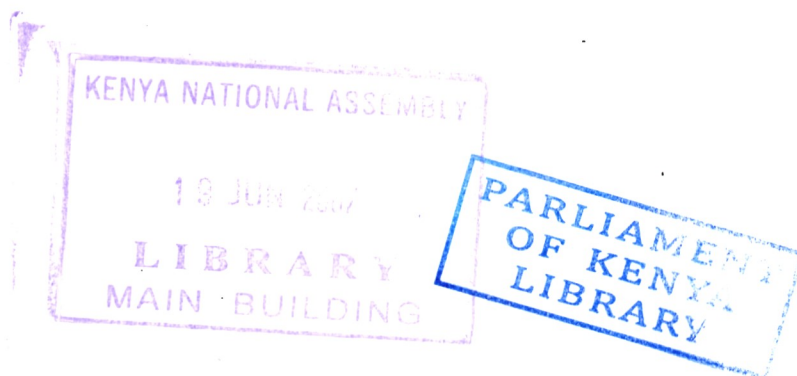


CS 5000 PARLIAMENTARIANS
SACCO SOCIETY LTD



AUDITED ACCOUNTS

FOR THE YEAR
ENDED 31ST DECEMBER, 2006

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

REGISTERED OFFICES: -

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LTD,
PARLIAMENT ROAD,
PARLIAMENT BUILDING,
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, 2006.

	31.12.2006	31.12.2005
MEMBERSHIP	196	199
Share Capital and Deposits	526,133,976.85	360,024,569.00
Entrance Fees	114,200.00	112,200.00
Loans to Members	279,340,606.20	312,933,843.00
Statutory Reserve Fund	2,357,848.70	1,831,543.00
Appropriation Account	422,329.15	77,789.00
Current Assets	570,782,878.70	393,901,814.00
Current Liabilities	41,906,848.00	31,971,038.00
Turnover	37,838,205.85	35,849,148.00
Surplus	2,631,527.30	592,031.00

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.

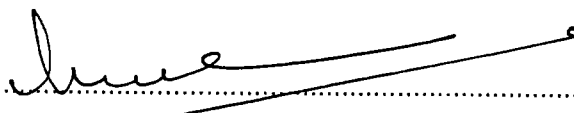
STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2006.

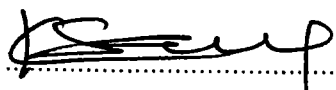
The Co-operatives Societies Act Requires Management Committee to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the Financial Year and its operating results for that year. It also requires the committee to ensure that the 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..... 13 - 042007.

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

AUDITORS REPORT TO MEMBERS FOR THE YEAR ENDED 31ST DECEMBER, 2006.

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: -

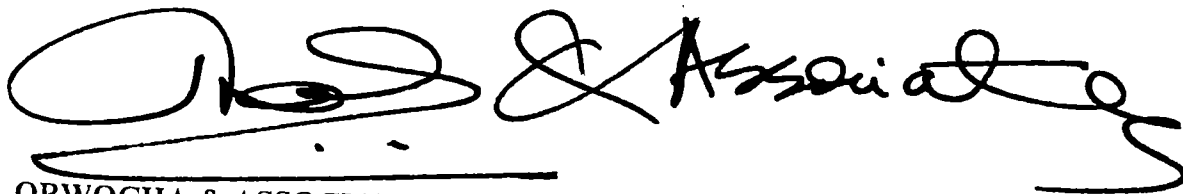
The Society is responsible for the preparation of the Financial Statements, which give a true and fair view of the state of affairs of the Society. Our responsibility is to express an independent opinion on the financial statements, based on our audit and report our opinion to you.

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, 2006 and its profits and cashflow for the year ended the in accordance with International Accounting Standards and comply with the *Co-operatives Societies Act, Cap 490.*



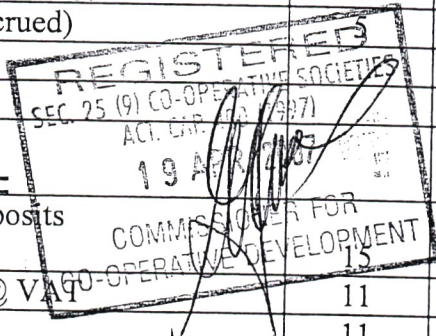
OBWOCHA & ASSOCIATES CO.,
CERTIFIED PUBLIC ACCOUNTANTS (KENYA).

