

CS/5000 PARLIAMENTARIANS

SACCO SOCIETY LTD



AUDITED ACCOUNTS

AND

FINANCIAL REPORTS

FOR THE YEAR

ENDED 31ST DECEMBER 2010

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2010

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CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD

SOCIETY INFORMATION

MANGEMENT COMMETTEE MEMBERS

CHAIRMAN	-	Hon. Joshua O. Ojodeh
VICE-CHAIRMAN	-	Hon. S. Bifwoli Wakoli
SECRETARY	-	Hon. Benson I. Mbai
TREASURER	-	Hon. Peris Chepchumba
COMMITTEE MEMBER	-	Hon. Yusuf Chanzu
	-	Hon. Charles Keter
	-	Hon. Rachel Shebesh
	-	Hon. Asman Kamama
	-	Hon. Elias Mbau

REGISERED OFFCIES

PARLIAMENTARIANS SACCO SOCIETY LTD

PARLIAMENT ROAD

PARLIAMENT BUILDINGS

P.O. BOX 44809

NAIROBI

PRINCIPAL BANKERS

Co-operative Bank of Kenya Ltd

Parliament Road Branch

P.O. Box 67881

NAIROBI

INSURER

Co-operative Insurance Co. Ltd

P.O. Box 59485 – 00200

NAIROBI

AUDITORS

M/S OBWOCHA AND ASSOCIATES CO.

CERTIFIED PUBLIC ACCOUNTANTS (k)

CAPITOL HILL TOWERS, 4TH FLOOR

P.O. BOX 9300 – 00100

AND P.O. BOX 2176 – 200100 NAKURU

C/S5000 PARLIANTARIANS SACCO SOCIETY LTD

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST DECEMBER 2010

The Management Committee submit their annual report together with the audited financial statements for the year ended 31st December, 2010

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. <u>RESULTS:</u>	<u>2010</u>	<u>2009</u>
Retained Earnings b/f	540,959.60	101,998.45
Surplus before Tax	1,115,116.30	861,577.90
Income Tax	(181,611.00)	(5,396.00)
Net Surplus after Tax	933,505.30	856,181.90
<u>Less</u> 20% Statutory Reserve	(186,701.00)	(195,000.00)
Provision for Honoraria & Staff Bonus	<u>(680,000.00)</u>	<u>(650,000.00)</u>
Surplus to Retained Earnings	<u>411,763.95</u>	<u>110,943.35</u>

4. **INTEREST ON MEMBERS DEPOSITS AND DIVIDENDS**

The Management Committee recommend the payment of **Kshs. 50,890,260.00** as interest on Members Deposits which on average is 7.5% on deposits held as at 31st December, 2010. 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 in office and therefore offers themselves for consideration for re-appointment under the terms of section 23(2) of the Co-operative Societies Act, Cap. 490.


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

By **ORDER OF MANAGEMENT COMMITTEE**

HON. BENSON I. MBAI

SECRETARY

Date: _____



19/10/2011

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LTD

STATISTICAL INFORMATION

MEMBERSHIP	196	195
<u>FINANCIAL</u>		
An undetermined no. of 10,000 shares	1,960,000.00	1,950,000.00
Members Deposits	678,536,800.00	515,691,919.00
Loans to Members	593,633,254.00	485,830,830.00
Reserves	4,459,640.65	3,745,719.05
Assets	4,897,217.00	2,642,584.00
Current Assets	148,935,432.65	104,777,091.20
Current Liabilities	57,612,246.00	40,374,748.00
Shareholders' Fund	6,419,640.65	5,873,419.05
Net Surplus before Tax	1,115,116.60	861,577.90

Key Ratios

Liquidity ratio	18.19%	10.7%
Financial Expenses	14.9%	15.93%
Admin & Financial Expenses	18.7%	18.23%
Other Expenses	0.17%	1.42%
Net Surplus	81.03%	80.09%
Interest on Membership Deposits	7.5%	7.0%

MANAGEMENT COMMITTEE	POSITION	PERIOD
CHAIRMAN	HON. JOSHUA O. OJODEH	JAN – DEC
VICE-CHAIRMAN	HON. S.B. WAKOLI	JAN – DEC
SECRETARY	HON. BENSON I. MBAI	JAN – DEC
TREASURER	HON. PERIS CHEPCHUMBA	JAN – DEC
COMMITTEE MEMBER	HON. YUSUF CHANZU	JAN - DEC
COMMITTEE MEMBER	HON. CHARLES KETER	JAN - DEC
COMMITTEE MEMBER	HON. RACHEL SHEBESH	JAN - DEC
COMMITTEE MEMBER	HON. ASMAN KAMAMA	JAN - DEC
COMMITTEE MEMBER	HON. ELIAS MBAU	JAN - DEC

