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OFFICE OF THE AUDITOR-GENERAL

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**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**KENYA AFRICAN DEMOCRATIC UNION**  
**(KADU-ASILI)**  
**FOR THE YEAR ENDED**  
**30 JUNE 2012**

**Kenya African Democratic Union**  
**KADU - ASILI**

**NATIONAL EXECUTIVE COMMITTEE REPORT**

**AND**

**FINANCIAL STATEMENTS**

**AS AT 30th JUNE 2012**

*Kalama and Associates*  
**CERTIFIED PUBLIC ACCOUNTANTS**  
*Huseini Building, 2nd Floor*  
*Haile Selassie road*  
*P.O. Box 88015 - 80100*  
*Mombasa*  
*TEL: 041-2315362 Cel: 0722-390738/0722-865603*

KADU ASILI

Financial Statements for the Year Ended 30 TH JUNE 2012

**PRINCIPAL ACTIVITY**

Political Activities

B

**RESULTS FOR THE YEAR**

2012                      2011

KShs                      KShs

Surplus/(Loss) for the year                      (5,403)                      (78,760)

Surplus/(Loss) transferred to accumulated fund                      (5,403)                      (78,760)

**OFFICIALS**

- Milton M. Mchombo                      -      National Chairman
- Birikadi C. Ngala                      -      National Treasurer
- Patience M. Chome                      -      Secretary General/Accounting officer

**REGISTERED OFFICE/ADDRESS**

P. O. Box 83229- 80100  
MOMBASA

**Principal Bankers:**

Barclays Bank of Kenya Ltd  
Nkrumah Road  
P.O. Box 90182- 00100  
MOMBASA

Annual Report and Financial Statements for the Year Ended 30 June 2012

STATISTICAL INFORMATION

	2012	2011
	KShs	KShs
Turnover	1,484,563	1,208,512
Non-current Assets	51,456	69,897
Current Assets	91,808	91,170
Current Liabilities	244,000	256,400
Net Current Assets	(152,192)	(165,230)
Net Assets	(100,736)	(95,333)
Accumulated Fund	(100,736)	(95,333)

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL OF KENYA AFRICAN DEMOCRATIC UNION (KADU-ASILI) FOR THE YEAR ENDED 30 JUNE 2012

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya African Democratic Union (KADU ASILI) set out on pages 3 to 8, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in reserves and the 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, Section 8 of the Public Audit Act, 2003 and Section 34 (1) of the Political Parties Act, 2007.

#### **Management's Responsibility for the financial statements**

The National Executive Committee of KADU ASILI 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 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 financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

#### **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 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

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*Report of the Auditor-General on the Financial Statements of Kenya African Democratic Union (KADU-ASILI)  
for the year ended 30 June 2012*

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 Party's internal controls.

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**

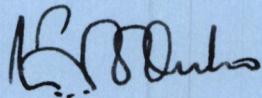
#### **Accuracy and Completeness of the Financial Statements**

The balances reflected in the financial statements as at 30 June 2012 were not supported with relevant supporting documents and analysis including schedules, bank reconciliation statements, bank balance certificates and cash survey certificates.

In the circumstances, the accuracy and completeness of the financial statements as at 30 June 2012 could not be confirmed.

#### **Disclaimer of Opinion**

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



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

**Nairobi**

**02 February 2017**

## Statement of Comprehensive Income

	2012	2011
	KShs	KShs
<b>INCOME</b>		
Registrar of Political Parties	1,322,393	1,059,852
Membership/Nomination fees	162,170	148,660
Councillors contribution	-	-
Donations	-	-
	-	-
	<b>1,484,563</b>	<b>1,208,512</b>
<b>EXPENDITURE</b>		
Salary and wages	230,720	330,890
N.S.S.F	-	8,000
Printing and stationery	23,277	131,931
Postage and telephones	58,454	49,261
Rent charges	229,350	72,000
Travelling & Accommodation Expenses	138,380	153,105
Bank charges	14,866	12,850
Audit fees	25,000	-
Internal Audit fees	25,000	-
Professional fees-Audit	35,000	55,000
Advertisements	28,520	-
Meetings and Seminars	277,150	50,620
Office Utilities	19,775	3,490
Repairs and maintenance	33,520	-
Party Advocacy Expenses	332,513	395,080
Depreciation of fixed assets	18,441	25,045
<b>Total Expenditure</b>	<b>1,489,966</b>	<b>1,287,272</b>
<b>Surplus/(Loss) for the year</b>	<b>(5,403)</b>	<b>(78,760)</b>
Balance brought forward	-	-
<b>Accumulated Fund</b>	<b>(5,403)</b>	<b>(78,760)</b>

