

KENYA NATIONAL CONGRESS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2018

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2018

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***Kenya National Congress
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For the year ended 30th June 2018***

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 2018 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>2018</u> <u>Kshs</u>	<u>2017</u> <u>Kshs</u>
RECEIPTS	7	2,940,348	6,918,606
EXPENDITURE			
Administrative Expenses	8	2,758,406	4,564,679
Party Policy & Advocacy	9	784,450	2,225,853
Surplus/ (Deficit)/ for the year		<u>(602,508)</u>	<u>128,074</u>

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STATEMENT OF ASSETS AND LIABILITIES

	Notes	<u>2018</u> <u>Kshs</u>	<u>2017</u> <u>Kshs</u>
Non Current Assets			
Property Plant and Equipment	2	1,087,043	1,294,416
		<u>1,087,043</u>	<u>1,294,416</u>
Current Assets			
Debtors & Prepayments	3	432,800	432,800
Cash & Bank Balances	4	57,157	67,292
Total Current Assets		<u>489,957</u>	<u>500,092</u>
Current Liabilities			
Creditors & Accruals	5	660,000	275,000
Total Current Liabilities		<u>660,000</u>	<u>275,000</u>
Net Current Assets		<u>(170,043)</u>	<u>225,092</u>
		<u>917,000</u>	<u>1,519,508</u>
FINANCED BY:			
Accumulated Fund	6	917,000	1,519,508
		<u>917,000</u>	<u>1,519,508</u>

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

Chairman
 National Secretary General
 Treasurer

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ACCUMULATED FUND STATEMENT

	<u>2018</u> <u>Kshs</u>	<u>2017</u> <u>Kshs</u>
	Accumulated Fund	Accumulated Fund
As At 1st January	1,519,508	1,391,434
Surplus/ (Deficit) for the year	(602,508)	128,074
Accumulated Funds as at 30th June	<u>917,000</u>	<u>1,519,508</u>

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STATEMENT OF CASH FLOWS

	<u>Note</u>	<u>2018</u> <u>Kshs</u>	<u>2017</u> <u>Kshs</u>
Surplus/ (deficit) for the year		(602,508)	128,074
Adjustments for Non Cash Movements			
Add: Depreciation		<u>207,373</u>	<u>259,318</u>
Changes in Working Capital			
Debtors & Prepayments	3	-	(63,500)
Creditors & Accruals	5	<u>385,000</u>	<u>50,000</u>
Net cash flows from operating activities		(10,135)	373,892
Cash flows from operating activities			
Property & Equipment	2	<u>-</u>	<u>(339,000)</u>
Cash generated from Investing Activities		-	(339,000)
Cash Generated from Financing Activities			
Cash flows from Financing Activities		<u>-</u>	<u>-</u>
		-	-
Net Changes in Cash & Cash Equivalents		(10,135)	34,892
Cash & Cash Equivalents as at 1st July 2017		67,292	32,400
Cash and Cash equivalents as at 30th June 2018		57,157	67,292

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 2017				
COST/VALUATION				
As at 1st July 2016	2,319,873	226,160	314,995	2,861,028
Additions	-	339,000	-	339,000
As at 30th June 2017	2,319,873	565,160	314,995	3,200,028
YEAR ENDED 30TH JUNE 2018				
COST/VALUATION				
As at 1st July 2017	2,319,873	565,160	314,995	3,200,028
Additions	-	-	-	-
As at 30th June 2018	2,319,873	565,160	314,995	3,200,028
YEAR ENDED 30.06.2017				
DEPRECIATION				
1st of July 2016	1,264,746	193,152	188,397	1,646,294
Charge for the year	131,891	111,602	15,825	259,318
	1,396,637	304,754	204,221	1,905,613
YEAR ENDED 30.06.2018				
DEPRECIATION				
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
	1,512,041	382,876	218,068	2,112,985
NET BOOK VALUE				
As At 30th June 2018	807,832	182,284	96,927	1,087,043
As At 30th June 2017	923,236	260,406	110,774	1,294,416

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NOTES CONTINUED

	2018	2017
	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	43,957	10,082
Cash in Hand	13,200	57,210
	57,157	67,292
5. Creditors & Accruals		
Accountancy Fees	325,000	275,000
Accrued Rent	335,000	-
	660,000	275,000
6. Accumulated Fund		
As at 1st of July	1,519,508	1,391,434
Surplus for the year	(602,508)	128,074
As at 30th June	917,000	1,519,508
7. Income		
Donations/ Membership & Nomination fees	2,940,348	6,918,606
Registra of Societies	-	-
	2,940,348	6,918,606
8. Administrative Expenses		
Rent	1,270,012	1,331,001
Salaries	732,500	2,133,000
Electricity & Water	63,733	73,201
Printing & Stationery	73,582	295,010
Telephone, Postage & Internet	85,201	93,014
Repairs & Maintenance	53,800	36,700
Provision for Accountancy Fees	120,000	120,000
Licences & Permits	8,000	8,000
Bank Charges	13,475	24,235
Provision for Depreciation	207,373	259,318
Cleaning & Sanitation	125,730	146,200
Legal fees	5,000	45,000
	2,758,406	4,564,679

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NOTES CONTINUED

	2018	2017
	Kshs	Kshs
9. Party Policy & Advocacy		
Transport reimbursement	73,500	118,401
Party rebranding & launching	120,000	668,750
Centre for MultiParty Democracy	50,000	50,000
Recruitment Drives	253,500	460,000
Security	152,000	204,701
Mobilization	135,450	724,001
	784,450	2,225,853