A SURVEY INTO THE CAUSES OF FINANCIAL DISTRESS IN CO-OPERATIVE SOCIETIES IN NAIROBI

BY

NDIRANGU SAMUEL NJOGO

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DECLARATION

This Research Report is my original work and has not been presented for a degree in any other University.

Signature

…………………………………………..Date………………………………

NDIRANGU SAMUEL NJOGO

This Research Report has been submitted for examination with my approval as University Supervisor.

Signature…………………..…Date………………………………….

MR. NG'ANG'A JAMES M.

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DEDICATION

I dedicate this research report to my son and my entire family for their passion and support.

ABSTRACT

At one time in the life time of every institution, there are high possibilities for experiencing financial distress. Consequently, corporative societies just like any other organization are not immune to these financial difficulties. The impact of these difficulties is critical as it can also result to the downfall of the co-operative society. Therefore, understanding the causes and the remedies for this financial distress could play a major role towards saving these vital institutions.

Consequently, this research focuses on the causes of financial difficulties in the cooperative societies in the Nairobi area. The paper is divided into five chapters that help in achieving the main goal of the research. The first chapter introduces the corporative societies and their current status, the second chapter looks into the related literature and gives an in depth review of the causes of financial distress and how it could be overcome. The third chapter, provides a framework for the method used to conduct research, collect data and the mode of data collection and the type of data, the fourth chapter gives an analysis of the data collected which is presented in form of chats, table and figures and deduces a model that relates the relationship between the dependent and the independent variables.

The last chapter gives a summary, conclusion and recommendations for further studies. The researcher concluded that the causes of financial distress can be traced from the internal factors that heavily rely on management of co-operatives and external factors that mainly surround the politics, governance and legislation. The researcher recommended that co-operative managers should be well qualified to take up their roles and that the government should develop more effective guidelines, ensure stable political environment and most importantly facilitate external audits of the co-operative to curb corruption guarantees continued survivor of co-operatives.

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CHAPTER ONE

INTRODUCTION

1.1 Background

The cooperatives in Kenya dates back to the traditional society where our ancestors helped each other to improve their well-being in all circles of life including materially, socially and morally. For instance, the Taita's had what was called the kingarua, the kikuyu had ngwatio and the kamabas had mwetheya and so on.

The genesis of co-operative movement in Kenya can be traced in the pre-independence period when the white settlers started the first co-operatives in Lumbwa, in Rift Valley province in 1908 and Later on, in Central, Eastern and Nyanza provinces with the aim of acquiring better and more efficient dairy and other agricultural production facilities and services. However, these movements were formally registered in 1931 when the 'Co-operative Societies Ordinance' was enacted hitherto; Co-operatives were registered under the Business Law.

The colonial period led to the formation of the Kenya creameries limited (KCC), Kenya farmers association (KFA) , KPCU, became incorporated as co-operative societies in 1930s but only serving the interests of the whites, as the Africans were neither allowed to form nor participate in co-operatives due to colonial bias. It was not until 1945 when the 1931 'Co-operative Societies Ordinance' was amended that Africans were allowed to participate in the co-operative movement. However, the post colonialism led to a drastic change and growth in cooperatives.

Currently there are over 10700 cooperatives already registered in Kenya. The National cooperative organizations provide technical and specialized services in both agriculture and financial sectors. These organizations are the Cooperative Bank of Kenya (COOP Bank), Kenya Union of Savings and Credit Cooperatives (KUSCO), cooperative Insurance Company (CIC), National Cooperative Housing Cooperative Union (NACHU), Kenya Rural SACCOs Societies Union (KERUSSU) and Kenya Planters Cooperative

Union (KPCU). At the apex level is the Kenya National Federation of Cooperatives (KNFC) at which the primary, secondary and national cooperative organizations are affiliated. The mission of KNFC is to propagate cooperative principles, values and ideals, promote corporate unity and development and act as a link between cooperative organizations and the various stakeholders.

The Cooperatives in Nairobi Kenya are organized into service and producer cooperatives. The producer cooperatives' objectives are to promote the use of modern technology and contribute to national development through production. The service cooperatives are responsible for procurement, marketing and expansion services, loan disbursement, sale of consumer goods and member education. The cooperatives have made remarkable progress in agriculture, banking, credit, agro-processing, storage, marketing, dairy, fishing and housing. Service cooperatives are the closest to communities and are organized on a shareholder basis formed by individual members of organizations voluntarily working in a specific geographic area.

1.2 Statement of the problem

Many co-operative societies in Kenya have experienced financial distress. Financial distress is a major concern to various stakeholders who have various interests in these co-operative societies. Studies that have been done in the past focused on other sectors of the economy. For instance, studies by Wambua (2003) carried out an empirical investigation into the short-term responses to financial distress for the companies quoted in the Nairobi stock exchange. The studies by Nasieku (2006) concentrated on factors that contribute to administrative receivership, a case study of commercial, non-banking financial institutions in Kenya and Mugo (2007) carried out a research on corporate financial distress where he analyzed Uchumi supermarket stores in Kenya.

The cooperatives play an important role in wealth creation, food security and employment generation and hence participate in poverty alleviation. To date, there are over 11,200 registered cooperative societies countrywide. The membership is over 6.1million and has mobilized domestic savings estimated at over Kshs. 125 billion. The cooperatives have employed over 300,000 people besides providing opportunities for self-employment. Indeed, a significant number of Kenyans, approximately 63% draw their livelihood either directly or indirectly from cooperative-based enterprises (Republic of Kenya 2007; International Monetary Fund 2007; The Kenya High Commission in the United Kingdom 2007).

Although the causes of financial distress are numerous, many failures are attributed either directly or indirectly to management. Rarely is one bad decision the cause of financial distress;

Usually the cause is a series of errors and the distress evolves gradually. In the past co-operatives societies have experienced huge impacts of financial distress leading to financial crisis, which have resulted to bankruptcy and liquidation. According to the registrar of co-operatives Nairobi had 264 registered co-operative societies by June 2009 but only 64 of them were still operational. A crosser look at the co-operative financial records reveals that the non-operational societies had a total debt of 3.4 billion with financial institutions which was not being serviced since 2005 and they had laid off most of their employees, these co-operative societies had also been involved in management wrangles. So far no study has been carried out on the causes of financial distress in co-operative societies.

This study was aimed at establishing the causes of financial distress within the co-operative societies. It also analyzed actions taken to salvage such distressed societies from bankruptcy and turn their financial performance to be on an upward trend.

1.3 Research Objective

General objective

The study main objective was to establish the causes of the financial distress in cooperative societies in Nairobi.

Research questions

i. What causes financial distress in cooperative societies?

ii. What impact does financial distress make to cooperative societies?

iii. What are the actions taken to reverse the financial distress in cooperative societies?

1.4 Justification

The cooperatives have an immense potential to deliver goods and services in areas where both the public and the private sector have not ventured. Therefore, their main objective is to spur sustainable economic growth by focusing on achievement of desired outcomes through strengthening of the movement, improving cooperative extension service delivery, corporate governance, access to markets and marketing efficiency (International Monetary Fund 2007). Therefore, financial distress could be detrimental to services delivery and the countries economy at large. Consequently, the findings of this research topic are of great benefit to various parties:

a) Management: The study will be of great importance to the management committees of co-operative societies and society managers.

b) Farmers: This study will help farmers to learn what signs to observe to understand that their co-operatives are in financial distress and step to take to alleviate financial crisis.

c) Creditors: The study will benefit creditors or the suppliers of raw materials to the co-operative societies and thus be able to make most optimal returns in their dealings with distressing co-operatives societies.

d) Academinicians: Students of finance will find this study helpful in analyzing the causes and effects of financial distress; it will also form a basis for further research.

e) **Government:** In its efforts to promote co-operative movement through the ministry of co-operatives, the government will find this study helpful, in coming up with policies to help distressed coffee societies and other co-operatives.

1.5 Limitations of the study

There were few studies that focused on the financial distress; this limited the room for comparisons. The researcher faced the challenge of lack of co-operation from all respondents identified for the research and thus the information could not form a perfect conclusion for the study. Finally, the researcher lacked enough time to collect the information thus narrowing the findings of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant literature to this research. It comprises of empirical review, financial distress in co-operative societies, and conclusion of literature review. It focuses on causes of financial distress, indicators of financial distress, financial (distress) risk, effects of financial distress, impact of financial distress costs on the value of a firm response to financial distress. It further seeks to expose research gaps and point out possible areas of further research.

2.1.2 Empirical review

According to Wachowicz (1977), the global financial crisis 2007-2009 originated in USA and is attributed to five factors namely; First, the housing boom and the sub-prime lending, Secondly, excessive risk-taking by banks and other financial institutions. In addition, easy money and overconfidence are also affecting participants in the financial sector. Furthermore, rating agencies and grade inflation and lastly, complex and opaque securitization**.** The burst of the housing bubble as a result of these factors led to a shutdown of the credit markets and failure of major financial institutions such as Lehman Brothers, Merrill Lynch, AIG, and so on. This created a crisis of confidence: global panic, flight to quality from even traditionally safe assets such as money market funds and commercial paper; drying up private capital. This US-originated financial crisis has spread throughout the world.

According to Ross et al (1999), Firms under financial distress will show several signs such as; dividend reductions, plant closings, losses, layoffs, C.E.O resignations and plummeting stock prices. Financial distress can serve as a firm's 'early warning' system for trouble. Firms with more debt will experience financial distress earlier than firms that has less debt. However, firms that experience financial distress earlier will have more time for private workouts and re-organization. Firms with low leverage will experience financial distress later and in many instances be forced to liquidate.

2.1.3 Financial distress

The unsuccessful enterprise has been defined in numerous ways in attempts to depict the formal process confronting the firm and /or to categorize the economic problems involved. Four generic terms that are commonly found in the literature are failure, insolvency, default and bankruptcy (Altman 1993). Although these terms are used interchangeably, they are distinctly different in their formal usage. Failure means that the realize rate of return on invested capital, with allowances for risk consideration, is significantly and continually lower than prevailing rates on similar investments. Also insufficient revenues to cover costs and cases of the average return on investment being below the firm’s cost of capital. These situations make no statements about the existence or discontinuance of the entity. A company may be an economic failure for many years, yet never fail to meet its current obligations because of the absence or near absence of legally enforceable debt.

Insolvency is another term depicting negative firm performance and is generally used in a more technical fashion. Technical insolvency exists when a firm cannot meet its current obligations, signifying a lack of liquidity. The net cash flow relative to current liabilities should be the primary criteria used to describe technical insolvency (Walter 1957).

Another corporate condition that is inescapably associated with distress is default. Default can be technical or legal and always involve the relationship between the debtor firm and a creditor class. Technical default takes place when the debtor firm violates a condition of an agreement with the creditor and can be the grounds for legal action. Bankruptcy refers to the negative net worth position of an enterprise. Also the firm’s formal declaration of bankruptcy in court, accompanied by a petition to either liquidate its assets or attempt a recovery program (Altman 1993). Financial distress and failure faces all sizes of business firms in any part of the world. Firms that have faced serious difficult include the IBM, Barings Bank, Rolls Royce, Lakers Airways (UK), Kenya Airways,, Uchumi Supermarkets, KCB, NBK among others, (*The Accountant*, Sep 2009).

This global financial distress is evidenced by some key signals or indicators like high global oil prices, high food prices**,** falling prices (deflation)**, w**idespread unemployment in virtually all sectors, economic decline in real GDP growth worldwide and general economic pessimism, (Malobe 2009). Recognition of financial distress is important both from the standpoint of internal management and from the standpoint of creditor with amounts owing from a company in distress. The remedies available to save a company in distress vary in harshness according to the degree of financial difficulty. If the outlook is sufficiently hopeless, liquidation may be the only feasible alternative. However, failing firms can be rehabilitated to the gain of creditors, stockholders and society (Van Horne 1977).

