

REPUBLIC OF KENYA



Paper Laid
Paper Laid by Hon
Kerubo Ole Maito
the Member of the
Majority Party
on Thursday 9/17/2015

KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
UNITED REPUBLICAN PARTY OF KENYA**

**FOR THE YEAR ENDED
30 JUNE 2014**



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON UNITED REPUBLICAN PARTY OF KENYA FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the United Republican Party set out on pages 19 to 32, which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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) of the 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

The National Executive Council of United Republican Party is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The National Executive Council is also responsible for the submission of 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 the Political Parties Act, 2011 and submit the audit report in compliance with Article 229(7) of the Constitution. 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.

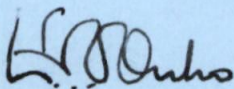
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Party as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

16 June 2015

2018



UNITED REPUBLICAN PARTY
Party No: 026

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

KENYA NATIONAL AUDIT OFFICE
P. O. Box 30084 - 00100, NAIROBI.
18 MAR 2015
RECEIVED

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LIST OF ABBREVIATIONS

E.D	- Executive Director
FY	- Financial Year
GOK	- Government of Kenya
IAS	- International Accounting Standard
M.P	-Member of Parliament
MCA	-Member of County Assembly
MOU	- Memorandum of Understanding
N.E.C	-National Executive Committee
NDC	- National Delegates Council
PG	- Parliamentary Group
S.G	- Secretary General
URP	- United Republican Party

- **KEY ENTITY INFORMATION AND MANAGEMENT**

- **Background information**

United Republican Party is a political party registered under the office of the Registrar of Political Parties in April 25, 2012 our commitment to the national values and principles of governance enshrined in the constitution of Kenya

- **Principal Activities**

The principal activity/mission of United Republican Party is to promote democratic participation and involvement for all the Kenyan citizens. We endeavor to form a Government that shall embody our ideals and aspirations, promote the common good, conserve and develop our patrimony; to secure to ourselves and our posterity the blessings of independence and democracy under the rule of law and a regime of truth, justice, freedom, love, equality, and peace;

- **Key Management**

The entity's day-to-day management is under the following key organs:

- Secretary General;
- National Executive Director
- Deputy Executive Director
- Director Programmes
- Director ICT
- Director Finance
- Director Procurement

- **Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman	Hon. Francis Ole Kaparo
2.	Secretary General	Fred Muteti
3.	Treasurer	Hon. Mohammed Mahamud
4.	National Executive Director	Hon. David K. Koech

- **Fiduciary Oversight Arrangements**

- *National Executive Committee*
- *Budget committee activities*
- *Technical Committee*

- *National Elections Board*
 - *National Treasury*
 - *Tender Committee*
 - *Parliamentary Group*
 - *National Governing Council*
 - *Office Of The Registrar Of Political Parties*
 - *Auditor General*
- **Entity Headquarters**
P.O. Box 72410 – 00200 Nairobi
House No. 7734
Mucai Road
Nairobi, KENYA
 - **Entity Contacts**
Telephone: (254) 020-2166885
E-mail: comm@urp.co.ke
Website: www.urp.co.ke
 - **Entity Bankers**
 - Trans National Bank Ltd
Tel: 2224235/6
P.O Box 34353 - 00100
City Hall Branch
Nairobi
 - Co-operative Bank Of Kenya Ltd
Tel: 2224235/6
P.O Box 2169 – 00200
City Hall Branch
Nairobi
Parliament Road Branch
 - **Independent Auditors**
Office Of The Auditor General
Anniversary Towers, University Way
P.O.Box 30084 0100
Nairobi.
 - **Principal legal adviser**
Ombaga & Co Advocates
0721218690
P.O Box 25460 – 00100
Nairobi

NATIONAL EXECUTIVE COMMITTEE

NEC Members		
No.	Name	Designation
1	Hon. Francis Kaparo	Chairman
2	Hon. Bare Shill	Deputy chairman
3	Hon. Doyo Godana	Vice Chairman
4	Fred Muteti	Secretary General
5	Hon. David K. Koech	National Executive Director
6	Leah Ntimama	Deputy Organizing Secretary
7	George Ayugi	Organizing Secretary
8	John Kangogo	Deputy Organizing Secretary
9	Hon. Mohamud Mohammed	Treasurer
10	Hon. Fatuma Mwachache	Deputy Treasurer
11	Robert Kochale	Sec Pastoralist & ASAL Development
12	Hellen Njue	Sec Public & Economic Affair
13	Hon. Sonia Birdi	Sec Security & Defence
14	Florence Ngugi	Sec Sports & Information
15	Linnet Mirihane	Sec Trade & Industry
16	Hon. John Lodepe	Sec Education, Science & Technology
17	James Lenayara	Sec Legal & Constitutional Affairs
18	Aden Noor	Member
19	Hon. Sarah Korere	Member
20	Bishop. Moses Murpus	Member
21	Fatuma Hassan	Member
22	Joseph Rotich	Member
23	David Pkosing	Member



