



**PEOPLES DEMOCRATIC PARTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

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PARTY INFORMATION

ENTITY HEADQUARTERS

Tetu apartments
c1
Off raph Bunche road

AUDITORS

EAM Consulting
Certified Public Accountants,
P.O. Box 20417-00200
NAIROBI.

BANKERS

Cooperative Bank
P.O. Box 4318-00506
Nairobi

KEY ENTITY INFORMATION AND MANAGEMENT

MISSION

Peoples Democratic Party Mission is to transform Kenya from poor governance and poor Poverty into democratic ,prosperous,socially justand equitable society,through progressive economic,political,social Policies and programs.

VISION

Peoples Democratic Party Visionis to have a society in which each and every Kenyan is empowered to live in dignity and enjoy abundant economic prosperity, social justice and democratic rights.

KEY MANAGEMENT

The Entitys Day to day management is under the following key Organs.

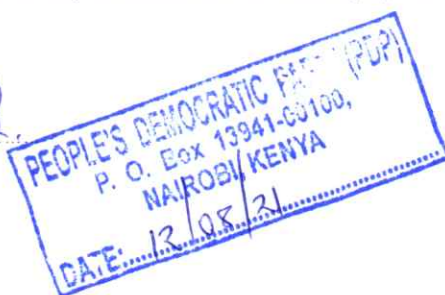
| | |
|-------------------|----------------------|
| Secretary General | Charles Oigara |
| Chairman | Harrison Ouma |
| Treasurer | Billiah Rodah Kebati |

REPORT OF THE CHIEF EXECUTIVE OFFICER

As per Political Parties Act 2011, political parties are required to prepare financial statements for Attached please find People Democratic Party Financial statements which is true and fair reflection of financial affairs and operating results of the party as at the end of the financial year ending 30th June 2021

This financial statement has been prepared in conformity with International Public Sector Accounting Standards. The party confirms the completeness of the Accounting records maintained for the party which, has been relied upon in the preparation of the Party Financial statements as well as adequacy of the systems of internal financial control.


SECRETARY GENERAL



REPORT OF NATIONAL EXECUTIVE COMMITTEE

The National executive Committee submit their report together with the audited financial statements for the year June 30, 2021 which show the state of the PDP Party

PRINCIPAL ACTIVITY

The principal activities of the entity are derived from the political parties Act 2011 is to promote active political participation by citizens with general view of assuring national values and principles enshrined in the constitution of Kenya.

RESULTS

The results of the company for the year are shown in the income and expenditure on page 5

DIVIDENDS/SURPLUS REMISSION

AUDITORS

Eam Consulting Certified Public Accountants, have indicated their willingness to continue in office in accordance with section 159 (2) of the Kenyan Companies Act.

SECRETARY GENERAL


PEOPLES DEMOCRATIC PARTY (PDP)
P. O. Box 13941-00100
Nairobi, KENYA
DATE: 13/08/21

STATEMENT OF NATIONAL EXECUTIVE COMMITTEES RESPONSIBILITIES

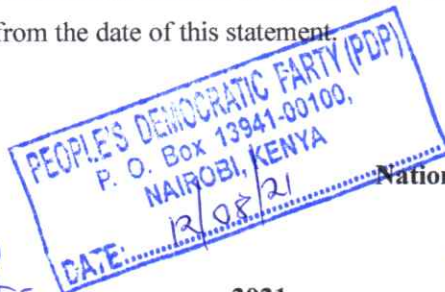
Section 81 of the PFM Act 2012 require the NEC to to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Party as at the end of the financial year and of the operating results of the Party for that year. It also requires the NEC to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the party.

The NEC accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable prudent judgements and estimates, in conformity with the International public Sector Reporting Standards and in the manner required by the PFM Act. 2012 The NEC are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. NEC further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the NEC to indicate that the Party will not remain a going concern in at least the next twelve months from the date of this statement.

Secretary General


.....2021



National Chairman


.....2021



REPORT OF THE AUDITORS

We have audited the financial statements of Peoples Democratic Party as set out on pages 5 to 15 which have been prepared on the basis of the accounting policies set out on page 9 and 10. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and to provide a reasonable basis of our opinion. The financial statements are in agreement with the books of account.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The National Executive Council are responsible for the preparation of the financial statements which give a true and fair view of the company's state of affairs and its operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit and report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with ISSAI 4000. Those standards require that we plan and perform our audit to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes an examination, on a test basis of evidence supporting the amounts and disclosures in the financial statements and the accounting policies used as well as an evaluation of the overall presentation of the financial statements.

OPINION

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the company's financial affairs as at 30th June 2021 and of its results and cashflows for the period then ended and comply with International public sector accounting Standards and political parties Act 2011.
CPA ELIAS AGUTA P/2485

EAM CONSULTING
Certified Public Accountants (K),
Nairobi.