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
DECEMBER 2010

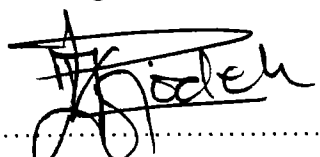
STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES

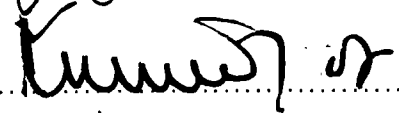
The Co-operative Societies Act requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its operating results for that year in accordance with IFRS. It also requires the Management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

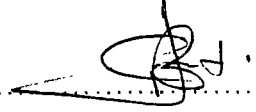
The Management Committee accepts responsibility for the Annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in a manner required by the 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 IFRS. 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 and signed on its behalf by

Chairman  19TH APRIL 2011.

Treasurer  19/4/11

Secretary 

Date 19/04/11

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
DECEMBER 2010**

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BUNGE SAVINGS
AND CERDIT CO-OPERATIVE SOCIETY**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements set out on page 6-10 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 FINNCIAL STATESMENTS.

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 of accounts 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 the International Auditing 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 Management Committee 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 for our audit opinion.

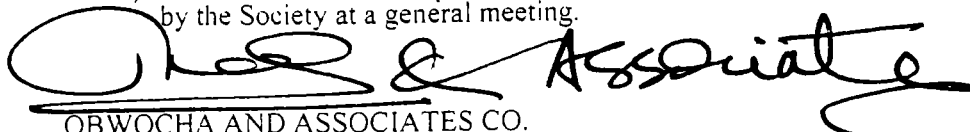
OPINION

In our opinion, the financial statements give a true and fair view of the state of the Society's financial affairs as at 31st December 2010 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 REQUIRMENTS

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 the Society at a general meeting.


OBWOCHA AND ASSOCIATES CO.

CERTIFIED PUBLIC ACCOUNTANTS (K)

Dated 18th April, 2011

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
DECEMBER 2010

STATEMENT OF COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31ST
DECEMBER 2010

		2010	2009
		<u>Kshs</u>	<u>Kshs</u>
<u>REVENUE</u>	Note		
Interest from Members Loans	22	62,505,310.95	45,968,101.85
Other Interest Income	22	1,532,952.25	322,364.15
Interest Expense on Members Deposits	19	(50,890,260.00)	(36,098,435.00)
Net Interest Income		13,148,003.20	10,192,031.00
Other Operating Income	22	<u>111,288.50</u>	<u>72,221.60</u>
Net Revenue		13,259,291.70	10,264,252.60
<u>Expenditure</u>			
Administrative Expenses	23	12,032,151.20	9,111,366.00
Other Operating Surplus before Tax	24	112,023.90	291,308.70
Net Operating Surplus before Tax		<u>1,115,116.60</u>	<u>861,577.90</u>
Income Tax Expense		<u>(181,611.00)</u>	<u>(5,396.00)</u>
Net Surplus for the year		<u>933,505.60</u>	<u>856,181.90</u>
20% transfer to Statutory Reserve		(186,701.00)	(2,237.00)
Surplus for the year available for distribution		746,804.60	853,944.90
Retained Earnings at the start of the year		540,959.35	101,998.45
Proposed dividends		(196,000.00)	(195,000.00)
Proposed Honoraria		(600,000.00)	(600,000.00)
Staff Bonus		<u>(80,000.00)</u>	<u>(50,000.00)</u>
Retained Earnings at end of the year		<u>411,763.95</u>	<u>110,943.35</u>

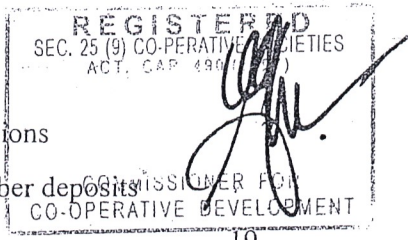
CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010

