28,307,533	29,636,272
Income expense	(5,084,735)	(6,017,673)
<b>Net Interest income</b>	<b>23,222,798</b>	<b>23,618,599</b>
Impairment of loans and advances	(1,980,000)	(1,618,495)
<b>Net interest income after impairment</b>	<b>21,242,798</b>	<b>22,000,104</b>
<b>Other income</b>		
Fees	758,576	942,958
Other income	2,817,588	1,021,152
<b>Total other income</b>	<b>3,576,164</b>	<b>1,964,110</b>
<b>Total income</b>	<b>24,818,962</b>	<b>23,964,214</b>
Administrative expenses	(18,555,259)	(18,906,194)
Board and committee expenses	(1,255,432)	(1,301,368)
Finance costs	(500,334)	(372,173)
<b>Total expenses</b>	<b>(20,311,025)</b>	<b>(20,579,735)</b>
<b>Surplus before tax</b>	<b>4,507,937</b>	<b>3,384,479</b>
Income tax expense	-	-
<b>Surplus for the year</b>	<b>4,507,937</b>	<b>3,384,479</b>

## Statement of financial position

	2025 ZMW	2024 ZMW
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,855,912	5,443,869
Investment property	4,755,221	-
Intangible assets	972,268	4,121
Right of use assets	1,714,704	2,163,450
<b>Total non-current assets</b>	<b>18,298,105</b>	<b>7,611,440</b>
<b>Current assets</b>		
Other receivables	2,182,270	7,784,744
Other financial assets	7,000,000	-
Loans and advances	119,179,498	123,343,803
Cash and bank balances	11,289,250	29,974,798
<b>Total current assets</b>	<b>139,651,018</b>	<b>161,103,345</b>
<b>Total assets</b>	<b>157,949,123</b>	<b>168,714,785</b>

## Equity and liabilities

### Capital and reserves

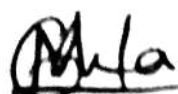
Members' shares	4,398,900	4,929,038
Share premium	35,302,895	33,167,473
Revaluation reserves	152,872	152,872
Capital fund	317,214	4,481,534
General reserves	(5,517,588)	(12,448,769)
Educational fund	1,818,306	2,065,706
Retained earnings	1,586,068	1,692,240
<b>Total capital and reserves</b>	<b>38,058,667</b>	<b>34,040,093</b>
<b>Liabilities</b>		
Members' saving	113,546,105	125,584,588
Lease liabilities	862,341	1,188,255
Other payables	5,482,010	7,901,849
<b>Total liabilities</b>	<b>119,890,456</b>	<b>134,674,692</b>
<b>Total equity and liabilities</b>	<b>157,949,123</b>	<b>168,714,785</b>

The financial statements were approved by the Board of Directors at a meeting held

on.....20th March 2026.....and were signed on its behalf by:



Board member



Board member

## Statement of movement in accumulated funds

	Member shares ZMW	Share premium ZMW	Capital reserves ZMW	Revaluation reserves ZMW	General reserves ZMW	Educational fund ZMW	Retained earnings ZMW	Total ZMW
At 1 January 2024	3,122,450	21,980,220	4,143,086	525,302	(13,157,176)	2,144,188	3,751,903	22,509,973
Utilised	-	-	-	-	(848,591)	(247,706)	-	(1,096,297)
Issue of Shares	1,806,588	11,187,253	-	-	-	-	-	12,993,841
Dividends – Paid	-	-	-	-	-	-	(3,751,903)	(3,751,903)
Transfer	-	-	-	(372,430)	372,430	-	-	-
Total comprehensive surplus	-	-	-	-	-	-	3,384,479	3,384,479
Surplus allocation	-	-	338,448	-	1,184,568	169,224	(1,692,240)	-
At 31 December 2024	4,929,038	33,167,473	4,481,534	152,872	(12,448,769)	2,065,706	1,692,240	34,040,093
At 1 January 2025	4,929,038	33,167,473	4,481,534	152,872	(12,448,769)	2,065,706	1,692,240	34,040,093
Utilised	-	-	-	-	(1,740)	(406,006)	-	(407,746)
Issue of Shares	151,724	1,453,560	-	-	-	-	-	1,605,284
Dividends – Paid	-	-	-	-	-	-	(1,692,240)	(1,692,240)
Transfer	(681,862)	681,862	(4,481,534)	-	4,486,873	-	-	5,339
Total comprehensive surplus	-	-	-	-	1,335,800	-	3,172,137	4,507,937
Surplus allocation	-	-	317,214	-	1,110,248	158,607	(1,586,069)	-
At 31 December 2025	4,398,900	35,302,895	317,214	152,872	(5,517,588)	1,818,306	1,586,068	38,058,667

i. Capital reserve represents 10% of appropriated profits for capital expenditure

ii. General reserve represents 35% of appropriated profits set aside to strengthen the capital base of the Cooperative. The negative general reserves were due to writing off of unwarranted interest from 2015.