12/08.....2021



STATEMENT OF FINANCIAL PERFORMANCE

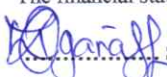
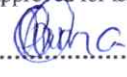
| | | 2021 | 2020 |
|------------------------------------|--------------|---------------|----------------|
| | Notes | KShs | KShs |
| Members Contribution and Donations | 1 | 2,759,250 | 3,249,250 |
| Employee Costs | 2 | (400,000) | (600,000) |
| General expense | 3 | (238,324) | (235,021) |
| Depreciation Expense | | (80,226) | (12,969) |
| Rent Paid | 4 | (1,951,245) | (1,951,245) |
| Finance Costs | 5 | (39,670) | (45,450) |
| Surplus /Deficit for the year | | 49,785 | 404,565 |

The notes on pages 9 to 15 form an integral part of the financial statements.

Report of the auditors - page 4.

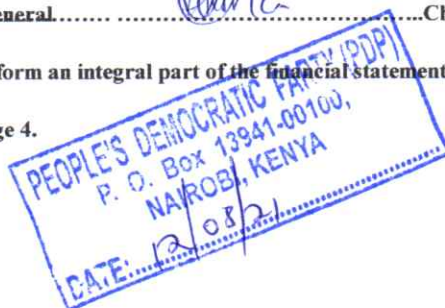
| STATEMENT OF FINANCIAL POSITION | | | | 2021 | 2020 |
|----------------------------------|--|-------|------------------|------|------------------|
| | | Notes | KShs | | KShs |
| NON- CURRENT ASSETS | | | | | |
| Property and equipment | | 11 | 330,638 | | 60,865 |
| | | | 330,638 | | 60,865 |
| CURRENT ASSETS | | | | | |
| Cash and bank balances | | 4 | 32,812 | | 19,461 |
| Receivables and other prepayment | | 5 | 993,715 | | 1,612,285 |
| | | | 1,026,527 | | 1,631,746 |
| TOTAL ASSETS | | | 1,357,165 | | 1,692,610 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | | 7 | 250,000 | | 635,230 |
| ACCUMULATED SURPLUS | | | 1,107,165 | | 1,057,380 |
| Net current assets | | | 1,357,165 | | 1,692,610 |

The financial statements on pages 3 to 15 were approved for issue by National executive committee

 Secretary General  Chairman

The notes on pages 9 to 13 form an integral part of the financial statements.

Report of the auditors - page 4.



| STATEMENT OF CHANGES IN NET ASSETS | | | | | | |
|---|--|--|--|------------------------------|--|---------------|
| | | | | Accummulated Fund Kshs | | Total Kshs |
| Year ended 30 JUNE 2020 | | | | | | |
| | | | | | | |
| At 1 JULY 2019 | | | | 652,816 | | 652,816 |
| | | | | - | | - |
| Surplus (Deficit) | | | | 404,565 | | 404,565 |
| | | | | | | |
| Year ended 30 JUNE 2020 | | | | 1,057,380 | | 1,057,380 |
| | | | | | | |
| | | | | | | |
| Year ended 30 JUNE 2021 | | | | | | |
| | | | | | | |
| At 1 JULY 2020 | | | | 1,057,380 | | 1,057,380 |
| Surplus (Deficit) | | | | 49,785 | | 49,785 |
| | | | | | | |
| Year ended 30 JUNE 2021 | | | | 1,107,165 | | 1,107,165 |
| | | | | | | |
| | | | | | | |
| The notes on pages 9 to 13 form an integral part of the financial statements. | | | | | | |
| | | | | | | |
| Report of the auditors - page 4. | | | | | | |

| STATEMENT OF CASH FLOW | | | |
|--|-------|--------------|--------------|
| | Notes | 2021 KShs | 2020 KShs |
| Cash flow from Operating Activities | | | |
| Cash generated from operations | | 363,351 | (334,638) |
| Net cash generated from | | 363,351 | (334,638) |
| Cash flow from investing activities | | | |
| Purchase fixed assets | | (349,990) | - |
| Net cash flow from investing activities | | (349,990) | - |
| Cash flow from financing activities | | | |
| Net cash flow from financing activities | | - | - |
| Decrease /increase in cash and cash equivalents | | 13,361 | (334,638) |
| Movement in cash and cash equivalents | | | |
| At start of year | | 19,451 | 354,089 |
| Decrease /increase in cash and cash equivalents | | 13,361 | (334,638) |
| At end of year | | 32,812 | 19,451 |

The notes on pages 9 to 13 form an integral part of the financial statements.

Report of the auditors - page 4.