Hon. Francis Kaparo
Chairman



Hon. Bare Shill
Deputy Chairman



Fred Muteti
Secretary General



Hon. David K. Koech
National Executive Director



Leah Sopuko
Deputy Secretary General

MANAGEMENT TEAM

No.	Management Team	Responsibility
1	National Executive Director	Chief Executive and Secretary to National Executive Committee, head of campaigns
2	Deputy Executive Director	Deputises N.E.D, head of operations, Human Resources Management, Planning & Research.
3	Programs Director	Head of Programs, & Head Of Field Services.
4	Information Communication Technology Director	Head of ICT and party systems.
5	Procurement Director	Head of Procurement.
6	Finance Director	Head of Finance.

CHAIRMANS STATEMENT

Allow me to register my appreciation in being part and parcel of the United Republican Party as outlined in this 2013/2014 financial year report. As part of the new constitution, the writers sought to have political parties being run in extremely professional manner just like it is in public and other private sectors. Indeed, I am delighted by the steps and policies that the parties have made during the year.

United Republican Party is a key player in the Jubilee Government. Having been overwhelmingly elected in the 2013 general election and mandated a five year term, U.R.P endeavors to better the lives and living standards of Kenyan citizens and oversee as experiential growth in the economy.

It is to the interest of Kenyans that they choose a responsible and accountable regime that delivers on the promises made during campaign period. An accountable regime ensures that the citizens expectations are not only met but also surpassed .Driven by the desire to succeed and offer first class public service, U.RP is geared to being integrated to successive governments that are positively legendary to this great nation.

For U.R.P to be able to achieve the above goal it has set up an effective and efficient party management on its resources (Capital, Supporters, Goodwill, Finance etc).

Gladly, enshrined in our new constitution is the positive aspect of funding of the political parties (through the political parties Act, 2011) of which the three main political parties are beneficiaries.

The office of the registrar of political parties together with key political parties in Kenya instrumental players in laying down policies that govern the use of these funds. The government has adopted the new IPSAS aimed at better management of taxpayers money and other related stakeholders funds, and central to empress it has been the office of the registrar of political parties and her beneficiary political parties.

I must acknowledge the support and contribution that we have received from our members (in the capacities as individual and elected to the party). Their time and participation has shaped this party to what it is. I am glad to note that the united Republican Party has been collaborating with key partners and stakeholders such as the CMD, NDI, and EISA among others.

Our sister political party and co-partner in the Jubilee coalition, The National Alliance Party, has been of outstanding assistance and partner to our endeavors and much appreciation goes to their leadership. Also, I wish to thank all affiliate political parties in the Jubilee Administration for their partnership.

Together we have been able to boost our technical capacity and staff training. Central and implemental among the operation of the party is the precious guidance and oversight of the

The NEC under whose mandate we are operating will continue to give the necessary support to the party. It's crucial role being to ensure that we remain politically relevant and focused in the successful implementation of our party constitution so as to make Kenya a great Nation for ourselves and our children.

Thank you



HON. BARESHILL.

CHAIRMAN

THE NATIONAL EXECUTIVE DIRECTORS REPORT

On behalf of the National Executive Committee and Secretariat of the United Republican Party (U.R.P), I am pleased to present the 2013/2014 Financial Report of the Party. The reports demonstrate the tremendous milestones we have achieved in the making of URP as a crucial partner in the Jubilee Coalition Government.

Kenyans demonstrated their confidences with the Jubilee Coalition by voting in the TNA and URP Parties in the last 2013 General Election. As a result H.E Uhuru Kenyatta, TNA party leader and H.E William Ruto, URP Party leader were sworn in as President and Deputy President of the Republic Of Kenya in 2013.

