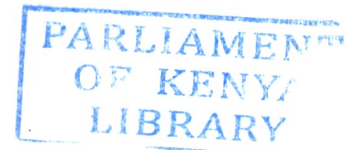


CS/5000



PARLIAMENTARIANS SACCO SOCIETY LTD

**ANNUAL REPORT AND AUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER
2014**

**CS/5000 - PARLIAMENTARIANS SACCO SOCIETY
LIMITED.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2014**

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**CS/5000: PARLIAMENTARIANS SACCO SOCIETY LIMITED.
ANNUAL REPORT AND FINANCIAL STATEMENTS**

SOCIETY INFORMATION

MANAGEMENT COMMITTEE MEMBERS AS AT 31ST DECEMBER, 2014

- | | |
|---------------------|--------------------------|
| 1. CHAIRMAN | - Hon. Benson I. Mbai |
| 2. VICE CHAIRMAN | - Hon. Yusuf Chanzu |
| 3. SECRETARY | - Hon. Rachael Shebesh |
| 4. TREASURER | - Hon. Asman Kamama |
| 5. COMMITTEE MEMBER | - Hon. Raphael Letimalo |
| 6. COMMITTEE MEMBER | - Hon. Charles Keter |
| 7. COMMITTEE MEMBER | - Hon. Benjamin Washiali |
| 8. COMMITTEE MEMBER | - Hon. Shakeel Shabbir |
| 9. COMMITTEE MEMBER | - Hon. Cecily Mbarire |

REGISTERED OFFICES:

PARLIAMENTARIAN SACCO SOCIETY LTD,
PARLIAMENT ROAD,
PARLIAMENT BUILDINGS.
P.O. BOX 44809 – 00100,
NAIROBI.

PRINCIPAL BANKERS:-

CO-OPERATIVE BANK OF KENYA,
PARLIAMENT ROAD BRANCH,
P.O. BOX 67881 - 00100,
NAIROBI.

INSURER:-

CO-OPERATIVE INSURANCE CO. LTD.
P.O. BOX 59485 - 00100
NAIROBI.

AUDITORS:

M/S OBWOCHA & ASSOCIATES CO.
CERTIFIED PUBLIC ACCOUNTANTS (K),
VIEW PARK TOWERS,
13TH FLOOR,
P.O. BOX 9300, - 00100, NAIROBI,
AND
GATEHOUSE BUILDING
2ND FLOOR
P.O. BOX 2176 – 20100,
NAKURU.

CS/5000: PARLIAMENTARIANS SACCO SOCIETY LIMITED.
ANNUAL REPORT AND FINANCIAL STATEMENTS FRO THE YEAR ENDED 31ST
DECEMBER, 2014
STATISTICAL INFORMATION AS AT 31ST DECEMBER, 2014

		2014	2013
MEMBERSHIP	- Active	328	290
	- Dormant	-	-
	Total	328	290
FINANCIAL:-			Kshs
Total Assets		714,751,607.49	449,905,989.86
Members Deposits		634,703,356.93	387,056,647.40
Loans and advances to Members		563,127,976.00	264,056,092.00
Investments		6,408,344.00	6,408,344.00
Core Capital		29,318,192.35	27,746,155.71
Share capital		16,370,000.00	14,385,000.00
Total Revenue		57,978,302.88	35,955,509.87
Interest on members Deposit		41,255,718.20	25,932,795.40
Total Interest Income		8,306,487.91	11,315,135.13
Total expenses		12,966,474.13	8,393,862.11
EMPLOYEE OF THE SACCO – NO.		2	2
<u>KEY RATIOS:-</u>			
Capital Adequacy Ratio:-			
Core Capital/Total Assets		4.1%	6.2%
Core Capital/Total Deposits		4.6%	7.2%
Liquidity Ratio:-			
Liquid Assets/Total deposits		19.47%	44.0%
Operating Efficiency/Loan quality ratios:-			
Total Expenses/Total revenue		22.36%	23.0%
Interest on members deposits/Total revenue		71.16%	72.00%
Interest rate on member's deposits		6.50%	6.70%
Dividend rate on members share capital		10.00%	10.00%

**CS/5000: PARLIAMENTARIANS SACCO SOCIETY LIMITED.
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST DECEMBER, 2014**

The Management Committee submits their annual report together with the audited financial statements for the year ended 31st December, 2014.