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below:

a) Basis of preparation

The financial statements are prepared under the historical cost convention, and are in compliance with International Financial Reporting Standards.

b) Revenue recognition

Revenue represents the fair value of the consideration received or available for the sale investments and is stated net of rebates and discounts.

c) Equipment

All equipment is recognized at the cost less accumulated depreciation. Depreciation is calculated on the reducing balance basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

| | <u>Rate %</u> |
|-----------------------|---------------|
| Office equipments | 12.5% |
| Motor vehicles | 25% |
| Fixtures and fittings | 12.5% |
| Computers | 30.0% |

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Depreciation is charged fully on the year of purchase and no charge on the year of disposal.

d) Taxation

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet dated and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

NOTES TO THE FINANCIAL STATEMENTS

e) Impairment

The carrying amount of the companys' assets are reviewed at each balance sheet date to determine whether there is any indication of impairment . If such condition exist, the assets' recoverable amount is estimated and an impairment loss recognised whenever the carrying amount of an asset exceeds its recoverable

f) Receivables

Receivables are recognised initially at fair value. Subsequently, a provision for bad and doubtful debts is recognized in the profit and loss account in the year when the amount due as per the original terms is doubtful. Receivables not collectible are written off against the related provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account in the year of recovery.

g) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts and money market lines. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

h) Dividends

Dividends are recognised as a liability in the period in which they are declared. Proposed dividend are disclosed as a separate component of equity until declared.

i) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS

11. Equipment

| | Computer | Furniture and fittings | | Total |
|-----------------------|----------------|---------------------------|----------|----------------|
| Cost or valuation | KShs | KShs | | KShs |
| At start of year | 140,316 | 230,320 | | 370,636 |
| Additions | <u>150,000</u> | <u>200,000</u> | | <u>350,000</u> |
| At end of year | <u>290,316</u> | <u>430,320</u> | - | <u>720,636</u> |
| Depreciation | | | | |
| At start of year | 125,356 | 184,416 | | 309,772 |
| Charge for the year | <u>49,488</u> | <u>30,738</u> | | <u>80,226</u> |
| At end of year | <u>174,844</u> | <u>215,154</u> | - | <u>389,998</u> |
| Net book value | | | | |
| At end of year | <u>115,472</u> | <u>215,166</u> | <u>0</u> | <u>330,638</u> |
| At start of year | <u>14,960</u> | <u>45,904</u> | <u>0</u> | <u>60,864</u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | 2021 | 2020 |
|--|----------------|------------------|
| 6. Receivables and prepayment | KShs | KShs |
| unpaid Members contributions | 993,715 | 1,612,285 |
| 7. Payables and accrued expenses | | |
| Trade and other payables | 200,000 | 585,230 |
| Accrued expenses | 50,000 | 50,000 |
| | 250,000 | 635,230 |
| 8. NOTES TO CASH FLOW STATEMENT | | |
| (a) Reconciliation of operating profit/(loss) to cash generated from operations | | |
| Operating surplus | 49,785 | 404,565 |
| Adjustment for: | | |
| Prior year adjustments | | |
| Depreciation on property and equipment | 80,226 | 12,969 |
| Operating profit/(Loss) before working capital changes | 130,011 | 417,534 |
| <u>Increase (decrease) in working capital:</u> | | |
| Receivables | 618,570 | (73,303) |
| Payables and accruals | (385,230) | (678,869) |
| Cash generated from operations | 363,351 | (334,638) |

9. Country of incorporation

The Party is registered in Kenya under the political party Act and is resident in Kenya.

10. Currency

The financial statements are presented in Kenya Shillings (KShs.).

SCHEDULE OF INCOME AND EXPENDITURE

| | | 2021 | | 2020 | |
|-----------|--|-------------|------------------|-------------|------------------|
| | | KShs | | KShs | |
| 1. | Public Contribution & Donations | | | | |
| | Membership Fees | | 70,000 | | 100,000 |
| | Membership contributions | | 581,450 | | 581,450 |
| | Nomination Fees | | 40,000 | | - |
| | Contribution from Members | | 2,067,800 | | 2,567,800 |
| | Total | | 2,759,250 | | 3,249,250 |
| 2. | EMPLOYEE COSTS | | | | |
| | Salaries and wages | | 400,000 | | 600,000 |
| | Staff Welfare | | - | | - |
| | Total | | 400,000 | | 600,000 |
| 3. | GENERAL EXPENSES | | | | |
| | Printing and stationery | | 15,510 | | 12,121 |
| | Postage, telephone and internet | | 50,000 | | 43,550 |
| | Electricity and water | | 21,234 | | 23,230 |
| | Audit fees | | 50,000 | | 50,000 |
| | Legal fees | | 25,000 | | 20,000 |
| | Newspapers and periodicals | | 43,800 | | 43,800 |
| | General Office expense | | 32,780 | | 42,320 |
| | Total General Expenses | | 238,324 | | 235,021 |
| 4. | RENT PAID | | | | |
| | PDP Headquarters | | 1,320,000 | | 1,320,000 |
| | County Offices | | 631,245 | | 631,245 |
| | Total | | 1,951,245 | | 1,951,245 |
| 5. | Finance costs | | | | |
| | Bank charges | | 39,670 | | 45,450 |
| | Interest on loans | | - | | - |
| | Total | | 39,670 | | 45,450 |