This also came at the time when the new Constitution was applied. Top as the beneficiary of the Constitution was implementation of Political Parties Act 2011, whereby 3 major Political Parties were to receive funding from the National Government Revenue ($\geq 0.3\%$ as provided by the Parliament).

In the Financial Year 2013/2014 we received **kshs.28, 025,510.40** directly from the Office of the Registrar of Political Parties and a further **Kshs.12,631,995.30** from TNA (as per our agreement) the total amount being **Ksh.40,657,505.70**.

During the 2013/2014 period the Secretariat witnessed considerable growth in its operational capacity. New staffs were brought on board via a competitive recruitment process to boost the capacity efficiency and effective running of the party. In addition the National Executive Council (NEC) approved the opening of 32 County offices each to engage 2 field officers. These offices increase our outreach; promote our Party's influence to the masses at the grassroots.

During the year under review the Party sent representatives to China and was hosted by the Communist Party of China (C.P.C). This was an Inter-Party exchange program which greatly exposed the Party to greater management of political parties. Other exchange programmes include a visit by Zimbabwe Members of Parliament to the party headquarters.

The secretariat and the NEC have also gone overboard to step in and reconcile party members/organs in conflict. This has happened in quit a number of Counties hence bringing harmony and co-existence.

The Youth Congress was also represented in Party matters. The party sent to representatives to Norway Youth Forum and Uganda courtesy of Christian Democrats of Norway, K.I.C Sweden respectively.

The 2013/2014 Financial Year was not without challenges. Lack of adequate findings affected our ability to deliver on key mandates. The constitutional amount embarked for funding at $\geq 0.3\%$ of the national Government Revenue was not met as less than **Ksh 205,000,000.00** was released to the office of the Registrar of Political Parties.

The Party commends the NEC and Secretariat staff for their personal commitment to the mandate of the Party as demonstrated by their personal participation and timely advisory role as and when required. In addition the Party has enjoyed and continues to enjoy the support of stakeholders who include TNA,

Office of the Registrar of Political Parties, CMD, NDI, EISA Foundation, URP elected members, URP general supporters and Kenyans at large.

Finally, I wish to register my optimism and confidence that we shall be able to steer URP to greater heights and continue to work with likeminded parties to make Kenya a better Country.

Thank you

A handwritten signature in black ink, appearing to be 'DK', with a large, stylized flourish extending to the right.

Hon. David K. Koech

The National Executive Director.

UNITED REPUBLICAN PARTY

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2014

Corporate governance is the process by which an entity is directed and controlled to meet the entity's objective. It is the manner in which power of an entity is exercised for the benefit of all stakeholders.

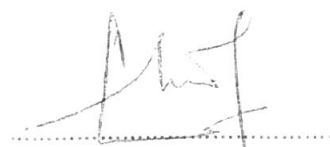
The United Republican Party is governed by the National Executive Council, Headed by the Chairman, which has an ultimate responsibility for the Management and guidance of the Party. The National Executive Council, for effective and objective governance, had adopted the Code of Best Practice for Corporate governance as its benchmark in developing governance principles and is focused on achieving compliance with the qualitative aspects of good governance.

The National Executive Council has further established committees with delegated authority from the council to assist it in providing oversight on management functions and fulfilling the objectives of the Party. The committee's roles and responsibilities are set out in terms of reference and agreed mandate which are reviewed periodically to ensure that they remain relevant to the objectives. The members of National Executive Council have the right mix of skills, expertise, competencies and experience to effectively guide the Party and ensure objectives are achieved with maximization of value.

The Executive Council is fully aware of its obligations in forging the strategic direction the Party will follow. Regular reports on progress are tabled at the National Executive Council meetings for discussion while performance against financial objectives is monitored by the National Executive Council through management's monthly, quarterly and annual reporting. The Executive Director is tasked with implementation of the Council's decisions and ensure there is a clear flow of information between the members and the management which facilitates both qualitatively and quantitatively evaluation of performance. The National Executive Council meets as per schedule of its work plan although special meetings can be held to discuss specific issues.

The National Executive Council also recognizes risk management as an integral part of internal control and logically and systematically engages in the process of identifying, evaluating and communicating risks associated with any activity, function or process in a way that will enable it mitigate against such risks and maximize opportunities. Risk management is a permanent item at National Executive Council meetings agenda.

