

REPUBLIC OF KENYA

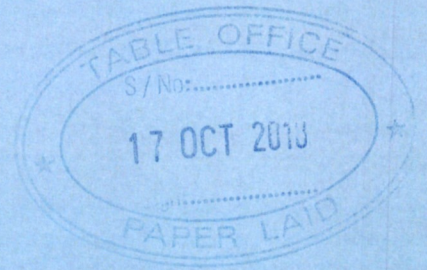


*Paper laid
By the LOM on
Wed, 17/10/2016.
Dhanyu*



OFFICE OF THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
UNITED REPUBLICAN PARTY**

**FOR THE YEAR ENDED
30 JUNE 2016**

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016



UNITED REPUBLICAN PARTY

Party No: 026

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

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

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

<u>TABLE OF CONTENT</u>	<u>PAGE</u>
LIST OF ABBREVIATIONS	3
KEY ENTITY INFORMATION AND MANAGEMENT	4
NATIONAL EXECUTIVE COMMITTEE	6
MANAGEMENT TEAM	7
CHAIRMAN'S STATEMENT	8
REPORT OF THE NATIONAL EXECUTIVE DIRECTOR	10
STATEMENT OF PARTY'S RESPONSIBILITIES	12
REPORT OF THE DIRECTORS (MANAGEMENT)	13
STATEMENT OF FINANCIAL PERFORMANCE	
FOR THE YEAR ENDED 30TH JUNE 2016	14
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016	15
STATEMENT OF CHANGES IN NET ASSETS/EQUITY	
FOR THE YEAR ENDED 30TH JUNE 2016	16
STATEMENT OF CASHFLOW FOR THE YEAR ENDED	
30 JUNE 2016	17
STATEMENT OF COMPARISON OF BUDGET AND	
ACTUAL AMOUNTS	18
NOTES TO THE FINANCIAL STATEMENTS	19
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	23
PROGRESS ON FOLLOW UP OF AUDITOR	
RECOMMENDATIONS	27

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

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

- **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 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman	Hon. Elias Bare Shill
2.	Secretary General	Fred Muteti
3.	Treasurer	Hon. Fatuma Mwamachache
4.	National Executive Director	Hon. David K. Koech

- **Fiduciary Oversight Arrangements**

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

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

- *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**
Singoei, Murkomen & Sigei Advocates
0729 366357
P.O Box 37300-00100
Nairobi

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

NATIONAL EXECUTIVE COMMITTEE

NEC Members		
No.	Name	Designation
1	Hon. Elias Bare Shill	Chairman
2	Hon. Doyo Godana	Deputy chairman
3	Fred Muteti	Secretary General
4	Hon. David K. Koech	National Executive Director
4	Leah Ntimama	Deputy Secretary General
6	George Ayugi	National Organizing Secretary
7	Florence Ngugi	Deputy Organizing Secretary
8	John Kangogo	Deputy Organizing Secretary
9	Hon. Fatuma Mwachache	National Treasurer
10	Bishop. Moses Murpus	Deputy Treasurer
11	Tiampati Ketuyio	Sec For Environment
12	Robert Kochale	Sec Pastrolist, ASAL Development
13	Hellen Njue	Sec Public Economic Affairs
14	Hon. Sonia Birdi	Sec Security & Defence
15	Fatuma Hassan	Sec Publicity & Information
16	John Lodepe Nakara	Sec Education
17	Aden Noor	Member
18	Hon. Sarah Korere	Member
19	Linet Mirihane	Member
20	James Lenayiara	Member
21	Amina Ahmed Sharif	Member
22	David Pkosing	Member
23	Joshua Rotich	Member
24	Joseph Dida Halake	Member
25	Eng. Henry Orangi	Member
26	Geoffrey Ruku	Member
27	Hon. Peris Simam	Member
28	Rehema Jaldesa	Member
29	Charity Kathambi Chepkwony	Member
30	Gideon Keter	Member
31	Victor Ayugi	Member
32	Hon. Sammy Mwaita	Member
33	Sen. Stephen Sang	Member

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

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.

