

KENYA NATIONAL CONGRESS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2020

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2020

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PARTY'S INFORMATION

NATIONAL EXECUTIVE COUNCIL

Onesmus Mbali

Chairman

Ogembo Masese

National Secretary General

REGISTERED OFFICE:

KENYA NATIONAL CONGRESS,
Arcade House, 1st Flr RM108
P. O Box-76651-00508,
Nairobi.

BANKERS

Equity Bank Limited
Queensway Branch
Nairobi.

Statement of Party Officials Responsibilities

The Political Parties Act 2012 requires the Party Officials to prepare financial statements which give a true and fair view of the state of affairs of the Party as at the end of its operating results for that year. It also requires that Party Officials ensure that the Party maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Party.

The Party officials accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, and also in conformity with International Financial Reporting Standards and the requirements of the Political Parties Act 2012. The Party Officials are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the party as at 30th June 2020 and of its operating results for the period then ended.

The Party Officials further accept responsibility for the maintenance of the accounting records which have been relied upon in the preparation of the financial statements as well as on the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the Party Officials to indicate that the party will not be a going concern for at least the next twelve months from the date of this statement.

This statement is approved by the Party Officials and signed on their behalf by:

Chairman

Secretary General

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STATEMENT OF RECEIPTS AND EXPENDITURE

	NOTES	<u>2020</u> <u>Kshs</u>	<u>2019</u> <u>Kshs</u>
RECEIPTS	7	3,120,276	3,134,818
EXPENDITURE			
Administrative Expenses	8	2,618,246	2,588,123
Party Policy & Advocacy	9	624,600	534,690
Surplus/ (Deficit)/ for the year		<u>(122,570)</u>	<u>12,005</u>

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STATEMENT OF ASSETS AND LIABILITIES

	Notes	<u>2020</u> Kshs	<u>2019</u> Kshs
Non Current Assets			
Property Plant and Equipment	2	782,025	919,263
		<u>782,025</u>	<u>919,263</u>
Current Assets			
Debtors & Prepayments	3	432,800	432,800
Cash & Bank Balances	4	41,610	26,942
Total Current Assets		<u>474,410</u>	<u>459,742</u>
Current Liabilities			
Creditors & Accruals	5	450,000	450,000
Total Current Liabilities		<u>450,000</u>	<u>450,000</u>
Net Current Assets		<u>24,410</u>	<u>9,742</u>
		<u>806,435</u>	<u>929,005</u>
FINANCED BY:			
Accumulated Fund	6	806,435	929,005
		<u>806,435</u>	<u>929,005</u>

The Financial Statements were approved by the Party Officials onday of20.....and were signed on its behalf by:

Chairman
National Secretary General
Treasurer

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ACCUMULATED FUND STATEMENT

	<u>2020</u> <u>Kshs</u>	<u>2019</u> <u>Kshs</u>
	Accumulated Fund	Accumulated Fund
As At 1st January	929,005	917,000
Surplus/ (Deficit) for the year	(122,570)	12,005
Accumulated Funds as at 30th June	<u>806,435</u>	<u>929,005</u>

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STATEMENT OF CASH FLOWS

	Note	2020	2019
		Kshs	Kshs
Surplus/ (deficit) for the year		(122,570)	12,005
Adjustments for Non Cash Movements			
Add: Depreciation		137,238	167,780
Changes in Working Capital			
Debtors & Prepayments	3	-	-
Creditors & Accruals	5	-	(210,000)
Net cash flows from operating activities		14,668	(30,215)
Cash flows from operating activities			
Property & Equipment	2	-	-
Cash generated from Investing Activities		-	-
Cash Generated from Financing Activities			
Cash flows from Financing Activities		-	-
Net Changes in Cash & Cash Equivalents		14,668	(30,215)
Cash & Cash Equivalents as at 1st July 2017		26,942	57,157
Cash and Cash equivalents as at 30th June 2018		41,610	26,942

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

Basis of Accounting

The financial statements have been prepared under the historical cost convention . The principal accounting policies adopted remain unchanged from the previous year and are set out below:

Currency

The accounts are prepared in Kenya Shillings (Kshs) which is the official currency of the Republic of Kenya

Accounting period

The party prepares its accounts for 12 months period ending 30th June every year.