United Republican Party has a duty to community through corporate social responsibility. The Party has working relations with local youth and women organizations especially in marginalized areas within the country. It engages with these groups at seminars by educating and sensitizing them on how they can engage in income generating activities as well as how they can build a platform to make themselves self-sustaining and uplift their standards of living.


.....
Chairman

15/03/2015
.....
Date

REPORT OF THE DIRECTOR (MANAGEMENT)

The Director presents the report together with the audited financial statements for the year ended 30th June 2014, which disclose the state of affairs of the party.

Principal activities

The mandate of the party, which is derived from Section 3B (1), of the Witness Protection Act Cap 79 Laws of Kenya, is to provide the framework and procedures for giving special protection on behalf of the State, to persons in possession of important information and who are facing potential risk or intimidation due to their cooperation with prosecution and other law enforcement agencies.

Results

The results of the party for the year ended June 30, 2014 are set out from pages 17.

Directors

The members of the National Executive Committee who held office during the year are set out on page 6.

Auditors

The Auditor of the Agency for the year ended is the Auditor General in line with the Public Audit Act, 2003 and the Witness Protection Act, 2006. The Auditor of the Agency continues to be the Auditor General.

On Behalf of the Agency

x 

Hon. David K. Koech
NATIONAL EXECUTIVE DIRECTOR

March 05, 2015

UNITED REPUBLICAN PARTY

STATEMENT OF NATIONAL EXECUTIVE COUNCIL'S RESPONSIBILITIES

FOR THE YEAR ENDED 30TH JUNE, 2014

The National Executive Council (NEC) is required by the Political Parties Act to prepare Financial Statements for each financial year, which gives a true and fair view of the state of the financial affair the Party as at the end of the financial year and of its operating results for that year. The National Executive Council (NEC) is also required to ensure that the Party keeps proper accounting records w disclose, with reasonable accuracy the financial position of the Party. The National Executive Council (NEC) is also responsible for safeguarding the assets of the Party.

The National Executive Council (NEC) are responsible for the preparation and presentation of the Par financial statements, which give a true and fair view of the state of affairs of the Party for and as at end of the financial year ended on June 30, 2014. This responsibility includes maintaining adequ financial management arrangements and ensuring that these continue to be effective throughout reporting period, maintaining proper accounting records, which disclose with reasonable accuracy any time the financial position of the Party, designing, implementing and maintaining internal conti relevant to the preparation and fair presentation of the financial statements, and ensuring that they free from material misstatements, whether due to error or fraud, safeguarding the assets of the Pa selecting and applying appropriate accounting policies and making accounting estimates that reasonable in the circumstances.

The National Executive Council (NEC) accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Registrar of Political Parties. The National Executive Council (NEC) is in the opinion that the Financial Statements give true and fair view of the state of the financial affairs of the Party and of its operating results as at that date. The National Executive Council (NEC) further confir the completeness of the accounting records maintained for the Party, which have been relied upon in t preparation of the Party's financial statements as well as the adequacy of the systems of internal finan control.

Nothing has come to the attention of the National Executive Council (NEC) to indicate that the Party not remain a going concern for at least the next twelve months from the date of this statement.



SECRETARY GENERAL

5/3/2015

Date



EXECUTIVE DIRECTOR

5/3/2015

Date

REPORT OF THE INDEPENDENT AUDITORS ON UNITED REPUBLICAN PARTY

We have audited the accompanying (consolidated) financial statements of United Republican Party *for the year ended June 30, 2014*, which comprise: (i) a statement of financial performance; (ii) a statement of financial position; (iii) a statement of changes in net assets; (iv) a statement of cash flows; (v) a statement of comparison of budget and actual amounts and (v) a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The United Republican Party's Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit 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 auditors' judgment, 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 management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2014, and its financial performance as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

UNITED REPUBLICAN PARTY
Statement Of Financial Performance
For the period ended 30th June 2014

	Notes	2013-2014 Kshs	2012-2013 Kshs
Revenue from non-exchange transactions			
Public contributions and donations	1	3,680,000.00	76,551,000.00
Nomination Papers Sales	2	430,000.00	-
Tender Sales	3	133,000.00	-
Transfers from other governments	4	40,657,505.00	-
Total Revenue		44,900,505.00	76,551,000.00
Expenses			
Grassroots Expenses	5	20,190,324.40	60,843,275.00
Employee costs	6	6,711,507.43	10,212,215.00
Depreciation and amortization expense	7	677,663.45	-
Administration Expenses	8	3,947,475.53	4,805,510.00
Total expenses		31,526,970.81	75,861,000.00
Surplus before tax		13,373,534.00	690,000.00
Surplus for the period		13,373,534.00	690,000.00
Attributable to:			
Surplus B/F		691,665.00	1,665.00
		14,065,199.00	691,665.00