1. **INCORPORATION:-** The Society is incorporated in Kenya under the Co-operative societies Act, Cap 490 and is domiciled in Kenya
2. **PRINCIPAL ACTIVITY:-** The society's principal activity is receiving saving deposits from its members and provision of loans to its members at an interest rate of **1% per month** on a reducing basis.

3. RESULT:	2014 KSH.	2013 KSHS.
Retained Earnings b/f	6,206,228.95	6,899,322.95
Adj. for Divs -	(445,811.60)	1,594,190.74
Surplus before tax	3,756,110.55	1,473,009.72
Income Tax	(967,220.31)	(1,246,490.65)
Net surplus after Tax	8,549,307.59	8,720,032.76
Less: 20% Statutory Reserve	(557,778.05)	(45,303.81)
Provision for Dividend	(1,637,000.00)	(1,438,500.00)
Provision for Honoraria & Staff Bonus	(1,140,000.00)	(1,030,000.00)
Surplus to Retained Earnings	5,214,529.54	6,206,228.95

4. INTEREST ON MEMBERS DEPOSITS AND DIVIDENDS

The Management Committee recommends the payment of Kshs 41,255,718.20 as interest on Members Deposit which on average is 6.50% on deposits held as at 31st December, 2014. However, the actual earning will be based on the weighted monthly deposits. A dividend payment of 10% is also recommended on members shares.

5. AUDITORS

The Auditor Messrs. Obwocha and Associates have indicated their willingness to continue on office and therefore offers themselves for consideration for re-appointment under the terms of Section 25 (2) of the Co-operative Societies Act, Cap. 490

6. The members of the Management Committee who served during the year and the date of this report are on Page 3.

By **ORDER OF MANAGEMENT COMMITTEE**

Rachel

SECRETARY

Date.....9/4.....2015

**CS/5000: PARLIAMENTARIANS SACCO SOCIETY LIMITED.
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2014**

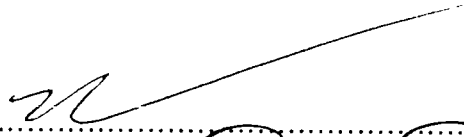
STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES

The Co-operative Societies Act requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its operating results for that year in accordance with IFRS. It also requires the Management Committee to ensure that the Society keeps proper accounting records, which disclose, with responsible for safeguarding the assets of the society and ensuring that the business has been conducted in accordance to its objectives, by laws and any other resolutions made at the Society's general meeting.

The Management Committee accepts responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting polices supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in a manner required by the Co-operative Societies Act Cap 490. The Management Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Society and its operating results in accordance with IFTS. The Management Committee further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of Internal Financial Control.

Nothing has come to the attention of the Management Committee to indicate that the Society will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Management Committee on Monday and signed on its behalf by;

Chairman 

Treasurer 

Dated 13th April 2015

**CS/5000: PARLIAMENTARIANS SACCO SOCIETY LIMITED.
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
DECEMBER, 2014.
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PARLIAMENTARIANS SACCO SOCIETY LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements set out on page 6 to 10 which comprise the balance sheet, income statement, statement of changes in equity and cash flow for the year then ended, and summary of significant accounting policies and other explanatory notes.

THE MANAGEMENT COMMITTEE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:-

The management committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of Kenyan Co-operative Societies Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements and that they are free from material misstatement whether due to fraud or error selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Kenya Co-operative Societies Act also requires the management to ensure that the society maintains proper books which are in agreement with the balance sheet and the profit and loss account.

AUDITORS RESPONSIBILITY:-

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

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

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

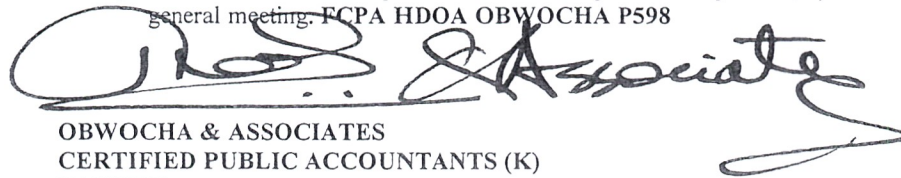
OPINION:-

In our opinion, the financial statements give a true and fair view of the Society's financial affairs as at 31st December, 2014 and results of its operations and cash flow for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Co-operative Societies Act.