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

CHAIRMAN'S STATEMENT

Allow me to register my appreciation in being part and parcel of the United Republican Party as outlined in this 2015/2016 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.

POLITICAL ENVIRONMENT

The year under review was the penultimate period before our dissolution and merging to the Jubilee Party of Kenya. United Republican Party as a key player in the Jubilee Government to overwhelmingly support the Government in all its endeavors in making Kenya the country we want. It is in the fore front of bringing positive charges to all its citizens and various stakeholders as enshrined in our constitution and indeed our manifesto.

In the Financial year 2015/2016 , as a party, we have embarked on a meticulous process of harmonizing 12 political parties under the Jubilee Coalition into one solid party. Being part of the process I stand here today humbled yet proud of that great initiative that we have taken. As the Swahili, saying goes ‘umoja ni nguvu, utengano ni udhaifu’ we shall serve our people better as one that when divided.

PARTY FINANCES

The Financial Statements presented herein are a record of both the Financial Position and Comprehensive Income of the affairs of the party as at June 30, 2016. As mentioned the government through the Registrar of Political Parties continues to be the major financier of our political process. It is no wonder that the party has laid down proper measures. We assure Internal Control measures that conform to the Government expectations in areas of compliance, mentoring and evaluation and internal audits.

I must also note that elected members of Parliament, Senators and Members of County Assembly for the contributions which they are monthly making to the support of the grass root activities.

Lastly, being the penultimate whole Financial year before the merger, I would like to give a go ahead to the Executive Director to complete the winding up process and transfer our net assets to the to be formed Jubilee Party.

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

COUNTY FIELD PROGRAMS

In the year under review the party operated more than 26 offices within the country thus being the party with the highest grassroots representation. The same will be handed over to the Jubilee Party and re-branded.

PROGRESS IN STRATEGIC ACTIVITIES

As I mentioned earlier URP being a key player in Jubilee Government, we recognize the need to strengthen our coalition so as to obtain synergy in our unity of purpose. We are committed to attaining our code mandate by working together as one and with one agenda of uplifting our people's standards.

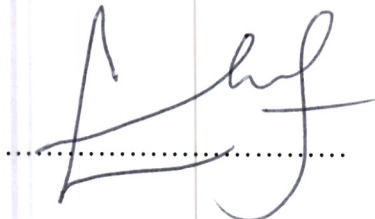
ACKNOWLEDGMENT

I wish to express my gratitude to the URP elected members, NEC, staff and county officials for their unwavering support.

Finally on behalf of the NEC, I wish to thank you, our esteemed supporters for the trust bestowed upon us as your representatives. With your unwavering support, URP will continue to strive for sustainable growth for the benefits of all Kenyans.

As we close the chapter of United Republican Party and open the a new door as The Jubilee Party I wish to convey my appreciation and salute to all supporters for the bold harmonization move.

Hon. Bare Shill
Chairman

A handwritten signature in blue ink, appearing to read 'Bare Shill', is written over a horizontal dotted line. The signature is stylized and cursive.

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

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 2015/2016 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.

The United Republican Party has been a leader in uniting people of different walks of this great republic. It is no wonder that the URP has been at the core of ensuring that all parties in the coalition merge into one big party thus breaking the tribal lines which ail our Kenyan politics.

In the Financial Year 2015/2016 we received **kshs. 50,892,382** directly from the Office of the Registrar of Political Parties and a further **Kshs. 19,727,574** from TNA (as per our agreement) the total amount being **Ksh. 70,619,956**. All these funds were duly received. We expected a total of **Kshs. 30,042,000** as contributions from our elected members.

The total income was expected at **100.6M** that we received in the financial period 2015/2016 compared to expected income amount of **Kshs.98.7** Million in the previous year. However, the outstanding amount from members' contribution is at **Kshs. 41.25** Million an amount which we endeavor to collect within this current year.