NAIROBI.....13th April,.....2007.

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

BALANCE SHEET AS AT 31ST DECEMBER, 2006.

	NOTES	<u>2004</u> <u>K.SHS</u>	<u>2003</u> <u>K.SHS</u>
Fixed Assets	2	-	-
Investments	3	151,324.00	115,324.00
<u>CURRENT ASSETS: -</u>			
Sundry Debtors	4	177,614.00	150,985.00
Loans to Members	18	279,340,606.20	312,933,843.00
Cash and Bank Balances	7	243,245,707.00	80,529,352.00
Other Debtors (National Assembly)	6	45,115,976.70	125,023.00
Debtors (Int. Receivable accrued)		2,902,974.80	162,611.00
Insurance prepayment		-	-
Total Current Assets		570,782,878.70	393,901,814.00
<u>CURRENT LIABILITIES:-</u>			
Interest on Membership Deposits @ 6.8%		35,644,000.00	29,538,000.00
Audit & Supervision Fees @ VAGO	11	68,800.00	68,800.00
Other Provisions	11	35,000.00	35,000.00
Provision for Taxation & Honorarium/Divs	12	1,732,098.00	658,495.00
Sundry Creditors	8	4,426,950.00	1,670,743.00
Total Liabilities		41,906,848.00	31,971,038.00
Net Current Assets		528,876,030.70	361,930,776.00
Net Assets		529,027,354.70	362,046,100.00
<u>FINANCED BY:-</u>			
An undetermined number of KShs. 10,000/= Share Capital	9	1,960,000.00	1,990,000.00
Membership Deposits	9	524,173,976.85	358,034,569.00
Appropriation Account	13	422,329.15	77,789.00
Entrance Fees		114,200.00	112,200.00
Statutory Reserve Fund	10	2,357,848.70	1,831,542.00
		529,127,354.70	362,046,100.00

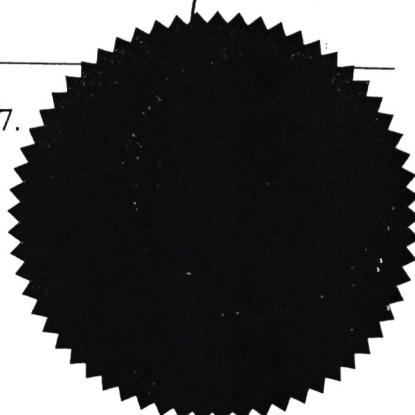


These Financial Statements were approved by the Management Committee on 12-04-2007.

Chairman [Signature] Treasurer [Signature]

Hon. Secretary [Signature] Member _____

Dated 13-04-2007



CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2006.

	2006	2005
	KSHS.	KSHS.
<u>CASHFLOW FROM OPERATING ACTIVITIES: -</u>		
Operating surplus for the period before tax	2,017,329.20	592,030.00
<u>ADJUSTMENTS FOR: -</u>		
Provisions for 2005 (Others) DIVD's & Honorarium	(599,000.00)	(545,000.00)
Tax Paid – 2005	(59,495.00)	(16,220.00)
Prior year Adjustments	(29,584.45)	27,358.00
Staff Bonus paid		-
	1,329,249.75	58,168.00
<u>WORKING CAPITAL CHANGES: -</u>		
Increase / (Decrease) in Loans to Members	(36,740,917.40)	102,533,687.00
Increase / (Decrease) in Debtors	50,291,427.00	(1,235,070.00)
Increase / (Decrease) in Creditors	(2,756,207.00)	64,027.00
Increase / (Decrease) to Members Deposits	(6,106,000.00)	(14,390,000.00)
	(4,688,302.60)	(86,972,644.00)
<u>CASHFLOW FROM FINANCING ACTIVITIES: -</u>		
Decrease in Deposits / Shares	166,109,407.85	141,684,420.00
Increase in Entrance Fees	2,000.00	2,000.00
Increase / (Decrease) in Fixed Assets	-	-
Purchase of Investments	(36,000.00)	-
	166,075,407.85	141,686,420.00
<u>Increase / (Decrease) in Cash and Cash Equivalents</u>	<u>162,716,355.00</u>	<u>54,771,944.00</u>
Cash and Cash Equivalents at the Beginning of the Year	80,529,352.00	25,757,408.00
Cash and Cash Equivalents at the End of the Year	243,245,707.00	80,529,352.00
	162,716,355.00	54,771,944.00

