

PEOPLES DEMOCRATIC PARTY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

PEOPLES DEMOCRATIC PARTY

Report and Financial Statements

For the year ended 30th June 2023

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The following does not form an integral part of these financial statements:

NATIONAL EXECUTIVE COUNCIL

Harrison Ouma

Chairman

Charles Oigara

Secretary General

INDEPENDENT AUDITORS

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084 - 00100
Nairobi,
Kenya.

REGISTERED OFFICE

Tetu Apartments, C1
Off Raph Bunche road
P.O. Box 13941 - 00100
Nairobi,
Kenya.

ENTITY BANKERS

Equity Bank Limited
Kisii Branch
Nairobi
Kenya

The Political Parties Act 2011 requires the Party Officials to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the party as at the end of the year and of its operating results for that year. It also requires the Party Officials to ensure that the party maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Party.

The Party Officials further accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Political Parties Act 2011. 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 2023 and of its operating results for the period then ended.

Nothing has come to the attention of the Party Officials to indicate that the party will not remain 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

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STATEMENT OF RECEIPTS AND EXPENDITURE

	Note	2023 Shs	2022 Shs
RECEIPTS	7	4,489,117	4,800,000
EXPENDITURE			
Administrative expenses	8	2,722,444	477,597
Party Policy & Advocacy	9	<u>1,666,392</u>	<u>4,141,555</u>
Surplus/ (Deficit) for the year		<u>100,282</u>	<u>180,848</u>

STATEMENT OF ASSETS AND LIABILITIES

	Note	2023 Shs	2022 Shs
Non-current assets			
Property, plant and equipment	10	1,068,070	269,101
		<u>1,068,070</u>	<u>269,101</u>
Current assets			
Debtors & Prepayments	12	687,720	1,236,000
Cash at bank and in hand	13	102,015	1,523
		<u>789,735</u>	<u>1,237,523</u>
Current liabilities			
Creditors & Accruals	14	469,510	218,610
		<u>320,225</u>	<u>1,018,913</u>
Net current (liabilities)		<u>1,388,295</u>	<u>1,288,013</u>
FINANCED BY			
Accumulated Fund	8	1,388,295	1,288,013
		<u>1,388,295</u>	<u>1,288,013</u>

The financial Statements were approved for issue by the Party Officials on...../...../20.... and were signed on its behalf by:

Chairman
 National Secretary
 Treasurer

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STATEMENT OF CHANGES IN EQUITY

	Note	2023 Shs	2022 Shs
At 1st January 2023		1,288,013	1,107,165
Surplus/(Deficit) for the year		<u>100,282</u>	<u>180,848</u>
At 31st December 2023		<u><u>1,388,295</u></u>	<u><u>1,288,013</u></u>

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STATEMENT OF CASHFLOWS

	Note	2023 Shs	2022 Shs
Cash flows from operating activities			
Surplus/ (Deficit) for the year		100,282	167,156
Adjustments for:			
Depreciation on property, plant and equipment	11	33,638	139,945
		<hr/>	<hr/>
Operating profit before working capital changes		133,919	307,101
Decrease / (increase) in:			
Debtors & Prepayments		548,280	-
Increase / (decrease) in:			
Creditors & Accruals		250,900	-
		<hr/>	<hr/>
		933,099	307,101
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(832,607)	-
Proceeds from sale of property, plant and equipment		-	-
Interest income	4	-	-
		<hr/>	<hr/>
Net cash (used in) investing activities		(832,607)	-
Cash flows from financing activities			
Loan to related party		-	(258,635)
		<hr/>	<hr/>
Net cash generated from financing activities		-	(258,635)
Net (decrease) in cash and cash equivalents		100,492	32,812
Cash and cash equivalents at 1st January		1,522	(31,290)
Cash and cash equivalents at 31st December	13	<hr/> 102,014	<hr/> 1,522