On the September 8 – 10, 2016, history was made in this country when our party lead other parties in the coalition in dissolving, merging and ultimately forming The Jubilee Party Of Kenya. Our delegates, in the words of Deputy President, the party leader, William S. Ruto termed them as heros and heroines.

After the merger, United Republican Party will released its assets and liabilities to the Jubilee Party. The Total Assets as at June 30, 2016 was at **Kshs. 54,827,978** against Total Liabilities of **Kshs. 5,650,363**. The Net Assets thus been **Kshs. 49,177,615**. In addition, the party will also release all its secretariat staff and county offices for the use of the new party.

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. The party has invested a lot of resources in working with like minded parties not only within the country but also from without.

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.

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

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 the Jubilee dream to greater heights and make Kenya a better Country.

Thank you



Hon. David K. Koech

The National Executive Director

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

UNITED REPUBLICAN PARTY

STATEMENT OF NATIONAL EXECUTIVE COUNCIL'S RESPONSIBILITIES

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 affairs of the Party as at the end of the financial year and of its operating results for the year. 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 representation of the Party's financial statements, which give a true and fair view of the state of affairs of the party for at as the end of the financial year ended on June 30, 2016. The responsibility includes maintaining adequate financial management arrangements and ensuring that this continue to be effective throughout the reporting period, maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Party, designing, implementing and maintain internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, safeguarding the assets of the Party, selecting and applying accounting policies and making accounting estimates that are 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 Statements give true and fair view of the state of the financial affairs of the Party and of its operating results at that date. The National Executive Council (NEC) further confirm the completeness of the accounting records maintained for the Party, which have been relied upon in the preparation of the Party's financial statements as well as the adequacy of the systems of internal financial control.

Disclosure:-

We wish to notify the public that the National Executive Council (NEC) has given a go ahead for the party to be dissolved and merged together with other into The Jubilee Party of Kenya pursuant to our URP constitution. Therefore the going concern of the party will cease as at September 08, 2016 **after** endorsement by the National Delegates Council.


.....

SECRETARY GENERAL

Date 20.03.2017

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

REPORT OF THE DIRECTOR (MANAGEMENT)

The Director presents the report together with the audited financial statements for the year ended 30th June 2016, which disclose the state of affairs of the party.

Principal activities

The party is mandated, as per the Political Parties Act, 2011, to promote active political participation by citizens with the view of ensuring national values and principles of governance enshrined in the Constitution of Kenya.

Results

The results of the party for the year ended June 30, 2016 are set out from pages 14.

Directors

The members of the National Executive Committee who held office during the year are set out on page 6 and Management Team on pages 7.

Auditors

The Auditor of the Party for the year ended is the Auditor General in line with the Public Audit Act, 2003. The Auditor of the Party continues to be the Auditor General.

On Behalf of the Party



Hon. David K. Koech
NATIONAL EXECUTIVE DIRECTOR



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE UNITED REPUBLICAN PARTY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the United Republican Party set out on pages 14 to 27 which comprise the statement of financial position as at 30 June 2016, 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 35 of the Public Audit Act, 2015. 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 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 management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. 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 entity's preparation

Report of the Auditor-General on the Financial Statements of the United Republican Party for the year ended 30 June 2016

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 Party'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 adverse audit opinion.

Basis for Adverse Opinion

1. Accuracy, Completeness and presentation of the financial statements

- i) Note 6 to the financial statements reflect administrative expenses of Kshs.4,345,160 which includes Kshs.3,000,000 paid as rent expenses. However, the lease agreement indicates that Kshs.500,000 being deposit equivalent to two (2) months rent was paid but the amount was excluded from the financial statements. Further, the lease agreement indicates that the premises were let for residential purposes.
- ii) The financial statements do not show the complete list and details of bank accounts operated by the Party showing clearly the bank account numbers and balances as at 30 June 2016. Further, a bank balance of Kshs.390,742 at Cooperative Bank was not supported with a bank certificate and bank reconciliation statements. Therefore, the accuracy of the bank balance cannot be ascertained.
- iii) The cash flow statement shows Kshs.30,042,000 (Note 1) as public contributions and donations. However the supporting schedules indicate cash received from public contributions amounted to Kshs.8,598,000. The resultant difference of Kshs.21,444,000 has not been explained or reconciled.

