

REPUBLIC OF KENYA



*By the leader of majority party for open door*



**KENYA NATIONAL AUDIT OFFICE**



*on Tuesday 1/12/2010*  
*[Signature]*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
THE NATIONAL ALLIANCE**

**FOR THE YEAR ENDED  
30 JUNE 2011**



NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL YEAR; 2010/2011

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE

2011

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

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# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

## PARTY INFORMATION

### 1. PRINCIPAL OBJECTIVE

National alliance party of Kenya is a Political Party registered in Kenya with the embodiment of the vision for a better Kenya, and vehicle for its actualization.

### 2. REGISTERED OFFICE.

NATIONAL ALLIANCE PARTY OF KENYA

P.O. BOX 13913-00800

NAIROBI.

PROMISO SACCO PLAZA, JOGOO ROAD.

### 3. EXECUTIVE NATIONAL OFFICIALS

Mr. Johnson Sakaja -Chairman

Mr. George Onyango Oloo -Secretary General

Ms. Mary Wambui Gichuru -National Treasurer

### 4. BANKERS

Co-operative Bank of Kenya

-Parliament Road, Nairobi

### 5. INDEPENDENT AUDITORS

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. BOX 30084

GPO 00100

Nairobi, Kenya.

# NATIONAL ALLIANCE PARTY OF KENYA

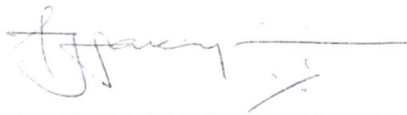
FINANCIAL STATEMENT FOR THE YEAR 2010/2011

The Executive Members are required to prepare financial statement for each financial year which give a true and fair view of the state of affairs of the Party as at the end of the financial year and the result of its operations for the year ended. In preparing those financial statements the Executive members are required to:

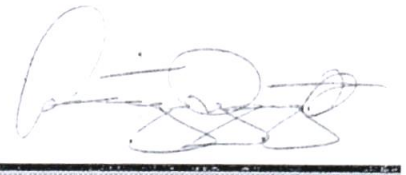
- Select suitable accounting policies and then apply them consistently
- Make adjustments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that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

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

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



CHAIRMAN  
JOHNSON SAKAJA



SECRETARY GENERAL  
ONYANGO OLOO



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL ALLIANCE FOR THE YEAR ENDED 30 JUNE 2011

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of The National Alliance set out on pages 4 to 12, which comprise the statement of financial position as at 30 June 2011, and the financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, and Section 31 (3) of the Political Parties Act, 2011.

#### **Management's Responsibility for the Financial Statements**

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

The Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 31(2) of the Political Parties Act, no. 11 of 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 of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Because of the matters described in the Basis for Disclaimer of Opinion paragraph however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

### **1.0 Income**

The statement of financial performance reflects gross income of Kshs.5,284,000. However, the Party did not provide for verification documents in support of the figure.

In addition, no information was made available or confirmation that the Party submitted to the Registrar of Political parties, a declaration of the sources of its funds during the year, contrary to the requirements of Section 10 (1) of Political Parties Act, 2011. As a result of the above reasons, the accuracy of the income received by the Party during the year under review as disclosed in the financial statements could not be confirmed.

### **2.0 Expenditure**

The statement of financial performance for the year ended 30 June 2011 also reflects Kshs.5,282,544 in respect of total expenditure. However, the Party did not provide for verification, documents in support of the figure.

As a result the accuracy of the total expenditure incurred by the Party during the year under review as disclosed in the financial statements could not therefore be confirmed.

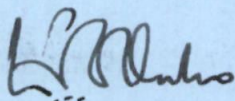
### **3.0 Receivables and Payables**

The statement of financial position as at 30 June 2011 reflects receivables and payables of Kshs.1,640,216 and Kshs.1,486,216 respectively. However no documentary evidence has been provided to support these figures. Consequently, the accuracy of the statement of financial position as at 30 June 2011 could not be confirmed.

Further the financial statements reflect comparative figures for 2010/2011, however, the financial statements for the year 2009/2010 were not availed for audit verification.