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Kenya Co-operative Societies Act we report to you that the financial statements are in agreement with the books kept by the Society and that, based on our audit, nothing has come to our attention that causes us to believe that the Society's business has not been conducted.

- A) In accordance with the provisions of the Co-operative Societies Act, Cap 490.
- B) In accordance with the provisions of the cooperatives objectives, by-laws and any other resolutions made by a general meeting. FCPA HDOA OBWOCHA P598


OBWOCHA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS (K)
NAKURU

DATE 9th April, 2015

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
 ANNUAL REPORT AND FINICAL STATEMENTS FOR YEAR ENDED 31/12/2014
 BALANCE SHEET AS AT 31.12.2014

	NOTES	2014 KSHS.	2013 KSHS.
ASSETS:			
Cash AND Cash Equivalent	11	123,549,737.75	169,109,104.24
Debtors and Receivables	6	21,376,855.85	10,058,551.62
Loans to members	5	563,127,976.00	264,056,092.00
Other Financial Assets	8	6,408,344.00	6,408,344.00
Furniture and Equipment	2	288,693.89	273,898.00
Total Assets		714,751,607.49	449,905,989.86
LIABILITIES:			
Members Deposits	4	634,703,356.93	387,056,647.40
Creditors and Other Provisions	7 & 14(a)	6,870,119.70	5,883,463.70
Interest due to Member Deposits	16	41,255,718.20	25,932,795.40
Current Income Tax Payable	3	967,220.31	818,427.65
Proposed dividend Payable	14	1,637,000.00	2,468,500.00
Total Liabilities		685,433,415.14	422,159,834.15
SHAREHOLDERS FUND:			
Share Capital @ 20/- per share	12	16,370,000.00	14,385,000.00
Statutory Reserve Fund	13	7,013,332.81	6,455,554.76
General Reserve Fund	10	720,330.00	699,372.00
Retained Earnings	9	5,214,529.54	6,206,228.95
Core capital		29,318,192.35	27,746,155.71
Total Liabilities & Shareholders Fund		714,751,607.49	449,905,989.86



The financial statements were authorized for issue by the Management Committee on 13/4/2015 and signed on its behalf by:

Chairman _____
 Treasurer Caroline P. P. P.
 Committee Member Rachel



CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD

ANNUAL REPORT AND FINICAL STATEMENTS FOR YEAR ENDED 31/12/2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31/12/ 2014

	NOTES	2014 KSH	2013 KSH
<u>REVENUE</u>			
Interest from members Loans	18	49,216,050.97	23,725,583.75
Other Interest Income	18	8,306,487.91	11,315,015.13
Interest on Members Deposits	16	(41,255,718.20)	(25,932,675.40)
Net Interest Income		16,266,820.68	9,107,923.48
Other Operating Income	18	455,764.00	<u>758,948.35</u>
Net Revenue		<u>16,722,584.68</u>	<u>9,866,871.83</u>
<u>EXPENDITURE</u>			
Administrative Expenses	15	(12,757,555.56)	(8,220,261.00)
Other Operating Expenses	15	(208,918.57)	(173,601.11)
Net Operating Surplus before Tax		3,756,110.55	1,473,009.72
Income Tax Expense paid	3(ii)	(967,220.31)	(1,246,490.65)
Net Surplus for the year		2,788,890.24	226,519.07
20% transfer to Statutory Reserve		(557,778.05)	(45,303.81)
Surplus for the year available for distribution		2,231,112.19	181,215.00
Retained Earnings at the start of the year	9(a)	5,760,417.35	8,493,513.95
Proposed Dividends		(1,637,000.00)	(1,438,500.00)
Proposed Honoraria		(950,000.00)	<u>(860,000.00)</u>
Staff Bonus		(190,000.00)	<u>(170,000.00)</u>
Retained Earnings at the end of the year		5,214,529.54	6,206,228.95

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2014
CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2014

