

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL



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**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
UNITED REPUBLICAN PARTY**

**FOR THE 3 MONTHS PERIOD  
ENDED 30 SEPTEMBER 2016**

UNITED REPUBLICAN PARTY

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

**URP**  
**UNITED REPUBLICAN PARTY**



**KUSEMA NA KUTENDA**

**UNITED REPUBLICAN PARTY**

Party No: 026

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

Ammended Copy

UNITED REPUBLICAN PARTY

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

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UNITED REPUBLICAN PARTY

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

**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**

## UNITED REPUBLICAN PARTY

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

- **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 SEPTEMBER 30, 2016 and who had direct fiduciary responsibility were:

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

- **Fiduciary Oversight Arrangements**

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

UNITED REPUBLICAN PARTY

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

- *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](mailto:comm@urp.co.ke)  
Website: [www.urp.co.ke](http://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

**NATIONAL EXECUTIVE COMMITTEE**

UNITED REPUBLICAN PARTY

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

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 September 30, 2016

**MANAGEMENT TEAM**

<b>No.</b>	<b>Management Team</b>	<b>Responsibility</b>
1	Executive Director	Chief Executive and Secretary to National Executive Committee, head of campaigns
2	Deputy Executive Director	Deputises 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 & Accounting.

UNITED REPUBLICAN PARTY

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

**CHAIRMAN'S STATEMENT**

It is my great honor and to present the Financial Report of United Republican Party as outlined in this 3 months to September 2016. You will agree that this is a landmark year not only for the Jubilee political fraternity but also for the way politics are done in this country.

This will go down as the year whereby the delegates and leadership of this party together with our other affiliate parties have unanimously dissolved and created an all-inclusive political party for our future and that of our children and their children. It is the year where a new order has been borne to accommodate all Kenyans.

**POLITICAL ENVIRONMENT**

The year under review is the actual period where dissolution and merging to the Jubilee Party of Kenya was done. 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.

I urge all the Jubilee Family and leadership to stand steadfast to actualize the Kenyan dream as envisaged by the country's manifesto and that of the Jubilee Party.

**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 September 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, I wish all the best to the new party officials and urge them to strengthen the new party and propel it to new heights.

**UNITED REPUBLICAN PARTY**

**Annual Report and Financial Statements for the Financial Year Ended September 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 have been 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.

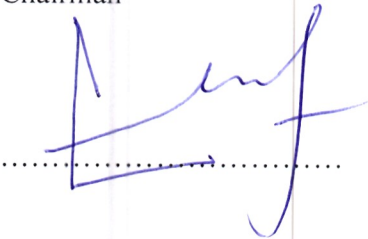
**ACKNOWLEDGMENT**

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 a new door as 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 extends below the line.

UNITED REPUBLICAN PARTY

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

**THE NATIONAL EXECUTIVE DIRECTORS REPORT**

Allow me to present the Financial Report of United Republican Party for the Financial Year ended September 30, 2016. This is the Final year as U.R.P and it is report for three months.

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 three months Financial Year to September 2016 we received **kshs. 11,782,939.60** directly from the Office of the Registrar of Political. We expected a total of Kshs. **8,282,000.00** as contributions from our elected members.

The total income was expected at **Kshs. 18,715,940.00**. However, the outstanding amount from members' contribution is at **Kshs. 46.023** Million an amount which we endeavor to recover within this calendar 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. 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 released its assets and liabilities to the Jubilee Party. The Total Assets as at September 30, 2016 was at **Kshs. 51,472,359** against Total Liabilities of **Kshs. 6,661,663**. The Net Assets thus been **Kshs. 44,810,696**. In addition, the party will also release all its secretariat staff and county offices for the use of the new party.

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.

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.

UNITED REPUBLICAN PARTY

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

It is my hope and expectations that the new mantle of leadership of the Jubilee Party shall continue to steer the party to prosperity. Challenges notwithstanding I believe it is to the best interest that we have a unified party that works in sync and with unity of purpose. Finally, I wish to register my optimism and confidence that we shall be able to elevate the Jubilee dream to greater heights and make Kenya a better Country.

Thank you

A handwritten signature in black ink, appearing to be 'DK Koech', with a long horizontal flourish extending to the right.

**Hon. David K. Koech**

**The National Executive Director**

UNITED REPUBLICAN PARTY

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

**UNITED REPUBLICAN PARTY**

**STATEMENT OF NATIONAL EXECUTIVE COUNCIL'S RESPONSIBILITIES**

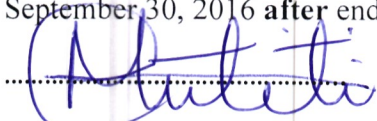
The National Executive Council, (NEC) is required by the Political Parties Act to prepare Financial Statements for each financial year, which gives a true and fair view of the state of the financial affairs of the Party as at the end of the financial year and of its operating results for the year. The 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 September 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 pursuant to our URP constitution. Therefore, the going concern of the party ceased as at September 30, 2016 **after** endorsement by the National Delegates Council.