Fund Recognition

Income represents membership fees from party members and disbursement from the registrar of political parties during the period.

Country of Incorporation and Registered Office

The Political Party is registered in Kenya, under the Political Party's Act and domiciled in Kenya.

Principal Activity

The Party deals with recruitment of party members

Translation of Foreign Currencies

Assets and Liabilities at the statement of Financial Position date which are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at that date.

Cash & Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand and deposits held at call with banks.

ACCOUNTING POLICIES-CONTINUATION

CRITICAL JUDGEMENTS & ESTIMATES

In the process of applying party's accounting policies, the party officials have made estimates and assumptions that affect the reported amounts and of assets and liabilities within the next financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances as disclosed below;

Property and Equivalent

Critical estimates are made by the Party Officials in determining the useful lives and depreciation rates for the property and equipments.

Fair Values

The National Executive Council consider that there is no material difference between the fair value and carrying value of the Party's financial assets and liabilities where fair value details have not been presented.

Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated on reducing balance method to write off the cost of the assets over their expected useful lives

Depreciation rates applicable

Furniture & Fittings	12.50%
Computers	30.00%
Office Equipment	12.50%

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NOTES CONTINUED

2. PROPERTY, PLANT & EQUIPMENT	Furniture & Fittings Kshs.	Computers Kshs.	Office Equipment Kshs.	Total Kshs.
YEAR ENDED 30TH JUNE 2019				
COST/VALUATION				
As at 1st July 2018	2,319,873	565,160	314,995	3,200,028
Additions	-	-	-	-
As at 30th June 2019	2,319,873	565,160	314,995	3,200,028
YEAR ENDED 30TH JUNE 2020				
COST/VALUATION				
As at 1st July 2019	2,319,873	565,160	314,995	3,200,028
Additions	-	-	-	-
As at 30th June 2020	2,319,873	565,160	314,995	3,200,028
YEAR ENDED 30.06.2019				
DEPRECIATION				
1st of July 2018	1,512,041	382,876	218,068	2,112,985
Charge for the year	100,979	54,685	12,116	167,780
	1,613,020	437,561	230,184	2,280,766
YEAR ENDED 30.06.2020				
DEPRECIATION				
1st of July 2019	1,613,020	437,561	230,184	2,280,766
Charge for the year	88,357	38,280	10,601	137,238
	1,701,377	475,841	240,785	2,418,003
NET BOOK VALUE				
As At 30th June 2020	618,496	89,319	74,210	782,025
As At 30th June 2019	706,853	127,599	84,811	919,263

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NOTES CONTINUED

	2020	2019
	Kshs	Kshs
3. Debtors and Prepayments		
Rent Deposit	400,300	400,300
Electricity Deposits	20,500	20,500
Water Deposits	12,000	12,000
	432,800	432,800
4. Cash & Bank Equivalents		
Equity Bank	26,310	43,957
Cash in Hand	15,300	13,200
	41,610	57,157
5. Creditors & Accruals		
Accountancy Fees	115,000	115,000
Accrued Rent	335,000	335,000
	450,000	450,000
6. Accumulated Fund		
As at 1st of July	929,005	917,000
Surplus for the year	(122,570)	12,005
As at 30th June	806,435	929,005
7. Income		
Donations/ Membership & Nomination fees	3,120,276	3,134,818
Registra of Societies	-	-
	3,120,276	3,134,818
8. Administrative Expenses		
Rent	1,270,012	1,270,012
Salaries	751,300	740,320
Electricity & Water	63,733	57,350
Printing & Stationery	73,582	69,641
Telephone, Postage & Internet	85,201	67,500
Repairs & Maintenance	53,800	40,000
Provision for Accountancy Fees	15,000	15,000
Licences & Permits	8,000	8,000
Bank Charges	17,350	6,790
Provision for Depreciation	137,238	167,780
Cleaning & Sanitation	125,730	125,730
Legal fees	17,300	20,000
	2,618,246	2,588,123

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	2020	2019
	Kshs	Kshs
9. Party Policy & Advocacy		
Transport reimbursement	72,300	35,070
Party rebranding & launching	65,300	50,000
Centre for MultiParty Democracy	70,000	70,000
Recruitment Drives	170,000	151,300
Security	152,000	152,000
Mobilization	95,000	76,320
	624,600	534,690