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Statement of Compliance

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

b) Basis of Accounting

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

i) Currency

The accounts are prepared in Kenya shillings(Kes) which is the official currency of the Republic of Kenya.

ii) Accounting Period

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

iii) Fund Recognition

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

c) Country of Incorporation and Registered Office

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

d) Principal Activity

The party deals with recruitment of party members.

e) Translation of Foreign Currencies

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

f) Cash and Cash Equivalents

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

ACCOUNTING POLICIES - CONTINUATION

g) Critical judgement and Estimates

In the process of applying party's accounting policies, the party officials have made estimates and assumptions that affect amounts and of assets and liabilities within the next financial period. Estimates and judgments 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;

h) Property and Equipment

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

i) Fair Values

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

j) 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

	<u>Rate - %</u>
Office equipment	12.5
Furniture & fittings	12.5
Computers, copiers & faxes	25

NOTES

2. Property, plant and equipment

	Furniture & fittings Shs 12.50%	Computers Shs 25%	Office Equipments Shs 12.50%	Total Shs
Year ended 30th June 2022				
COST / VALUATION				
As at 1st July 2022	188,270	-	80,830	269,100
Additions	149,468	479,784	203,355	832,607
Disposals	-	-	-	-
Depreciation charge	(23,534)	-	(10,104)	(33,638)
Closing carrying value	<u>314,204</u>	<u>479,784</u>	<u>274,081</u>	<u>1,068,070</u>
At 30th June 2023				
Cost as at 1st July 2022	430,320	-	290,316	720,636
Cost - Additions	149,468	479,784	203,355	832,607
Depreciation as at 1st January 2023	(242,050)	-	(209,486)	(451,536)
Depreciation charge for year	(23,534)	-	(10,104)	(33,638)
Net carrying value	<u>314,204</u>	<u>479,784</u>	<u>274,081</u>	<u>1,068,070</u>

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NOTES	2023 Shs	2022 Shs
3. Debtors and Prepayments		
Unpaid members contributions	407,320	1,236,000
Deposits & Prepayments	<u>280,400</u>	<u>-</u>
	<u>687,720</u>	<u>1,236,000</u>
4. Cash and Bank Equivalents		
Cash at Bank	86,579	1,523
Cash in Hand	<u>15,436</u>	<u>-</u>
	<u>102,015</u>	<u>1,523</u>
5. Trade and other payables		
Accrued Rent Payable	76,500	168,610
Accrued Expenses	<u>393,010</u>	<u>50,000</u>
	<u>469,510</u>	<u>450,000</u>
6. Accumulated Fund		
As at 1st of July	1,288,013	1,107,165
Surplus/(Deficit) for the year	<u>100,282</u>	<u>180,848</u>
As at 30th June	<u>1,388,295</u>	<u>1,288,013</u>
7. Income		
Public Contributions and Contribution	4,012,896	4,800,000
Political Party fund	<u>476,221</u>	<u>-</u>
	<u>4,489,117</u>	<u>4,800,000</u>
8. Administrative Expenses		
Rent	1,808,742	1,951,245
Salaries	485,600	400,000
Electricity & Water	33,871	21,091
Printing & Stationery	94,507	86,626
Telephone, Postage & Internet	82,110	63,220
Repairs & Maintenance	49,880	58,988
Provision for Accountancy Fees	50,000	50,000
Licences & Permits	-	
Bank Charges	11,634	42,335
Newspaper & Periodicals	39,962	43,800
Legal Fees	32,500	50,000
Depreciation	<u>33,638</u>	<u>61,537</u>
	<u>2,722,444</u>	<u>2,828,842</u>

NOTES CONTINUED

8. Party Policy & Advocacy

	2023	2022
Transport Reimbursement	342,800	258,960
Centre for MultiParty Democracy	463,159	399,700
Regional trainings and conference	545,657	486,945
Branch Training & Support	314,776	644,705
	<hr/> 1,666,392	<hr/> 1,790,310