SECRETARY GENERAL

Date

20.05.2018

# REPUBLIC OF KENYA

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Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON UNITED REPUBLICAN PARTY FOR THE 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

##### **Qualified Opinion**

I have audited the accompanying financial statements of the United Republican Party set out on pages 1 to 14, which comprise the statement of financial position for three (3) months period ended 30 September 2016, and the statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the three (3) months period 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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of United Republican Party for three (3) months period as at 30 September 2016, and of its financial performance and its cash flows for the three months period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Basis for Qualified Opinion section of my report, based on the procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

##### **Basis for Qualified Opinion**

##### **Unsupported Expenditure**

During the period under review, the party paid an amount of Kshs.15,134,344 as grassroots county expenses. However, Kshs.1,539,144 had no supporting documents and was indicated as unsupported balance that was to be carried forward to the Jubilee Party after the merger.

Consequently, the balance of Kshs.1,539,144 carried forward to Jubilee Party after the merger could not be confirmed.

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*Report of the Auditor-General on the Financial Statements of United Republican Party for the 3 Months Period ended 30 September 2016*

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of United Republican Party in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section of my report, I confirm that there were no other Key Audit Matters to communicate.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standard (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.

In preparing the financial statements, management is responsible for assessing the Party's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Party or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Party's financial reporting process.

### **Auditor-General's Responsibilities for the Audit of the Financial Statements**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

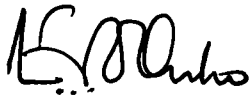
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Party to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Party to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

**Nairobi**

**31 August 2018**

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

	Notes	Sep-16 Kshs	2015-2016 Kshs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	6,933,000	30,042,000
Transfers from other governments	2	11,782,940	70,619,956
<b>Total Revenue</b>		<b>18,715,940</b>	<b>100,661,956</b>
<b>Expenses</b>			
Grassroots Expenses	3	15,134,344	62,101,479
Employee costs	4	4,230,000	16,980,000
Depreciation and amortization expense	5	162,009	862,782
Administration Expenses	6	2,450,560	4,345,160
<b>Total expenses</b>		<b>21,976,913</b>	<b>84,289,421</b>
<b>Surplus before tax</b>		<b>(3,260,974)</b>	<b>16,372,535</b>
<b>Surplus for the period</b>		<b>(3,260,974)</b>	<b>16,372,535</b>
Attributable to:			
Surplus B/F		43,197,122	26,824,588
		<u>39,936,149</u>	<u>43,197,122</u>

The notes set out on pages 6 to 14 form an integral part of the Financial Statements

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

	Notes	Sep-16 Kshs	2015-2016 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	2,422,498	10,119,107
Party debtors	8	46,023,000	41,520,000
		<b>48,445,498</b>	<b>51,639,107</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	3,026,861	3,188,870
		3,026,861	3,188,870
<b>Total assets</b>		<b>51,472,359</b>	<b>54,827,977</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Accounts Payable	10	6,661,663	5,650,363
<b>Total liabilities</b>		<b>6,661,663</b>	<b>5,650,363</b>
<b>Net assets</b>		<b>44,810,696</b>	<b>49,177,616</b>
<b>Financed By:-</b>			
Reserves		4,874,547	5,980,494
Accumulated Surplus		39,936,149	43,197,123
<b>Total net assets and liabilities</b>		<b>44,810,696</b>	<b>49,177,616</b>

The Financial Statements on pages 1 To 5 Were signed on behalf of the Party by:

Hon. David K. Koech  
National Executive Director

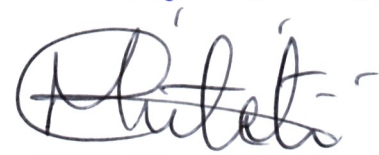
Fred Muteti  
Secretary General

Date

20.05.2018



Date 20.05.2018



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

	<b>Reserves</b>		<b>Total</b>
	<b>Contributed Capital</b>	<b>Accumulated Surplus</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Balance as at 30 JUNE 2015</b>	5,980,494	43,197,123	49,177,617
Surplus/(deficit) for the period	-	-	-
Transfers to/from accumulated surplus	-	-	-
<b>Balance as at 30 JUNE 2016</b>	<b>5,980,494</b>	<b>43,197,123</b>	<b>49,177,617</b>
<b>Balance as at 01 JULY 2016</b>	<b>5,980,494</b>	<b>43,197,123</b>	<b>49,177,617</b>
Surplus for the period	(1,105,947)	(3,260,974)	(4,366,921)
<b>Balance as at 30 September 2016</b>	<b>4,874,547</b>	<b>39,936,149</b>	<b>44,810,695</b>