The notes set out on pages 1 to 6 form an integral part of the Financial Statements

UNITED REPUBLICAN PARTY
Statement Of Financial Position
For the period ended 30th June 2014

	Notes	2013-2014 Kshs	2012-2013 Kshs
Assets			
Current assets			
Cash and cash equivalents	9	16,167,054.00	691,665.00
Party Prepayments	10	1,778,773.00	-
		17,945,827.00	691,665.00
Non-current assets			
Property, plant and equipment	11	2,945,485.55	1,538,775.00
		2,945,485.55	1,538,775.00
Total assets		20,891,312.00	2,230,440.00
Liabilities			
Non-current liabilities			
Accounts Payable	12	2,145,620.00	-
		2,145,620.00	-
Total liabilities		2,145,620.00	-
Net assets		18,745,693.00	2,230,440.00
Financed By:-			
Reserves		4,680,494.00	1,538,775.00
Accumulated Surplus		14,065,199.00	691,665.00
Total net assets and liabilities		18,745,693.00	2,230,440.00

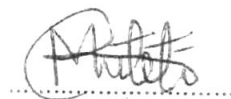
The Financial Statements on pages 19 To 28 Were signed on behalf of the Agency by:

Hon. David K. Koech
National Executive Director

Fred Muteti
Secretary General

Date

Date

UNITED REPUBLICAN PARTY
Statement Of Changes In Net Assets
For the period ended 30th June 2014

21

	Reserves		
	Contributed Capital	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
Balance as at 30 JUNE 2012	-	1,665.00	1,665.00
Surplus/(deficit) for the period	1,873,000.00	690,000.00	2,563,000.00
Transfers to/from accumulated surplus	(334,225.00)	-	(334,225.00)
Balance as at 30 JUNE 2013	1,538,775.00	691,665.00	2,230,440.00
Balance as at 01 JULY 2014	1,538,775.00	691,665.00	2,230,440.00
Adjustment (Note 16)	3,141,719.00	-	3,141,719.00
Surplus for the period	-	13,373,534.00	13,373,534.00
Balance as at 30 JUNE 2014	4,680,494.00	14,065,199.00	18,745,693.00

Note:

That the Contributed Capital represents assets donated to the party

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements

for the Financial Year ended 30th June 2014

XIV.	STATEMENT OF CASH FLOWS	2013-2014	2012-2013
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		3,680,000.00	76,551,000.00
Government grants and subsidies		40,657,505.00	-
Registration Papers		430,000.00	-
Merchandise Sales		133,000.00	-
		44,900,505.00	76,551,000.00
Payments			
Compensation of employees	6	6,711,507.43	10,212,215.00
Goods and services	18	21,497,799.93	61,928,785.00
Tax paid		2,640,000.00	3,720,000.00
		30,849,307.00	75,861,000.00
Cash flows from operating activities	19	14,051,198.00	690,000.00
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		(883,999.00)	-
Prepayments		(1,778,773.00)	-
Repayment to Creditors		2,145,620.00	-
Investment		1,941,344.00	-
Cash flows used in investing activities		1,424,192.00	-
Change in cash and cash equivalents			
		15,475,390.00	690,000.00
Cash and cash equivalents at 1 July		691,665.00	1,665.00
Cash and cash equivalents at 30 June		16,167,054.00	691,665.00

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements

For the period ended 30th June 2014

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XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Public contributions and donations	3,680,000.00	-	3,680,000.00	3,680,000.00	-
Government grants and subsidies	40,657,505.70	-	40,657,505.70	40,657,505.00	0.00
Other Incomes	563,000.00	-	563,000.00	563,000.00	-
Total income	44,900,505.70	-	44,900,505.70	44,900,505.00	0.00
Expenses					
Compensation of employees	23,052,000.00	-	23,052,000.00	6,711,507.43	16,340,492.57
Goods and services	58,916,236.00	-	58,916,236.00	19,234,075.55	39,682,160.45
Rent paid	2,816,000.00	-	2,816,000.00	2,640,000.00	176,000.00
Total expenditure	84,784,236.00	-	84,784,236.00	28,585,582.98	56,198,653.02
Surplus for the period	(39,883,730.30)	-	(39,883,730.30)	16,314,922.02	(56,198,653.02)

