

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD.

AUDITED



&

FINAL ACCOUNTS



KENYA NATIONAL ASSEMBLY

Accession: 10013811

Call No: 657.45/PSSL



**FOR THE YEAR
ENDED 31ST DECEMBER 2005**

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

REGISTERED OFFICES: -

CS/5000 – PARLIAMENTARIANS SACCO SOCIETY LTD,
PARLIAMENT ROAD,
PARLIAMENT BUILDINGS,
P. O. BOX 44809,
NAIROBI.

BANKERS: -

CO-OPERATIVE BANK OF KENYA,
CANNON HOUSE BRANCH,
P. O. BOX 67881,
NAIROBI.

AUDITORS: -

M/S OBWOCHA & ASSOCIATES CO.,
CERTIFIED PUBLIC ACCOUNTANTS (KENYA),
MBURU GICHUA ROAD,
2ND FLOOR ROOM 220 - GATE HOUSE BUILDING,
P. O. BOX 2176,
TELEPHONE: (051)-2217160,
NAKURU.

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

STATISTICAL INFORMATION AT 31ST DECEMBER, 2005.

	31.12.2005	31.12.2004
MEMBERSHIP	199	195
Share Capital and Deposits	360,024,569.00	218,340,149.60
Entrance Fees	112,200.00	110,200.00
Loans to Members	312,933,843.00	210,400,156.65
Statutory Reserve Fund	1,831,542.00	1,713,136.05
Appropriation Account	77,789.00	135,302.75
Current Assets	393,901,814.00	237,831,253.75
Current Liabilities	31,971,038.00	17,547,790.00
Turnover	35,849,148.00	19,566,755.00
Surplus	592,031.00	791,443.55

MANAGEMENT COMMITTEE: -	
CHAIRMAN	HON. JOSHUA O. OJODEH
VICE – CHAIRMAN	HON. K. M. SANG
SECRETARY	HON. JAMES O. MAGARA
TREASURER	HON. J. M. KATUKU
MEMBER	HON. RAPHAEL WANJALA
MEMBER	HON. DANIEL KHAMASI
MEMBER	HON. AMINA ABDALLAH
MEMBER	HON. F. N. KAGWIMA
MEMBER	HON. BIFWOLI WAKOLI

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

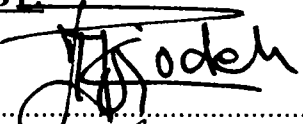
STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2005.

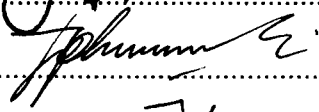
The Co-operatives Societies Act Requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the Financial Year and its operating results for that year. It also requires the committee to ensure that the Society keeps proper accounting records, which disclose, with reasonable accuracy, the position of the Society. They are also responsible for safeguarding the assets of the society.

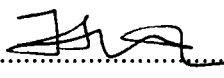
The Management Committee accept responsibility for the Annual Accounts which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Accounting Standards and the requirement of the Co-operative Societies Act. The Management Committee is of the opinion that the accounts give a true and fair view of the state of the financial affairs of the society and its operating results. The Management Committee further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of Accounts 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 12 months from the date of this statement.

SIGNED BY:

Chairman 

Treasurer 

Committee Member 

Date..... 18 - 04 -2006.

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

AUDITORS REPORT TO MEMBERS FOR THE YEAR ENDED 31ST DECEMBER, 2005.

INTRODUCTION: -

We have audited the financial statements set out on pages 5 to 15 which have been prepared on the basis of the accounting policies set out in Note 1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and provide a reasonable basis for our opinion. The financial statements of the Society are in agreement with the books of account.

RESPONSIBILITY: -

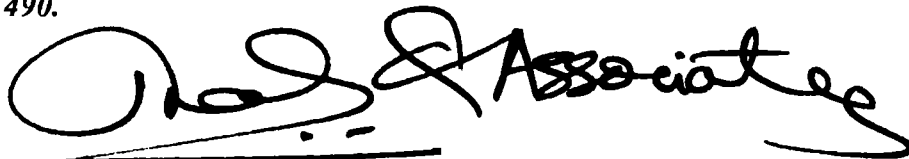
The Society is responsible for the preparation of the Financial Statements, which give a true and fair view of the state of affairs of the Society. Our responsibility is to express an independent opinion on the financial statements, based on our audit and report our opinion to you.