<u>Interest INCOME</u>	2010	2009
(i) Interest on members loans	<u>62,505,310.95</u>	<u>45,968,101.85</u>
(ii) Other interest Income		
Interest on fixed Deposits	1,319,391.75	79,469.20
Interest on Savings A/C	51,598.70	77,335.00
Interest on Goldfish A/C	<u>161,962.30</u>	<u>165,559.95</u>
	<u>1,532,952.25</u>	<u>332,364.15</u>
(iii) Other operating income		
Dividend from Bo-op Bank	38,178.10	10,000.00
Dividend from CIC	71,110.40	62,221.60
Entrance fee	<u>2,000.00</u>	<u>-</u>
 <u>Administrative Expenses</u>		
AGM Expenses	148,900.00	144,805.00
Committee Sitting Allowance	204,000.00	165,900.00
Committee Subsistence Allowance	166,500.00	143,950.00
P.A.Y.E. on Committee Sitting	53,092.00	46,200.00
Recess transport refund	324,000.00	174,000.00
Printing and Stationery	53,382.20	49,317.00
Disbursement Expenses	39,240.00	33,792.00
Postage and Telephone	42,875.00	32,000.00
Salaries and Wages	1,166,280.00	936,000.00
Medical Expenses	4,100.00	24,136.00
Dividend Payment Expenses	27,000.00	28,500.00
Office Expenses	27,248.00	-
Audit fees and Sundry	100,000.00	80,000.00
Binding and Printing Auditors A/C	40,000.00	40,000.00
Supervision fees	10,000.00	8,000.00
Recoverable Expenses	500.00	500.00
VAT @ 16%	16,000.00	12,800.00
Provision for Bad Debts	200,000.00	-
Bad debt w/off	-	-
Insurance on loans	9,373,425.00	-
Depreciation	20,609.00	2,469.90
Donation	15,000.00	15,000.00
Other Operating Expenses		
Bank charges	86,023.90	291,308.70
Membership and affiliation	<u>26,000.00</u>	<u>-</u>
	<u>112,023.90</u>	<u>291,308.70</u>
Interest Expense on members Deposits 7.5%	<u>50,890,260.00</u>	<u>36,098,435.00</u>

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD

BALANCE SHEET AS AT 31.12.2010

	<u>Notes</u>	2010 <u>Kshs</u>	2009 <u>Kshs</u>
<u>ASSETS</u>			
Cash AND Cash Equivalent	12	135,108,040.05	60,681,267.60
Debtors and Receivables	5	6,294,753.60	10,522,455.60
Prepayments	6	2,635,422.00	2,262,949.00
Loans to members	4	593,633,254.00	485,830,830.00
Other Financial Assets	8	4,668,202.00	2,619,500.00
Furniture and Equipment	2	<u>229,015.00</u>	<u>23,084.00</u>
		<u>742,568,686.65</u>	<u>561,940,086.20</u>
<u>LIABILITIES</u>			
Members Deposits		678,536,800.00	515,691,919.00
Creditors and other Provisions		6,344,375.00	4,075,916.45
Proposed interest on member deposits @ 7.5%	19	50,890,260.00	36,098,435.70
Current income Tax payable	3	181,611.00	5,396.00
Proposed dividend payable	19	<u>196,000.00</u>	<u>195,000.00</u>
		<u>736,149,046.00</u>	<u>556,066,667.15</u>
<u>SHAREHOLDERS' FUND</u>			
Entrance Fees		-	177,700.00
Share Capital	13	1,960,000.00	1,950,000.00
Statutory Reserve	14	3,803,300.70	3,616,599.70
General Reserve	11	244,576.00	18,176.00
Retained Earnings	17	<u>411,763.95</u>	<u>110,943.35</u>
		<u>6,419,640.65</u>	<u>5,873,419.05</u>
Total Liabilities and Shareholders' Fund		<u>742,568,686.65</u>	<u>561,940,086.20</u>



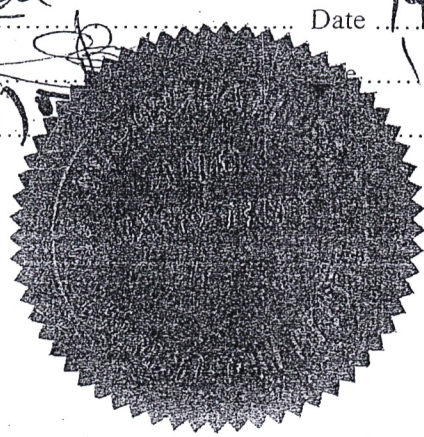
The financial statements were authorized for issue by the Management Committee on

..... 2011 and signed on its behalf by:

Chairman *[Signature]* Date 19th April 2011

Treasurer *[Signature]* 19/04/2011

Committee Member *[Signature]* 19/04/2011



C/S 5000 PARLIAMENTARIANS SACCO S.LTD

ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31.12.2010

STATEMENT OF CHANGES IN EQUITY

<u>YEAR ENDED</u> <u>31.12.2010</u>	<u>SHARE CAPITAL</u>	<u>ENTRANCE FEES</u>	<u>STATUTORY</u> <u>RESERVE</u>	<u>RETAINED</u> <u>SURPLUS</u>	<u>GENERAL</u> <u>RESERVE</u>	<u>TOTAL KSH</u>
Balance at 1.01.09	1,880,000.00	172,700.00	3,614,362.70	218,216.45		5,885,279.15
Prior year adjust				(116,218.00)		(116,218.00)
Balance B/F Restated				101,998.45		
Surplus for the period(net)				856,181.90		856,181.90
Statutory reserve			2,237.00	2,237.00		
Provision for dividend				(195,000.00)		(195,000.00)
Provision for Honoraria				(600,000.00)		(600,000.00)
Provision for staff Bonus				(50,000.00)		(50,000.00)
Withdrawals	(30,000.00)					(30,000.00)
Addition	100,000.00	5,000.00			18,176.00	123,176.00
Balance at 31.12.09	1,950,000.00	177,700.00	3,616,599.70	110,943.35	18,176.00	5,873,419.05
Balance at 1.01.2010	1,950,000.00	177,700.00	3,616,599.70	110,943.35	18,176.00	5,873,419.05
Prior year adjust				430,016.00		430,016.00
Balance b/f restated				540,959.35		
Surplus for the period				933,505.60		933,505.60
Statutory reserve			186,701.00	186,701.00		
Provision for dividends				(196,000.00)		(196,000.00)
Provision for Honoraria				(600,000.00)		(600,000.00)
Provision for staff Bonus				(80,000.00)		(80,000.00)
Withdrawals	(30,000.00)	(177,700.00)				(207,700.00)
Additions	40,000.00				226,400.00	266,400.00
Balance at 31.12.2010	1,960,000.00	nil	3,803,300.70	411,763.95	244,576.00	6,419,640.65

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2010

<u>CASH FLOW FROM OPERATING</u>	2010	2009
<u>ACTIVITIES</u>	KSHS	KSHS
Operating surplus before tax	1,115,116	861,577.90
<u>ADJUSTMENTS</u>		
Provisions	-	
Dividend income	(1,112,885.00)	(850,396.00)
Investments income	(1,532,952.00)	65,677.70
Proposed interest on Deposits	<u>50,890,260.00</u>	<u>-</u>
	49,359,539.00	76,859.60
<u>WORKING CAPITAL CHANGES</u>		
Increase (Decrease) in Loans to members	107,802,424.00	154,548,307.90
Increase (Decrease) in Debtors	3,855,229.00	(28,324,476.40)
Increase (Decrease) in Creditors	2,268,458.00	(13,151,095.15)
Increase (Decrease) in Members Deposits	<u>(162,844,881.00)</u>	<u>(172,260,252.10)</u>
	<u>(48,918,770.00)</u>	<u>(59,187,515.75)</u>
Net cash flow from operating activities	440,769.00	
<u>CASH FLOW FROM FINACING ACTIVITIES</u>		
Increase (Decrease) in shares	(10,000.00)	(70,000.00)
Increase (Decrease) in fixed Assets	(205,931.00)	8,331.00
Purchase of Investments	<u>(226,540.00)</u>	518,176.00
	<u>(442,471.00)</u>	<u>-</u>
Net cash flow from activities	<u>1,702.00</u>	<u>456,507.00</u>
Increase (Decrease) in cash and cash equivalents	74,426,772.45	2,027,118.45
Cash and cash equivalent at the beginning of the year	<u>60,681,267.60</u>	<u>60,681,267.60</u>
	<u>135,108,040.05</u>	<u>58,654,149.15</u>
Available cash and cash equivalents at the end of the year	<u>135,108,040.05</u>	<u>58,654,149.15</u>

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
NOTES AND OBSERVATIONS ON THE ACCOUNTS FOR THE YEAR ENDED 31.12.2010

1. SAVINGS (SHARES AND DEPOSITS):

Honorable members' shares and deposits are combined totaling Ksh. 680,496,800.00 during the year. Shares are Kshs. 10,000.00 per member equivalent to Kshs. 1,960,000.00 and the balance of Ksh. 678,536,800.00 represent membership deposits.

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2. HONORARIUM:

- (i) Honorarium of Kshs. 600,000.00 (Six hundred thousands) was paid to the committee and Ksh. 50,000.00 (Fifty thousand) in staff bonus during the year 2009.
- (ii) Provision of Kshs. 680,000 for Honorarium and staff bonus has been made in the accounts for year 2010.