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Public contributions and donations

	2014	2013
	Shs	Shs
Parliamentary & Senate	3,560,000.00	76,551,000.00
Governor & MCA contributions	120,000.00	-
Total transfers and sponsorships	3,680,000.00	76,551,000.00

Nomination Papers Sales

	2014	2013
	Shs	Shs
Nomination Papers	430,000.00	-
Total	430,000.00	-

Vendor Sales

	2014	2013
	Shs	Shs
Vendor Sales	133,000.00	-
Total other income	133,000.00	-

Transfers from other governments

	2014	2013
	Shs	Shs
Conditional grants		
From Registrar Of Political Parties	28,025,510.40	-
From The National Alliance Party	12,631,995.30	-
Total government grants and subsidies	40,657,505.70	-

Grassroots Expenses

	2014	2013
	Shs	Shs
Constitution Expenses (Note 15)	-	37,310,472.00
Grassroots County Expenses	7,913,664.40	-
County Expenses	785,000.00	-
Media & Publicity	4,075,820.00	8,242,900.00
Grassroots Travel	1,078,200.00	-
Women's league	610,770.00	-
Youth league	294,800.00	-
Meetings & Trainings	1,889,010.00	12,007,984.00
Medical Services	3,543,060.00	3,281,919.00
Total grassroots Expenses	20,190,324.40	60,843,275.00

Employee costs

	2014	2013
	Shs	Shs
Employee related costs - salaries	6,711,507.43	10,212,215.00
Employee costs	<u>6,711,507.43</u>	<u>10,212,215.00</u>

	2014	2013
	Shs	Shs
Property, plant and equipment	677,663.45	334,225.00
Accumulated depreciation	<u>677,663.45</u>	<u>334,225.00</u>

Administration Expenses

	2014	2013
	Shs	Shs
Stationery	371,734.00	360,000.00
Transportation	2,640,000.00	3,720,000.00
Generator Fuel & Electricity	15,300.00	168,000.00
Repairs & Maintenance	20,000.00	-
Bank charges	49,380.53	-
General Office Expenses	286,061.00	-
Security	330,000.00	72,000.00
Insurance	-	39,600.00
Audit Fees	185,000.00	-
Telephone	-	120,150.00
Printing the Office	-	176,890.00
Cleaning services	-	30,000.00
Relocation of office	-	68,870.00
Membership fees (CMD)	50,000.00	50,000.00
Total general expenses	<u>3,947,475.53</u>	<u>4,805,510.00</u>

Cash and cash equivalents

	2014	2013
	Shs	Shs
Trans National Bank	15,413,004.00	-
Co-operative Bank Ltd	18,456.00	-
Cash on-hand and in transit	735,594.00	691,665.00
Total cash and cash equivalents	<u>16,167,054.00</u>	<u>691,665.00</u>

Party Prepayments

	2014	2013
	Shs	Shs
Party Prepayments	1,778,773.00	-
Non-current borrowings	<u>1,778,773.00</u>	<u>-</u>

Property, plant and equipment

	Computers & Printers	Furniture & Fittings	Office Equipment	Total
<i>Cost or Valuation:</i>	Shs	Shs	Shs	Shs
at 01 July 2013	572,000.00	1,295,000.00	6,000	1,873,000.00
additions during the year	883,999.00	-	-	883,999.00
disposals	-	-	-	-
adjustments	-	834,125.00	366,250.00	1,200,375.00
at 30th June 2014	1,455,999.00	2,129,125.00	372,250.00	3,957,374.00
depreciation and impairment				
at 01 July 2013	171,600.00	161,875.00	750	334,225.00
depreciation	385,319.70	245,906.25	46,437.50	677,663.45
impairment	-	-	-	-
at 30 June 2014	556,919.70	407,781.25	47,187.50	1,011,888.45
net book values				
at 30 June 2014	899,079.30	1,721,343.75	325,063	2,945,486.05
at 30 June 2013	572,000.00	1,295,000.00	6,000	1,873,000.00

Accounts Payable

	2014	2013
	Shs	Shs
Trade Creditors	2,145,620.40	-
Total non-current borrowings	2,145,620.40	-