	2014	(28,127,171.57)
	KSHS. 2013	KSHS.
CASHFLOW FROM OPERATING ACTIVITIES		
Interest receipts	49,216,050.97	35,799,667.23
Other interest income	8,306,487.91	
Other operating income	455,764.00	
Interest Expenses	(28,127,171.57)	(76,973,321.26)
Total Expenses	(12,572,351.45)	(8,319,140.11)
Net Operating Surplus Before Tax	<u>17,278,779.86</u>	<u>(49,492,794.14)</u>
INCREASE/(DECREASE) IN OPERATING ASSETS		
Loan to members	(299,071,884.00)	164,287,907.40
Increase/(Decrease) Debtors & Receivables	(11,318,304.23)	11,823,452.43
	(310,390,188.23)	176,111,359.83
INCREASE/(DECREASE) IN OPERATING LIABILITIES		
Members deposit	247,646,700.53	(585,838,220.55)
Sundry Creditors	153,344.00	614,225.00
Honoraria & bonus paid	(1,140,000.00)	(1,030,000.00)
Audit fees paid	(179,100.00)	(179,100.00)
Income tax paid	(818,427.65)	(1,266,555.00)
	<u>245,662,516.88</u>	<u>(587,699,650.55)</u>
Net Cash from Operating Activities	<u>(47,448,891.49)</u>	<u>(461,081,084.86)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property	(95,475.00)	(69,935.00)
Dividend Received	<u>0.00</u>	<u>0.00</u>
Purchase of Investment	<u>0.00</u>	<u>0.00</u>
Net Cash from Investing Activities	<u>(95,475.00)</u>	<u>(69,935.00)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Share Capital Contributions	<u>1,985,000.00</u>	<u>4,335,000.00</u>
Dividend Paid	<u>-</u>	<u>110,011.00</u>
NET CASH FROM FINANCING ACTIVITIES	<u>1,985,000.00</u>	<u>4,445,011.00</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	<u>(45,559,366.49)</u>	<u>(456,706,008.86)</u>
Cash and cash equivalent at the start of the year 01.01.2014	<u>169,109,104.24</u>	<u>625,815,113.10</u>
Cash and cash equivalent at the end of the year 12.12.2014	123,549,737.75	<u>169,109,104.24</u>

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
 ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31.12.2014
 STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL KSHS.	STATUTORY RESERVES KSHS.	RETAIN SURPLUS KSHS.	GENERAL RESERVE KSHS.	TOTAL KSHS.
<u>YEAR ENDED 31.12.2013</u>					
Balance as at 1.01.2013	10,050,000.00	6,410,250.95	6,899,322.95	589,361.00	23,948,935.16
Prior year adjust	-	-	1,594,190.74	110,011.00	1,704,201.74
Balance B/F Restated	-	-	-	-	-
Surplus for the Period (net)	-	-	226,519.07	-	226,519.07
Statutory Reserve	-	45,303.81	(45,303.81)	-	-
Provision for Dividend	-	-	(1,438,500.00)	-	(1,438,500.00)
Provision for Honoraria	-	-	(860,000.00)	-	(860,000.00)
Provision for Staff Bonus	-	-	(170,000.00)	-	(170,000.00)
Additions	4,335,000.00	-	-	-	4,335,000.00
Balance as at 31.12.2013	14,385,000.00	6,455,554.76	6,206,228.95	699,372.00	27,746,155.97
<u>YEAR ENDED 31.12.2014</u>					
Balance at 1.01.2014	14,385,000.00	6,455,554.76	6,206,228.95	699,372.00	27,746,155.97
Prior year adjust	-	-	(445,811.60)	20,958.00	(424,853.60)
Surplus for the year	-	-	2,788,890.24	-	2,788,890.24
Statutory Reserve	-	557,778.05	(557,778.05)	-	0.00
Provision for Dividend	-	-	(1,637,000.00)	-	(1,637,000.00)
Provision for Honoraria	-	-	(950,000.00)	-	(950,000.00)
Provision for Staff Bonus	-	-	(190,000.00)	-	(190,000.00)
Additions	1,985,000.00	-	-	-	1,985,000.00
Balance as at 31.12.2014	16,370,000.00	7,013,332.81	5,214,529.54	720,330.00	29,318,192.61

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD

NOTES AND OBSERVATIONS ON ACCOUNT FOR THE YEAR ENDED 31/12/2014

1 SAVINGS (SHARE AND DEPOSIT)

Honourable members' share and deposit are combined totaling **Ksh 651,073,356.93.93** during the year

Shares are **Kshs. 50,000.00** per member equivalent to **Kshs 16,370,000.00** and the balance of

Kshs 634,703,356.93 represent members deposit.