iii. Educational Fund represents 5% of appropriated profits set aside for the purpose of financing the Cooperative's education, training and information dissemination to members and prospective members.

iv. Retained earnings represent 50% of the appropriated profits for the year. Retained earnings is carried forward profits plus current year profit less dividends distributed.

v. Members' shares represent members' residual interest in the assets of the Cooperative after deducting all of its liabilities.

vi. Share premium reserve represents the amount the Cooperative raised on the issue of shares in excess of the nominal value of the shares.

vii. Revaluation reserve relates to accumulated surplus on revaluation of property

## Statement of cash flows

	2025 ZMW	2024 ZMW
<b>Cash flow from operating activities</b>		
Operating surplus for the year	4,507,937	3,384,479
<b>Adjusted for items not involving cash flows</b>		
Depreciation on property, plant and equipment	352,845	291,352
Depreciation on right of use assets	448,746	344,447
Amortisation of intangible assets	409,237	5,815
Non cash disposal income (assets)	(1,186)	-
Tandizo benevolent fund	(1,335,800)	-
Operating profit before changes in operating funds	4,381,779	4,026,093
<b>Changes in working capital</b>		
Decrease / (Increase) in loans and advances to members	4,164,305	(16,294,532)
Decrease / (Increase) in other receivables	5,572,660	(5,766,384)
(Decrease) / Increase in other payables	(2,745,752)	4,134,417
	6,991,213	(17,926,499)
<b>Net cash flow from operating activities</b>	<b>11,372,992</b>	<b>(13,900,406)</b>



### Cash flow from investing activities

Purchase of property, plant and equipment	(10,525,355)	(457,784)
Cash paid for purchase of right-of-use assets	-	(1,794,982)
Proceeds from disposal of property, plant and equipment	-	16,683
Increase in fixed deposit placement	(7,000,000)	-
Proceeds from disposal of financial assets (maturing after 91 days)	-	11,411,425
<b>Net cash flow from investing activities</b>	<b>(17,525,355)</b>	<b>9,175,342</b>

### Cash flow from financing activities

Net decrease in members' savings	(12,038,483)	5,607,046
Net decrease in members' shares	(530,138)	1,806,588
Net increase in share premium account	2,135,422	11,187,253
Net decrease/ increases in reserves	(407,746)	(1,096,297)
Dividends paid	(1,692,240)	(3,751,903)
<b>Net cash flow from financing activities</b>	<b>(12,533,185)</b>	<b>13,752,687</b>
<b>Increase in cash and cash equivalents</b>	<b>(18,685,548)</b>	<b>9,027,623</b>
Cash and cash equivalents at the beginning of year	29,974,798	20,947,175
<b>Total cash and cash equivalents at the end of year</b>	<b>11,289,250</b>	<b>29,974,798</b>

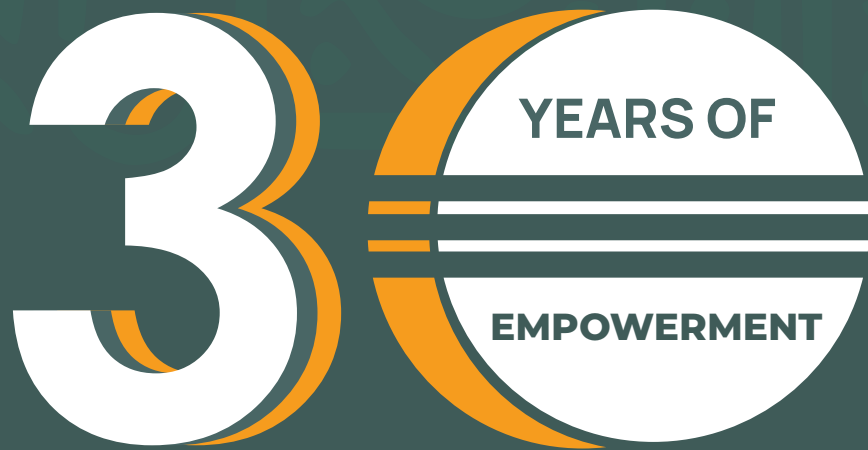
# Obituaries —

CareCoop records with deep sorrow the passing of valued members during the year under review. Their contributions, commitment, and presence within the institution will be greatly missed. We extend our heartfelt condolences to their families, friends, and respective organisations, and honour their memory with gratitude and respect.

No.	Name	Organisation
01	Chishaba Masengu	General Member
02	Alice Nanjuwa	Right to Care
03	George Chipeta	COMACO
04	Hellen Namuntala Maboma	AHF







# THANK YOU

## 30 Years of Shared Progress

Our sincere appreciation for the trust and support that have shaped CareCoop's journey. This milestone reflects a collective commitment to growth, resilience, and lasting impact.