## **Disclaimer of Opinion**

Because of significance of the matters described in the Basis for Disclaimer of the Opinion paragraph, I have not been able to obtain sufficient appropriate evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

**Nairobi**

**01 October 2015**

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENTS

For the year ended 30 June 2011

STATEMENT OF FINANCIAL PERFORMANCE.

	NOTES	2011 June 30' shs	2010 June 30' shs
income			
Membership fees	6	200,000	190,000
Contribution From Members	6	2,544,000	1,500,000
Donation from well wishers	6	2,540,000	2,645,000
<b>GROSS INCOME</b>		<b>5,284,000</b>	<b>4,335,000</b>
Administrative costs	7	1,387,000	1,709,000
Operating Cost	8	3,140,320	1,828,000
Finance cost	9	12,051	20,000
Staff Cost	10	690,000	500,000
Depreciation	3	53,173	25,800
<b>TOTAL EXPENDITURE</b>		<b>5,282,544</b>	<b>4,082,800</b>
<b>SURPLUS/ DEFICIT</b>		<b>1,456</b>	<b>252,200</b>
<b>NET SURPLUS/ DEFICIT</b>		<b>1,456</b>	<b>252,200</b>

Notes attached hereto form part of these accounts

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENTS

For the year ended 30 June 2011

Statement of Financial Position.

	NOTES	2011 30-Jun shs	2010 30-Jun shs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	213,028	95,200
<b>Current Assets</b>			
Receivables	2	1,640,216	756,266
Cash and bank balances	4	(113,371)	3,000
<b>Total Assets</b>		<b><u>1,739,872</u></b>	<b><u>854,466</u></b>
<b>CAPITAL EMPLOYED</b>			
<b>Capital and Reserves</b>			
<b>Equity</b>			
Accumulated Funds		253,656	252,200
<b>Current Liabilities</b>			
Payables	5	1,486,216	602,266
<b>Non-current Liabilities</b>			
<b>Total reserves and liabilities</b>		<b><u>1,739,872</u></b>	<b><u>854,466</u></b>

Notes attached hereto form part of these accounts

These accounts were approved on 21-09-2015 by:

Chairman- Johnson Sakaja.....

Secretary General- George Onyango Oloo.....

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENTS

For the year ended 30 June 2011

Statement of Changes in Equity	Accumulated fund 2011 30-Jun shs	Accumulated fund 2010 30-Jun shs
Balance at 01.07.2010	252,200	-
surplus/ Deficit	1,456	252,200
Additional During The year		-
Balance at 30.6.2011	<u>253,656</u>	<u>252,200</u>

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

**NATIONAL ALLIANCE PARTY OF KENYA**  
**FINANCIAL STATEMENT**  
For the year ended 30 June 2011

	2011 30-Jun amount sh	2010 30-Jun amount sh
<b>CASHFLOW STATEMENT</b>		
<b>Cash generated from operating activities</b>		
Profit before capital expenditure	1,456	252,200
Add depreciation	53,173	25,800
Adjusted Profit before changes in working capital	54,629	278,000
Changes in working capital		
Increase in accounts receivable	-	-
Increase in accounts payable	-	(154,000)
Net cash from operating activities	54,629	124,000
investing activities		
Acquisition of capital assets	(171,000)	(121,000)
Net cash from used in investing activities	(171,000)	(121,000)
Financing activities		
Net Cash used in investing	-	-
Increase(decrease) in cash and cash equivalent	(116,371)	3,000
Balance at 01-07-2010	3,000	-
Balance at 30-06-2011	(113,371)	3,000

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

## NOTES TO THE FINANCIAL STATEMENT.

### 1. PRINCIPAL ACCOUNTING POLICIES.

a) Basis of preparation

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

b) Accounting period.

The party prepared its accounts for the period of twelve months ending 30<sup>th</sup> June 2011.

c) Statement of compliance

The financial statements have been prepared in accordance with the policies and guidelines of National Alliance Party of Kenya.

d) Receipt recognition

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

### NOTE.

The Party, National Alliance Party of Kenya did not apply to receive the previous allocations from the Political Parties Fund since by then we had less activities and our internal systems were not up to date. For these reasons the party thought it was wise to hold the application of the public funds.