2 HONARARIUM:

(I) Honorarium of **Kshs. 860,000.00** was paid to the committee and **Kshs. 170,000.00** in staff bonus during the year **2013**

(ii) Provision of **Kshs.1,140,000.00** for Honorarium and staff bonus has been made in the accounts for the year **2014**

3 CREDITORS:

More effort should be made to pay the Ex-member or their families to be paid incase of deceased Ex-member.

4 DEBTORS:

This is an amount of **ksh.1,693,701.00** owed by an Ex-member who lost his seat in by election held in **2010**

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:-

(a) **Statement of Compliance and Basis of Preparation**

These financial statements have been prepared on going concern basis and accordance and compliance with the International Financial Reporting Standards (IFRSs). These financial statements are presented in the functional currency, Kenya Shillings (Kshs.) and prepared under historical cost convention as modified by revaluation of certain assets as prescribed by IFRSs.

(b) **Revenue Recognition**

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

Normal Loans _____ 1% per month

(c) **Fixed Assets**

Fixed assets are stated at historical cost less depreciation

Full year's depreciation is provided for in the year the asset is purchased and none in the year of disposal. Depreciation of Fixed Assets is calculated on a reducing balance method using the following annual rates:-

<u>Assets</u>	<u>Rate%</u>
Furniture (chairs)	20.0%
Fixtures and Fittings	12.5%
Computer Equipment	33.3%
Cabinets, Tables & Desks	12.5%

The assets' residual values are reviewed, and adjusted if appropriate at each balance sheet date.

Gains or losses on disposal of fixed assets are determined by reference to their carrying amount and taken into account in determining operating profit. On disposal of a revalued asset, the amount in the revaluation reserve relating to that asset is transferred to retained earnings.

(d) **Statutory Reserves**

Transfers are made to statutory reserves fund at a rate of 20% on net operating surplus after tax in compliance with the provisions of section 47 (1&2) of the Co-operative societies Act, Cap 490.

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2014

2 FIXED ASSETS:-

DESCRIPTION	COST		DEPRECIATION	ACCUMULATED DEPRECIATION	NET BOOK VALUE 31.12.2014
	1.1.2012	ADDITION			
File cabinet (3)	47,565.00	27,995	6,472.12	30,160.52	45,399.48
Calculator	5,800	0	425	2,825.00	2,975.00
Chairs	78,875	17,390.00	14,358.64	38,830.44	57,436.56
Office desk	100,230.00	27,990.00	13,474.90	37,569.70	90,650.30
Computers	270,170.00	22,100.00	45,948.45	200,035.45	92,234.55
	502,640.00	95,475.00	80,679.11	309,421.11	288,693.89

3 TAXATION:-

Corporation tax is computed based on the taxable income i.e. all income other than interest earned from loans to members. However other (I) earnings paid to the society less withholdings

	2014 KSHS.	2013 KSHS.
(ii) CORPORATION TAX:-		
Fixed Deposit Interest	6,352,754.03	8,503,274.24
Bank Savings Interest	6,352.12	20,553.15
Goldfish Saving Interest	89,029.76	119,734.94
Total	6,448,135.91	8,643,562.33
6448135.43x50%x30%/100%	967,220.31	1,296,534.34
Less: Paid at source(withholding tax)	0.00	(50,043.35)
Payable in year	967,220.31	1,246,490.65
tax paid	0.00	(428,063.00)
balance payable	967,220.31	818,427.65

4 MEMBERS DEPOSIT:	2014	2013
Balance b/fwd 1/1/2014	387,056,647.40	972,894,867.95
Additions	299,371,009.53	163,817,854.45
Withdrawals	(51,724,300.00)	(749,656,075.00)
Balance c/fwd 31/12/2014	634,703,356.93	387,056,647.40
Schedule	634,703,356.93	387,056,647.40
Difference	-	-

5 OUTSTANDING LOANS:	2014	2013
Balance b/fwd 1/1/2014	264,056,092.00	428,343,999.40
Loans Granted	586,860,000.00	355,022,000.00
Repaid	(287,788,116.00)	(519,309,907.40)
Balance c/f 31/12/2014	563,127,976.00	264,056,092.00
Schedule	563,127,976.00	264,056,092.00
Differences	-	-