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*

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<b>XIV.</b>	<b>STATEMENT OF CASH FLOWS</b>		<b>Sep-16</b>	<b>2015-2016</b>
	Note		Kshs	Kshs
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Public contributions and donations			6,933,000	30,042,000
Government grants and subsidies			11,782,940	70,619,956
			<b>18,715,940</b>	<b>100,661,956</b>
<b>Payments</b>				
Compensation of employees	4		4,230,000	16,980,000
Goods and services	11		16,834,904	63,446,639
Rent paid			750,000	3,000,000
			<b>21,814,904</b>	<b>83,426,639</b>
<b>Net cash flows from operating activities</b>	<b>12</b>		<b>(3,098,964)</b>	<b>17,235,317</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant, equipment and intangible assets			-	-
Prior Year Adjustment			(1,105,945)	-
Increase In Debtors			(4,503,000)	(21,380,000)
Increase In Creditors			1,011,300	3,381,200
<b>Net cash flows used in investing activities</b>			<b>(4,597,645)</b>	<b>(17,998,800)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>(7,696,610)</b>	<b>(763,483)</b>
Cash and cash equivalents at 1 July			10,119,107	10,882,591
<b>Cash and cash equivalents at 30 June</b>	<b>7</b>		<b>2,422,498</b>	<b>10,119,107</b>

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

	Original budget Sep-16 Kshs	Adjustments Sep-16 Kshs	Final budget 2015-2016 Kshs	Actual on comparable basis Sep-16 Kshs	Performance difference Sep-16 Kshs
Public contributions and donations	6,933,000.00	-	6,933,000.00	1,070,000.00	5,863,000.00
Government grants and subsidies	11,782,939.60	-	11,782,939.60	11,782,939.60	-
Other Incomes	-	-	-	-	-
<b>Total income</b>	<b>18,715,939.60</b>	<b>-</b>	<b>18,715,939.60</b>	<b>12,852,939.60</b>	<b>5,863,000.00</b>
<b>Expenses</b>					
Compensation of employees	4,230,000.00	-	4,230,000.00	4,230,000.00	-
Goods and services	18,749,229.00	-	18,749,229.00	16,996,913.15	1,752,315.85
Rent	750,000.00	-	750,000.00	750,000.00	-
<b>Total expenditure</b>	<b>23,729,229.00</b>	<b>-</b>	<b>23,729,229.00</b>	<b>21,976,913.15</b>	<b>1,752,315.85</b>
<b>Surplus for the period</b>	<b>(5,013,289.40)</b>	<b>-</b>	<b>(5,013,289.40)</b>	<b>(9,123,973.55)</b>	<b>4,110,684.15</b>

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**Notes to the Accounts**

**1. Public contributions and donations**

	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
Parliamentary & Senate	2,610,000	12,990,000
Governor & MCA contributions	4,323,000	17,052,000
<b>Total transfers and sponsorships</b>	<b>6,933,000</b>	<b>30,042,000</b>

**2. Transfers from other governments**

	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
<b>Unconditional grants</b>		
From Registrar Of Political Parties	11,782,940	50,892,382
From The National Alliance Party	-	19,727,574
<b>Total government grants and subsidi</b>	<b>11,782,940</b>	<b>70,619,956</b>

**3. Grassroots Expenses**

	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
Election Expenses	-	3,129,000
Grassroots County Expenses	13,595,200	42,218,835
NEC Expenses	450,000	1,940,000
Media & Publicity	-	660,000
Grassroots Travel	-	-
Womens league	-	843,000
Youth league	-	690,000
Meetings & Trainings	-	522,944
Field Services	1,089,144	12,097,700
<b>Grassroots Expenses</b>	<b>15,134,344</b>	<b>62,101,479</b>

**4. Employee costs**

	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
Employee related costs - salaries	4,230,000	16,980,000
<b>Employee costs</b>	<b>4,230,000</b>	<b>16,980,000</b>

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**Notes to the Accounts**

**5. Depreciation expense**

	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
Property, plant and equipment	162,009	862,782
<b>Total depreciation</b>	<b>162,009</b>	<b>862,782</b>

**6. Administration Expenses**

	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
Stationery	30,000	68,019
Rent	750,000	3,000,000
Generator Fuel & Electricity	5,000	7,700
Repairs & Maintenance	20,000	33,555
Bank charges	45,438	220,026
General Office Expenses	1,368,833	754,178
Accrued Salary	-	-
Security	-	-
NEC	-	-
Water	45,489	12,000
Audit Fees	50,000	50,000
Advertising	135,800	86,422
Cleaning services	-	63,260
Membership fees (CMD)	-	50,000
<b>Total general expenses</b>	<b>2,450,560</b>	<b>4,345,160</b>