There are various explanations of the causes of financial distress within co-operative societies in developing countries. However, all of them emphasize the issue of mismanagement in lending and spending, which negatively affect the society members (Mulinge 2003). Many businesses at various times have debts coming due that cause considerable loss of sleep on the part of the owners or managers. They may have a special sale for getting cash immediately to pay their debts or perhaps a bank loan may be obtained. If the need is for long-term funds, a stock issue or a bond issue may be arranged. In some instances, assets other than the stock in trade may be liquidated in order to obtain funds. However, as long as the funds are obtained and the debts are paid we would not classify the business as a financial failure (Pfahl et al 1963)

A firm that does not generate enough cash flow to make a contractually required payment, such as interest payment will experience financial distress. A firm that defaults on required payment may be forced to liquidate its assets. Most often defaulting firm will reorganize it's financial structure. This involves replacing old financial claims with new ones and takes place with private workouts or legal bankruptcy (Ross et al 1999). Financial distress is a situation where a firm's operating cash flows are not sufficient to satisfy current obligations (such as trade credit or interest expense) and the firm is forced to take corrective action (Ross et al 1999)

The immediate reason for practically all financial failures is the inability to pay debts, but this is merely a superficial sign the real reason for failure are those underlying factors, which result in weak cash position. The factors causing the failure may have been at work for many years, thus the real cause of the failure may be difficult to determine and further more there may be a number of different factors, which cause failure (Pfahl et al 1963).

Investors assess the likelihood for failure based on financial ratios and adjust stock prices to the deteriorating condition of failing companies (Beaver 1966). Financial ratios of failing firms differ significantly from those of non-failing firms and deteriorate markedly as failure approaches (Altman 1968). To deal with greater financial strain, the owner may involuntarily submit to actions forced by the creditors or occasionally they may take steps to speed the re adjustments that will inevitably be sought by the creditors (Johnson 1974).

A company under financial distress can incur costs related to the situation, such as more expensive financing, opportunity costs of projects and less productive employees. The firms cost of borrowing additional capital will usually increase, making it more difficult and expensive financing to raise the much-needed funds. In an effort to satisfy short-term obligations management, might pass on profitable longer-term projects. Employees of a distressed firm usually have lower morale and higher stress caused by the increased chance of bankruptcy, which would force them out of their jobs such workers can be less productive (*Journal of Banking and Finance* 2008).

It is estimated that financial distress costs between 10 to 20 percent of firm’s value and for a subset of firms that do not experience an adverse economic shock, financial distress are negligible (The American Finance Association 1998).

2.2 Causes of financial distress

Financial distress results from a number of factors, which cause weak cash position. These factors may be in work for many years and this makes it difficult to determine the real cause of the failure (Pfaphl et al 1963). The most important single causes of failure of most important single cause of failure of most business enterprises are incompetence and inefficient management. During the same period, a number of companies may be operating under similar circumstances but some will fail and others will survive depending on the actions taken by the management to change the direction of the firm. Listed here are a number of causes of failure

The causes of failure are usually classified as external and internal depending on whether they arise outside or inside the business.

2.2.1 External Causes

These are causes of financial distress, which originate outside the business. They include:

Excessive competition

When the competition gets to the cutthroat stage where the large strong firms against the smaller and financially weaker firms it can be ruinous are waging price wars (Pfahl et al 1963).

The business Cycle

A recession is often given as the reason for financial distress. Many businesses are adversely affected by falling prices, a drop in sales and slow collections.

If a company is strong financially has liberal reserves, good management and makes a useful product which can be sold at a fair price, it has a good chance of surviving a recession.

Change in public demand

A business can be successful only when it sells a product or service, which the public wants, and can afford to buy. As advances are made in the arts, sciences, and research results in the creation of new products, which the public prefers to the old products, a company that continues to manufacture only the obsolete products is doomed to experience financial distress (Walter 1957)

Government Acts

The enactment of certain laws particularly federal statutes and some court decisions occasionally result in the failure of certain companies. The lowering or elimination of protective tariff, sometimes affects an industry so much that many firms may become distressed. In wartime or periods of emergency, certain governmental restrictions may cause some companies to fail because of their in ability to get raw materials for the manufacture of their products. Price and wage regulations may also work severe hardship on some concerns.

Adverse Acts of Labour:

Unreasonable wages may result in such excessive costs that it becomes impossible for the company to compete in the market. This is true particularly in small firms and those in which labour costs comprise a relatively large percentage of the total cost of the product.

Acts of God

Certain fortuitous cause financial distress for instance fires earthquakes tornadoes, explosions and floods.

2.2.2 Internal causes

These are causes of financial distress, which could be prevented or changed by some internal actions in the company. There are financial and non-financial causes of distress.

2.2.2.1 Non financial causes of financial distress

Unwise expansion: Many firms are successful as long as they operate as small or medium sized concerns and suffer from financial distress when they expand their, production, sales and plant facilities. These problems may arise from market not being able to absorb the increased output, expansion being made when prices are too high or the financing may be too expensive (James at al 1975).

Inefficient Production: These may result to high costs that a particular company may not be able to sell its products in competition with lower cost producers. This may result from inadequate supervisor supervision, poor lighting, too high labour turnover, excessive wastages.

Inefficient selling: Low sales volume will result to financial distress. Inefficient selling will be experienced from in attractive, poorly placed advertising, poor selection and training of sales team and lack of proper market knowledge and potential market.

Over extension of Inventories: Funds tied up in inventory commonly come from other working capital sources. When too much is invested in such assets, the company will be hard pressed for cash. Such situation will ultimately result to financial distress.

2.2.3 Financial causes of failure

Financial decisions include the determination of the amount of creditors' funds, which will be utilized by the firm, and therefore failure is often closely related to previous financial decisions.

Poor financial management

A fundamental error of having too much of the capitalization in bonds and too little in stock can easily wreck a company. Incorrectly estimating the capital needs can do likewise, improper terms of sale and slack collection policies can cause considerable trouble. Haley (1986) argues that, difficulty in collecting on receivables and in controlling operating expenses is a frequent cause of financial distress.

The selection of the wrong type of securities to sell at a particular time or the improper timing of the security sale can be disastrous to a business. Unwise dividend policies and inadequate maintenance and depreciation can eventually cause financial distress.

Excessive fixed charges

The presence of too large an amount of bonds outstanding can result in such excess fixed charges that the company is unable to meet them and distress may result.

Excessive funded debt

A firm might not really be insolvent that is its assets may exceed its liabilities but the working capital position may be so weak that it is unable to provide the funds to meet the bonds and distress may result out of inability to meet large bond maturity.

Excessive floating debt

The floating debts (current liabilities) are usually owned to either banks or trade creditors. Most situations of financial distress results immediately from a lack of cash coupled with too much current debt. If a company attempts to expand its sales volume without the addition of any new permanent capital in the business, financial difficulties probably will be encountered. The additional working capital investment will drain the cash and the current liabilities will pile up (James at al 1975).

1) **Overextension of credit:** Many company fails because of their inability to collect what is owned in time to meet their own obligations.
2) **Unwise dividend policy:** Many companies do not reduce their divided rate in the fall of declining profits. Some pay dividend out of accumulated surplus even when difficult for the particulars period exists.
3) **Inadequate maintenance and depreciation**

Too liberal a dividend policy may result at least in part from the fact that a company undercharges maintenance and depreciation. Dividends may thus have been paid partly from capital rather than from profits. Along continued policy of this kind will result in the eventual weari9ng out of the property and no cash will be available with which to replace it causing financial distress to the firm.

Other causes o financial distress: Managers frequently focuses on cutting costs, but deciding that the accounting folks are expendable is a frequent error. Tracking financial data is crucial when you are trying to save a business. If the accounting personnel contributed to the financial crisis, it is better to hire replacements instead of sweeping out all the financial folks. Of course, where there is employee fraud, complete incompetence, intentional misreporting or other grievous woes, they have to go, (Tippie 2000).

In a recent study, Dun and Bradstreet examined causes of business failure and they found out that many business failures occurs because of a number of factors combined to make the business unsustainable. Economic factors such as industry weakness and poor location, financial factors such as too much debt and insufficient capital. The case study shows that financial difficulties are usually the result of a series of errors, misjudgments and interrelated. Weaknesses that can be attributed directly or indirectly to management.

Table 2.1 Why Firms Get Financially Distressed

	APPARENT CAUSE	PERCENT %
1	Neglect	2.7
2	Fraud	1.4
3	Inexperience /Incompetence	91.4
	Inadequate Sales	48.9
	Heavy operation Expenses	5.8
	Receivables Difficulties	9.9
	Inventory Difficulties	7.4
	Excessive Fixed Assets	6.6
	Poor Location	2.2
	Competitive Weaknesses	22.1
	Other	3.7
4	Disaster	0.8
5	Reasons Unknown	3.6

2.3 Indicators of financial distress.

When firm gets in situation of financial distress, they experience tremendous decline in financial performances. This forms the beginning of financial problems assuming that the company had sound working capital management. Immediately a company experiences a serious decline in its financial performances such a firm is supposed to initiate actions to contain the situation unless such decline in financial performance can be accounted for under circumstances of being extraordinary and therefore the company would be back to its normal trend of good financial performance in the subsequent years (William, 1957). The financial ratios for the failed firms differ significantly from that of the non-failed firms and they are not only higher but also deteriorate markedly as failure approaches. Beeves also investigated then ability to predict failure from the changes in the market prices of stocks and he found that the median market prices of the failed firm decline at an increasing rate as failure approached relative to that for the non-failed firm (Beaves, 1999).

Signs of potential financial distress are generally evident in a ratio analyses long before the firm actually fails.

Table 2.2 Causes of business failure

Causes of failure	Percentage of total
Economic factors	37.1%
Financial factors	47.3%
Neglect, disasters and fraud	14.0%
Other factors	1.6%

Source; Dun & Bradstreet Inc, Business failure Record. New York.

2.4 Financial Distress Risk

According to Van Horne, Davis**,** Wright (1990**)** when a company uses some "fixed charge" finance, the return to ordinary shareholders will be affected by financial leverage. An important effect of financial leverage is that ordinary shareholders are exposed to increased variability in the rate of return on their investment. Financial leverage therefore exposes shareholders to financial risk. This result from the fact the payment to lenders and providers of other similar risk of finance are "fixed". This payment must be made, even if the company suffers a serous decline in its net cooperating cash flows. Therefore, a company financial risk is directly related to the proportion of debt in its capital structure.

2.5 Effects of financial Distress

Liquidation is the last resort to revert a company into a good performance after financial distress. Actually, liquidation brings to an end the life of a company. Financial distress begins when affirm is unable to meet scheduled payments are when cash flow projections indicate that it will soon be unable to do so (Eugen, Brigham and Michael 2005).

The firm gets to agreement with creditors to give the firm time to recover. This only happens when the financial distress is temporarily. If the financial distress is as a result of legal insolvency economic losses that assets values having fallen below debt obligation then the firm gets into liquidation as it is worth more dead than alive. The firm will consider reorganization or it may be forced to go into liquidation. While the firm is being liquidated or rehabilitated, existing management may be reshuffled or a trustee placed in charge of operations. According to Brigham and Davis (2004) they noted that the effects of financial distress includes costs of time in formal workouts, sales decline, loss of key staffs, management time taken in responding to bankruptcy cases rather than concentrating on business and the opportunity cost of creditors.

2.5.1 Impacts of financial distress costs on the value of a firm

The study by Altman (1984) finds large direct costs of financial distress. Recent studies examine financially distressed firms and find indirect evidence that financial distress is costly (Asquith Gertner and Scharfstein (1994); Gilson (1997); Hotchkiss (1995) and Lopucki and whitford (1993)). This therefore implies that capital structure decisions are relevant when deciding how a firm will raise capital because such decisions affect the value of shareholders wealth. Moreover, White (1983) and Altman (1984) estimated the direct costs of financial distress to be less than 3 percent of the market value of the firm.

In a study of direct financial distress costs of 20 railroad bankruptcies during 1930-1935, according to Warner (1997) found that net financial distress costs were on average, 1 percent of the market value of the firm seven years before bankruptcy and were somewhat larger percentages as bankruptcy approached. For example, 25 percent of market value of the firm three years before bankruptcy. The higher the probability of financial distress the greater will be the erosion on the value of the firm. According to Altman's (1969) model of predicting failure of firms can be used to determine the probability of failure, hence adding credibility to the above studies that indicate costs of financial distress increases as bankruptcy approaches.

Non-availability of funds on acceptable terms could adversely affect the operating performance of the firm and to avoid that, firms turn to debt financing. To take advantage of tax shield firms should have 100 percent debt, but in practice, firms do not borrow 100 percent because of the offsetting disadvantages of debt, which are grouped under the term financial distress. The present value of financial distress reduces the levered firm's value. i.e. Value of levered firm = Value of unlevered firm + PV of tax shield – PV of financial distress (Pandey 1995)

According to Bishop, Crapp, Twite (1988), two distinct situations are apparent which influence the costs of financial distress. The first is the case where the value of the firm is greater than the present value of creditors claim. Under such circumstance financial distress is caused by a cash shortfall relative to the current creditor payment. The cost involved include such things as any higher than 'normal' borrowing costs to cash up the shortfall, loss in value of any asset that are hurriedly sold "fire sale" to providing the needed cash. Costs of managers time directed away from more productive activities in order to overcome the temporary problem and receiver costs if creditors will want the to recover from and trade out of the current difficulty.