BASIS OF OPINION: -

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit so as to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examinations, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and an assessment of the accounting principles used and significant estimates made by the management, as well as an evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

OPINION: -

In our opinion proper books of account have been kept and the financial statements give a true and fair view of the state of the Society as at 31st December, 2005 and its profits and cash flow for the year ended in accordance with International Accounting Standards and comply with the *Co-operatives Societies Act, Cap 490*.



OBWOCHA & ASSOCIATES CO.
CERTIFIED PUBLIC ACCOUNTANTS (KENYA).

NAIROBI.....18th April......2006.


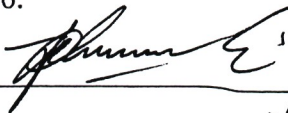
CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.



BALANCE SHEET AS AT 31ST DECEMBER, 2005.

	NOTES	<u>2005</u> K.SHS	<u>2004</u> K.SHS
Fixed Assets	2	-	-
Investments	3	115,324.00	15,324.65
<u>CURRENT ASSETS: -</u>			
Sundry Debtors	4	150,985.00	404,322.00
Loans to Members	17	312,933,843.00	210,400,156.65
Cash and Bank Balances	7	80,529,352.00	25,757,408.20
Other Debtors (National Assembly)	6	125,023.00	995,570.30
Debtors (Int. Receivable accrued)	5	162,611.00	214,117.60
Insurance prepayment		-	59,679.00
Total Current Assets		393,901,814.00	237,831,253.75
<u>CURRENT LIABILITIES:-</u>			
Interest on Membership Deposits @ 8.25%	15	29,538,000.00	15,148,000.00
Audit & Supervision Fees & VAT	11	68,800.00	45,000.00
Other Provisions	11	35,000.00	46,700.00
Provision for Taxation & Honorarium	12 & 16	658,495.00	561,220.00
Sundry Creditors	8	1,670,743.00	1,746,870.00
Total Liabilities		31,971,038.00	17,547,790.00
Net Current Assets		361,930,775.00	220,283,463.75
Net Assets		362,046,100.00	220,298,788.40
<u>FINANCED BY:-</u>			
An undetermined number of KShs. 10,000/=			
Share Capital	9	1,990,000.00	1,950,000.00
Membership Deposits	9	358,034,569.00	216,390,149.60
Appropriation Account	13	77,789.00	135,302.75
Entrance Fees		112,200.00	110,200.00
Statutory Reserve Fund	10	1,831,542.00	1,713,136.05
		362,046,100.00	220,298,788.40

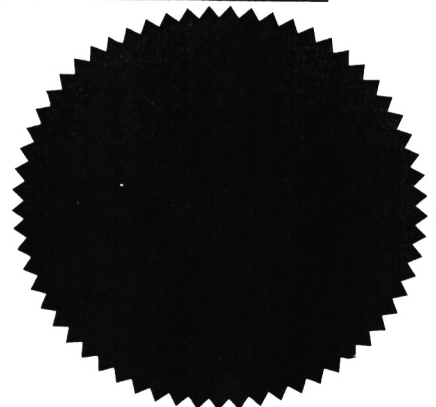
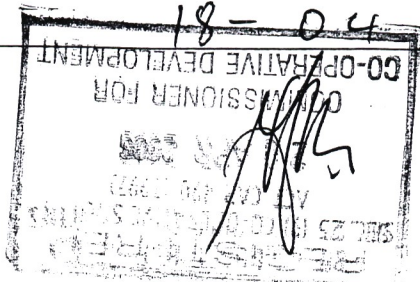
These Financial Statements were approved by the Management Committee on

2006.

Chairman  Treasurer 

Hon. Secretary  Member-


Date 18-04 2006.