3. CREDITORS:

Refunds to ex-members were made during the course of the year. More effort should be made to make refunds to the families of ex-members. The unidentified bankings should be traced to members accounts.

4. COMPUTERISATION OF THE SOCIETY:

Past recommendations to computerize the society operations were implemented this year.

5. STAFF: We noted an accounts officer is currently assisting the Society Manager

6. GENERAL RESERVE:

This is a new account caused by capitalization of KUSCCO share dividends of Kshs. 18,176.00. The society has transferred the Accumulated Entrance Fees to the General Reserve in accordance with the new international Financial Standards and stands at Ksh. 244,576.00

7. ASSETS:

The society acquired a new computer and furniture costing Kshs. 226,540.00

8. DEBTORS:

The society is owed Ksh. 3,801,289.70 from the departure of two members during the year.

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 in 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 the 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:

Asset	Rate (%)
Furniture (chairs)	20%
Fixtures and Fittings	12.5%
Computer equipment	33.3%
Cabinets, Tables and Desks	12.5%

The assets' residual values and lives 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 are 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) **Financial Assets**

Unless otherwise state, financial assets are stated at fair value, with any resultant gain or loss recognized in the income statement. The net gain or loss recognized in the income statement incorporates any dividend or interest earned on the financial asset.

Derecognition of financial assets

The SACCO derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2. FIXED ASSETS

DESCRIPTION	COST	ADDITION	DEPRECIATION FOR THE YEAR	ACCUMULATED DEPRECIATION	NET BOOK VALUE 31.12.2010
File Cabinets	28,800.00	21,765.00	3,520.00	12,036.00	35,529.00
(2)					
Calculator	5,800.00	-	725.00	725.00	5,075.00
Chairs	-	43,180.00	4,318.00	4,318.00	38,862.00
Office	-	56,795.00	3,322.00	3,322.00	53,473.00
Desk/Tables					
Computer	-	104,800.00	8,724.00	8,724.00	96,076.00
TOTAL	31,600.00	226,540.00	20,609.00	29,125.00	229,015.00

3. TAXATION

- (i) Corporation tax is computed based on the taxable income i.e. all income other than interest earned from loans to members. However other earnings paid to the society less withholding tax are not taxable.

	2020 KSHS	2009 KSHS
(ii) CORPORATION TAX		
Fixed Deposit Interest	1,319,391.60	-
Bank Saving Interest	51,598.20	77,335.00
Goldfish Saving Interest	161,962.30	165,559.95
Total	1,532,952.10	242,894.95
1,532.9522.10*(50/100)*(30/100)	229,942.80	
Less: Paid at source	48,331.00	
	<u>181,611.00</u>	
Payable in year 2010		

CS/5000 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

(a) SHARES AND DEPOSITS	2010	2009
(i) Shares balance as per control	1,960,000.00	1,950,000.00
Schedules	1,960,000.00	1,950,000.00
Differences	-	-
(ii) Deposits Balances as per control	678,536,800.00	515,691,919.00
Schedules	678,536,800.00	515,691,919.00
Differences	-	-
(b) OUTSTANDING LOANS		
Balances per control (ledgers)	593,633,254.00	485,830,830.50
Balances per control	593,633,254.00	485,830,830.50
Difference	-	-

NOTE 5 - DEBTORS

	2010	2009
	Ksh	Ksh
(i) Debtors check off system (Employer)	1,974,823.90	8,028,445.60
(ii) Receivable Interest (FD)	44,390.00	10,000.00
(iii) Debtor Members (accrued interest)	474,250.00	707,260.00
(iv) Debtor Ex-Members:		
(a) Hon. James Omingo Magara	2,812,289.70	-
(b) Hon. Ali Hassan	989,000.00	-
(c) Others	-	<u>1,776,750.00</u>
	<u>6,294,753.60</u>	<u>10,522,455.60</u>

Note 5 (iii) Debtor Members Accrued Interest:

NAMES	AMOUNT (SKSH)
1. HON. D.N. MUNGATANA	5,000.00
2. HON. KILEMI MWIRIA	41,000.00
3. HON. ASMAN KAMAMA	1,500.00
4. HON. DAVID WERE	4,000.00
5. HON. DR. BONIFACE KHALWALE	2,000.00
6. HON. ALI JOHO	15,000.00
7. HON. MOHAMED MAALIM	38,800.00
8. HON. MOHAMUD M. ALI	43,450.00
9. HON. SILAS RUTEERE	41,500.00
10. HON. VICTOR MUNYAKA	69,600.00
11. HON. J.K. KIPTANUI	4,000.00
12. HON. DAVID KOECH	3,000.00
13. HON. LUKA KIGEN	2,000.00
14. HON. ATANAS KEYA	5,000.00
15. HON. FRED KAPONDI	4,000.00
16. HON. SHABBIR SHAKEEL	9,500.00
17. HON. JOSEPH MAGWANGA	4,000.00
18. HON. JAMES REGE	6,500.00

19.	HON. MARTIN OGINDO	4,000.00
20.	HON. SOPHIA NOOR	3,000.00
21.	HON. CHARLES ONYANCHA	35,800.00
22.	HON. JAMES GESAMI	4,000.00
23.	HON. FERDINARD WAITITU	37,000.00
24.	HON. DR. JOYCE LABOSO	39,600.00
25.	HON. BOAZ KAINO	6,000.00
26.	HON. ELIJAH LAGAT	1,000.00
27.	HON. JOHN MUTUTHO	6,000.00
28.	HON. JULIUS KONES	2,000.00
29.	HON. WILFRED OMBUI	10,000.00
30	HON. SIMON OGARI	<u>26,000.00</u>
.	TOTAL	<u>474,250.00</u>

NOTE 6: PREPAYMENTS

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Insurance (CIC)	2,635,422.00	2,262,949.00
Total	<u>2,635,422.00</u>	<u>2,262,949.00</u>

NOTE 7: CREDITORS AND OTHER PROVISIONS

	2010	2009
<u>Creditor – Ex-Members</u>	<u>Kshs</u>	<u>Kshs</u>
Hon. Waruru Kanja	-	11,000.00
Hon. Eric Bomett	11,221.00	11,221.00
Hon. Francis Thuo	20,959.00	20,959.00
Hon. J.K. Icharia	12,868.00	12,868.00
Hon. Prof. Wangari Maathai	2,363,000.00	2,363,000.00
Hon. Yuda Komora	29,011.00	29,011.00
Hon. Kennedy Kiliku (late)	9,115.00	9,155.00
Hon. Achieng Oneko (late)	7,538.00	7,538.00
Hon. John S. Mumba	6,533.00	6,533.00
Hon. A.W. Ndilinge (late)	15,000.00	15,000.00
Hon. Charles D. Kirui	8,120.00	8,120.00
Hon. Simeon Mkalla	91,650.00	91,650.00
Hon. J.M. Keriri	286,200.00	286,200.00
Hon. Charles Lugano (late)	<u>1,650,030.00</u>	<u>-</u>
	4,511,285.00	2,872,255.00

CS/5000 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

Provision for Bad Debts	(Note 16)	200,000.00	-
Audit Fees	(Note 15)	100,000.00	80,000.00
Printing & Binding Accounts	(Note 15)	40,000.00	40,000.00
Supervision Fees	(Note 15)	10,000.00	8,500.00
VAT @ 16% x 100,000	(Note 15)	16,000.00	12,800.00
Unidentified bankings ⁷		<u>786,590.00</u>	<u>412,361.45</u>
		<u>6,344,375.00</u>	<u>4,075,916.45</u>

NOTE 8 – OTHER FINANCIAL ASSETS (INVESTMENTS)

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Shares in KUSCCO Ltd	1,018,100.00	569,400.00
Shares in Co-operative Bank	1,050,100.00	1,050,100.00
Shares in Co-op Insurance Co. Ltd	2,500,002.00	1,000,000.00
CODIC Ltd	<u>100,000.00</u>	<u> </u>
Total	<u>4,668,202.00</u>	<u>2,619,500.00</u>

NOTE 9 DIVIDENDS

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Dividend (Adjustments)	<u>430,016.00</u>	<u>53,870.00</u>
	<u>430,016.00</u>	<u>53,870.00</u>

The Adjustments are in respect of the portion of dividends that were not paid out.