The second case is where the distress situation is associated with the value of the firm being less than the present value of creditors claim. This situation will lead to receivership and application for recovery of claims through the courts. In addition, there are costs related with resolving conflicts of interest between debt holders and equity holder.

2.6 Response to financial distress

Some firms are too big or too important to be allowed to fail, mergers or governmental interventions are often used as an alternative to outright failure and liquidation. The main reason is to prevent an erosion of confidence and a consequent run on the banks (Bankruptcy data.com). In the midst of systematic financial distress, the assumption that most business filing for bankruptcy should be liquidated because they are likely to be worth little as going concerns and liquidation value is probably the most that can be obtained for them. Often proved wrong because the collapse of the relevant markets and the presence of panic in those market make obtaining any real return from liquidation difficult (World Bank 2001).

When a firm finds itself in serious decline in financial performance, such a firm would of course embark on pre-financial distress actions in order to avoid getting into situation of financial distress action (Jensen 1989).Some of the action taken are:

1. **Dividend cuts**. A company could change the amount of total annual regular dividend paid and reduce it in order to respond to financial distress (Wavnen 1990).There are two main approaches that a firm in financial distress may use to salvage itself.

    i. Formal response to financial distress. Through this approach, a company will take deliberate actions of operation nature or financial nature in order to change its poor performance trend. The operational action include, making changes in top management, changes in organizational strategy and structures or by taking financial action such as de structuring, dividend cut and bankruptcy filings. Other action could be asset restructuring and employee lay offs (Ofela.1992).

    ii. Informal action. The distress company can choose not to take only action but continue with its operation as usual. The creditor's debits will go unserviced and therefore such creditors will take either court action for specific damages or where not explicitly provided for in the contractual terms and conditions for appropriate damages. If the company is not able to pay the damages as adjusted by the court then the creditors will move in and file for involuntary winding up.

2. **Employee Lay offs**

This is also common action for short-term period of poor financial performance. The employees are laid off and once the company is back to good performance; it may go ahead and re-hire more employees to match its new work pressure requirements (John et al 1972).

3. Changing the top management

Firm's experienced poor performance may respond operationally, by making changes in top management (Gilson 1989). This would employ new strategies to turn around the company.

4. Changes in Organizational strategy and structure

Changing business strategy in an established firm often requires changing executives. (White, 2002) Companies will change their strategies and their organization structure in order to respond to a looming financial distress (Wruck 1990). This is therefore a sign of financial distress or a looming financial distress.

5. Debt Restructuring

Companies could also take financial actions aimed at restructuring their debts so that the debt covered is softened in their favour. In addition, if the situation is found to be very severe, such companies could file for bankruptcy in order to secure for them a court protection (Gilson et al 1998).

Equitable (technical) insolvency indicates lack of liquidity; it is defined as debtor's general inability to pay debts as they become due. Legal insolvency means that the liabilities of company exceed its assets "at fair valuation" The remedies for a failing company vary in harshness according to the degree of financial distress.

6. Voluntary Settlements

Extensions: If a firm is financially distressed, it performs better than other financially distressed firms do if its financial structure makes it relatively easy to renegotiate its liabilities (Nyokabi 2008). Extensions involve creditors postponing the maturity of their obligations. Because all creditors must agree to extend their obligations the major creditors usually form a committee whose functions are to negotiate with the company and formulate a plan mutually satisfactory to all concerned. A composition involves a prorate settlement of creditors' claims in cash and promissory notes.

7. Reorganization

A firm should be reorganized if its economical worth as an operating entity is greater than its liquidation value. Reorganization is an effort to keep a company alive by changing its capital structure. The rehabilitation involves the reduction of fixed charges by substituting equity and limited income securities for fixed income securities. The reorganization plan should be fair, equitable and feasible, all parties must be treated fairly and equitably and that the plan must be workable with respect to the earning power and financial structure of the re-organized company as well as the ability of the company to obtain trade credit and perhaps short-term bank loans (Horne 2008).

2.7 Summary

A number of factors cause financial distress in cooperative societies as seen in the review. However, the general factor that causes weak cash position is incompetence and inefficiency of the management. These factors may be in work for many years and this makes it difficult to determine the real cause of the failure. Financial distress begins when a firm is unable to meet scheduled payments or when the cash flow projections clearly indicate that the cooperation cannot meet its payments. The resultant effect is re-organization, which resort a company into a good performance after financial distress. Liquidation brings to an end the life of a company and will be the last resort after financial distress set in. This becomes detrimental to the shareholders and other investors and could have adverse effect on the economy.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology of the study. It comprises of the research design, the type and source of data to be collected, sampling techniques used, and how data was analyzed and presented.

3.2 Research Design

This study adopted a survey research design. A survey research design is a way of collecting information or administering questionnaires to a sample of individuals. (Orodho, 2003) This design was particularly useful in establishing the factors causing financial distress and the of effects of the distress in co-operative societies. Since this study covered several organizations, survey design was be best suitable. According to Chandra (2004) Surveys are relatively inexpensive (especially self-administered surveys), Surveys are useful in describing the characteristics of a large population and no other method of observation can provide this general capability. The type of data collected shall be both quantitative and qualitative. Questionnaires and interviews were be used to gather information; policy documents were also be used. A sample of the target population was taken and data was collected and analyzed.

3.3 Population

A population is an entire group of individuals, events or objects having common characteristics that conform to a given specification (Mugenda & Mugenda, 2003). According to Sanders et al. (2003), the population is the full set of cases from which a sample was taken. The target population for this study was the top management officials of co-operative societies under survey.

Nairobi has 264 co-operative societies all of whom have their head offices in Nairobi city.

The co-operative society top management was the target of this study with at least two managers selected. This gives a total target population of 528 out of which 20% according to (Mugenda & Mugenda, 2003) was sampled to participate. This yields to 106 respondents.

3.4 Sampling frames

Table 3.I: The Sampling Frame

DESCRIPTION	TOTAL POPULATION	SAMPLE RATIO	ACTUAL SAMPLE SIZE
Society Chairpersons	264	0.2	53
Society Managers	264	0.2	53
Total	528		106

3.5 Sample and Sampling Technique

Sample Size

Writers have conducted research on the sample size to assist researchers in sampling design so that error might be reduced to reach higher level of confidence in the estimate. Ramenyi et al (2003) argue that 10 % to 20% of accessible population is acceptable in a descriptive research. Similarly Kothari (2004) express that a sample size of between 10% and 20% is considered adequate for detailed or in-depth studies. Hence, this study sampled 20% of the entire population of co-operative societies in Nairobi province and top management officials of the organizations selected. This was 20% of 264 co-operative societies and 528 top managers respectively. This gave a sample size of 53 co-operative societies providing 106 top management officials.

3.6 Instruments

The main instruments for data collection in this research were questionnaires. The research administered questionnaires to the manager and chairperson in the study organization. The choice of questionnaires as a data collection tool was arrived at after a close and in-depth consideration of the research goals and the target group.

3.7 Data Collection Procedure

According to Chandran (2003), Questionnaires provide a high degree of data standardization and adoption of generalized information amongst any population. They are useful in a descriptive study where there is need to quickly and easily get information from people in a non-threatening way.

Primary data was collected using questionnaires and contained closed and open ended questions and also likert-scale type of questions to determine the causes of financial distress in co-operative societies. Secondary data was collected from financial records of the co-operative societies, internet and libraries.

3.8 Reliability and validity

Harper (2002) argues that for a questionnaire to produce useful results, it must have validity and reliability. If the questionnaire can actually test what it is intended for, it refers to validity, whereas, reliability measures the relevance. To test the reliability and validity of the questionnaire, a pre test was carried out. The questionnaires were administered to 6 respondents not in the study sample so as to establish weather the questionnaire measures what it purports to measure (Chandran, 2004).

3.9. Ethical Considerations

Sommer and Sommer (2007) argue that ethical considerations such as confidentiality, anonymity and avoidance of deception are very important issues in social research. The researcher assured confidentiality to the respondents and affirmed that the study was made for purposes of accomplishing academic goals. Permission was sought from relevant authorities and a letter granted to allow carrying out the research. Trochim (2006) elucidated that researchers should acknowledge sources of information collected from textbooks and research materials. This study used secondary data that had been published in accordance with accountability measures. For the purpose of this study and in keeping with ethical standards in the conduct of research, respect for copyright of the published data, consent and confidentiality was accorded (Arthurs, 2005).The researcher acknowledged all sources of information from other scholars.

3.10 Data analysis

Data for this research was both qualitative and quantitative. Qualitative data analysis involved explanation of information obtained from the empirical literature. This was done though discussion and explanation of study findings. Quantitative analysis was done for the numerical data obtained from the field. This was done using descriptive statistics with the help of Statistical Package for Social Sciences (SPSS) version 19.0. The responses in the questionnaire were coded into common themes to facilitate analysis .The coded data was then be entered into SPSS program to generate measures of central tendency (mode and mean) and measures of dispersion such as percentages and ranks. Some analysis was also done in the form of notes.

Pearsons' product moment coefficient of correlation was used to test the relationship between the independent variables-causes of financial distress and the dependent variable financial distress. The results were then subjected to the following model to test the extent of relationship.

$Y = a_1 + a_2x_1 + a_3x_2 + e$

Where;

Y = The dependent variable-financial distress

a_1 = y intercept, the level financial distress that generally exist in any firm under normal circumstances

a_2 = Correlation coefficient of independent variables-internal causes of financial distress

a_3 = Correlation coefficient of independent variables-external causes of financial distress

x_1 = This is one of the explanatory variable, -internal causes of financial distress.

x_2 = This is the second independent variable, -external causes of financial distress.

e = The random error term and takes care of other factors that cause financial distress which are not defined in the model.

CHAPTER FOUR

RESEARCH FINDINGS

4.1 Introduction

The chapter presents statistical results gathered by the use of questionnaires administered to respondents in co-operative societies in Nairobi where the researcher main objective was to establish the causes of financial distress in co-operative societies.

4.1.1 Response rate

Out of 106 respondents targeted in this study, 86 of them responded to the questionnaire representing a response rate of 81%. This was adequate enough to establish the study phenomenon.

4.1.2 Title of the respondent

Majority of the respondents interviewed were society managers; Society chairpersons 42% society managers 68% This was an indication that opinion presented in the study was from most reliable people who are in the daily running of these co-operative societies organizations was concerned.

Table 4.1 Titles of the respondents

Title	No. of respondent	Percentages of respondents
Chairperson	28	42
Society manager	58	68

4.1.3 Education background

This question aimed at establishing the education level of respondents and from those interviewed; 8% had postgraduate qualifications, 36% had degree,43% had diploma and 13% had certificate.