CS/5000 – PARLIAMENTARIANS SACCO SOCIETY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2005

	<u>31.12.2005</u>
	<u>KSHS</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>	
Surplus Before Tax	512,030
Adjustments	
Prior Year Adjustments	127,357
Interest on Members Deposits	29,538,000
Audit Fees	68,800
SURPLUS BEFORE WORKING CAPITAL	30,326,187
<u>WORKING CAPITAL CHARGES</u>	
Audit Fees Paid	(45,000)
Honoraria Paid	(350,000)
Interest on Members Deposits Paid	(15,198,000)
Corporation Tax Paid	(16,220)
Dividends Paid	(195,000)
Increase and Decrease in Debtors	1,135,071
Increase and Decrease in Creditors	<u>(87,827)</u>
Net Cash Flow from Operating Activities A	15,619,211
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>	
Increase / Decrease in Loans	(102,533,687)
Net Cash Flow from Investing Activities B	(102,533,687)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>	
Increase / Decrease in Shares	40,000
Increase / Decrease in Members Deposits	141,644,420
Increase / Decrease in Entrance Fees	2,000
Net Cash Flow from Financing Activities C	141,686,420
Increase / Decrease in Cash and Cash Equivalent A+B+C	54,771,944
Cash and Cash Equivalent at the beginning of the year	25,757,408
Cash and cash Equivalent at the end of the year	80,529,352

CS/5000 – PARLIAMENTARIANS SACCO SOCIETY LIMITED
REPORT ON ACCOUNTS AS AT 31ST DECEMBER 2005

1. MANAGEMENT COMMITTEE AS AT 31ST DECEMBER 2005

The management Committee has the pleasure to present the Annual Report and Audited Financial Statement of PARLIAMENTARIANS SACCO LTD for the year ended 31st December 2005 which show the state of the Society's affairs as at the date.

2. PRINCIPAL ACTIVITIES

The Society's Principal activity is receiving deposits from its members and advancing them with loans at a normal interest rate 1% per month (6.6% per annum) on reducing basis.

3. INTEREST ON MEMBERS DEPOSITS AND DIVIDEND

The management committee recommends the payment of Kshs. 29,538,000 as interest on deposits which on average is 8.25% on deposits held by members as at 31.12.2005 and dividends of Kshs. 199,000/-. However, the actual payment will be based on the average monthly deposits. A dividend payment of 10 % is also recommended.

4. MANAGEMENT COMMITTEE MEMBERS

The committee members who served during they year were: -

	NAME	POSITION
1	HON. JOSHUA O. OJODEH	CHAIRMAN
2	HON. K.M. SANG	VICE-CHAIRMAN
3	HON. J.M. KATUKU	TREASURER
4	HON. J.O. MAGARA	SECRETARY
5.	HON. R. WANJALA	COMMITTEE MEMBER
6	HON. D. KHAMISI	COMMITTEE MEMBER
7	HON. AMINA ABDALLAH	COMMITTEE MEMBER
8	HON. S.B. WAKOLI	COMMITTEE MEMBER
9	HON. F.N. KAGWIMA	COMMITTEE MEMBER

5. AUDITORS

The current Auditor Messr's: OBWOCHA & Associates have indicated their willingness to continue in office and therefore offer themselves for consideration for re-appointment under the terms of 23(2) of the Co-operative Societies Act.

6. BANKERS

Co-operative Bank of Kenya Ltd,
Cannon House Branch
P.O. Box 67881
NAIROBI

By order of the Management Committee
Hon. James Omingo Magara
Secretary

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED

NOTES AND OBSERVATIONS ON THE ACCOUNTS FOR THE YEAR ENDED 31.12.2005.

1. **SAVINGS (SHARES & DEPOSITS): -**

The Honourable Members shares and deposits are combined totaling **KShs. 360,024,569.00** during the year. Shares are **KShs. 10,000/=** per member equivalent to **KShs. 1,990,000/=** and the balance of **KShs. 358,034,569.00** represent membership deposits.