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

NOTE 10: HONORARIUM TO MANAGEMENT COMMITTEE AND MANAGEMENT

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Honorarium to Management Committee	600,000.00	600,000.00
Honoraria to Management	80,000.00	50,000.00
	<hr/>	<hr/>
Total	680,000.00	650,000.00
	<hr/>	<hr/>

NOTE 11 – GENERAL RESERVE

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Balance B/f	18,176.00	-
Entrance Fees (2009)	177,700.00	177,700.00
Entrance Fees	48,700.00	18,176.00
	<hr/>	<hr/>
Total	244,576.00	195,876.00
	<hr/>	<hr/>

NOTE 12 CASH AND CASH EQUIVALENT

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Bank Current A/C (Co-op Bank)	36,804,590.20	36,034,739.80
Savings Goldfish A/C	11,495,417.55	6,621,104.85
Fixed Deposit A/C	72,075,431.55	10,079,469.20
Bank Savings A/C	4,731,913.45	7,940,815.25
Imprest (Petty Cash)	687.30	5,138.50
KUSCO Cash Deposits	10,000,000.00	-
	<hr/>	<hr/>
	135,108,040.05	60,681,267.60
	<hr/>	<hr/>

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

NOTE 13 - SHARE CAPITAL AND MEMBERSHIP DEPOSITS

This consists of undetermined number of Kshs. 10,000 fully and partly paid shares and membership deposits totaling Ksh. 680,496,800.00 as per schedule.

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Membership Deposits	678,536,800.00	515,691,919.00
Membership Deposits	1,960,000.00	1,950,000.00
	<u>680,496,800.00</u>	<u>517,641,919.00</u>

NOTE 14 STATUTORY RESERVE FUND

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
-		
Balance b/f 1.1.2010	3,616,599.70	3,614,362.70
<u>Add</u> 20% Statutory Reserve Fund	186,701.00	2,237.00
Balance c/f 1.12.2010	<u>3,803,300.70</u>	<u>3,616,599.70</u>

NOTE 15: AUDIT AND SUPERVISION FEES

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Audit Fees	100,000.00	80,000.00
Binding and printing expenses – Audit Report	40,000.00	40,000.00
VAT (16%*100,000.00)	16,000.00	12,800.00
Recoverable expenses	500.00	500.00
Supervision fees	10,000.00	8,000.00
TOTAL	<u>166,500.00</u>	<u>141,300.00</u>

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

NOTE 16 PROVISION

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
B ad debt provision	200,000.00	-
Provision for Honoraria & Staff Bonus	680,000.00	650,000.00
Provision for Taxation	181,611.00	5,396.00
Provision for Dividend	<u>196,000.00</u>	<u>195,000.00</u>
TOTAL	<u>1,257,611.00</u>	<u>850,396.00</u>

NOTE 17 APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010

		2010	2009
	NOTES	<u>Kshs</u>	<u>Kshs</u>
Balances b/f as at 1.1.2010		110,943.35	218,216.45
Prior year adjustment (net)	17	<u>430,016.00</u>	<u>(116,218.00)</u>
Total		<u>540,959.35</u>	<u>101,998.45</u>

NOTE 17b APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Surplus for the year before dividend and tax	1,115,116.60	861,577.90
<u>Less:</u> Proposed dividends	(196,000.00)	(195,000.00)
Proposed Honorarium and staff bonus	(680,000.00)	(650,000.00)
Net Surplus before tax	239,116.60	16,577.90
Income tax	(181,611.00)	(5,396.00)
Surplus after tax	57,505.60	11,181.90
Retained Earnings b/f	<u>540,959.35</u>	<u>101,998.45</u>
	598,464.95	113,180.35
20% Transfer to Statutory Reserve	(186,701.00)	(2,237.00)
Retained Earnings C/f	<u>411,763.95</u>	<u>110,943.35</u>

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

NOTE 18 – COMPARATIVE PERCENTAGES AS % OF TURNOVER

	<u>2010</u>	<u>2009</u>
Financial Expenses	14.9%	15.93%
Administrative and Financial Expenses	18.7%	18.23%
Other Expenses	0.17%	1.42%
Net Surplus	(81.03%)	80.09%

NOTE 19 – INTEREST ON MEMBERSHIP DEPOSITS

	<u>2010</u>	<u>2009</u>
<u>7.5 x 678,536,800</u>	50,890,260.00	36,098,435.70
100	7.5%	7.0%

NOTE 20: PRIOR YEAR ADJUSTMENTS

	<u>2010</u>	<u>2009</u>
	<u>Kshs</u>	<u>Kshs</u>
Dividends	430,016.00	53,870.00
Tax Arrears (PAYE)	-	(138,050.00)
Tax overpayment expenses	-	<u>(31,038.00)</u>
	<u>430,016.00</u>	<u>(116,218.00)</u>