However, since we have now strengthened our systems and controls and we are looking forward to having numerous activities throughout the country, thus the funds will come in handy.

We therefore seek clearance of the receivables from the Registrar of political Parties.

e) Expenditure.

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

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

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

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

Computer and accessories 30%

Furniture and Fittings 12.5%

Equipment 12.5%

**g) Other disclosures**

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

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

	2011 shs	2010 shs	TOTAL shs	
2 ACCOUNTS RECEIVABLE POLITICAL PARTIES FUND				
Distribution to political parties 15% schedule	638,297.90	638,297.90	1,276,595.80	
Distribution to political parties 80% schedule	<u>245,651.95</u>	<u>117,967.75</u>	<u>363,619.70</u>	
	<u>883,949.85</u>	<u>756,265.65</u>	<u>1,640,215.50</u>	
3 PROPERTY PLANT AND EQUIPMENT				
	<b>computer and accessories</b>	<b>Furniture and Fittings</b>	<b>Equipment</b>	<b>TOTAL</b>
<b>Cost/ Valuation</b>		-		-
NBV as at 1st July 2010	42,700	43,750	8,750	95,200
additions	<u>71,000</u>	<u>100,000</u>		<u>171,000</u>
30th June 2011	<u>113,700</u>	<u>143,750</u>	<u>8,750</u>	<u>266,200</u>
<b>Depreciation</b>				
As at 1 July 2010	-			-
Charge for the year	<u>34,110</u>	<u>17,969</u>	<u>1,094</u>	<u>53,173</u>
	<u>34,110</u>	<u>17,969</u>	<u>1,094</u>	<u>53,173</u>
<b>NET BOOK VALUE AS</b>				
<b>AT 30TH JUNE 2011</b>	<u>79,590</u>	<u>125,781</u>	<u>7,656</u>	<u>213,028</u>

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

	2011	2010
	30-Jun	30-Jun
<b>4 CASH BANK BALANCE</b>		
Cash at Hand	-	3,000
Cash at Bank	(113,371)	-
	<b>(113,371)</b>	<b>3,000</b>
<b>5 PAYABLES</b>	Amount	Amount
Accounting fees	100,000	100,000
Rent (Headquarters/ Branch)	59,000	200,000
Suppliers and Reimbursements	1,327,216	302,266
	<b>1,486,216</b>	<b>602,266</b>
<b>6 Income</b>		
Membership Fee	200,000	190,000
Contributions From Members	2,544,000	1,500,000
Nomination Fees	-	-
Donations from Well - Wishers	2,540,000	2,645,000
	<b>5,284,000</b>	<b>4,335,000</b>
<b>7 Administration costs</b>		
Electricity and Water	150,000	136,000
Telephone, postage and Internet	18,000	48,000
Security Expenses	54,000	60,000
Rent and Rates	750,000	720,000
NEC Meeting Expenses		

# NATIONAL ALLIANCE PARTY OF KENYA

FINANCIAL STATEMENT FOR THE YEAR 2010/2011

	200,000	150,000
Office General Expenses	120,000	450,000
Licence and Permits	45,000	95,000
Subscription CMD	50,000	50,000
	<u>1,387,000</u>	<u>1,709,000</u>
<b>8 Operating Costs</b>		
Advertisements	250,000	200,000
Printing and Reproductions Counties and National Forum Expenses	50,000	100,000
Traveling and Meeting Expenses	1,000,000	500,000
Deligate Conference Expenses Mobilization and Logistics Expenses	420,000	520,000
Repair and Maintainance	500,000	90,000
Training Expenses	300,320	200,000
	120,000	20,000
	500,000	198,000
	<u>3,140,320</u>	<u>1,828,000</u>
<b>9 Financial Costs</b>		
Bank Charges and Interests	12,051	8,050
<b>10 Staff costs</b>		
Salaries , Wages and Allowances	450,000	360,000
Staff Welfare	240,000	140,000
	<u>690,000</u>	<u>500,000</u>