2. **HONORARIUM: -**

Honorarium of Kenya Shillings Two Hundred Thousand (**KShs.200,000/=**) was paid to the Committee during the year under review. The Society has done well during the year, subsequently a provision of **KShs.400,000/=** has been made in the Accounts (year – 2005) payable to the Committee.

3. **CREDITORS: -**

Refunds should be made to ex-members and in case of deceased members, to their immediate families.

4. **COMPUTERIZATION OF THE SOCIETY: -**

We would like still to recommend the Society computerises its operations.

5. **LOANS: -**

In view of the next General Elections in 2007, the Society should forecast to breakeven the loans and shares in the next 12 months

6. **GENERAL REMARKS:**

The Society's performance improved tremendously as can be seen from the size of profits and interest payments to members at a rate of 8.25% compared to 7.00% in 2004.

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LIMITED.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2005.

1. ACCOUNTING POLICIES: -

The Financial Statements are prepared under the Historical Cost Convention.

DEPRECIATION: -

Depreciation has been charged on the net Book Value of Fixed Assets at the following rates. These rates are designed to write off the estimated useful lives of the assets.

-	Land	Nil
-	Office Equipment	12.5%

2. FIXED ASSETS: -

	NET BOOK VALUE AS AT 1.01.2005	DEPRECIATION CHARGE FOR THE YEAR	N.B.V 31.12.2005
	KSHS.	KSHS.	KSHS.
Calculator	Nil	Nil	Nil

3. INVESTMENTS: -

	2005	2004
	KSHS	KSHS.
Shares in KUSCO	15,224.00	15,224.65
Shares in CO-OP Bank	100,100.00	100.00
TOTAL	115,324.00	15,324.65

4. SUNDRY DEBTORS: -

	2005	2004
	KSHS	KSHS.
As per Schedule (Page 9)	150,985.00	404,322.00

CS/5000 PARLIAMENTERIANS SACCO SOCIETY LIMITED

NOTES CONTD

4. (SCHEDULE 1): -

	2005	2004
	KSHS	KSHS
1. Hon. Otieno Kopyo	-	3,777.00
2. Hon. P.S. Lenges	33,395.00	182,955.00
3. Hon. Eric T. Morogo	117,590.00	217,590.00
TOTAL	150,985.00	404,322.00

WRITE OFFS (BAD DEBTS): -

	2005	2004
	KSHS	KSHS
1. Hon. George Ndotto	-	107,644.00
2. Hon. Arale Ahmed	-	89,729.00
3. Hon. Otieno Kopyo	3,777.00	102,627.00
4. Hon. P.S. Lenges	96,223.00	-
5. Hon. P.S. Lenges	53,337.00	-
6. Hon. Eric T. Morogo	100,000.00	-
7. Creditors (Assorted)	(53,337.00)	-
TOTAL	200,000.00	300,000.00

5. OTHER DEBTORS: -

	2005	2004
	KSHS	KSHS
Members-accrued interest	162,611.00	214,117.00

6. OTHER DEBTORS: -

Kenya National Assembly Cheque for shares, loans and interest deducted during the month of December, 2005 totaling to **Kshs. 125,023.00**

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LIMITED.

NOTES CONTD.

7. BANK AND CASH BALANCES: -

	2005	2004
	KSHS.	KSHS.
Bank Current A/C (Co-op Bank)	31,866,844.00	23,138,755.75
Treasury Bills	-	-
Fixed Deposits	45,423,055.00	2,069,261.50
Bank Savings Account	3,239,452.00	548,952.85
Petty Cash (Imprest)	-	438.10
TOTAL	80,529,352.00	25,757,408.20

8. CREDITORS (EX-MEMBERS LIST – BELOW): -

	2005	2004
	KSHS.	KSHS.
(Ex-Hon. Members)	1,670,743.00	1,746,870.00

(See below)

