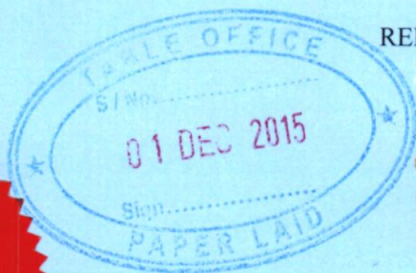


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

**PARLIAMENT
OF KENYA
LIBRARY**

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
THE NATIONAL ALLIANCE**

**FOR THE YEAR ENDED
30 JUNE 2013**



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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL ALLIANCE FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of The National Alliance set out on pages 5 to 15, which comprise statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 31 (3) Political Parties Act, 2011. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 31 (2) of the Political Parties Act, 2011.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 31 (3) of Political Parties Act, 2011 and submit the audit report in compliance with Article 229 (7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the party's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

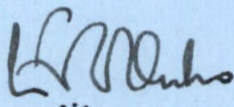
Accuracy of the Financial Statements

The financial statements presented for audit review for the year ended 30 June 2013 includes comparative figures in the statement of income and expenditure, the statement of financial position and statement of cash flows.

However, the cash flow statement reflects balance brought forward of Kshs.53,000 which has not been accounted for in the balance of Kshs.71,148 as at 30 June 2013.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The National Alliance as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards and comply with the Political Parties Act, 2011.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

1 October 2015



THE NATIONAL ALLIANCE

(TNA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE

2013

THE NATIONAL ALLIANCE (TNA)

FINANCIAL STATEMENTS FOR THE YEAR 2012/2013



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Statement of Financial Position.....	pg 6.
Statement of changes in Equity.....	pg.7
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Notes forming part of the financial statements.....	pg.9-15.



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THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

The Executive Members of The National Alliance Present their report for the year ended 31 June 2013, which discloses the state of affairs of The National Alliance (TNA).

PARTY INFORMATION

1. PRINCIPAL OBJECTIVE

The National Alliance (TNA) is a Political Party registered in Kenya with the embodiment of the vision for a better Kenya, and vehicle for its actualization.

2. REGISTERED OFFICE.

THE NATIONAL ALLIANCE-TNA.

P.O. BOX 13913-00800

NAIROBI.

PROMISO SACCO PLAZA, JOGOO ROAD.

3. EXCECUTIVE NATIONAL OFFICIALS

Mr. Johnson Sakaja -Chairman

Mr. George Onyango Oloo -Secretary General

Ms. Wambui Gichuru -National Treasurer

4. BANKERS

Co-operative Bank of Kenya

-Parliament Road, Nairobi

Equity Bank of Kenya

5. INDEPENDENT AUDITORS

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. BOX 30084

GPO 00100

Nairobi, Kenya.

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

The Executive Members are required to prepare financial statement 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 the result of its operations for the year ended. In preparing those financial statements the Executive members are required to:

- Select suitable accounting policies and then apply them consistently
- Make adjustments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the Party will continue in operation.

The Executive Members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Party and enable them to ensure that the financial statements comply with international Financial Reporting Standards and Political Party's Act. It is responsible for the safeguarding of the assets of the Party and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Members accept responsibility for the annual financial statements set out on this booklet which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments, and estimates, in conformity with International Financial Reporting Standards and comply with the Political party's Act.

A handwritten signature in blue ink, appearing to read 'Johnson Saka', written over a horizontal line.

CHAIRMAN
JOHNSON SAKAJA

A handwritten signature in blue ink, appearing to read 'Onyango Oloo', written over a horizontal line.

SECRETARY GENERAL
ONYANGO OLOO

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE (TNA)
FINANCIAL STATEMENTS
for the year ended 30 June 2013

Statement of Comprehensive Income.

	Note	2013 30-Jun shs	2012 30-Jun shs
Income			-
Membership Fee	8	59,938,748	510,000
Contributions From Members	8	20,031,000	1,500,000
Nomination Fees	8	114,207,500	-
Donations from Well - Wishers	8	151,368,945	3,000,000
Gross Income		<u>345,546,193</u>	<u>5,010,000</u>
Recurrent expenditure			
Administrative costs	9	14,908,631	1,637,800
Operating Cost	10	279,562,983	2,943,350
Finance Cost	11	3,621,716	8,050
Staff costs	12	60,035,829	500,000
Depreciation	3	6,270,359	113,807
Total Expenditure		<u>364,399,518</u>	<u>5,203,007</u>
Surplus/Deficit		(18,853,325)	(193,007)
Capital Expenditures			
Net Surplus/Deficit		<u>(18,853,325)</u>	<u>(193,006.69)</u>

Notes attached hereto form part of these accounts

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE-TNA
FINANCIAL STATEMENTS
for the year ended 30 June 2013