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
 ENDED 31ST DECEMBER, 2014

6 DEBTORS:-	2014 KSHS	2013 KSHS
Hon. James Magara	1,693,701.00	1,693,701.00
Debtors check off system (Employer)	11,781,292.37	2,985,540.89
Receivable Interest (FD) & (TB)	1,521,089.48	3,534,218.73
Prepayments (Insurances)	2,529,728.00	1,156,232.00
Debtor Members (Accrued Interest)	3,851,045.00	688,859.00
Total	21,376,855.85	10,058,551.62

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2014

NOTE 7 CREDITORS AND OTHER PROVISIONS:

	2014	2013
Creditor - Ex-members:	KSHS	KSHS
Hon. Francis Thuo (late)	nil	20,958.00
Hon. Yuda Komora(late)	-	29,011.00
Hon.Kilemi Mwiria	200,000.00	200,000.00
Hon.Robinson Githae	-	110,000.00
Hon.Hussein M.Ali	83,500.00	83,500.00
Hon.David Ngugi	130,000.00	130,000.00
Hon.Erastus Mureithi	-	60,000.00
Hon.B.M.C.Mwangi	-	78,000.00
Hon.John Mututho	160,000.00	160,000.00
Hon.Alfred Odhiambo	-	70,575.00
Hon.Malicha Galgalo	15,200.00	-
Hon.W.M.Mudavadi	100,000.00	100,000.00
Hon Charles Lugano (Late)	1,650,030.00	1,650,030.00
Total	2,338,730.00	2,692,074.00

NOTE 8 - OTHER FINANCIAL ASSETS (INVESTMENTS)

	2014	2013
<u>INVESTMENTS:-</u>	KSHS	KSHS
Shares in KUSCCO Ltd	1,302,207.00	1,302,207.00
Shares in Co-operative Bank	1,090,120.00	1,090,120.00
Shares in Co-op Insurance Co. Ltd	3,916,017.00	3,916,017.00
CODIC Ltd	100,000.00	100,000.00
Total	6,408,344.00	6,408,344.00

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014 KSH	2013 KSH
9 REVENUE RESERVES:		
Balance b/fwd 1-1-2014	6,206,228.95	6,899,322.95
Adjustment (dividends)	(126,811.60)	1,903,190.74
Adjustment Committee p.a.y.e & imprest	(319,000.00)	(309,000.00)
subtotal (a)	5,760,417.35	8,493,513.69
Net Surplus for year 2014	2,231,112.19	181,215.00
Adjustment (dividends, honoraria & bonus)	(2,777,000.00)	(2,468,500.00)
Balance c/fwd 31-12-2014	5,214,529.54	6,206,228.69

	2014 KSH	2013 KSH
10 NOTE 10 GENERAL RESERVES		
Balance b/fwd 1-1-2014	699,372.00	589,361.00
Creditors	20,958.00	110,011.00
Balance c/fwd 31-12-2014	720,330.00	699,372.00

	2014 KSH	2013 KSH
11 NOTE 11 CASH AND CASH EQUIVALENT		
Bank Current A/C (Co-op Bank)	34,131,653.40	40,065,416.17
Savings Goldfish A/C	5,905,922.50	8,760,667.74
Fixed Deposit A/C	73,244,582.13	74,758,389.28
Bank Savings A/C	1,209,003.47	2,402,926.35
Imprest (Petty Cash)	4,201.25	1,054.70
Treasury Bills	9,054,375.00	43,120,650.00
Total	123,549,737.75	169,109,104.24

**CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

NOTE 12 SHARE CAPITAL AND MEMBERS DEPOSITS

This consists of 2500 @ Ksh.20 per share paid by 328 member and deposits totalling Kshs.651,073,356.93.