**7. Cash and cash equivalents**

	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
Trans National Bank	2,106,465	8,684,577
Co-operative Bank Ltd	316,034	390,742
Cash-on-hand and with Counties	-	1,043,790
<b>Total cash and cash equivalents</b>	<b>2,422,498</b>	<b>10,119,107</b>

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**Notes to the Accounts**

**8. Party Debtors**

	Sep-16	2016
	Shs	Shs
Party Debtors	46,012,000	41,509,000
Sundry Debtors	11,000	11,000
<b>Total non-current borrowings</b>	<b>46,023,000</b>	<b>41,520,000</b>

**9. Property, Plant and Equipment**

	Computers & Printers	Furniture & Fittings	Office Equipment	Total
<i>Cost or Valuation:</i>	Shs	Shs	Shs	Shs
<b>As at 01 July 2016</b>	3,465,699	2,379,655	378,750	6,224,104
Additions during the year	-	-	-	-
<b>Cost as at 30 Sept 2016</b>	3,465,699	2,379,655	378,750	6,224,104
Disposal	-	-	-	-
Adjustments	-	-	-	-
<b>As at 30th Sept 2016</b>	<b>3,465,699</b>	<b>2,379,655</b>	<b>378,750</b>	<b>6,224,104</b>
<b>Depreciation and Impairment</b>				
At 1 July 2016	2,040,397	869,939	124,897	3,035,234
Depreciation	106,898	47,179	7,933	162,009
Impairment	-	-	-	-
<b>At 30 Sept 2016</b>	<b>2,147,295</b>	<b>917,118</b>	<b>132,830</b>	<b>3,197,243</b>
<b>Net book values</b>				
At 30 Sept 2016	1,318,404	1,462,537	245,920	3,026,861
At 30 June 2016	1,425,302	1,509,716	245,920	3,180,937

**10. Accounts Payable**

	Sep-16	2016
	Shs	Shs
Party Creditors	3,554,743	3,504,743
Sundry Creditors	3,106,920	2,145,620
<b>Total non-current borrowings</b>	<b>6,661,663.00</b>	<b>5,650,363</b>

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**Notes to the Accounts**

<b>11. Goods and Services Payments</b>	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
Grassroots Expenses ( Note 5)	15,134,344.00	62,101,479
Administration Cost	2,450,560.00	4,345,160
Rent Paid	(750,000.00)	(3,000,000)
<b>Total</b>	<b>16,834,904.00</b>	<b>63,446,639</b>

<b>12. Cash Generated from Operations</b>	<b>Sep-16</b>	<b>2016</b>
	<b>Shs</b>	<b>Shs</b>
Surplus for the year before Tax	(3,260,974)	16,372,535
Add Depreciation	162,009	862,782
<b>Net Cash Flow from operating activities</b>	<b>(3,098,964)</b>	<b>17,235,317</b>

**UNITED REPUBLICAN PARTY****Trial Balance****As at September 2016**

	<b>Debit</b>	<b>Credit</b>
Parliamentary & Senate		2,610,000
Governor & MCA contributions		4,323,000
Nomination Papers		-
Tender Sales		-
From Registrar Of Political Parties		11,782,940
From The National Alliance Party		-
Grassroots County Expenses	13,595,200	
NEC Expenses	450,000	
Media, Publicity & Elections Mgt	-	
Elections Management	-	
Grassroots Travel	-	
Womens league	-	
Youth league	-	
Consultancy Fees	-	
Meetings & Trainings	-	
Field Services	1,089,144	
Employee related costs - salaries	4,230,000	
Depreciation:- Property, Plant and Equ	162,009	
Stationery	30,000	
Rent	750,000	
Generator Fuel & Electricity	5,000	
Repairs & Maintenance	20,000	
Bank charges	45,438	
General Office Expenses	1,368,833	
Advertising	135,800	
Accrued Audit Fees	50,000	
Water	45,489	
Membership fees ( CMD)	-	
Trans National Bank	2,106,465	
Co-operative Bank Ltd	316,034	
Cash-on-hand and in transit	-	
Donations	-	
Party Sundry Creditors		
Debtors	46,023,000	
Sundry Debtors		3,106,920
Party Creditors		3,554,743
Computers & Printers	3,465,699	
Furniture & Fittings	2,379,655	
Office Equipment	378,750	
Accumulated Depreciation		3,197,243
Reserves	1,105,947	
Accumulated Surplus		49,177,617
<b>Total</b>	<b>77,752,463</b>	<b>77,752,463</b>

**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.

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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.