In view of the foregoing, the accuracy, completeness and presentation of the financial statements for the year ended 30 June 2016 could not be ascertained.

2. Long Outstanding Party Debtors

Reflected in the statement of financial position as at 30 June 2016 and analysed in Note 8 to the financial statements are long outstanding party debtors totalling Kshs.41,520,000, brought forward from the previous year. No plausible explanation has been provided for failure to clear the balance.

Adverse Opinion

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial

position of the United Republican Party as at 30 June 2016, 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.

Other matter

The Party did not submit a management representation letter during the audit.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

12 May 2017

UNITED REPUBLICAN PARTY
Statement Of Financial Performance
For the period ended 30th June 2016

	Notes	2015-2016 Kshs	2014-2015 Kshs
Revenue from non-exchange transactions			
Public contributions and donations	1	30,042,000	27,732,000
Transfers from other governments	2	70,619,956	70,986,546
Total Revenue		100,661,956	98,718,546
Expenses			
Grassroots Expenses	3	62,101,479	62,716,323
Employee costs	4	16,980,000	16,490,000
Depreciation and amortization expense	5	862,782	1,160,563
Administration Expenses	6	4,345,160	5,592,271
Total expenses		84,289,421	85,959,157
Surplus before tax		16,372,535	12,759,389
Surplus for the period		16,372,535	12,759,389
Attributable to:			
Surplus B/F		26,824,588	14,065,199
		43,197,122	26,824,588

The notes set out on pages 19 to 22 form an integral part of the Financial Statements

UNITED REPUBLICAN PARTY
Statement Of Financial Position
For the period ended 30th June 2016

	Notes	2015-2016 Kshs	2014-2015 Kshs
Assets			
Current assets			
Cash and cash equivalents	7	10,119,107	10,882,593
Party debtors	8	41,520,000	20,140,000
		51,639,107	31,022,593
Non-current assets			
Property, plant and equipment	9	3,188,870	4,051,652
		3,188,870	4,051,652
Total assets		54,827,978	35,074,244
Liabilities			
Non-current liabilities			
Accounts Payable	10	5,650,363	2,269,163
Total liabilities		5,650,363	2,269,163
Net assets		49,177,616	32,805,082
Financed By:-			
Reserves		5,980,494	5,980,494
Accumulated Surplus		43,197,123	26,824,588
Total net assets and liabilities		49,177,616	32,805,082

The Financial Statements on pages 14 To 17 Were signed on behalf of the Agency by:

Hon. David K. Koech
National Executive Director

Fred Muteti
Secretary General

Date

20.03.2017



Date

20.03.2017



UNITED REPUBLICAN PARTY
Statement Of Changes In Net Assets
For the period ended 30th June 2016

	Reserves		Total
	Contributed Capital	Accumulated Surplus	
	Kshs	Kshs	Kshs
Balance as at 30 JUNE 2015	5,980,494	26,824,588	32,805,082
Surplus/(deficit) for the period	-	-	-
Transfers to/from accumulated surplus	-	-	-
Balance as at 30 JUNE 2015	5,980,494	26,824,588	32,805,082
Balance as at 01 JULY 2015	5,980,494	26,824,588	32,805,082
Surplus for the period	-	16,372,535	16,372,535
Balance as at 30 JUNE 2016	5,980,494	43,197,123	49,177,616

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 2016

XIV. STATEMENT OF CASH FLOWS		2015-2016	2014-2015
Note		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		30,042,000	27,732,000
Government grants and subsidies		70,619,956	70,986,546
		100,661,956	98,718,546
Payments			
Compensation of employees	4	16,980,000	16,490,000
Goods and services	11	63,446,639	65,308,594
Rent paid		3,000,000	3,000,000
		83,426,639	84,798,594
Net cash flows from operating activities	12	17,235,317	13,919,952
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	(966,730)
Increase In Debtors		(21,380,000)	(18,361,227)
Increase In Creditors		3,381,200	123,543
Net cash flows used in investing activities		(17,998,800)	(19,204,414)
Net increase/(decrease) in cash and cash equivalents		(763,483)	(5,284,462)
Cash and cash equivalents at 1 July		10,882,591	16,167,054
Cash and cash equivalents at 30 June	7	10,119,107	10,882,591