	2014 KSHS.	2013 KSHS.
Membership deposits	634,703,356.93	387,056,647.40
Share Capital	16,370,000.00	14,385,000.00
Total	651,073,356.93	401,441,647.40

NOTE 13 STATUTORY RESERVE FUND

	2014 KSH	2013 KSH
Balance b/fwd 1-1-2014	6,455,554.76	6,410,250.95
Add 20% Statutory Reserve Fund	557,778.05	45,303.81
Balance c/fwd 31-12-2014	<u>7,013,332.81</u>	<u>6,455,554.76</u>

NOTE 14 PROVISIONS

	2014 KSH.	2013 KSH
Audit fees & supervision & Recoverables	179,100.00	179,100.00
Bad debt provisions	3,212,289.70	3,012,289.70
Provision for Honoraria & Staff Bonus	1,140,000.00	1,030,000.00
sub total (a)	4,531,389.70	4,221,389.70
Provision for Taxation	967,220.31	818,427.65
Provision for Dividend	1,637,000.00	1,438,500.00
Total	7,135,610.01	6,478,317.35

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2014

NOTE 15 TOTAL EXPENDITURE:

	2014 KSHS.	2013 KSHS.
Professional Services	427,220.00	196,500.00
Administrative Services	12,330,335.56	8,023,761.00
Other Expenses	208,918.57	173,601.11
	12,966,474.13	8,393,862.11

NOTE 16 INTEREST ON MEMBERS DEPOSIT:

	2014 KSH	2013 KSH
Amount payable (provisions)	41,255,718.20	25,932,675.40
Percentage % (6.5% x 634,703,356.93)	6.50%	6.70%

NOTE 17 SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 31.12.2014

	2014 KSHS	2013 KSHS
REVENUE:-		
Total Income	57,978,302.88	35,799,667.23
EXPENSES:-		
Members Expenses	2,339,300.00	1,255,570.00
Administrative Expenses	9,991,035.56	6,745,641.00
Interest on Members Deposit	41,255,718.20	25,932,675.40
Professional services	427,220.00	196,500.00
Other Operating Expenses	208,918.57	173,601.11
Total Expenses	54,222,192.33	34,303,987.51
Net surplus appropriation A/C	3,756,110.55	1,495,679.72

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 2014

NOTE 18. REVENUE

	2014 KSHS.	2013 KSHS.
Interest on loans	49,216,050.97	23,725,583.75
Interest on fixed deposit	6,352,754.03	8,503,274.24
Interest on Savings A/C	6,352.12	20,553.15
Interest on Goldfish A/C	89,029.76	119,734.94
Interest on treasury Bills	1,858,352.00	2,671,572.80
Dividend from Co-op Bank	109,264.00	160,448.35
Dividend from CIC	256,500.00	256,500.00
Entrance Fees	<u>90,000.00</u>	<u>342,000.00</u>
Total	<u>57,978,302.88</u>	<u>35,799,667.23</u>

NOTE 19 MEMBERS EXPENSES

	2014 KSHS	2013 KSHS
A.G.M Expenses	415,800.00	258,750.00
Committee sitting allowance	301,000.00	207,500.00
Committee subsistence allowance	512,000.00	281,500.00
P.A.Y.E on committee sitting	304,500.00	128,820.00
Recess transport refund	806,000.00	407,200.00
	<u>2,339,300.00</u>	<u>1,283,770.00</u>

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014	2013
20 ADMINISTRATION EXPENSES:-	KSHS.	KSHS.
Disbursement Expenses	76,500.00	70,300.00
Dividend payment Expenses	34,000.00	30,000.00
Medical Expenses	335,182.00	90,004.00
Office Expenses	86,264.00	76,983.00
Staff Training/Travel.	77,500.00	64,920.00
Binding, Printing & Stationery	76,207.45	67,416.00
Donations	36,000.00	20,000.00
Insurance on Loans	6,520,647.00	4,051,310.00
Postage & Telephone	92,535.00	58,237.00
Staff Leave	56,000.00	34,200.00
Salaries and Wages	2,315,361.00	1,900,899.00
Depreciation	80,679.11	74,722.00
NSSF	4,160.00	1,000.00
Provisions for bad debts	200,000.00	200,000.00
	<u>9,991,035.56</u>	<u>6,739,991.00</u>
21 <u>PROFESSIONAL EXPENSES</u>	2014	2013
	KSHS.	KSHS.
Legal fees	248,120.00	17,400.00
Audit Fees	110,000.00	110,000.00
Binding and Printing Audited Accounts	40,000.00	40,000.00
Supervision Fees	11,000.00	11,000.00
Recoverable Expenses	500.00	500.00
V.A.T. @ 16%	17,600.00	17,600.00
Total	<u>427,220.00</u>	<u>196,500.00</u>
22 <u>OTHER EXPENSES</u>	2014	2013
	KSHS	KSHS
Bank Charges	188,918.57	153,601.11
Membership & Affiliation	20,000.00	20,000.00
sub total	208,918.57	173,601.11
Total Expenditure	10,627,174.13	<u>8,393,862.11</u>
Net operating surplus before tax	44,946,438.75	27,355,761.77

**CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31/12/2014**

	2014 KSH.	2013 KSH.
INTEREST INCOME		
(i) Interest on members loans	<u>49,216,050.97</u>	<u>23,725,583.75</u>
(ii) Other Interest Income (T.B)	1,858,352.00	2,671,572.80
Interest on Fixed Deposit	6,352,754.03	8,503,274.24
Interest on Savings A/C	6,352.12	20,553.15
Interest on Goldfish A/C	89,029.76	119,734.94
	<u>8,306,487.91</u>	<u>35,040,718.88</u>
(iii) Other Operating Income:-		
Dividend from Co-op. Bank	109,264.00	160,448.35
Dividend from CiC	256,500.00	256,500.00
Entrance fee	90,000.00	342,000.00
	<u>455,764.00</u>	<u>758,948.35</u>
Total Revenue	<u>57,978,302.88</u>	<u>35,799,667.23</u>
<u>Administrative Expenses:-</u>		
AGM Expenses	415,800.00	258,750.00
Committee Sitting Allowance	301,000.00	207,500.00
Committee Subsistence Allowance	512,000.00	281,500.00
P A Y E. on Committee expenses	304,500.00	128,820.00
Recess transport refund	806,000.00	407,200.00
Printing & stationery	76,207.45	67,416.00
Disbursement Expenses	76,500.00	70,300.00
Postage and Telephone	92,535.00	58,237.00
Salaries and Wages	2,315,361.00	1,901,899.00
NSSF	4,160.00	1,200.00
Medical Expenses	335,182.00	90,004.00
Dividend Payment Expenses	34,000.00	30,000.00
Office Expenses	86,264.00	76,983.00
Legal fees	248,120.00	17,400.00
Audit fees	139,100.00	139,100.00
Binding and Printing Audited A/C	40,000.00	40,000.00
Provision for bad debts	200,000.00	200,000.00
Staff Training	50,000.00	6,500.00
staff Travel	27,500.00	58,420.00
staff leave	56,000.00	34,200.00
Insurance on loan	6,520,647.00	4,051,310.00
Depreciation	80,679.11	74,722.00
Donation	<u>36,000.00</u>	<u>20,000.00</u>
	<u>12,757,555.56</u>	<u>8,220,261.00</u>
<u>OTHER OPERATING EXPENSES</u>		
Membership and affiliation	20,000.00	20,000.00
Bank Charges	188,918.57	153,601.11
Corporate S.Respo-/Advertisement	0.00	0.00
Sundry Expenses	0.00	0.00
sub total	<u>208,918.57</u>	<u>173,601.11</u>
Total Expenditure	<u>12,966,474.13</u>	<u>8,393,862.11</u>
Interest Expenses on Members Deposit @6.50%	41,255,718.20	25,932,795.40

**CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
DECEMBER, 2014**

NOTE: 23

The society's activities expose it to a variety of financial risks, particularly the credit risk.

The Society's overall risks management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Society in accordance with policies approved by the Members and Ministry of Co-operatives and Marketing.

Market Risks

(i) Fair Value and Rate of Return risk

The society may have investments in equity, fixed income securities and money market funds through reputable fund managers.

(ii) Cash flow and Fair Value Interest Rate risk

The Society does not hold any interest bearing financial liability or overdraft at a variable rate which would expose the Society to cashflow interest rate risk

(iii) Credit Risk

Credit risk arises mainly from investments in loans to members which is hedged by member guarantors and borrowers' own savings.

The amount that best represents the Society's maximum exposure to credit risk at 31st December, 2014 is made on the following:-

		2014	2013
	Note	KSHS	KSHS
Investment in Financial Assets	8	6,408,344.00	6,408,344.00
Loans to Members	5	563,127,976.00	<u>264,056,092.00</u>
Total		<u>569,536,320.00</u>	<u>270,464,436.00</u>

Liquidity Risk

Prudent liquidity risks management includes maintaining sufficient cash balances to cover anticipated loan demands and operational costs.

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