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

REPORT AND ACCOUNTS AS AT 31ST DECEMBER 2006

1. MANAGEMENT COMMITTEE REPORT AS AT 31ST DECEMBER 2006

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 2006 which show the state of the society's affairs as at that date.

2. PRINCIPAL ACTIVITIES

The society's principal activity is receiving savings deposits from its members and advancing them with loans at a normal interest rate of 1% per month on reducing balance basis.

3. INTEREST ON MEMBER'S DEPOSITS AND DIVIDENDS

The management committee recommend the payment of Kshs.35,644,000/= as interest on members deposits which average is 6.8 % on deposits held my members as at 31.12.2006. However, the actual earning 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 the year were;

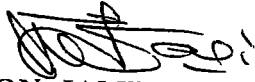
	NAME	POSITION	PERIOD
1.	HON. J. O. OJODETH	CHAIRMAN	JAN - DEC
2.	HON. K. M. SANG	VICE CHAIRMAN	"
3.	HON. J. M. KATUKU	TREASURER	"
4.	HON. J. O. MAGARA	SECRETARY	"
5.	HON R. WANJALA	COMMITTEE MEMBER	"
6.	HON. D. KHAMASI	COMMITTEE MEMBER	"
7.	HON. AMINA ABDALLA	COMMITTEE MEMBER	"
8.	HON. BIFWOLI WAKOLI	COMMITTEE MEMBER	"
9.	HON. F. N. KAGWIMA	COMMITTEE MEMBER	"

5. AUDITORS

The auditors Messrs. Obwocha & 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.

6. BANKERS

Co-operative Bank of Kenya Ltd.
Parliament Road Branch
P. O. BOX 67881, NAIROBI


HON. JAMES OMINGO MAGARA
SECRETARY

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED

NOTES AND OBSERVATIONS ON THE ACCOUNTS FOR THE YEAR ENDED 31.12.2006.

1. SAVINGS (SHARES & DEPOSITS): -

The Honourable Members shares and deposits are combined totaling KShs. 526,133,976.85 during the year. Shares are KShs. 10,000/= per member equivalent to KShs. 1,960,000/= and the balance of KShs. 524,173,976.85 represent membership deposits.

2. HONORARIUM: -

Honorarium of Kenya Shillings Four Hundred Thousand (KShs.400,000/=) 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 – 2006) payable to the Committee.

3. BOOKKEEPING AND ACCOUNTANCY: -

The cashbook for Savings Account and Current should be written separately for ease of reconciliation. We had to put up extra accountancy work to reconcile the loans account differences during the year. Management runs the savings and current accounts concurrently as one account.

4. CREDITORS: -

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

5. COMPUTERIZATION OF THE SOCIETY: -

We would like to recommend the Society to computerize its operations. Computerized member cards and statements are lacking.

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LIMITED.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2006.

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 1.01.2006	DEPRECIATION CHARGE FOR THE YEAR	N.B.V 31.12.2006
	KSHS.	KSHS.	KSHS.
Calculator	Nil	Nil	Nil

3. INVESTMENTS: -

	2006	2005
	KSHS	KSHS.
Shares in KUSCCO	51,224.00	15,224.00
Shares in CO-OP Bank	100,100.00	100,100.00
TOTAL	151,324.00	115,324.00

4. SUNDRY DEBTORS: -

	2006	2005
	KSHS	KSHS.
As per Schedule (Page 9)	177,614.00	150,985.00

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LIMITED

NOTES CONTD.

