

KENYA NATIONAL CONGRESS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2014

***Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014***

CONTENTS	PAGE
Party's Information	2
Statement of Party Officials Responsibility	3
Statement of Receipts & Expenditure	4
Statement of Assets and Liabilities	5
Accumulated Fund Statement	6
Statement of Cash flows	7
Notes to the Financial Statements	8-11

***Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014***

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 2014 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

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014

STATEMENT OF RECEIPTS AND EXPENDITURE

	NOTES	<u>2014</u> <u>Kshs</u>	<u>2013</u> <u>Kshs</u>
RECEIPTS	7	3,839,448	15,416,876
EXPENDITURE			
Administrative Expenses	8	3,900,313	6,255,510
Party Policy & Advocacy	9	1,178,125	7,469,865
Surplus/ (Deficit)/ for the year		<u>(1,238,990)</u>	<u>1,691,501</u>

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014

STATEMENT OF ASSETS AND LIABILITIES

	Notes	2014 Kshs	2013 Kshs
Non Current Assets			
Property Plant and Equipment	2	1,610,842	1,304,327
		1,610,842	1,304,327
Current Assets			
Debtors & Prepayments	3	860,000	82,500
Cash & Bank Balances	4	347,390	6,868,886
Total Current Assets		1,207,390	6,951,386
Current Liabilities			
Creditors & Accruals	5	465,000	4,683,491
Total Current Liabilities		465,000	4,683,491
Net Current Assets		742,390	2,267,895
		2,353,232	3,572,222
FINANCED BY:			
Accumulated Fund	6	2,333,232	3,572,222
		2,333,232	3,572,222

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

Chairman
National Secretary General
Treasurer

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014

ACCUMULATED FUND STATEMENT

	<u>2014</u> <u>Kshs</u>	<u>2013</u> <u>Kshs</u>
	Accumulated Fund	Accumulated Fund
As At 1st January	3,572,222	1,880,721
Surplus/ (Deficit) for the year	(1,238,990)	1,691,501
Accumulated Funds as at 30th June	<u>2,333,232</u>	<u>3,572,222</u>

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014

STATEMENT OF CASH FLOWS

	Note	2014 Kshs	2013 Kshs
Surplus/ (deficit) for the year		(1,238,990)	1,691,501
Adjustments for Non Cash Movements			
Add: Depreciation		249,367	203,539
Changes in Working Capital			
Debtors & Prepayments	3	(777,500)	-
Creditors & Accruals	5	(4,218,491)	4,653,491
Net cash flows from operating activities		(5,985,614)	6,548,531
Cash flows from operating activities			
Property & Equipment	2	(555,883)	(44,995)
Cash generated from Investing Activities		(555,883)	(44,995)
Cash Generated from Financing Activities			
Cash flows from Financing Activities		-	-
Net Changes in Cash & Cash Equivalents		(6,541,497)	6,503,536
Cash & Cash Equivalents as at 1st July 2013		6,868,887	365,351
Cash and Cash equivalents as at 30th June 2014		327,390	6,868,887

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%

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014

NOTES CONTINUED

2. PROPERTY, PLANT & EQUIPMENT	Furniture & Fittings Kshs.	Computers Kshs.	Office Equipment Kshs.	Total Kshs.
YEAR ENDED 30TH JUNE 2013				
COST/VALUATION				
As at 1st July 2012	1,800,000	160,150	300,000	2,260,150
Additions	-	30,000	14,995	44,995
As at 30th June 2013	1,800,000	190,150	314,995	2,305,145
YEAR ENDED 30TH JUNE 2014				
COST/VALUATION				
As at 1st July 2013	1,800,000	190,150	314,995	2,305,145
Additions	519,873	36,010	-	555,883
As at 30th June 2014	2,319,873	226,160	314,995	2,861,028
YEAR ENDED 30.06.2013				
DEPRECIATION				
1st of July 2012	594,141	104,116	99,023	797,280
Charge for the year	150,732	25,810	26,997	203,539
	744,873	129,926	126,020	1,000,819
YEAR ENDED 30.06.2014				
DEPRECIATION				
1st of July 2013	744,873	129,926	126,020	1,000,819
Charge for the year	196,875	28,870	23,622	249,367
	941,748	158,796	149,642	1,250,186
NET BOOK VALUE				
As At 30th June 2014	1,378,125	67,364	165,353	1,610,842
As At 30th June 2013	1,055,127	60,224	188,975	1,304,326

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014

NOTES CONTINUED

	2014	2013
	Kshs	Kshs
3. Debtors and Prepayments		
Rent Deposit	812,500	75,000
Electricity Deposits	35,000	5,000
Water Deposits	12,500	2,500
	860,000	82,500
4. Cash & Bank Equivalents		
Barclays Bank of Kenya	-	63,013
Cooperative Bank of Kenya	-	66,025
Equity Bank	344,990	38,624
Cash in Hand	2,400	6,702,224
	347,390	6,869,886
5. Creditors & Accruals		
Accountancy Fees	125,000	100,000
Accrued Rent	340,000	294,500
Creditors	-	4,288,991
	465,000	4,683,491
6. Accumulated Fund		
As at 1st of July	3,572,222	1,880,721
Surplus for the year	(1,238,990)	1,691,501
As at 30th June	2,333,232	3,572,222
7. Income		
Donations/ Membership & Nomination fees	3,839,448	13,768,454
Registra of Societies	-	1,648,422
	3,839,448	15,416,876
8. Administrative Expenses		
Rent	1,201,040	1,080,000
Salaries	1,401,540	2,221,000
Electricity & Water	87,210	102,481
Printing & Stationery	450,241	2,009,424
Telephone, Postage & Internet	97,200	196,350
Repairs & Maintenance	24,100	59,200
Provision for Accountancy Fees	100,000	100,000
Licences & Permits	8,000	2,200
Bank Charges	43,714	51,406
Provision for Depreciation	249,367	203,538
Cleaning & Sanitation	210,401	219,911
Legal fees	27,500	10,000
	3,900,313	6,255,510

Kenya National Congress
Report and Financial Statements
For the year ended 30th June 2014

NOTES CONTINUED

	2014	2013
	Kshs	Kshs
9. Party Policy & Advocacy		
Transport reimbursement	347,200	1,587,865
Party rebranding & launching	225,104	2,712,557
Centre for MultiParty Democracy	50,000	-
Recruitment Drives	215,701	416,528
Security	240,120	682,914
Mobilization	100,000	2,070,000
	1,178,125	7,469,864