NOTE 21 – SUMMARY INCOME STATEMENT FOR THE YEAR ENDED

31ST DECEMBER 2010

		<u>2010</u>	<u>2009</u>
	<u>NOTES</u>	<u>Kshs</u>	<u>Kshs</u>
<u>REVENUE</u>			
Total income	22	64,149,551.70	46,362,687.60
<u>EXPENSES</u>			
Members expenses	23	896,492.00	674,850.00
Administrative expenses	23	1,360,125.20	1,103,745.00

CS/5000 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

Professional services	23	166,500.00	141,300.00
Other operating expenses	23	61,609.00	17,469.00
Financial expenses	23	973,425.00	7,191,471.00
Interest expenses		50,890,260.00	36,098,435.00
Total Expenses		<u>63,034,435.00</u>	<u>36,098,435.00</u>
Net surplus to appropriation A/c		<u>1,115,116.60</u>	<u>861,577.90</u>

NOTE 22: REVENUE

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Interest on loans	<u>62,505,310.95</u>	<u>45,968,101.85</u>
Interest on Fixed Deposit	1,319,391.75	79,469.20
Interest on Savings A/C	51,598.20	77,335.00
Interest on Goldfish A/C	<u>161,962.30</u>	<u>165,559.95</u>
	1,532,952.25	322,364.15
Dividend from Co-op Bank	38,178.10	10,000.00
Dividend from CIC	71,110.00	62,221.00
Entrance Fees	2,000.00	-
	<u>64,149,551.70</u>	<u>46,362,687.60</u>

NOTE 23 MEMBERS EXPENSES

	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
AGM Expenses	148,900.00	144,800.00
Committee Sitting Allowance	204,000.00	165,900.00
Committee Subsistence Allowance	166,500.00	143,950.00
P,A,Y.E on Committee Sitting	53,092.00	46,200.00
Recess Transport Refund	<u>324,000.00</u>	<u>174,000.00</u>
	<u>896,492.00</u>	<u>674,850.00</u>

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

ADMINISTRATION EXPENSE

	<u>2010</u>	<u>2009</u>
	<u>Kshs</u>	<u>Kshs</u>
Binding, Printing and Stationery	23,382.20	49,317.50
Disbursement Expenses	39,240.00	33,792.00
Postage and Telephone	42,875.00	32,000.00
Salaries and Wages	1,166,280.00	936,000.00
Medical Expenses	4,100.00	24,136.00
Dividend Payment Expenses	27,000.00	28,500.00
Other Expenses	27,248.00	-
	<u>1,360,125.00</u>	<u>1,103,745.00</u>

PROFESSIONAL EXPENSES

	<u>2010</u>	<u>2009</u>
	<u>Kshs</u>	<u>Kshs</u>
Audit Fees and Sundry	100,000.00	80,000.00
Binding and Printing Audited Accounts	40,000.00	40,000.00
Supervision Fees	10,000.00	8,000.00
Recoverable Expenses	500.00	500.00
VAT @ 16%	<u>16,000.00</u>	<u>12,800.00</u>
	<u>166,500.00</u>	<u>141,300.00</u>

FINANCIAL EXPENSES

	<u>2010</u>	<u>2009</u>
	<u>Kshs</u>	<u>Kshs</u>
Donations and Affiliation	15,000.00	15,000.00
Provision for Bad Debts	200,000.00	-
Depreciation	20,609.00	2,469.00
Bad Debt W /off	-	-
Insurance on Loans	<u>9,373,425.00</u>	<u>7,174,002.00</u>
	9,609,034.00	7,191,471.00
	<u>12,032,151.20</u>	<u>9,111,366.00</u>

CS/5000 PARLIAMENTARIANS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010

<u>NOTE 24: OTHER EXPENSES</u>	2010	2009
	<u>Kshs</u>	<u>Kshs</u>
Bank Charges	86,023.90	291,308.70
Membership & Affiliation	<u>26,000.00</u>	<u>-</u>
	112,023.90	291,308.70
	<u>12,144,175.10</u>	<u>9,402,674.70</u>
Total Expenses		

NOTE 25

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

The Society's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Society partly hedges its credit risk on members loans through a loan protection insurance policy.

Risk management is carried out by the Management Committee of the Society in accordance with policies approved by the Members and Ministry of Co-operatives and Marketing.

Market Risk

(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 cash flow 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 2010 is made as follows:

		2010	2009
		<u>Kshs</u>	<u>Kshs</u>
Investment in financial assets	(Note 8)	4,668,202.00	2,619,500.00
Loans to members		<u>593,633,254.00</u>	<u>485,830,830.00</u>
		<u>598,301,456.00</u>	<u>488,450,370.00</u>

Liquidity Risk

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