4. WRITE OFFS (BAD DEBTS): -

	2006	2005
	KSHS.	KSHS.
1. Hon. P. S. Lenges	33,395.00	96,223.00
2. Hon. Erick T. Morogo	117,590.00	100,000.00
3. Hon. Otieno Kopyo	-	3,777.00
4.	-	-
5.	-	-
TOTAL	150,985.00	200,000.00

5. OTHER DEBTORS: -

	2006	2006
	KSHS.	KSHS.
Members – Accrued Interest	2,902,974.80	162,611.00

6. OTHER DEBTORS: -

Kenya National Assembly and other Ministries Cheque for shares, loans and interest deducted during the month of December, 2006 totaling to *KShs. 45,115,976.70*

CS/5000 PARLIAMENTARIANS SACCO SOCIETY LIMITED.

NOTES CONTD.

7. BANK AND CASH BALANCES: -

	2006	2005
	KSHS.	KSHS.
Bank Current A/C (Co-op Bank)	4,114,014.60	31,866,844.00
Treasury Bills	-	-
Fixed Deposits	230,927,940.85	45,423,055.00
Bank Savings Account & Goldfish	8,203,751.55	3,239,452.00
Petty Cash (Imprest)	-	-
TOTAL	243,245,707.00	80,529,352.00

8. CREDITORS

	2006	2005
	KSHS.	KSHS.
(Ex-Hon. Members)	4,426,950.00	1,670,743.00

CREDITORS - EX-MEMBERS AS AT 1ST DECEMBER, 2006

NO.	NAMES	AMOUNTS.
		KSHS.
1	Hon. J. Kikuyu	16,190.00
2	Hon. Waruru Kanja	11,000.00
3	Hon. C.D.K. Kirui	8,120.00
4.	Hon. Eric K. Bomet	11,221.00
5.	Hon. Thuo Francis (Late)	20,959.00
6.	Hon. E. K Maitha (Late)	502,000.00
7.	Hon. Harrison Odongo (Late)	270,000.00
8.	Hon. W. M Mudavadi	316,400.00
9.	Hon. S. Mkalla	91,650.00
10.	Hon. J.M. Keriri	286,200.00
11.	Hon. J. K. Ichara	12,868.00
12.	Hon. Yuda Komora	29,011.00
13.	Hon. Dr. G. B. Galgalo (Late)	890,000.00
14.	Hon. T. A. Sasura (Late)	1,884,467.00
15.	Hon. Kennedy Kiliku	9,155.00
16.	Hon. Dalmas Otieno	6,927.00
17.	Hon. Ramogi Achein'g Oneko	7,538.00

18.	Hon. John S. Mumba	6,533.00
19.	Hon. L. G. Sagini (Late)	31,711.00
20.	Hon. A. W. Ndilinge (Late)	15,000.00
	Total Kshs.	4,426,950.00

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. 526,133, 976.85 as per schedule (see page 20).

	<u>2006</u> <u>KSHS.</u>	<u>2005</u> <u>KSHS.</u>
Membership Deposits	524,173,976.85	358,034,569.00
Membership Shares	<u>1,960,000.00</u>	<u>1,990,000.00</u>
	<u>526,133,976.85</u>	<u>360,024,569.00</u>

10. **STATUTORY RESERVE FUND: -**

	2006	2005
	KSHS.	KSHS.
Balance B.Fwd 1.1.2006	1,831,542.00	1,713,106.00
Add:- 20% Statutory Reserve Fund	526,306.70	118,436.00
Balance C/Fwd. 1.12.2006	2,357,848.70	1,831,542.00

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

	2006	2005
	KSHS.	KSHS.
Audit Fees	50,000.00	50,000.00
Binding and Printing Expenses	35,000.00	35, 00.00
V.A.T (16% X 85,000.00)	13,600.00	13,600.00
Recoverable Expenses	200.00	200.00
Supervision Fees	5,000.00	5,000.00
	103,800.00	103,800.00

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

12. PROVISIONS: -

	2006	2005
	KSHS.	KSHS.
Provision for Honorarium	400,000.00	400,000.00
Provision for Taxation	1,135,098.00	59,495.00
Provision for Dividends	197,000.00	199,000.00
TOTAL	1,732,098.00	658,495.00

13. APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2006.

	2006	2005
	KSHS	KSHS.
Balance B/Fwd. As at 1.1.2006	77,789.00	135,303.00
Add:- KUSCCO Bonus	-	-
Indivisible Interest / Dividends W/Back	-	-
Less: -		
Tax paid 2005	-	-
Prior Years Adjustments (Bonus)	(29,585.00)	127,357.00
Add: - Surplus for the year	2,631,527.30	592,030.00
Less: - 20% SRF	(526,304.15)	(118,406.00)
Provision for Honorarium & Dividends	(596,000.00)	(599,000.00)
Provision for Taxation	(1,135,098.00)	(59,495.00)
Distribution Balance C/F as at 31.12.2006	422,329.15	77,789.00

14. COMPARATIVE PERCENTAGES AS PERCENTAGE OF TURNOVER: -

	2006	2005
Financial Expenses	15.96%	14.24%
Administrative Expenses	2.09%	2.04%
Other Expenses	1.11%	0.77%
Net Surplus	80.84%	82.95%

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

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

	2006	2005
	KSHS	KSHS.
6.8% X 524,163,977.00	35,644,000.00	29,538,000.00
	6.8%	8.25%

16. **TAXATION: -**

	2006	2005
<u>INVESTMENT INCOME: -</u>	KSHS.	KSHS.
Interest on Treasury Bills	503,420.00	-
Interest on Fixed Deposits	6,975,835.05	353,794.00
Interest From Bank (Savings) & Goldfish	93,074.05	42,842.00
	7,572,329.10	396,636.00

	2006	2005
	KSHS.	KSHS.
Taxation @ 50% X 30% X 7,567,325.10		
Provisional Tax	1,135,098.00	59,495.00

17. **PRIOR YEAR ADJUSTMENTS:-**

	2006	2005
	KSHS.	KSHS.
Dividends	10,415.00	7,357.00
	-	-
Staff bonus	(40,000.00)	(30,000.00)
Unapproved honoraria	-	150,000.00
	(29,585.00)	127,357.00

CS/5000 - PARLIAMENTARIANS SACCO SOCIETY LIMITED.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.12.2006.

	<u>2006</u> <u>KSHS.</u>	<u>2005</u> <u>KSHS.</u>
INCOME: -		
Interest on Members Loans	37,838,205.85	35,849,149.00
Interest on Treasury Bills	503,420.00	-
Interest on Fixed Deposits	6,975,835.05	353,794.00
Interest from Bank (Savings)	93,074.05	42,842.00
	45,410,534.95	36,245,785.00
EXPENDITURE: -		
ADMINISTRATION EXPENSES:-		
Printing & Stationery	32,255.50	48,844.00
Salaries & Wages	720,000.00	660,000.00
Postage & telephone	26,144.50	24,556.00
	778,400.00	733,400.00
COMMITTEE EXPENSES: -		
Committee Sitting Expenses	113,400.00	92,000.00
Committee Subsistence Expenses	62,000.00	59,200.00
Committee Recess (Disturbance Expenses)	239,000.00	125,000.00
	414,400.00	276,200.00
FINANCIAL EXPENSES: -		
Interest on Deposits @ 6.8%	35,644,000.00	29,538,000.00
Bank Charges	230,467.65	197,464.00
	-	-
Bad Debts W/Off	150,985.00	200,000.00
V.A.T @ 16% X 85,000.00	13,600.00	13,600.00
Audit Fees and Sundry Expenses	50,000.00	50,000.00
Binding and Printing of Audited Accounts	35,000.00	35,000.00
Supervision Fees	5,000.00	5,000.00
Recoverable Expenses	200.00	200.00
Public Relations and Loan Disbursement Expenses	26,000.00	27,500.00
AGM Expenses	100,000.00	67,500.00
Sundries (DIVS. Payment Expenses)	17,000.00	59,000.00
Donations	20,000.00	20,000.00
Insurance Premium (Loans)	5,293,955.00	4,430,891.00
	41,586,207.65	34,644,155.00
Total Expenditure	42,779,007.65	35,653,755.00
Net Surplus to Appropriation Account	2,631,527.30	592,030.00