Table 4.2 Education background of the respondent

Qualification	No. of respondents	Percentage of respondents
Postgraduate	7	8
Graduate	31	36
Diploma	37	43
Certificate	11	13

4.2.1 The Rating of the Respondent Cooperative Financial Performance and Growth

On this question seeks to first establish how the cooperatives were fairing in their financial growth. The main aim was to detect the financial level of these corporative which could be used in the analysis. The respondents indicated that 35% high50% medium while 15% low as indicated on the fig below

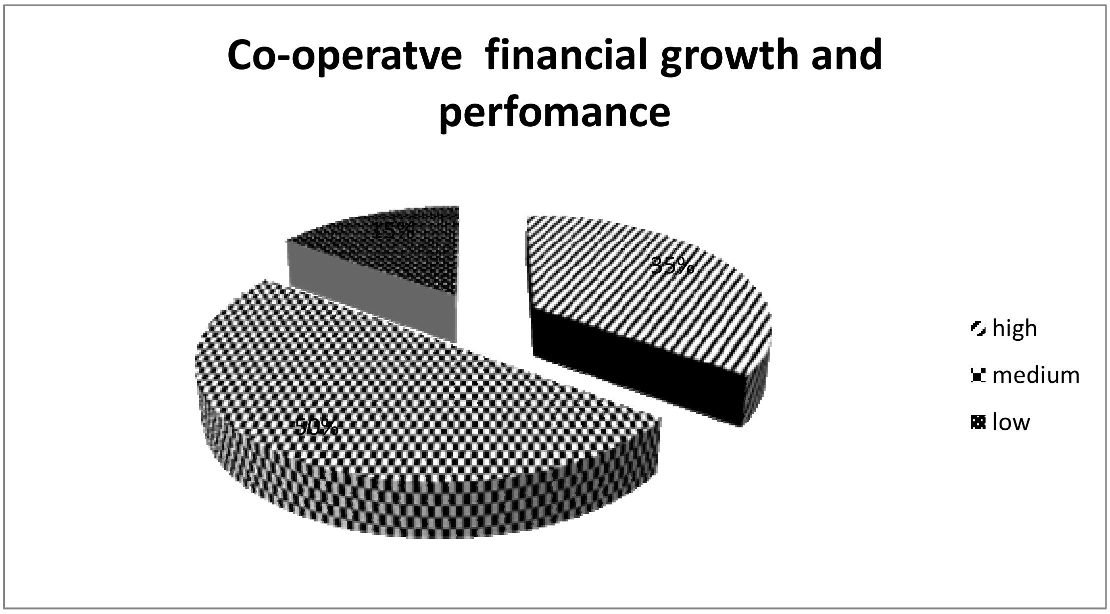


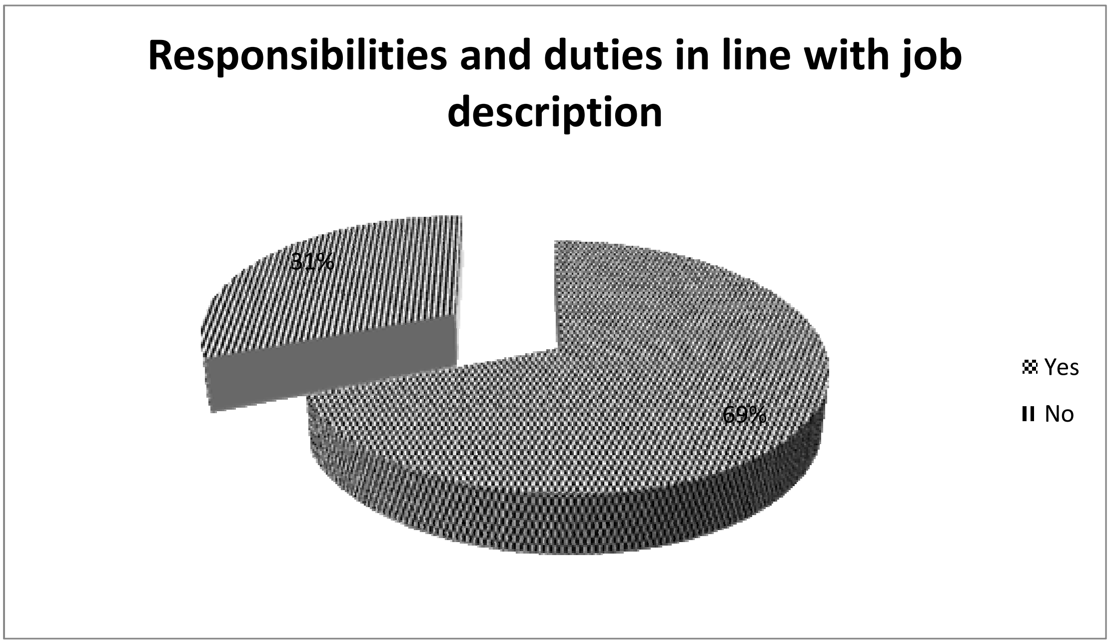
Fig 4.1 The Rating of the Respondent Cooperative Financial Performance and Growth

4.2.2 The respondents rating of other Achievement of the Cooperation

This was an open ended question that seeks to get specific response on the other achievement that the cooperatives have attained with most of then stating that there is a high increase in the number of people who appreciate their role. On the other hand legal recognition by the government where there is a ministry in charge of registration and overseeing the functions of these corporations.

4.2.3 Whether the duties and responsibilities are in are in line with their ob descriptions

This question seeks to get clarification on the type of people who have been given the responsibility to from the financial sector of the cooperative. This was aimed at determining whether there are staff members who do not have the right job with regard to their credentials which directs the job description. On the responses 69% agreed while 31% disagreed as indicated by the fig below



Figs 4.2 Whether the duties and responsibilities are in are in line with their job descriptions

4.2.4 Whether Financial Distress is usually in a Given Time of the Year

This question seek to note if the was a particular time of the year that the cooperatives are prone to financial difficulties. The respondents indicated that 65% agreed while 35% disagreed. As indicated in the figure below.

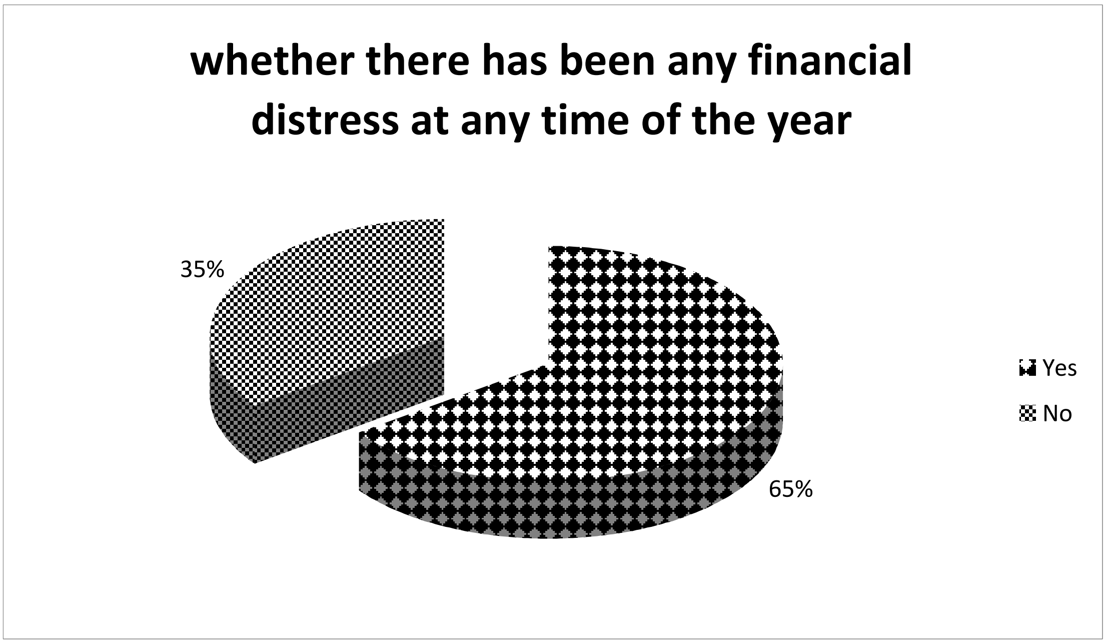


Fig 4.3 Whether Financial Distress is usually in a Given Time of the Year

4.2.5 The rating of the extent the distress in Q4.4 query

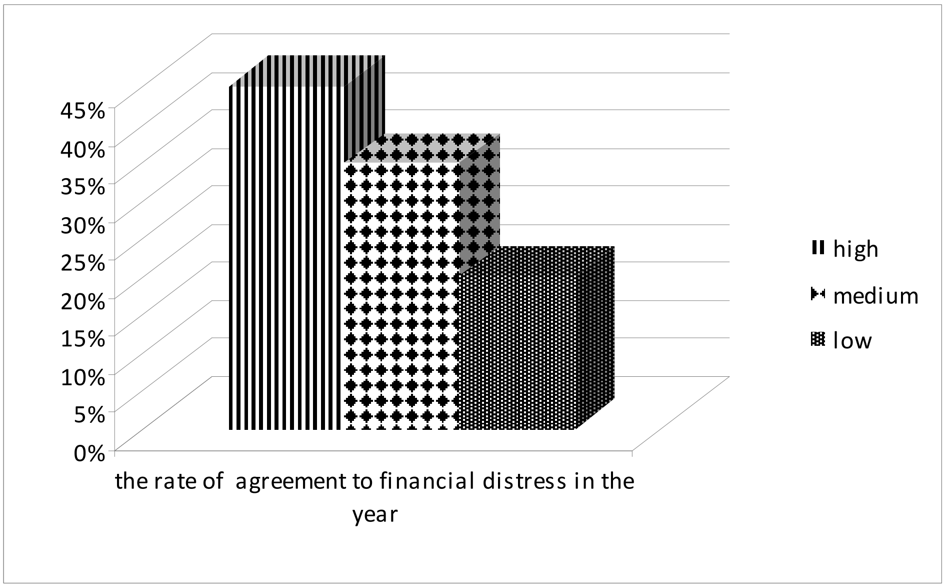


Fig 4.4 The rating of the extent the distress in Q4.4 query

Part 3: Internal Factors

4.3.1 The rating of the internal causes of financial distress in cooperative society.

There are many internal factors that causes financial distress the respondent was required to rate these factors depending on their experience. This was aimed and deducing the main factors that lead a company to financial distress. On the respondents

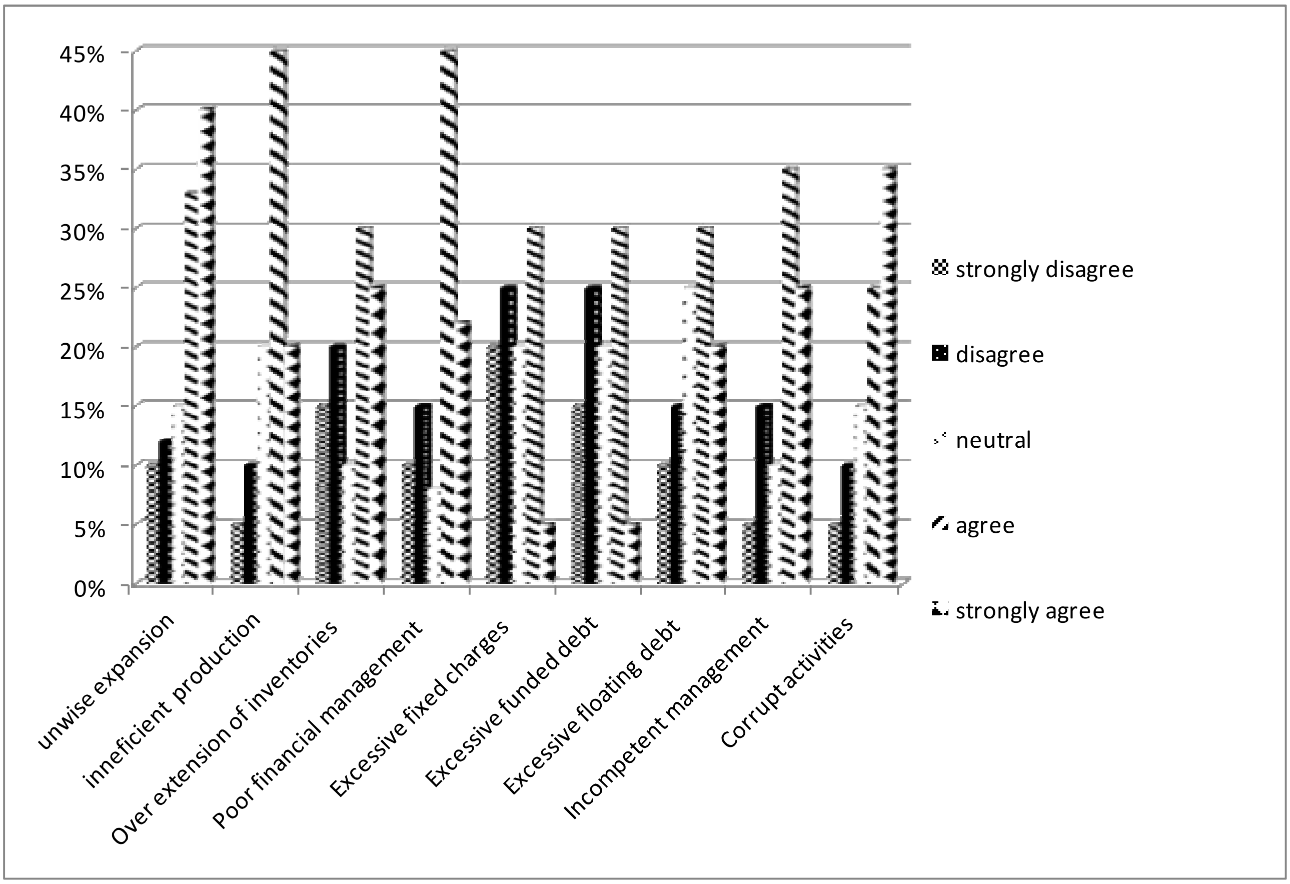


Fig 4.5 The rating of the internal cause of financial distress in co-operative society.