Statements of Financial Position

	Notes	2013 30-Jun shs	2012 30-Jun shs
ASSETS			
Non-current assets			
Property, plant and equipment	3	21,329,716	559,221
Current assets			
Receivables	4	348,500	5,753,906
Cash and bank balances	6	71,148	53,000
		<u>419,648</u>	<u>6,366,127</u>
Total assets		<u>21,749,364</u>	<u>6,366,127</u>
CAPITAL EMPLOYED			
Capital and Reserves			
Equity			
Accumulated Fund	7	(18,853,325)	60,649
		<u>(18,853,325)</u>	<u>60,649</u>
Current liabilities			
Payables	5	40,602,689	6,305,477
Non Current Liabilities			
		<u>40,602,689</u>	<u>6,305,477</u>
Total reserves and liabilities		<u>21,749,364</u>	<u>6,366,127</u>

Notes attached hereto form part of these accounts

These accounts were approved on 21-09-2013 by:

Chairman- Johnson Sakaja.....

Secretary General- George Onyango Oloo.....

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE-TNA
FINANCIAL STATEMENTS
for the year ended 30 June 2013

Statement of changes in Equity

	Note		Accumulated Fund shs	Total shs
Balance at 01-07-2012	7		60,649	60,649
Surplus/Deficit		-	(18,853,325)	(18,853,325)
Addition/ Written off During The Year			(60,649)	(60,649)
Balance at 31-06-2013		-	(18,853,325)	(18,853,325)
Balance at 01-07-2012	7	-	60,649	60,649
Surplus/Deficit		-	(18,853,325)	(18,853,325)
Addition/ Written off During The Year		-	(60,649)	(60,649)
Balance at 31-06-2013		-	(18,853,325)	(18,853,325)

NOTE: The written off items were transfers from National Alliance Party of Kenya (NAP-K).

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE -TNA

FINANCIAL STATEMENTS

for the year ended 30 June 2013

Cash flow statement

	Note	2013 30-Jun shs	2012 30-Jun shs
Cash generated from operating activities			
Profit before capital expenditure		(18,853,325)	(193,007)
Add Depreciations	3	6,270,359	113,807
Adjusted Profit before changes in working capital		(12,582,966)	(79,200)
Changes in Working Capital Items			
Increase in Account Receivables		(348,500)	-
Increase in Account payables		40,602,689	705,571
Net cash from operating activities		27,671,223	626,371
Investing activities			
Acquisition of capital assets	3	(27,600,075)	(460,000)
Disposal of Capital Assets			
Net cash used in investing activities		(27,600,075)	(460,000)
Financing activities			
Net Cash Used in Financing Activity		-	-
Increase/(decrease) in cash and cash equivalents		71,148	166,371
Balance at 01-07-2012			(113,371)
Balance at 30-06-2013		71,148	53,000

Notes attached hereto form part of these accounts

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013
NOTES TO THE FINANCIAL STATEMENT.

1. PARTY INFORMATION

The National Alliance is a Political Party registered in Kenya.

2. PRINCIPAL ACCOUNTING POLICIES.

a) Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting.

b) Statement of compliance

The financial statement have been prepared in accordance with the policies and guidelines of The National Alliance (TNA)

c) Accounting period.

The party prepared its accounts for the period of twelve months ending 30th June 2013.

d) Statement of compliance

The financial statements have been prepared in accordance with the policies and guidelines of The National Alliance (TNA).

e) **Receipt recognition**

Receipts are recognized in the period of receipt by reference to completion of the specific transaction involved.

f) **Expenditure.**

Expenditure is recognized and recorded on an accrual basis and analyzed according to budget lines.

g) **Property, Plant and equipment**

Property, Plant and equipment is stated at historical cost less accumulated depreciation.

Depreciation is calculated on reducing balance basis to write down the cost of each asset to its residue value over its estimated useful life using the following annual rates.



THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

Motor vehicle	25%	per annum
Computer and accessories	30%	per annum
Furniture and Fittings	12.5%	per annum
Equipment	12.5%	per annum

Depreciation is charged in the year of acquisition in full.

h) Inventories

Inventories of stationery, spares and ballot boxes are expensed to the income statement when incurred.

i) Other disclosures

In pursuant to section 30,31,32,33 and 34 of the Political Parties Act 2007, the Party has complied with the local laws and regulations as stipulated in the Act.