Events after the reporting period

There are no material non-adjusting events after the reporting date

	2014	2013
	Shs	Shs
Election Expenses		
standing officers	-	11,114,500.00
county election committees	-	550,000.00
transportation of ballot materials	-	3,780,440.00
alternative voting system	-	2,483,200.00
ballot papers & boxes	-	19,382,332.00
Total	-	37,310,472.00

Adjustment

	2014	2013
	Shs	Shs
operative bank Balance B/F	2,253,343.00	-
Assets Revaluation	1,200,375.00	-
adjustment	22,226.00	-
Depreciation 2013	(334,225.00)	-
Total	3,141,719.00	-

Cashflow Adjustment	2014	2013
	Shs	Shs
Positive bank Balance B/F	2,253,343.00	-
Investment	22,226.00	
Less Depreciation 2013	(334,225.00)	-
	1,941,344.00	-

8. Goods and Services Payments	2014	2013
	Shs	Shs
Leasehold improvements expenses (Note 5)	20,190,324.40	60,843,275.00
Administration Cost	3,947,475.53	4,805,510.00
Interest Paid	(2,640,000.00)	(3,720,000.00)
Total	21,497,799.93	61,928,785.00

Cash Generated from Operating Activities	2014	2013
	Shs	Shs
Profit for the year before Tax	13,373,534.00	690,000.00
Depreciation	677,663.45	-
Net Cash Flow from operating activities	14,051,197.45	690,000.00

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Public contributions and donations

	2014	2013
	Shs	Shs
Parliamentary & Senate	3,560,000.00	76,551,000.00
Governor & MCA contributions	120,000.00	-
Total transfers and sponsorships	3,680,000.00	76,551,000.00

Nomination Papers Sales

	2014	2013
	Shs	Shs
Nomination Papers	430,000.00	-
Total	430,000.00	-

Vendor Sales

	2014	2013
	Shs	Shs
Vendor Sales	133,000.00	-
Total other income	133,000.00	-

Transfers from other governments

	2014	2013
	Shs	Shs
Conditional grants		
From Registrar Of Political Parties	28,025,510.40	-
From The National Alliance Party	12,631,995.30	-
Total government grants and subsidi	40,657,505.70	-

Grassroots Expenses

	2014	2013
	Shs	Shs
Education Expenses (Note 15)	-	37,310,472.00
Grassroots County Expenses	7,913,664.40	-
Office Expenses	785,000.00	-
Media & Publicity	4,075,820.00	8,242,900.00
Grassroots Travel	1,078,200.00	-
Womens league	610,770.00	-
Youth league	294,800.00	-
Meetings & Trainings	1,889,010.00	12,007,984.00
Child Services	3,543,060.00	3,281,919.00
Total Grassroots Expenses	20,190,324.40	60,843,275.00

Employee costs

	2014	2013
	Shs	Shs
Employee related costs - salaries	6,711,507.43	10,212,215.00
Other costs	<u>6,711,507.43</u>	<u>10,212,215.00</u>

	2014	2013
	Shs	Shs
Property, plant and equipment	677,663.45	334,225.00
Total depreciation	<u>677,663.45</u>	<u>334,225.00</u>

Administration Expenses

	2014	2013
	Shs	Shs
Stationery	371,734.00	360,000.00
Telephone	2,640,000.00	3,720,000.00
Generator Fuel & Electricity	15,300.00	168,000.00
Repairs & Maintenance	20,000.00	-
Bank charges	49,380.53	-
General Office Expenses	286,061.00	-
Security	330,000.00	72,000.00
Travel	-	39,600.00
Audit Fees	185,000.00	-
Internet	-	120,150.00
Printing the Office	-	176,890.00
Cleaning services	-	30,000.00
Relocation of office	-	68,870.00
Membership fees (CMD)	50,000.00	50,000.00
Total general expenses	<u>3,947,475.53</u>	<u>4,805,510.00</u>

9. Cash and cash equivalents

	2014	2013
	Shs	Shs
Trans National Bank	15,413,004.00	-
Co-operative Bank Ltd	18,456.00	-
Cash-on-hand and in transit	735,594.00	691,665.00
Total cash and cash equivalents	<u>16,167,054.00</u>	<u>691,665.00</u>

10. Party Prepayments

	2014	2013
	Shs	Shs
Party Prepayments	1,778,773.00	-
Total non-current borrowings	<u>1,778,773.00</u>	<u>-</u>