The fig 4.5 depicts that, the majority of the respondent strongly agreed with Poor financial management as follows 10% strongly disagree, 15% disagree, 8% neutral 45% agree while 22% strongly agree. Followed by Unwise expansion 10% strongly disagree, 12% agree, 15% neutral, 33% agree while 40% strongly agree

In addition, the respondent agreed that inefficient production, corrupt activities and Incompetent management as follows; inefficient production with 5% strongly disagrees, 10% disagree, 20% neutral, 45% agree while 20% strongly agree. And incompetent management 5% strongly disagree 15% disagree, 10% neutral, 35% agree while 25% strongly agree.

While majority were for the point that Excessive fixed charges and Excessive floating debt have neutral rating. The actual weight was as follows; Excessive fixed charges 20% strongly disagree 25% disagree, 20% neutral, 30% agree while 5% strongly agree while Excessive funded debt 15% strongly disagree 25% disagree, 20% neutral, 30% agree while 10% strongly agree.

Finally, the respondent disagreed with over extension of inventories and Excessive funded debt as causes of financial distress. The rating for excessive funded debt 15% strongly disagree 25% disagree, 20% neutral, 30% agree while 10% strongly agree. And excessive floating debt 10% strongly disagree 15% disagree, 25% neutral, 30% agree while 20% strongly agree.

4.3.2 The 0ther Factor/S That Cause Financial Distress in Cooperative Society

This was an open ended question where the respondents were asked to state and explain any other factor/s that could lead to financial distress the cause with high occurrences include, lack of training on the board members who appoint the leadership of the cooperative.

Part 4: The External Causes of Financial Distress

4.4.1 The rating of the internal causes of financial distress in cooperative society.

The question requires rating of the external factors that causes financial distress in corporative societies. The aim of this is to determine the external factors that have a lot of influence to financial distress. The response were as presented by fig 4.6,

The fig 4.6 depicts that majority strongly agreed with excessive competition, falling Prices and political instability while there were neutral about Acts of God and Adverse acts of labor

The detailed ratings were as follows; excessive competition, 12% strongly disagreed, 15% disagreed, 10% were neutral, 40% agreed while 23% strongly agreed. While falling Prices, 10% strongly disagreed, 12% disagreed, 20% were neutral, 38% agreed while 22% strongly agreed. And change in public demand 15% strongly disagreed, 20% disagreed, 10% were neutral, 30% agreed while 25% strongly agreed.

Political instability, 14% strongly disagreed, 10% disagreed, 21% were neutral, 35% agreed while 20% strongly agreed. Government acts, 10% strongly disagreed, 25% disagreed, 30% were neutral, 15% agreed while 20% strongly agreed.

Adverse acts of labor 14% strongly disagreed, 20% disagreed, 25% were neutral, 21% agreed while 20% strongly agreed. And acts of God, 10% strongly disagreed, 25% disagreed, 30% were neutral, 20% agreed while 15% strongly agreed.

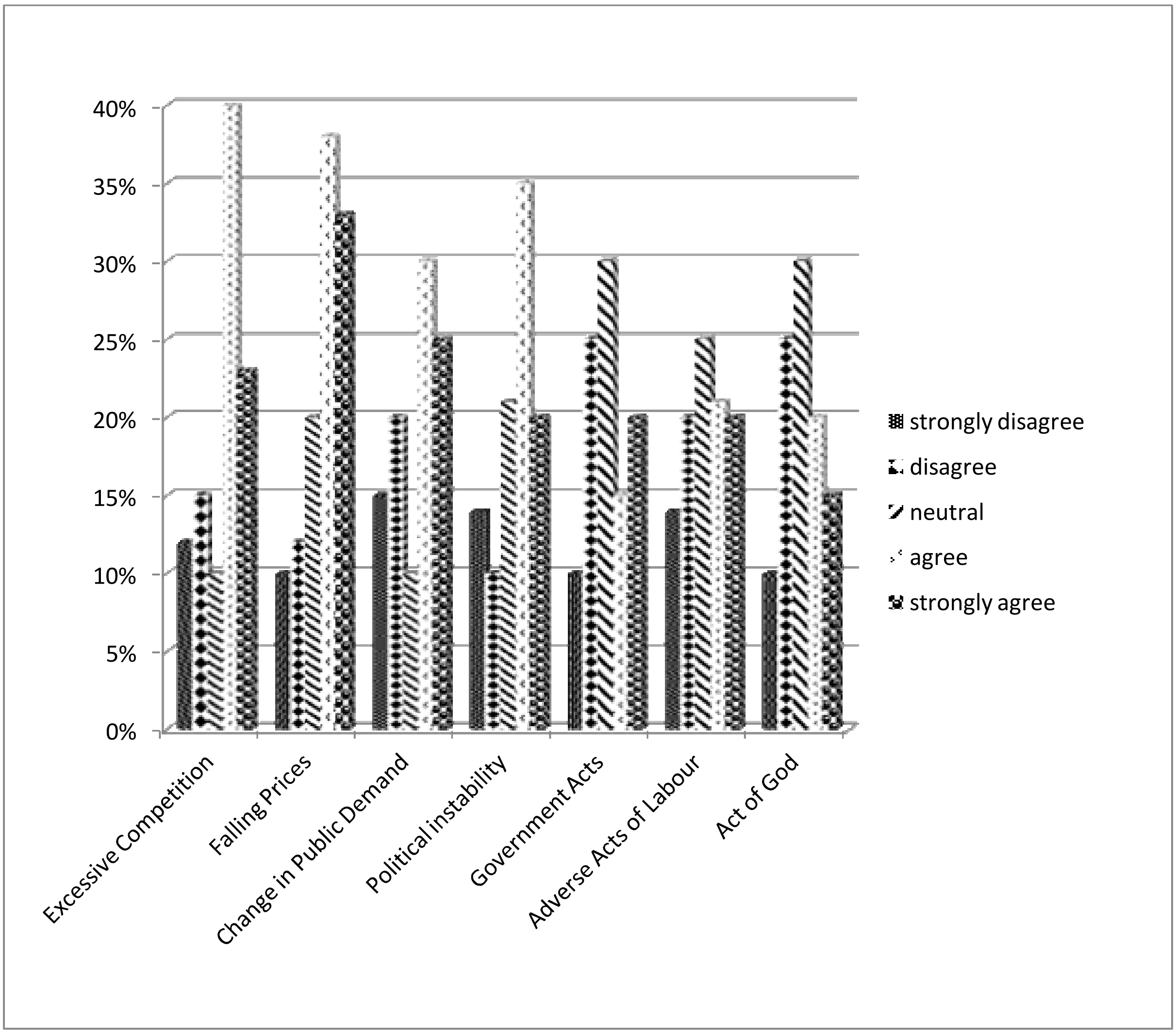


Fig 4.6 The rating of the internal causes of financial distress in cooperative society.

4.4.2 The other Factor/s That Cause Financial Distress in Cooperative Society

The open ended question seeking opinion of other factor/s that cause financial distress in a co-operative society, most of the respondents indicated that poor policies of poor implementation of the existing policies with regard to the corporative societies management in the part of government and other stakeholders as well as political interference and global financial crisis.

Part 5: Financial Distress Model

4.5.1 Financial distress model

The researcher found out that there is a strong positive relationship between the factors identified by the research and the financial distress situation in co-operative societies. He further established that when the factors identified were at their minimal levels there is low financial distress which was depicted by the y-intercept at 1.24, as presented by the model below,

$Y = 1.24 + 0.91x_1 + 0.78x_2 + e$

Where;

Y = The dependent variable-financial distress

a_1 was found to be 1.24, this is the y intercept, the level financial distress that generally exist in any firm under normal circumstances

a_2 the correlation coefficient of independent variables-internal causes of financial distress was estimated to be 0.91 which implies a very strong positive relationship between the identified internal causes of financial distress and the financial distress situation in the co-operative society.

a_3 the correlation coefficient of independent variables-external causes of financial distress was estimated to be 0.78 which implies a stronger positive relationship between the identified external causes of financial distress and the financial distress situation

x_1 this was one of the explanatory variable, -internal causes of financial distress.

x_2 this was is the second independent variable, -external causes of financial distress.

e this was the random error term and takes care of other factors that cause financial distress which are not defined in the model.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter seeks to answer the research questions that were put forward in order to guide the researcher into meeting the main objective of the study. The main objective of this study was to establish the causes of the financial distress in cooperative societies in Nairobi. Therefore, the chapter represents the summary of the main findings and observations made by the research.

5.2 Summary of the Major Findings

The findings show that more than 80% of the sampled respondents participated in the study where they responded to the questions on causes of financial distress in cooperative societies in the Nairobi area. These factors include internal and external issues of the corporative management. The summary of these findings was as presented below

5.2.1 Causes of financial distress

As indicated by the research findings the cooperative societies have experienced some substantial financial growth in years this is indicated by the number of the respondents that rated this high which was 35% as indicated by fig 4.1. On the other hand there were those who cited an increased number of people registering or seeking cooperative services addition to constitutional recognition of the cooperatives. Furthermore, the number of people who work in the corporative has most of them have attained collage diplomas and degrees n the field of their work, this is indicated by 69% respondents in the fig 4.2. However, the cooperatives have experienced some financial distress in the course of the year as indicated by the respondents where 65% shown in fig 4.3 indicate. These financial distresses were highly rated indicating that they had been experienced more often in the year as more than 45% in fig 4.4 indicates.

5.2.2 Internal factors causing financial distress

The number of internal factors that could lead to financial distress are numerous ,however, some of them stand out to be very influential towards these distresses ,one of the main causes of financial distress for these cooperatives is the unwise expansion done by these organizations this is indicated by the number of respondents who rated it strongly by 40% and more than half of them agreed that this is one of the main causes. The other is the inefficient in production which was rated 65% of total agreement of which 20% strongly believed it is one of the major causes.

Moreover, over extension of inventories where 55% of all the respondents agreed .poor financial management had 67% of the respondents indicating that it is a major cause .excessive fixed charges had some strong objections however 35% of the respondents felt that it had a big role to play in causing financial distress . The other factor is the excessive funded debt where 40% of the respondents felt that it has a contribution towards the same failure. In addition, excessive floating debt is another cause for financial distress where 50% of the respondents agreed that it has some important effect. Incompetent management has also been seen as a major contributor to financial distress where 60% of the respondents agreed to this effect and lastly the corrupt practices is indicated as another factor that has contributed to the financial failure where 60% of the respondents agreed. All these internal causes are indicated by fig 4.5. And a few additions were made to the causes however; they were just repetition of other broad factors discussed above.

5.2.3 The external causes of financial distress

Other factors that contribute to the financial distress for the cooperatives are external forces that do not emanate from the organization. Therefore , some of these factors include excessive competitions which many of the respondents indicated that it is one of the main causes this is elaborated by 53% f the respondents indicating that it is a major contributor. Falling prices could also be a factor that is strong as it is indicated by 60% of the respondents who agree. The change in the public demand is also viewed as a contributor to the failure with 55% of the respondents agreeing. On the other hand, political instability has also been rated to have a great effect on the financial distress of these cooperative societies as 55% of the participants agreed. The government acts has also been seen t have contributed to the distress as 35% of them agreed. The adverse acts of labor also have a 41% agree response which indicates that it is an important factor.

Lastly only 35% of the respondents consider the acts of God is a factor influencing the financial state of these co-operatives. All there external financial distress causes have been summarized in the fig 4.4 .additionally no new relevant addition was made with regard to other external factors that could have a hand in these distresses.

5.3 Conclusions

The study focused on the factors that contribute to the financial distress of the cooperative societies in Nairobi area. The study has examined the external and the internal factors that could be the major contributors to these failures. The findings indicated that both the internal and external factors have a big role in putting the cooperatives in these distresses. They have also deduced some of the internal factors that can only be tackled through proper legislation and accountability at individual levels for the financial managers. There is also need to protect these institutions because of their role in the society, this is because if they fail the country economy could be in danger and can jeopardize the government functions.

Moreover, there is need for these corporative societies to restructure so that they could overcome this financial distress; however, becoming one of the main contributors in the countries economy proper and informed leadership is required.