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE -TNA

FINANCIAL STATEMENTS

for the year ended 30 June 2013

Notes forming part of the financial statements

	Motor Vehicles	Furniture, Fittings & Equipment	Computer Equipment	Total
3. Property, plant and equipment	shs	shs	shs	shs
At 01-07-2012(NBV)	-	440,508	118,713	559,221
Additions during the year(NBV)	18,850,000	6,098,075	2,652,000	27,600,075
Written off during the year(on acquisition)	-	(440,508)	(118,713)	(559,221)
Total at 30-06-2013	18,850,000	6,098,075	2,652,000	27,600,075
Depreciation				
At 01-07-2012		62,930	50,877	81,893
Charge for the year	4,712,500	762,259	795,600	6,270,359
Depreciation on written off asset		(62,930)	(50,877)	(81,893)
Total at 30-06-2013	4,712,500	762,259	795,600	6,270,359
Net book value				
At 30-06-2013	<u>14,137,500</u>	<u>5,335,816</u>	<u>1,856,400</u>	<u>21,329,716</u>

NOTE: The written off items were transfers from National Alliance Party of Kenya (NAP-K).

The balance carried forward for furniture, Fittings and Equipment is a combined figure of Equipment (111,699) and Furniture and Fittings (328,809) from the previous financial year.

Loss of properties during the financial year was not adjusted since by the close of the financial year, investigation was still ongoing.



THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE -TNA

FINANCIAL STATEMENTS

for the year ended 30 June 2013

Notes forming part of the financial statements

	2013	2012
	30-Jun	30-Jun
	shs	shs
4		
Debtors and Prepayments		
Balances due from		
Deposits Refundables	<u>348,500</u>	<u>-</u>
	<u>348,500</u>	<u>-</u>
5		
Balances owing to		
Payables	16,617,531	4,606,027.15
Accruals	23,235,158	1,699,450.00
Orwa and Company	<u>750,000</u>	<u>-</u>
	<u>40,602,689</u>	<u>6,305,477.15</u>
6		
(a) Cash and bank balances		
Cash	-	53,000
Co-operative Bank	16,203	-
Equity Bank	<u>54,945</u>	<u>-</u>
	<u>71,148</u>	<u>53,000</u>

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE -TNA

FINANCIAL STATEMENTS

for the year ended 30 June 2013

Notes forming part of the financial statements

	2013 30-June Shs	2012 30-June Shs
7. Accumulated Fund		
Balance at 01-07-2012	60,649	253,656
Movement	(18,853,325)	(193,007)
Written off amount c/f	<u>(60,649)</u>	<u>-</u>
Balance at -30-06-2013	<u>(18,853,325)</u>	<u>60,649</u>

NOTE: The written off items were transfers from National Alliance Party of Kenya (NAP-K).

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE - TNA
FINANCIAL STATEMENTS
for the year ended 30 June 2013

Notes forming part of the financial statements
Schedule to the income
statement

	Actual 2013 30-Jun shs	Actual 2012 30-Jun shs
8. Income		
Membership Fee	59,938,748	510,000
Contributions From Members	20,031,000	1,500,000
Nomination Fees	114,207,500	-
Donations from Well - Wishers	151,368,945	3,000,000
	<u>345,546,193</u>	<u>5,010,000</u>
9. Administration costs		
Electricity and Water	1,564	60,000
Telephone, postage and Internet	336,860	48,000
Security Expenses	2,687,555	60,000
Rent and Rates	3,744,476	724,800
Audit Fee	750,000	-
Accountancy Expenses	120,000	150,000
Office General Expenses	4,806,856	450,000
Motor Vehicle Running Expenses	1,550,701	-
Licence and Permits	89,000	95,000
Legal Expenses	428,000	-
Insurance	343,619	-
Subscription	50,000	50,000
	<u>14,908,631</u>	<u>1,637,800</u>

THE NATIONAL ALLIANCE (TNA)



FINANCIAL STATEMENTS FOR THE YEAR 2012/2013

THE NATIONAL ALLIANCE -TNA
FINANCIAL STATEMENTS
for the year ended 30 June 2013

Notes forming part of the financial statements
Schedules to the income statement

	Actual 2013 30-Jun shs	Actual 2012 30-Jun shs
10. Operating Costs		
Advertisements	11,350,336	200,000
Printing and Reproductions Counties and National Forum Expenses	14,659,400	100,000
Traveling and Meeting Expenses	10,773,270	567,000
General Election Related Expenses	13,438,765	520,000
Deligate Conference Expenses	18,225,590	-
Mobilization and Logistics Expenses	4,802,000	545,000
Balot Materials Expenses	2,052,000	200,000
Nomination Expenses	53,536,020	-
Repair and Maintainance	144,868,268	-
Training Expenses	770,994	120,900
	5,086,340	690,450
	<u>279,562,983</u>	<u>2,943,350</u>
11. Financial Costs		
Bank Charges and Interests	3,621,716	8,050
	<u>3,621,716</u>	<u>8,050</u>
12. Staff costs		
Salaries , Wages and Allowances	57,451,954	360,000
Staff Welfare	2,583,875	140,000
	<u>60,035,829</u>	<u>500,000</u>