NO.	NAMES	2005	2004
		KSHS.	KSHS.
1	Hon. J. Pogishio	-	1,000.00
2	Hon. Waruru Kanja	11,000.00	11,000.00
3	Hon. T. Tanui	-	6,400.00
4	Hon. N. N. Maiyani (<i>Late</i>)	-	6,188.00
5	Hon. Mwangi Gichuki	-	4,493.00
6	Hon. Noor N. Ogle	-	3,265.00
7	Hon. Eric K. Bomet	11,121.00	11,161.00
8	Hon. Thuo Francis	20,959.00	20,959.00
9	Hon. E. Lotino	-	5,626.00
10	Hon. Bishop Allan Njeru	-	3,498.00
11	Hon. Prof. Rashid Mzee	-	3,670.00
12	Hon. J. K. Ichara	12,868.00	12,868.00
13	Hon. Yuda Komora	29,011.00	29,011.00
14	Hon. Kennedy Kiliku	9,155.00	9,155.00

CS/5000 – PARLIAMENTARIANS SACCO SOCIETY LIMITED.

CREDITORS – EX-MEMBERS SCHEDULE

NO.	NAMES	2005	2004
		KSHS.	KSHS.
15	Hon. Jilo Falana	-	4,971.00
16	Hon. Chris K. Kamuyu	-	5,710.00
17	Hon. Dalmas Otieno	6,927.00	6,927.00
18	Hon. James Dennis Akumu	-	1,523.00
19	Hon. Dr. Valentine Opere (<i>Late</i>)	-	4,838.00
20	Hon. J. R. Oyondi Lwali	-	3,155.00
21	Hon. Achieng Oneko	7,538.00	7,538.00
22	Hon. John S. Mumba	6,533.00	6,533.00
23	Hon. L. G. Sagini (<i>Late</i>)	31,711.00	31,711.00
24	Hon. A. W. Ndilinge (<i>Late</i>)	15,000.00	15,000.00
25	Hon. Jackson Kalweo	18,260.00	18,260.00
26	Hon. J. Kikuyu	16,190.00	16,190.00
27	Hon. Charles D. Kirui	8,120.00	8,120.00
28	Hon. Chris Obure	-	21,790.00
29	Hon. Harrison Odongo (<i>Late</i>)	270,000.00	270,000.00
30	Hon. W. M. Mudavadi	316,400.00	316,460.00
31	Hon. S. Mkalla	91,650.00	91,650.00
32	Hon. J. M. Keriri	286,200.00	286,200.00
33	Hon. E. K. Maitha (<i>Late</i>)	502,000.00	502,000.00
		1,670,643.00	1,746,870.00

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED

9. **SHARE CAPITAL AND MEMBERSHIP DEPOSITS: -**

This consists of undetermined number of **KShs. 10,000/=** fully and partly paid shares and membership deposits totaling to **KShs. 360,024,569.00** as per schedule (see page 20).

Membership Deposits	358,034,569.00
Membership Shares	<u>1,990,000.00</u>
	<u>360,024,569.00</u>

10. **STATUTORY RESERVE FUND: -**

	2005	2004
	KSHS.	KSHS.
Balance B.Fwd 1.1.2005	1,713,106.00	1,554,847.05
Add:- 20% Statutory Reserve Fund	118,436.00	158,289.00
Balance C/Fwd. 31.12.2005	1,831,542.00	1,713,106.05

11. **AUDIT AND SUPERVISION FEES: -**

	2005	2004
	KSHS.	KSHS.
Audit Fees	50,000.00	45,000.00
Binding and Printing Expenses	35,000.00	30,000.00
Accountancy Charges	-	-
V.A.T (16% X 85,000.00)	13,600.00	12,000.00
Recoverable Expenses	200.00	200.00
Supervision Fees	5,000.00	4,500.00
	103,800.00	91,700.00

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

12. PROVISIONS: -

	2005	2004
	KSHS.	KSHS.
Provision for Honorarium	400,000.00	350,000.00
Provision for Taxation	59,495.00	16,220.00
Provision for Dividends	199,000.00	195,000.00
TOTAL	658,495.00	561,220.00

13. APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2005.

	2005	2004
	KSHS	KSHS.
Balance B/Fwd. As at 1.1.2005	135,303.00	183,320.20
Add:- KUSCO Bonus	-	-
Indivisible Interest / Dividends W/Back	-	1,471.00
	135,303.00	184,791.20
Less: -		
Tax paid 2004	(-)	(-)
Prior Years Adjustments (Bonus)	127,357.00	(121,423.00)
	262,660.00	63,368.20
Add: - Surplus for the year	592,030.00	791,443.55
Less: - 20% SRF (2005)	(118,406.00)	(158,289.00)
Provision for Honorarium & Dividends	(599,000.00)	(545,000.00)
Provision for Taxation	(59,495.00)	(16,220.00)
Distribution Balance C/F as at 31.12.2005	77,789.00	135,302.75

14. COMPARATIVE PERCENTAGES AS PERCENTAGE OF TURNOVER: -

	2005	2004
Financial Expenses	14.24%	13.83%
Administrative Expenses	2.04%	3.06%
Other Expenses	0.77%	1.90%
Net Surplus	82.95%	81.21%

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

15. **INTEREST ON MEMBERSHIP DEPOSITS: -**

	2005	2004
	KSHS	KSHS.
8.25% x 358,034569.00	29,538,000.00	15,148,000.00
	8.25%	7.00%

16. **TAXATION: -**

	2005	2004
	KSHS.	KSHS.
<u>INVESTMENT INCOME: -</u>		
Interest on Treasury Bills	-	-
Interest on Fixed Deposits	353,794.00	36,546.40
Interest From Bank (Savings)	42,842.00	27,061.55
	396,636.00	63,607.95

	2005	2004
	KSHS.	KSHS.
50% x 30% x 396,636.00		
Provisional Tax	59,495.00	16,220.00

17. PRIOR YEAR ADJUSTMENTS

	<u>2005.</u>	<u>2004</u>
	<u>Kshs.</u>	<u>Kshs.</u>
Dividends	7,357.00	95,925.00
Tax adjustments	-----	1,471.00
Staff bonus	(30,000.00)	(24,000.00)
Unapproved honoraria	150,000.00	-----
Totals	<u>127,357.00</u>	<u>121,423.00</u>

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.12.2005.

	<u>2005</u> <u>KSHS.</u>	<u>2004</u> <u>KSHS.</u>
INCOME: -		
Interest on Members Loans	35,849,148.00	19,566,755.00
Interest on Treasury Bills	-	-
Interest on Fixed Deposits	353,794.00	36,546.40
Interest from Bank (Savings)	42,842.00	27,061.55
	36,245,785.00	19,630,362.95
EXPENDITURE: -		
ADMINISTRATION EXPENSES:-		
Printing & Stationery	48,844.00	40,937.00
Salaries & Wages	660,000.00	540,000.00
Postage & telephone	24,556.00	20,500.00
	733,400.00	601,437.00
COMMITTEE EXPENSES: -		
Committee Sitting Expenses	92,000.00	140,700.00
Committee Subsistence Expenses-	59,200.00	145,000.00
Committee Recess (Disturbance Expenses)	125,000.00	87,700.00
	276,200.00	373,400.00
FINANCIAL EXPENSES: -		
Interest on Deposits @ 8.25%	29,538,000.00	15,148,000.00
Bank Charges	197,464.00	128,034.40
Depreciation	-	-
Bad Debts W/Off	200,000.00	200,000.00
V.A.T @ 16% X 85,000.00	13,600.00	12,000.00
Audit Fees and Sundry Expenses	50,000.00	45,000.00
Binding and Printing of Audited Accounts	35,000.00	30,000.00
Supervision Fees	5,000.00	4,500.00
Recoverable Expenses	200.00	200.00
Public Relations and Loan Disbursement Expenses	27,500.00	30,000.00
AGM Expenses	67,500.00	60,000.00
Sundries (DIVS. Payment Expenses)	59,000.00	27,000.00
Donations	20,000.00	15,000.00
Insurance Premium (Loans)	4,430,891.00	2,164,348.00
	34,644,155.00	17,864,082.40
Total Expenditure	35,653,755.00	18,838,919.40
Net Surplus to Appropriation Account	592,030.00	791,443.55