5.4 Recommendation

There s need to have a proper work force to run cooperatives societies, their credentials should reflect their job group and responsibilities given to them. This is because this has been seen as one of the main causes of failure by many corporative. In addition, the government to take up active role in ensuring that there is no corruption in this institution by providing frequent auditors to countercheck the financial conditions for these cooperatives. Moreover, waiver of their debts could jump start these institution to enable them start afresh in their services.

5.5 Limitations of the study

There were few studies that focused on the financial distress; this limited the room for comparisons. The researcher faced the challenge of lack of co-operation from all respondents identified for the research and thus the information could not form a perfect conclusion for the study. Finally, the researcher lacked enough time to collect the information thus narrowing the findings of the study.

5.6 Suggestion for further research

Given the vital role played by the co-operative societies in the modern economy, it is utmost important to carry out further research to identify the effects of financial distress in co-operative societies and investigate actions taken to selvage distressed societies from possible bankruptcies. Moreover a study needs to be carried out to identify predictors of co-operative financial distress and finally a study need to be carried out to investigate the impact of radical changes in politics, leadership and governance on the financial performance of co-operative societies.

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APPENDICES

APPENDIX I

INTRODUCTION LETTER

To: **Respondent**

From : **Samuel N. Ndirangu**

Dear sir/madam

<u>Re: Collection of Research Data</u>

I am a student at the University of Nairobi pursuing a degree in Master of Business Administration- Finance.

I am currently conducting a research project on the causes of financial distress in co-operative societies in Nairobi.

I humbly request for your valuable time in filling the attached questionnaire.

The information provided in this study will be treated with ultmost confidentiality and will not be used for any other purpose apart from its intended academic purpose.

Your co-operation is highly appreciated.

Yours Faithfully

Samuel N. Ndirangu

APPENDIX II

QUESTIONNAIRE

ABOUT THE QUESTIONNAIRE

The questionnaire is based on the requirement of an academic project research entitled: a survey into the causes and effects of financial distress in co-operative societies in Nairobi.

The questionnaire is divided into the following segments:

1. Part A
2. Part B
3. Part C

Background Information

Name (optional)……………………………………………………………………

Designation………………………………………………………………………………

Cooperative ……………………………………………………………………………….

Duties………………………………………………………………………………

Contacts……………………………………………………………………………

Title of the respondent

Society Chairperson, ☐

Society Manager. ☐

Education background

Postgraduate ☐

Degree ☐

Diploma ☐

Certificate ☐

Others ☐

PART A

1. How do you rate your cooperative financial performance and growth?

HIGH	MEDIUM	LOW

2. Other achievements of your cooperative, specify?

……………………………………………………………………………………………………
……………………………………………………………………………………………………
………………

3. Are your duties and responsibilities in line with your job description?

Yes ☐

No ☐

4. Has your co-operatives society experienced any financial distress at any given period in the past years?

Yes ☐

No ☐

5. If yes in 5 above, how would you rate the financial distress?

HIGH ▢ MEDIUM ▢ LOW ▢

PART B

This part deals with internal causes of financial distress

1. Rate the following internal factors that cause financial distress in a cooperative society?

		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1.	Unwise Expansion					
2.	Inefficient Production					
3.	Inefficient Selling					
4.	Over Extension of Inventories					
5.	Poor Financial Management					
6.	Excessive Fixed Charges					
7.	Excessive Funded Debt					
8.	Excessive Floating Debt					
9.	Incompetence Management					
10.	Corrupt Activities					

2. In your opinion is there is other factor/s that cause financial distress in a co-operative society? Kindly explain…………………………………………………………………………………
…………………………………………………………………………………………
……………….

PART C

This part deals with the external causes of financial distress,

1. Rate the following external factors that cause financial distress in a cooperative society?

		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1.	Excessive Competition					
2.	Falling Prices					
3.	Change in Public Demand					
4.	Political instability					
5.	Government Acts					
6.	Adverse Acts of Labour					
7.	Act of God					

2. In your opinion is there is other factor/s that cause financial distress in a co-operative society? Kindly explain………

THANK YOU

APPENDIX III

LIST OF CO-OPERATIVES IN NAIROBI AS AT JUNE 2009

COOPNAME	ADDRESS	TOWN	PROV	DIST	ACTIVITY	DOR

1. KENYA CO-OP CREAMERIES LTD(KCC) 30131 NAIROBI 1 1 COUNTRYWIDE 1 8-Feb-32
2. KENYA PLANTERS CO-OP. UNION LT 12309 NAIROBI 1 1 UNION 1 19-Nov-45
3. STAREHE AFRICAN CS.STORE LTD 32048 NAIROBI 1 1 CONSUMER 1 18-Feb-50
4. NAIROBI RAILWAY AFRICAN CS LTD 56385 NAIROBI 1 1 SACCO 1 1-Feb-52
5. MINISTRY OF WORKS EMPLOYEES T& 43022 NAIROBI 1 1 SACCO 1 24-Oct-57
6. NAIROBI MUSLIM HOUSING CS LTD. 11900 NAIROBI 1 1 HOUSING 1 28-May-58
7. THE POSTS & TELECOMS EMPLOYEES 49649 NAIROBI 1 1 CONSUMER 1 23-Nov-62
8. MATHARE HOUSING CS LTD 12865 NAIROBI 1 1 HOUSING 1 4-Dec-62
9. DRUMVALE FARMERS CS LTD. 4197 NAIROBI 4 84 DAIRY 1 12-Oct-63
10. KIBERA ESTATE BUTCHERY CS LTD 41494 NAIROBI 1 1 MEAT SUPPLY 1 7-Jul-64
11. KAHAWA F C S LTD. 30649 NAIROBI 1 1 F' PURCHASE 1 11-Sep-64
12. KAMAE FCS LTD 12784 NAIROBI 1 1 M' PURPOSE 1 18-Sep-64
13. CO-OPERATIVE BANK OF KENYA LTD 48231 NAIROBI 1 1 COUNTRYWIDE 1 19-Jun-65
14. KARIOBANGI HOUSING & SETTLE CS 10414 NAIROBI 1 1 HOUSING 1 19-Jun-65
15. KENYA HOUSING COOPERATIVE SOCI 43022 NAIROBI 1 1 HOUSING 1 26-Jan-66
16. NAIROBI CLUB EMPLOYEES CS & CS 30171 NAIROBI 1 1 SACCO 1 31-Jan-66
17. RUARAKA CONSUMERS CSA LTD 12095 NAIROBI 1 1 CONSUMER 1 31-Jan-66
18. UHURU GENERAL STORE CS LTD 12407 NAIROBI 1 1 CONSUMER 1 29-Mar-66
19. MATHARE RIVER SACCO LTD 10365 NAIROBI 1 1 SACCO 1 29-Mar-66
20. DANDORA ESTATE WORKERS CS LTD 41023 NAIROBI 1 1 SACCO 1 30-Mar-66
21. LANGATA CONSUMERS CS LTD 30129 NAIROBI 1 1 CONSUMER 1 14-Jun-66
22. RELI CONSUMER 55541 NAIROBI 1 1 SACCO 1 25-Oct-67
23. NAIROBI CONSUMERS CU LTD 36-00300 NAIROBI 1 1 CONSUMER 1 21-Mar-68
24. BAHATI SACCO LTD 17188 NAIROBI 1 1 SACCO 1 23-Jul-68
25. EMBAKASI CONSUMER CS LTD 19194 NAIROBI 1 1 CONSUMER 1 11-Apr-69
26. BAHATI CONSUMERS CS LTD 12941 NAIROBI 1 1 CONSUMER 1 12-Apr-69
27. KENYA HIGH SCHOOL WORK S & CR 30035 NAIROBI 1 1 SACCO 1 24-May-69
28. MUUNGANO SAV & CR CS LTD. 40064 NAIROBI 1 1 SACCO 1 3-Jul-69
29. TELEPOSTA SACCO 49557 NAIROBI 1 1 SACCO 1 3-Jul-69
30. HURUMA SAVING & CREDIT CS LTD. 40228 NAIROBI 1 1 SACCO 1 8-Aug-69
31. HARAMBEE SAVING & CREDIT CS LT 47815 NAIROBI 1 1 SACCO 1 11-Feb-70
32. NAIROBI HANDICRAFT CS LTD. 13095 NAIROBI 1 1 CRAFTSMEN 1 24-Feb-70

33. USHURU SAVING & CREDIT CS LTD. 52072 NAIROBI 1 1 SACCO 1 8-Jun-70
34. MATHARE HOSPITAL CONSUMERS CS 40663 NAIROBI 1 1 CONSUMER 1 11-Jun-70
35. KENYA HIGH SCHOOL CONSUMERS CS 30038 NAIROBI 1 1 CONSUMER 1 18-Aug-70
36. MAGEREZA STAFF SAV.& CR CS LTD 30175 NAIROBI 1 1 SACCO 1 25-Nov-70
37. COFFEE WORKERS CS LTD. 72309 NAIROBI 1 1 COFFEE 1 23-Dec-70
38. BUNGE SAVING AND CREDIT CS LTD 41842 NAIROBI 1 1 SACCO 1 30-Apr-71
39. AFYA SAVING AND CREDIT CS LTD. 11607 NAIROBI 1 1 SACCO 1 8-May-71
40. HAZINA SACCO LTD. 59877 NAIROBI 1 1 SACCO 1 26-Jun-71
41. ARDHI SAVING AND CREDIT CS LTD 28782 NAIROBI 1 1 SACCO 1 5-Oct-71
42. TEMBO COOP.S & CR. LTD. 30161 NAIROBI 1 1 SACCO 1 24-Jan-72
43. UKULIMA SAV & CR CS LTD. 44701 NAIROBI 1 1 SACCO 1 3-Feb-72
44. MSAFIRI SACCO LTD. 30475 NAIROBI 1 1 SACCO 1 3-Feb-72
45. ELIMU SACCO LTD. 71331 NAIROBI 1 1 SACCO 1 6-Mar-72
46. JAMII COOP SAV AND CR LTD. 57929 NAIROBI 1 1 SACCO 1 12-Apr-72
47. ASILI SAV. & CR. CS LTD. 49064 NAIROBI 1 1 SACCO 1 19-Sep-72
48. NAIROBI CIVIC SERVANTS CONSUME 30241 NAIROBI 1 1 M' PURPOSE 1 4-Oct-72
49. UFUNDI CO-OP SAV & CR LTD. 30260 NAIROBI 1 1 SACCO 1 19-Oct-72
50. KENYA POLICE CO-OP SAV & CR LT 30083 NAIROBI 1 1 SACCO 1 3-Nov-72
51. USAFI CO-OP SAV & CR LTD. 72878 NAIROBI 1 1 SACCO 1 20-Nov-72
52. SHERIA CO-OP SAV & CR LTD. 34390 NAIROBI 1 1 SACCO 1 28-Dec-72
53. SAUTI CO-OP SAV & CR LTD. 30042 NAIROBI 1 1 SACCO 1 28-Dec-72
54. ULINZI CO-OP SAV & CR LTD. 30565 NAIROBI 1 1 SACCO 1 8-Feb-73
55. CHUI CO-OP SAV & CR LTD. 4343 NAIROBI 1 1 SACCO 1 4-Apr-73
56. UTALII CO-OP SAV & CR LTD. 42013 NAIROBI 1 1 SACCO 1 9-Aug-73
57. CHAI CO-OP SAV & CR LTD. 30213 NAIROBI 1 1 SACCO 1 14-Sep-73
58. STIMA CO-OP SAV & CR SOC LTD. 30177 NAIROBI 1 1 SACCO 1 2-Apr-74
59. UCHUMI CO-OP SAV & CR LDTD. 45519 NAIROBI 1 1 SACCO 1 1-Jul-74
60. MWALIMU CO-OP SAV & CR LTD. 62641 NAIROBI 1 1 SACCO 1 24-Oct-74
61. KENYA BANKERS CO-OP SAV & CR L 30550 NAIROBI 1 1 SACCO 1 14-Feb-75
62. B.A.T. CO-OP SAV & CR LTD. 30000 NAIROBI 1 1 SACCO 1 21-May-75
63. BALOZI CO-OP SAV & CR SOC. LT 11539 NAIROBI 1 1 SACCO 1 12-Jul-75
64. TRANSCOM SACCO 19579 NAIROBI 1 1 SACCO 1 12-Jul-75
65. MAZIWA CO-OP SAV & CR SOC. LTD 30131 NAIROBI 1 1 SACCO 1 22-Aug-75
66. UNEP CO-OP SAV & CR SOC. LTD. 30552 NAIROBI 1 1 SACCO 1 6-Sep-75
67. NATION STAFF SAV. & CR CS LTD. 49010 NAIROBI 1 1 SACCO 1 15-Sep-75
68. NGARA CONSUMERS CS LTD 45154 NAIROBI 1 1 CONSUMER 1 21-Oct-75
69. NACICO CO-OPERATIVE SOC LTD. 30075 NAIROBI 1 1 SACCO 1 18-Nov-75
70. CO-OPERATIVE INSURANCE SERVICE 59485 NAIROBI 1 1 COUNTRYWIDE 1 18-Nov-75
71. NGONG FOREST STATION CONSUMERS 24951 NAIROBI 1 1 CONSUMER 1 23-Dec-75
72. MATHARE SAV. & CR. SOC. LTD. 44502 NAIROBI 1 1 SACCO 1 8-Jan-76
73. MWANA-MUKIA HOUSING SOC LTD 48897 NAIROBI 1 1 HOUSING 1 3-Feb-76
74. NAIROBI HOSPITAL CO-OP.LTD. 30026 NAIROBI 1 1 SACCO 1 3-Feb-76