UNITED REPUBLICAN PARTY*Annual Report and Financial Statements**For the period ended 30th June 2016***XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

	Original budget 2015-2016 Kshs	Adjustments 2015-2016 Kshs	Final budget 2015-2016 Kshs	Actual on comparable basis 2015-2016 Kshs	Performance difference 2015-2016 Kshs
Public contributions and donations	27,732,000.00	2,310,000.00	30,042,000.00	9,902,000.00	20,140,000.00
Government grants and subsidies	72,496,103.14	(1,876,147.49)	70,619,955.65	70,619,955.65	-
Other Incomes	-	-	-	-	-
Total income	100,228,103.14	433,852.51	100,661,955.65	80,521,955.65	20,140,000.00
Expenses					
Compensation of employees	23,052,000.00	-	23,052,000.00	16,980,000.00	6,072,000.00
Goods and services	94,176,103.14	-	94,176,103.14	64,309,421.13	29,866,682.00
Rent	3,000,000.00	-	3,000,000.00	3,000,000.00	-
Total expenditure	120,228,103.14	-	120,228,103.14	84,289,421.13	35,938,682.00
Surplus for the period	(20,000,000.00)	433,852.51	(19,566,147.49)	(3,767,465.48)	(15,798,682.00)

UNITED REPUBLICAN PARTY
Annual Report and Financial Statements
For the period ended 30th June 2016

Notes to the Accounts

1. Public contributions and donations

	2016	2015
	Shs	Shs
Parliamentary & Senate	12,990,000	10,440,000
Governor & MCA contributions	17,052,000	17,292,000
Total transfers and sponsorships	<u>30,042,000</u>	<u>27,732,000</u>

2. Transfers from other governments

	2016	2015
	Shs	Shs
Unconditional grants		
From Registrar Of Political Parties	50,892,382	49,167,562
From The National Alliance Party	19,727,574	21,818,984
Total government grants and subsidi	<u>70,619,956</u>	<u>70,986,546</u>

3. Grassroots Expenses

	2016	2015
	Shs	Shs
Election Expenses	3,129,000	8,063,955
Grassroots County Expenses	42,218,835	33,792,449
NEC Expenses	1,940,000	1,484,000
Media & Publicity	660,000	2,193,598
Grassroots Travel	-	1,722,001
Womens league	843,000	1,588,240
Youth league	690,000	1,557,340
Meetings & Trainings	522,944	3,366,740
Field Services	12,097,700	8,948,000
Grassroots Expenses	<u>62,101,479</u>	<u>62,716,323</u>

4. Employee costs

	2016	2015
	Shs	Shs
Employee related costs - salaries	16,980,000	16,490,000
Employee costs	<u>16,980,000</u>	<u>16,490,000</u>

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements

For the period ended 30th June 2016

Notes to the Accounts

5. Depreciation expense

	2016	2015
	Shs	Shs
Property, plant and equipment	862,782	1,160,563
Total depreciation	862,782	1,160,563

6. Administration Expenses

	2016	2015
	Shs	Shs
Stationery	68,019	649,322
Rent	3,000,000	3,000,000
Generator Fuel & Electricity	7,700	-
Repairs & Maintenance	33,555	142,355
Bank charges	220,026	154,135
General Office Expenses	754,178	826,458
Security	-	720,000
Water	12,000	-
Audit Fees	50,000	50,000
Internet & Telephone Charges	86,422	-
Cleaning services	63,260	-
Membership fees (CMD)	50,000	50,000
Total general expenses	4,345,160	5,592,271

