

**KENYA NATIONAL CONGRESS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2019**

**Kenya National Congress**  
**Report and Financial Statements**  
**For the year ended 30th June 2019**

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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 2019 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>2019</u>	<u>2018</u>
		<u>Kshs</u>	<u>Kshs</u>
<b>RECEIPTS</b>	7	3,134,818	2,940,348
<b>EXPENDITURE</b>			
Administrative Expenses	8	2,588,123	2,758,406
Party Policy & Advocacy	9	534,690	784,450
<b>Surplus/ (Deficit)/ for the year</b>		<u>12,005</u>	<u>(602,508)</u>

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**STATEMENT OF ASSETS AND LIABILITIES**

	Notes	<u>2019</u> Kshs	<u>2018</u> Kshs
<b>Non Current Assets</b>			
Property Plant and Equipment	2	919,263	1,087,043
		<u>919,263</u>	<u>1,087,043</u>
<b>Current Assets</b>			
Debtors & Prepayments	3	432,800	432,800
Cash & Bank Balances	4	26,942	57,157
<b>Total Current Assets</b>		<u>459,742</u>	<u>489,957</u>
<b>Current Liabilities</b>			
Creditors & Accruals	5	450,000	660,000
<b>Total Current Liabilities</b>		<u>450,000</u>	<u>660,000</u>
<b>Net Current Assets</b>		<u>9,742</u>	<u>(170,043)</u>
		<u>929,005</u>	<u>917,000</u>
<b>FINANCED BY:</b>			
Accumulated Fund	6	929,005	917,000
		<u>929,005</u>	<u>917,000</u>

The Financial Statements were approved by the Party Officials on .....day of .....20.....and were signed on its behalf by:

Chairman .....  
National Secretary General .....  
Treasurer .....

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**ACCUMULATED FUND STATEMENT**

	<u>2019</u> <u>Kshs</u>	<u>2018</u> <u>Kshs</u>
	<b>Accumulated</b> <b>Fund</b>	<b>Accumulated</b> <b>Fund</b>
As At 1st January	917,000	1,519,508
Surplus/ (Deficit) for the year	12,005	(602,508)
<b>Accumulated Funds as at 30th June</b>	<u><b>929,005</b></u>	<u><b>917,000</b></u>

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**STATEMENT OF CASH FLOWS**

	Note	2019 Kshs	2018 Kshs
<b>Surplus/ (deficit) for the year</b>		12,005	(602,508)
Adjustments for Non Cash Movements			
Add: Depreciation		167,780	207,373
<b>Changes in Working Capital</b>			
Debtors & Prepayments	3	-	-
Creditors & Accruals	5	(210,000)	385,000
<b>Net cash flows from operating activities</b>		<b>(30,215)</b>	<b>(10,135)</b>
<b>Cash flows from operating activities</b>			
Property & Equipment	2	-	-
Cash generated from Investing Activities		-	-
<b>Cash Generated from Financing Activities</b>			
Cash flows from Financing Activities		-	-
<b>Net Changes in Cash &amp; Cash Equivalents</b>		<b>(30,215)</b>	<b>(10,135)</b>
Cash & Cash Equivalents as at 1st July 2017		57,157	67,292
<b>Cash and Cash equivalents as at 30th June 2018</b>		<b>26,942</b>	<b>57,157</b>

## **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**

<b>2. PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>Furniture &amp; Fittings Kshs.</b>	<b>Computers Kshs.</b>	<b>Office Equipment Kshs.</b>	<b>Total Kshs.</b>
<b>YEAR ENDED 30TH JUNE 2018</b>				
<b>COST/VALUATION</b>				
As at 1st July 2017	2,319,873	565,160	314,995	3,200,028
Additions	-	-	-	-
<b>As at 30th June 2018</b>	<b>2,319,873</b>	<b>565,160</b>	<b>314,995</b>	<b>3,200,028</b>
<b>YEAR ENDED 30TH JUNE 2019</b>				
<b>COST/VALUATION</b>				
As at 1st July 2018	2,319,873	565,160	314,995	3,200,028
Additions	-	-	-	-
<b>As at 30th June 2019</b>	<b>2,319,873</b>	<b>565,160</b>	<b>314,995</b>	<b>3,200,028</b>
<b>YEAR ENDED 30.06.2018</b>				
<b>DEPRECIATION</b>				
1st of July 2017	1,396,637	304,754	204,221	1,905,613
Charge for the year	115,405	78,122	13,847	207,373
	<b>1,512,041</b>	<b>382,876</b>	<b>218,068</b>	<b>2,112,985</b>
<b>YEAR ENDED 30.06.2019</b>				
<b>DEPRECIATION</b>				
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
	<b>1,613,020</b>	<b>437,561</b>	<b>230,184</b>	<b>2,280,766</b>
<b>NET BOOK VALUE</b>				
<b>As At 30th June 2019</b>	<b>706,853</b>	<b>127,599</b>	<b>84,811</b>	<b>919,263</b>
<b>As At 30th June 2018</b>	<b>807,832</b>	<b>182,284</b>	<b>96,927</b>	<b>1,087,043</b>

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	<b>2019</b>	<b>2018</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>3. Debtors and Prepayments</b>		
Rent Deposit	400,300	400,300
Electricity Deposits	20,500	20,500
Water Deposits	12,000	12,000
	<b>432,800</b>	<b>432,800</b>
<b>4. Cash &amp; Bank Equivalents</b>		
Equity Bank	13,742	43,957
Cash in Hand	13,200	13,200
	<b>26,942</b>	<b>57,157</b>
<b>5. Creditors &amp; Accruals</b>		
Accountancy Fees	115,000	325,000
Accrued Rent	335,000	335,000
	<b>450,000</b>	<b>660,000</b>
<b>6. Accumulated Fund</b>		
As at 1st of July	917,000	1,519,508
Surplus for the year	12,005	(602,508)
As at 30th June	<b>929,005</b>	<b>917,000</b>
<b>7. Income</b>		
Donations/ Membership & Nomination fees	3,134,818	2,940,348
Registra of Societies	-	-
	<b>3,134,818</b>	<b>2,940,348</b>
<b>8. Administrative Expenses</b>		
Rent	1,270,012	1,270,012
Salaries	740,320	732,500
Electricity & Water	57,350	63,733
Printing & Stationery	69,641	73,582
Telephone, Postage & Internet	67,500	85,201
Repairs & Maintenance	40,000	53,800
Provision for Accountancy Fees	15,000	120,000
Licences & Permits	8,000	8,000
Bank Charges	6,790	13,475
Provision for Depreciation	167,780	207,373
Cleaning & Sanitation	125,730	125,730
Legal fees	20,000	5,000
	<b>2,588,123</b>	<b>2,758,406</b>

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	<b>2019</b>	<b>2018</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>9. Party Policy &amp; Advocacy</b>		
Transport reimbursement	35,070	73,500
Party rebranding & launching	50,000	120,000
Centre for MultiParty Democracy	70,000	50,000
Recruitment Drives	151,300	253,500
Security	152,000	152,000
Mobilization	76,320	135,450
	<b>534,690</b>	<b>784,450</b>