75. GIKOMORA HOUSING CS LTD. 44339 NAIROBI 1 1 HOUSING 1 8-Mar-76
76. BIBLIA CO-OP.SOC.LTD. 72983 NAIROBI 1 1 SACCO 1 21-Apr-76
77. MATHARE VALLEY METAL CS LTD 28444 NAIROBI 1 1 JUA KALI 1 3-Jun-81
78. KENVERSITY CO-OP.SOC.LTD. 43844 NAIROBI 1 1 SACCO 1 11-May-76
79. KENYA AIR FORCE CS LTD 40770 NAIROBI 1 1 SACCO 1 30-Aug-76
80. KENYA UNIFORMS SAV & CR CS LTD 72366 NAIROBI 1 1 SACCO 1 2-Jun-77
81. SAINT JOHNS SAV & CR CS LTD. 16254 NAIROBI 1 1 SACCO 1 17-Jun-77
82. MATER SAVINGS & CR. CO-OP.SOC. 30325 NAIROBI 1 1 SACCO 1 5-Jan-78
83. METHODIST SAV.& CREDIT CO-OP.S 47633 NAIROBI 1 1 SACCO 1 15-Feb-78
84. EXAMS SAVINGS & CR. CO-OP.SOCI 73598 NAIROBI 1 1 SACCO 1 15-Aug-78
85. THOME SAV.CO-OP.SOC.LTD. 30260 NAIROBI 1 1 SACCO 1 30-Oct-78
86. WAANDISHI CS & CS LTD 30333 NAIROBI 1 1 SACCO 1 10-Nov-78
87. TARINO SAV & CR. CO-OP. SOC.LT 45766 NAIROBI 1 1 SACCO 1 18-Nov-78
88. UTAFITI SAV. & CR.CO-OP.SOC.LT 30709 NAIROBI 1 1 SACCO 1 1-Dec-78
89. KENGELE SAV.& CR.CO-OP.SOC.LTD 40185 NAIROBI 1 1 SACCO 1 1-Dec-78
90. NGANO CO OP SAV & CR SOC. LTD. 49062 NAIROBI 1 1 SACCO 1 8-Jan-79
91. GENERAL MOTORS SAVINGS &CR. CS 30527 NAIROBI 1 1 SACCO 1 5-May-79
92. KENOL SACCO LTD 44202 NAIROBI 1 1 SACCO 1 3-Sep-79
93. KENYA NATIONAL HOUSING UNION L 51693 NAIROBI 1 1 HOUSING 1 12-Sep-79
94. SHIRIKIANO SAV.& CR. CS LTD. 46611 NAIROBI 1 1 SACCO 1 12-Sep-79
95. WARREN CO-OP.SAV.& CR. CS LTD. 30151 NAIROBI 1 1 SACCO 1 5-Jan-80
96. MLANGO KUBWA HOUSING C.S LTD. 72206 NAIROBI 1 1 HOUSING 1 5-Jan-80
97. JACARANDA SAV. &CR. CS LTD. 14287 NAIROBI 1 1 SACCO 1 25-Jan-80
98. KIWI CO-OP SAV & CR SOC LTD. 30457 NAIROBI 1 1 SACCO 1 25-Jan-80
99. MARKET SAVINGS & CREDIT C 45906 NAIROBI 1 1 SACCO 1 20-Mar-80
100. LANGATA SAV.& CR.SOC.LTD 61263 NAIROBI 1 1 SACCO 1 9-May-80
101. KEMRI SACCO LTD 20752 NAIROBI 1 1 SACCO 1 5-Jun-80
102. VIWANDA SAV.& CR. CS LTD. 78029 NAIROBI 1 1 SACCO 1 1-Jul-80
103. JOHNSON & JOHNSON SAV. &CR. CS 47691 NAIROBI 1 1 SACCO 1 17-Sep-80
104. CONSOLIDATED SAV.&CR. CS L 72973 NAIROBI 1 1 SACCO 1 17-Sep-80
105. HACO SAVINGS &CR. CS LTD 43093 NAIROBI 1 1 SACCO 1 29-Sep-80
106. SAROVA CO OP SAV & SOC LTD. 18464 NAIROBI 1 1 SACCO 1 17-Oct-80
107. WAUMINI SAVINGS CS & CS LTD. 9149 NAIROBI 1 1 SACCO 1 17-Oct-80
108. LENANA SCHOOL WORKERS CO-OP SO 30253 NAIROBI 1 1 SACCO 1 13-Nov-80
109. SHAURI MOYO HOUSING CS LTD. 48714 NAIROBI 1 1 HOUSING 1 19-Nov-80
110. GALSHEET CS & CS LTD. 46934 NAIROBI 1 1 SACCO 1 2-Feb-81
111. ACTION AID SAVINGS & CR CS LTD 42814 NAIROBI 1 1 SACCO 1 21-Apr-81
112. KENCHIC CO-OP SAV AND CR SOC L 20052 NAIROBI 1 1 SACCO 1 21-Apr-81
113. POST BANK SAV. & CR. CS LTD. 30313 NAIROBI 1 1 SACCO 1 4-May-81
114. KIFARU CS & CS LTD. 48023 NAIROBI 1 1 SACCO 1 4-May-81
115. KIBERA UDONGO HOUSING CS LTD. 62338 NAIROBI 1 1 HOUSING 1 11-May-81
116. KIBERA HOUSING CS LTD. 43802 NAIROBI 1 1 HOUSING 1 16-Jul-81

117. BOULEVARD CO-OP SAV AND CR SOC 43831 NAIROBI 1 1 SACCO 1 13-Oct-81
118. SAFARI PARK SAV & CR CS LTD. 45038 NAIROBI 1 1 SACCO 1 22-Jan-82
119. SOLIDARITY CO-OP SAV & CR SOC 13000 NAIROBI 1 1 SACCO 1 18-Feb-82
120. NGONG HILLS WORKERS SAV. & CR. 40485 NAIROBI 1 1 SACCO 1 7-Jun-83
121. GERTRUDES HOSP SAV & CR CS LTD 42325 NAIROBI 1 1 SACCO 1 7-Jun-83
122. PARKLANDS STAFF SAV.& CR. CS L 4011 NAIROBI 1 1 SACCO 1 26-Jul-83
123. TAASISI CO-OP SAV.& CR. SOC. L 30231 NAIROBI 1 1 SACCO 1 2-Aug-83
124. NAIROBI SCHOOL SAV.& CR. CS LT 30047 NAIROBI 1 1 SACCO 1 2-Aug-83
125. AMREF STAFF SAV.& CR CS LTD. 30125 NAIROBI 1 1 SACCO 1 12-Sep-83
126. KASNEB SAV & CR CS LTD. 41362 NAIROBI 1 1 SACCO 1 3-Nov-83
127. BLUE TRIANGLE SACCO LTD 40710 NAIROBI 1 1 SACCO 1 8-Jun-84
128. NAIROBI CONSTRUCTION CS LTD 30202 NAIROBI 1 1 BUILD.& CONSTRU. 1 5-Oct-84
129. UNITED INSURANCE SAV & CR CS L 30961 NAIROBI 1 1 SACCO 1 10-Dec-84
130. CO-OPERATIVE BANK SAV.& CR CS 48231 NAIROBI 1 1 SACCO 1 16-Jan-85
131. U.S.I. UNIVERSITY SAV. & CR. C 14634 NAIROBI 1 1 SACCO 1 16-Jan-85
132. BANKI KUU CO-OP SAV & CR SOC. 60000 NAIROBI 1 1 SACCO 1 12-Mar-85
133. AFFA CO-OP SAV & CR SOC LTD 75993 NAIROBI 1 1 SACCO 1 2-May-85
134. DAGORETTI HIGH SCH SAV & CR SO 21070 NAIROBI 1 1 SACCO 1 6-May-85
135. MUTHAIGA GOLF CO-OP SAV & CR S 41651 NAIROBI 1 1 SACCO 1 6-Aug-85
136. TUMAINI CO-OP SAV.& CR SOC LTD 78180 NAIROBI 1 1 SACCO 1 28-Aug-85
137. HENKEL CHEMICAL WORKERS SACCO 42510 NAIROBI 1 1 SACCO 1 5-Sep-85
138. RAILWAYS HOUSING CO-OP SOC LTD 51110 NAIROBI 1 1 HOUSING 1 23-Sep-85
139. PIONEER CO-OP SAV & CR SOC LTD 42568 NAIROBI 1 1 SACCO 1 17-Oct-85
140. WESTLANDS CO-OP SAV & CR SOC L 14420 NAIROBI 1 1 SACCO 1 2-Dec-85
141. KENYA INSURERS SAV & CR COOP CS 46082 NAIROBI 1 1 SACCO 1 16-Dec-85
142. KAMUKUNJI JUA KALI BLACK SMITH 17233 NAIROBI 1 1 JUA KALI 1 23-Jan-86
143. SHAURI MOYO FURNITURE CS LTD. 10035 NAIROBI 1 1 JUA KALI 1 23-Jan-86
144. HURUMA JIRANI HOUSING CS LTD. 49758 NAIROBI 1 1 HOUSING 1 4-Apr-86
145. MHASIBU C.S.&C.S. LTD. 59963 NAIROBI 1 1 SACCO 1 16-Apr-86
146. KAREN COUNTRY CLUB COOP SAV & 24816 NAIROBI 1 1 SACCO 1 19-Jun-86
147. PUMWANI CAR WASH CS & CS LTD 75096 NAIROBI 1 1 SACCO 1 19-Jun-86
148. LAW SOCIETY OF KENYA CS LTD 46979 NAIROBI 1 1 SACCO 1 15-Jul-86
149. KIAMUMBI FCS LTD 74116 NAIROBI 1 1 F' PURCHASE 1 12-Aug-86
150. MATHARE TECHNICIAN CS LTD 28407 NAIROBI 1 1 JUA KALI 1 29-Dec-86
151. MATATU TRANSPORTERS CS LTD 46817 NAIROBI 1 1 TRANSPORT 1 3-Sep-87
152. PARLIAMENTARIANS SACCO SOC LTD 44809 NAIROBI 1 1 SACCO 1 18-Nov-87
153. KAMUKUNJI SACCO LTD 44809 NAIROBI 1 1 SACCO 1 11-Feb-88
154. NACICO HOUSING CS LTD. 3452 NAIROBI 1 1 HOUSING 1 6-May-88
155. BARICHO SACCO SOC LTD. 60323 NAIROBI 1 1 SACCO 1 20-Jun-88
156. MUTHAIGA DEVELOPMENT C S LTD 67089 NAIROBI 1 1 M' PURPOSE 1 19-Jul-88
157. JUA KALI AND KAZI COOP UNION 28407 NAIROBI 1 1 UNION 1 15-Aug-88
158. NGARA JUA KALI WOMEN 31848 NAIROBI 1 1 JUA KALI 1 6-Oct-88