7. Cash and cash equivalents

	2016	2015
	Shs	Shs
Trans National Bank	8,684,577	9,543,292
Co-operative Bank Ltd	390,742	390,256
Cash-on-hand and with Counties	1,043,790	949,045
Total cash and cash equivalents	10,119,107	10,882,593

UNITED REPUBLICAN PARTY
Annual Report and Financial Statements
For the period ended 30th June 2016

Notes to the Accounts

8. Party Debtors

	2016 Shs	2015 Shs
Party Debtors	41,509,000	20,129,000
Sundry Debtors	11,000	11,000
Total non-current borrowings	41,520,000	20,140,000

9. Property, Plant and Equipment

	Computers & Printers Shs	Furniture & Fittings Shs	Office Equipment Shs	Total Shs
<i>Cost or Valuation:</i>				
As at 01 July 2015	3,465,699	2,379,655	378,750	6,224,104
Additions during the year	-	-	-	-
Cost as at 30 June 2016	3,465,699	2,379,655	378,750	6,224,104
Disposal	-	-	-	-
Adjustments	-	-	-	-
As at 30th June 2016	3,465,699	2,379,655	378,750	6,224,104
Depreciation and Impairment				
At 1 July 2015	1,429,553	654,265	88,633	2,172,452
Depreciation	610,844	215,674	36,265	862,782
Impairment	-	-	-	-
At 30 June 2016	2,040,397	869,939	124,897	3,035,234
Net book values				
At 30 June 2016	1,425,302	1,509,716	253,853	3,188,870
At 30 June 2015	2,036,146	1,725,390	290,117	4,051,653

10. Accounts Payable

	2016 Shs	2015 Shs
Party Creditors	3,504,743	2,169,163
Sundry Creditors	2,145,620	100,000
Total non-current borrowings	5,650,363	2,269,163

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements

For the period ended 30th June 2016

Notes to the Accounts

11. Goods and Services Payments	2016	2015
	Shs	Shs
Grassroots Expenses (Note 5)	62,101,479	62,716,323
Administration Cost	4,345,160	5,592,271
Rent Paid	(3,000,000)	(3,000,000)
Total	63,446,639	65,308,594

12. Cash Generated from Operations	2016	2015
	Shs	Shs
Surplus for the year before Tax	16,372,535	12,759,389
Add Depreciation	862,782	1,160,563
Net Cash Flow from operating activities	17,235,317	13,919,952

Summary of Significant Accounting Policies

• **Statement of compliance and basis of preparation – IPSAS 1**

The party's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

a) Revenue recognition

• **Revenue from non-exchange transactions – IPSAS 23**

Contributions & Government Funding

The entity recognizes revenues from members' contributions, government funding when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

For the year under review contributions from elected members have recognized when cash was received.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

Summary of Significant Accounting Policies

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the party recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. All donation assets have been capitalized as belonging to the party. Depreciation is done on straight line basis and rates applicable are as follows:-

	<u>Rates</u>
Computers	30%
Furniture & Fittings	12.5%
Office Equipments	12.5%

d) Provisions – IPSAS 19

Provisions are recognized when the Party has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. The provision in our statements includes Gratuity due to the directors which are payable at the expiry of the contract.

Summary of Significant Accounting Policies

e) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

f) Changes in accounting policies and estimates – IPSAS 3

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, headquarters & county petty cash. Bank account balances include amounts held Trans National Bank Ltd, Co-operative bank Ltd, and at various county office commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

i) Significant judgments and sources of estimation uncertainty – IPSAS 1

The preparation of the party's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

As such the assumptions made are:-

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

Elected members revenue inform of contributions not yet received during the financial year will be transferred to Jubilee Party.

Summary of Significant Accounting Policies

Going concern Assumption - The party will be dissolved on the September, 08, 2016 to form Jubilee Party.

j) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

k) Taxation

The party, being a non-trading entity is not subject to taxation. No tax therefore is provided in these accounts.

UNITED REPUBLICAN PARTY

Annual Report and Financial Statements for the Financial Year Ended June 30, 2016

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

None