Kadu Asili

Annual Report and Financial Statements for the Year Ended 30th June 2012

Statement of Financial Position As At 30 June 2012

		2012	2011
NON CURRENT ASSETS	NOTE	KShs	KShs
Property, Plant and Equipments	2	51,456	69,897
		<u>51,456</u>	<u>69,897</u>
<b>CURRENT ASSETS</b>			
Prepayments and Sundry Receivables	4	12,000	12,000
Cash and Bank Balances	5	79,808	79,170
		<u>91,808</u>	<u>91,170</u>
<b>TOTAL ASSETS</b>		<b>143,264</b>	<b>161,067</b>
<b>CURRENT LIABILITIES</b>			
Loan / Borrowings		100,000	-
Creditors and Accruals	6	144,000	256,400
<b>Total Liabilities</b>		<b>244,000</b>	<b>256,400</b>
<b>Financed by :-</b>			
Revenue Reserves		(100,736)	(95,333)
<b>Accumulated Fund</b>		<b>(100,736)</b>	<b>(95,333)</b>
<b>TOTAL LIABILITIES AND ACCUMULATED FUND</b>		<b>143,264</b>	<b>161,067</b>

The financial statements on page 4 and 8 were approved for issue by National Executive committee on 9/8/.....2012 and were signed on their behalf by



MRS. PATIENCE M CHOME

Secretary General/Accounting officer

## Statement of Changes in Reserve

	2012	2011
Accumulated Funds at 01 July 2011	(95,333)	333,427
Prior period adjustments-Mamjee loan repayments	-	(350,000)
Accumulated Funds as Re-stated	(95,333)	(16,573)
Surplus for the year	(5,403)	(78,760)
Accumulated Funds at 30 June 2012	(100,736)	(95,333)

CASH FLOW STATEMENT	2012	2011
Cash flow from operations	KShs	KShs
Surplus for the year	(5,403)	(78,760)
Adjustments for: -		
Depreciation of assets	18,441	25,045
<b>Cash generated from operations before working capital changes</b>	<b>13,038</b>	<b>(53,715)</b>
<b>Working capital changes</b>		
Receivables	-	-
Payables	(112,400)	(93,600)
<b>Net Cash flow from operations</b>	<b>(99,362)</b>	<b>(147,315)</b>
<b>Cash flow from financing activities</b>		
Purchase of fixed assets	-	-
Borrowing received	-	-
Borrowing repaid	100,000	-
<b>Cash flow from investing and financing activities</b>	<b>100,000</b>	<b>-</b>
Increase in cash and equivalents	638	(147,315)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>79,170</b>	<b>226,485</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>79,808</b>	<b>79,170</b>

## NOTES

**1. ACCOUNTING POLICIES****a). Accounting Period**

The Party prepares its financial statements covering a period of twelve months ending 30 June every financial year.

**b). Accounting Convention**

The financial statements are prepared under the historical cost convention.

**c). Income recognition**

Income is recognized in the period in which it is received by the party and comprises of members contributions and Government funds.

**d) Fixed Assets and Depreciation**

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a reducing balance basis to write the asset over the expected useful lives at the following annual rates:-

Office Furniture and fittings	12.50%
Office equipment	12.50%
Office computer	33.50%

**2. FIXED ASSETS**

	Computer KShs	Fittings KShs	Phone KShs	Total KShs	Total KShs
At cost					
At 1 January 2011	75,300	19,642	-	94,942	94,942
Additions/(Disposals)	66,500	6,500	-	73,000	73,000
As at 30th June 2012	141,800	26,142	-	167,942	167,942
Write off	(73,000)	-	-	(73,000)	(73,000)
	68,800	26,142	-	94,942	94,942
<b>Depreciation</b>					
Accumulated as at 30th June 2011	22,590	2,455	-	25,045	25,045
Charge for the year	15,480	2,961	-	18,441	18,441
	38,070	5,416	-	43,486	43,486
<b>Written Down Value</b>					
At 30 June 2012	30,730	20,726	-	51,456	51,456
At 30 June 2011	46,210	23,687	-	69,897	69,897

**3. INVESTMENTS**

	2013 KShs	2012 KShs
	-	-
	-	-

**4. RECEIVABLES AND PREPAYMENTS**

	2012 KShs	2011 KShs
Debtors and Prepayments	12,000	12,000
Prepaid office rent	-	-
Other sundry debtors	-	-
	12,000	12,000

## NOTES

(Cont....)

**5. CASH AND CASH EQUIVALENTS**

	2012	2011
	KShs	KShs
Barclays Bank Current A/C	2,540	25,244
Cash in hand	77,268	53,926
<b>At Year End</b>	<b><u>79,808</u></b>	<b><u>79,170</u></b>

Bank balances have been verified by Bankers and cash in hand has been verified by Association officials.  
The year-end cash and cash equivalents comprised cash in hand and deposits held at the bank.

**6. CREDITORS AND PAYABLES**

Salary due	10,000	-
Rent due	50,000	-
Professional fees	25,000	-
Other-Accent General Agencies	59,000	-
Creditors and accruals	-	256,400
	<b><u>144,000</u></b>	<b><u>256,400</u></b>