159. RONGAI/NGONG FCS 52911 NAIROBI 7 30 M' PURPOSE 1 4-Nov-88
160. NEW NGARA ENTERPRICES SACCO 56082 NAIROBI 1 1 SACCO 1 9-Nov-88
161. PUMWANI YOUTH MUIT-PURPOSE 67090 NAIROBI 1 1 M' PURPOSE 1 13-Dec-88
162. PEPONI SACCO 53476 NAIROBI 1 1 SACCO 1 28-Feb-89
163. KENYA KIONDO & HANDCRAFT CS LT 43285 NAIROBI 1 1 CRAFTSMEN 1 22-Mar-89
164. TEMBO INVESTMENT CS LTD 30161 NAIROBI 1 1 MISCELLANEOUS 1 22-May-89
165. THE NAIROBI TEACHERS HOUSING C 52428 NAIROBI 1 1 HOUSING 1 18-Jul-89
166. KIBERA JUA-KALI & TRADES 11081 NAIROBI 1 1 JUA KALI 1 1-Aug-89
167. SPORTSVIEW CS & CS LTD 78072 NAIROBI 1 1 SACCO 1 7-Mar-90
168. MACADAMIA CS & CS LTD 52727 NAIROBI 1 1 SACCO 1 13-Mar-90
169. DAYSTAR MULTIPURPOSE CS LTD 44400 NAIROBI 4 84 M' PURPOSE 1 30-Aug-90
170. BALOZI HOUSING CS LTD 11539 NAIROBI 1 1 HOUSING 1 10-Sep-90
171. KENYATTA UNIVERSITY HOUSING CS 43844 NAIROBI 1 1 HOUSING 1 10-Sep-90
172. SCHOOL AVIATION CONSUMERS CS 26631 NAIROBI 1 1 CONSUMER 1 2-Aug-91
173. RHINO-SACCO LTD 67360 NAIROBI 1 1 SACCO 1 28-Jan-92
174. NJIRU QUARRY WORKERS CS LTD 6146 NAIROBI 1 1 QUARRY 1 12-Mar-92
175. TELECOMMUNICATION MANAGEMENT 30314 NAIROBI 1 1 HOUSING 1 17-Mar-92
176. WINDSOR GOLF CS & CS LTD 45587 NAIROBI 1 1 SACCO 1 21-Sep-92
177. CO-OPERATIVE BANK HOUSING CS L 48231 NAIROBI 1 1 HOUSING 1 19-Feb-93
178. OUTERING ROAD HOUSING CS LTD 0 NAIROBI 1 1 HOUSING 1 14-May-93
179. KENYA HERITAGE MUITPURPOSE SOC 5269 NAIROBI 1 1 M' PURPOSE 1 11-Aug-93
180. MAJI MAJI CO-OP SACCO LTD 18249 NAIROBI 1 1 SACCO 1 2-Sep-93
181. BELLE-VUE HOUSING CS LTD 8788 NAIROBI 1 1 HOUSING 1 23-Feb-94
182. MIMOSA SACCO LTD 58049 NAIROBI 1 1 SACCO 1 18-Apr-94
183. IMPALA STAFF SACCO LTD 41516 NAIROBI 1 1 SACCO 1 18-Apr-94
184. NCCK HOUSING CS LTD 45009 NAIROBI 1 1 HOUSING 1 28-Jun-94
185. KENYA INSURERS HOUSING 76017 NAIROBI 1 1 HOUSING 1 14-Nov-94
186. NAIROBI JUA KALI HOUSING 54273 NAIROBI 1 1 HOUSING 1 14-Nov-94
187. GROGAN JUA KALI SACCO 65555 NAIROBI 1 1 SACCO 1 6-Jan-95
188. KARIOKOR RESIDENTS HOUSING 8048 NAIROBI 1 1 HOUSING 1 25-Aug-95
189. RUHUMA HOUSING 7530 NAIROBI 1 1 HOUSING 1 19-Sep-95
190. K-REP HOUSING 39312 NAIROBI 1 1 HOUSING 1 10-Jan-96
191. MAENDELEO NAIROBI DISTRICT MUL 3147 NAIROBI 1 1 M' PURPOSE 1 4-Mar-96
192. KARIOBANGI SOUTH TIMBER HOUSIN 67782 NAIROBI 1 1 HOUSING 1 25-Mar-96
193. KAPA SACCO 18492 NAIROBI 1 1 SACCO 1 6-Jun-96
194. KENINDIA HOUSING CS & 44372 NAIROBI 1 1 HOUSING 1 20-Jun-96
195. SHIRIKA HOUSING CO. 43429 NAIROBI 1 1 HOUSING 1 19-Jul-96
196. BURUBURU HOUSING CO. 28686 NAIROBI 1 1 HOUSING 1 8-Aug-96
197. METRO POLITAN CS & 33080 NAIROBI 1 1 SACCO 1 6-Sep-96
198. SKYBLUE HOUSING CS & 47011 NAIROBI 1 1 HOUSING 1 10-Sep-96
199. JUHUNDI MULT-PURP. CO. 39557 NAIROBI 1 1 M' PURPOSE 1 15-Oct-96
200. MFANGANO INVESTMENT CO. SOC. 60651 NAIROBI 1 1 M' PURPOSE 1 25-Oct-96

201. ST.JAMES HOSPITAL SACCO 46024 NAIROBI 1 1 SACCO 1 13-Nov-96
202. NAIROBI UHURU ESTATE TENANTS H 51693 NBI 1 1 HOUSING 1 9-Jul-97
203. NAIROBI CURIO MARKETING 13074 NBI 1 1 CRAFTSMEN 1 18-Dec-97
204. ASILI HOUSING COOP. S. 49064 NAIROBI 1 1 SACCO 1 13-Jan-99
205. HAZINA ESTATE HOUSING 11918 NAIROBI 1 1 HOUSING 1 16-Mar-99
206. EQUATOR NURSING HOME SACCO 44995 NAIROBI 1 1 SACCO 1 13-Apr-99
207. BELLEVUE SACCO S. 41355 NAIROBI 1 1 SACCO 1 20-Apr-99
208. MU- KWANJENGA HOUSING COOP. 40051 NAIROBI 1 1 HOUSING 1 20-Apr-99
209. MTANGAZAJI SACCO SOCIETY 32364 NAIROBI 1 1 SACCO 1 22-Apr-99
210. FOREST VIEW HOUSING 51500 NAIROBI 1 1 HOUSING 1 7-May-99
211. MARION SCHOOL SACCO 72736 NAIROBI 1 1 SACCO 1 13-May-99
212. MATHARE NORTH AREA ONE SACCO 64631 NAIROBI 1 1 SACCO 1 14-Jun-99
213. EQUITY SACCO S. LTD 75104 NAIROBI 1 1 SACCO 1 25-Jun-99
214. GIKOMBA JUA KALI SACCO 13362 NAIROBI 1 1 SACCO 1 28-Oct-00
215. LONGHORN SACCO S. LTD 18033 NAIROBI 1 1 SACCO 1 19-Jul-99
216. ICPSK SACCO S. 46935 NAIROBI 1 1 SACCO 1 9-Aug-99
217. SIMLAW SACCO 40042 NAIROBI 1 1 SACCO 1 13-Aug-99
218. COLLEGE OF INSUARANCE SACCO S. 56928 NAIROBI 1 1 SACCO 1 13-Sep-99
219. WOODLEY HOUSING 61030 NAIROBI 1 1 HOUSING 1 4-Oct-99
220. INVESCO SACCO 12502 NAIROBI 1 1 SACCO 1 27-Oct-99
221. BROOKHOUSE SACCO NAIROBI 1 1 SACCO 1 27-Oct-99
222. JAMHURI ESTATE RESIDENTS SACCO 20422 NAIROBI 1 1 SACCO 1 2-Dec-99
223. KENYATTA MATIBABU SACCO S. 20723 NAIROBI 1 1 SACCO 1 14-Feb-00
224. HAMZA LUNGA LUNGA EASTLEIGH 1201 NAIROBI 1 1 SACCO 1 16-Mar-00
225. EVEREADY SECURITY SACCO 57333 NAIROBI 1 1 SACCO 1 17-May-00
226. KWETU HOUSING 1600 NAIROBI 1 1 HOUSING 1 3-Jul-00
227. BARAKA HOUSING CO-OP. SOC. LTD 79155 NAIROBI 1 1 HOUSING 1 13-Sep-00
228. SAFARICOM SACCO 46350 NAIROBI 1 1 SACCO 1 12-Mar-01
229. EMBAKASI JUA KALI SACCO SOC LTD 58526 NAIROBI 1 1 SACCO 1 19-Mar-01
230. SAMARITAN JOGOO RD M'PURPOSE 22236 NAIROBI 1 1 M' PURPOSE 1 25-May-01
231. OFAFA MARINGO HOUSING 69969 NAIROBI 1 1 HOUSING 1 13-Jun-01
232. PCEA NAIROBI WEST SACCO 61896 NAIROBI 1 1 SACCO 1 19-Sep-01
233. PINNACLE RANGI SACCO 13284 NAIROBI 1 1 SACCO 1 9-Jul-26
234. KAHAWA SUKARI MCS 11017 NAIROBI 1 1 M' PURPOSE 1 11-Oct-01
235. UMOJA WENDANI SACCO 54053 NAIROBI 1 1 SACCO 1 12-Nov-01
236. THE CUEA STAFF HOUSING 62157 NAIROBI 1 1 HOUSING 1 12-Mar-02
237. NAIROBI WOMENS HOSPITAL SACCO 10552 NAIROBI 1 1 SACCO 1 4-Dec-01
238. SUKARI HOUSING 51500 NAIROBI 1 1 HOUSING 1 22-Jul-02
239. FUMA M'PURPOSE CS NAIROBI 1 1 M' PURPOSE 1 28-Aug-02
240. KIBERA COMMUNITY SMALL TRADERS 5958 NAIROBI 1 1 SACCO 1 29-Aug-02
241. PARKROAD ESTATE HOUSING CO-OP 31654 NGARA NAIROBI 1 1 HOUSING 1 5-Sep-02
242. KAHAWA TRADERS SACCO NAIROBI 1 1 SACCO 1 13-Sep-02

243. NARUGI DEVELOPMENT SACCO NAIROBI 1 1 SACCO 1 25-Sep-02

244. JISHINDE USHUNDE HOUSING NAIROBI 1 1 HOUSING 1 28-Oct-02

245. KIBERA NYAYO HIGHRISE HOUSING NAIROBI 1 1 HOUSING 1 29-Oct-02

246. KAYOLE NISSAN OWNERS SACCO 246400200 NAIROBI 1 1 SACCO 1 22-Jan-03

247. GITHURAI 44 NISSAN TEAM SACCO 65043 NAIROBI 1 1 SACCO 1 27-Feb-03

248. MOTO MOTO M'PURPOSE 4465-GPO NAIROBI 1 1 M' PURPOSE 1 6-Mar-03

249. AMREF HOUSING NAIROBI 1 1 HOUSING 1

250. KENYATTA UNIVERSITY BOMA HOUSING CO-OP.S4O3C8.4L4TDNAIROBI 1 1

251. ORTHODOX DEV.SACCO 8985 NAIROBI-00100 1 1 SACCO 1 20-May-03

252. JITEGEMEA SACCO 46514 NAIROBI-00100 1 1 SACCO 1 30-May-03

253. UKULIMA STAFF HOUSING 44071 NAIROBI 1 1 HOUSING 1 17-Jul-03

254. RUAI TRANSPORT SACCO 57982 NAIROBI 1 1 M'SACCO 1 23-Jul-03

255. WAZIMA MOTO SACCO 25686 NAIROBI-00603 1 1 SACCO 1 28-Aug-03

256. PCEA LANGATA PARISH 26780 NAIROBI 1 1 SACCO 1 22-Sep-03

257. KIBERA LANDLORDS M'PURPOSE 15325 NAIROBI-00100 1 1 M' PURPOSE 1 30-Sep-2003

258. TRAINSERVE SACCO 42656 NAIROBI 1 1 SACCO 1 30-Oct-03

259. EASTLAND 8B TRANSPORT SACCO 35376 NAIROBI 1 1 M'SACCO 1 19-Nov-03

260. ONGATA RONGAI BUSINESS SACCO 68063 NAIROBI 7 30 SACCO 1 19-Nov-03

261. ROUTE SEVEN (7) SACCO 1504 NAIROBI-00200 1 1 M'SACCO 1 18-Nov-03

262. SUNTRA INVESTMENT CS 74016 NAIROBI-00200 1 1 INVESTMENT 1 22-Dec-04

263. INVESTEK INVESTMENT 46671 NAIROBI-00100 1 1 INVESTMENT 1 22-Dec-04

264. BARAKA EPZ SACCO 9959 NAIROBI-00100 1 1 SACCO 1 20-Apr-04