Property, plant and equipment

	Computers & Printers	Furniture & Fittings	Office Equipment	Total
<i>Cost or Valuation:</i>	Shs	Shs	Shs	Shs
at 01 July 2013	572,000.00	1,295,000.00	6,000	1,873,000.00
Disposals during the year	883,999.00	-	-	883,999.00
Depreciation	-	-	-	-
Revaluations	-	834,125.00	366,250.00	1,200,375.00
at 30th June 2014	1,455,999.00	2,129,125.00	372,250.00	3,957,374.00
Accumulated depreciation and impairment				
at 01 July 2013	171,600.00	161,875.00	750	334,225.00
Depreciation	385,319.70	245,906.25	46,437.50	677,663.45
Impairment	-	-	-	-
at 30 June 2014	556,919.70	407,781.25	47,187.50	1,011,888.45
Carrying amounts				
at 30 June 2014	899,079.30	1,721,343.75	325,063	2,945,486.05
at 30 June 2013	572,000.00	1,295,000.00	6,000	1,873,000.00

Accounts Payable

	2014	2013
	Shs	Shs
Trade Creditors	2,145,620.40	-
Total non-current borrowings	2,145,620.40	-

Events after the reporting period

There are no material non-adjusting events after the reporting date

	2014	2013
	Shs	Shs
Election Expenses		
Standing officers	-	11,114,500.00
County election committees	-	550,000.00
Transportation of ballot materials	-	3,780,440.00
Alternative voting system	-	2,483,200.00
Ballot papers & boxes	-	19,382,332.00
Total	-	37,310,472.00

Adjustment

	2014	2013
	Shs	Shs
Operative bank Balance B/F	2,253,343.00	-
Assets Revaluation	1,200,375.00	-
Adjustment	22,226.00	-
Less Depreciation 2013	(334,225.00)	-
Total	3,141,719.00	-

Cashflow Adjustment	2014	2013
	Shs	Shs
...tive bank Balance B/F	2,253,343.00	-
...tment	22,226.00	
...ss Depreciation 2013	(334,225.00)	-
	1,941,344.00	-

Goods and Services Payments	2014	2013
	Shs	Shs
...ssroots expenses (Note 5)	20,190,324.40	60,843,275.00
...ministration Cost	3,947,475.53	4,805,510.00
... Paid	(2,640,000.00)	(3,720,000.00)
Total	21,497,799.93	61,928,785.00

Cash Generated from Operati	2014	2013
	Shs	Shs
...lus for the year before Tax	13,373,534.00	690,000.00
... Depreciation	677,663.45	-
Net Cash Flow from operating activitie	14,051,197.45	690,000.00

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

1. Engagement of an Internal auditor

This will be tabled in the next NEC meeting

UNITED REPUBLICAN PARTY**Trial Balance****As at June 30, 2014**

	Debit	Credit
Parliamentary & Senate		3,560,000.00
Governor & MCA contributions		450,000.00
Nomination Papers		430,000.00
Tender Sales		133,000.00
From Registrar Of Political Parties		28,025,510.40
From The National Alliance Party		12,631,995.00
Grassroots County Expenses	7,913,664.40	
NEC Expenses	785,000.00	
Media & Publicity	4,075,820.00	
Grassroots Travel	1,078,200.00	
Womens league	610,770.00	
Youth league	294,800.00	
Meetings & Trainings	1,889,010.00	
Field Services	3,543,060.00	
Employee related costs - salaries	6,711,507.43	
Depreciation:- Property, plant and equipment	677,663.45	
Stationery	371,734.00	
Rent	2,640,000.00	
Generator Fuel & Electricity	15,300.00	
Repairs & Maintenance	20,000.00	
Bank charges	49,380.53	
General Office Expenses	286,061.00	
Security	330,000.00	
Audit Fees	185,000.00	
Membership fees (CMD)	50,000.00	
Trans National Bank	15,413,004.00	
Co-operative Bank Ltd	18,456.00	
Cash-on-hand and in transit	735,594.00	
Party Prepayments	1,778,773.00	
Party Creditors		2,145,620.40
Computers & Printers	1,455,999.00	
Furniture & Fittings	2,129,125.00	
Office Equipment	372,250.00	
Accumulated Depreciation		677,663.45
Reserves		4,684,717.26
Accumulated Surplus		691,665.00
Total	53,430,171.81	53,430,171.81

