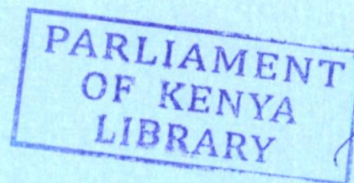


REPUBLIC OF KENYA



*Handwritten notes:*  
KAPEN  
By the leader  
of majority party  
Hon Aden Duale  
on Tuesday  
1/12/2015  
*Signature*

**KENYA NATIONAL AUDIT OFFICE**



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
PEOPLE DEMOCRATIC PARTY**

**FOR THE YEAR ENDED  
30 JUNE 2012**







## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON PEOPLES DEMOCRATIC PARTY FOR THE YEAR ENDED 30 JUNE 2012

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Peoples Democratic Party set out on pages 8 to 13, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity 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 and Section 8 of the Public Audit Act, 2003.

#### **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 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 31(2) of the Political Parties Act, 2011.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 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 entity's preparation and fair presentation of the financial statement 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.

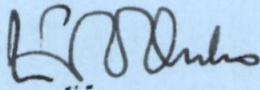
Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

The Party did not provide any primary accounting records and supporting documents to confirm entries captured in the financial statements for the year ended 30 June 2012. As a result, it has not been possible to confirm the accuracy and completeness of the financial statements as a whole.

**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 to 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**

**22 October 2015**



**PDP** | Mamlaka Kwa  
Wananchi

KENYA NATIONAL AUDIT OFFICE  
P. O. Box 30084 - 00100, NAIROBI.

19 NOV 2012

RECEIVED

**PEOPLES DEMOCRATIC PARTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**PEOPLES DEMOCRATIC PARTY**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2012**

**PEOPLES DEMOCRATIC PARTY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**PEOPLES DEMOCRATIC PARTY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**PARTY'S INFORMATION**

***REGISTERED OFFICE***

CANON ANNEX  
1ST FLOOR, PARLIAMENT LANE,  
P.O BOX 10734-00400  
NAIROBI

***PARTY OFFICIALS***

CHAIRMAN	:	STEPHEN NYARANGI
SECRETARY GENERAL	:	JOYCE ISAAC
EXECUTIVE DIRECTOR	:	JASPON NYAKUNDI

**BANKERS**

COOPERATIVE BANK  
PARLIAMENT ROAD

**AUDITORS**

AUDITOR GENERAL  
ANNIVERSARY TOWERS, UNIVERSITY WAY  
P.O. Box 30084-00100  
NAIROBI

**PEOPLES DEMOCRATIC PARTY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**CORPORATE GOVERNANCE STATEMENT**

Corporate Governance is the process by which organizations are directed and controlled and held accountable in order to achieve long term value to all stake holders .

The National Executive Committee of PEOPLES DEMOCRATIC PARTY is responsible for the Governance of the party and is accountable to the members for ensuring that the party complies with the law and the highest standards of business ethics and corporate Governance. Accordingly, the party officials attaches very high importance to the Generally accepted corporate governance practice.

The party has defined procedures and financial controls to ensure the reporting and accurate accounting information. These covers systems for obtaining authority for all transactions and for ensuring compliance with the laws and regulations that have significant financial implications.

The Party will continue to focus its attention on maintaining the highest standards of Corporate Governance and business ethics in its operations.

**PEOPLES DEMOCRATIC PARTY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**CHAIRMAN'S STATEMENT**

I am delighted to present the financial report for PEOPLES DEMOCRATIC PARTY for the year ended 30 June 2012.

I would like to congratulate the members of PEOPLES DEMOCRATIC PARTY without whom it would not have been possible for us to achieve the results for the year under review.

As the Chairman, I appreciate the support accorded to me by my fellow party officials and I thank them for their invaluable advice and support. I would also like to thank the Government and the Registrar of Political Parties for their support.

Thank you

A handwritten signature in black ink, appearing to be 'Shirley', written in a cursive style.

**CHAIRMAN,**

30 SEPTEMBER 2012.

**PEOPLES DEMOCRATIC PARTY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**ACCOUNTING OFFICER'S STATEMENT**

Its with great honour that we present the financial report for PEOPLES DEMOCRATIC PARTY for the year ended 30 June 2012.

I would like to congratulate the members of PEOPLES DEMOCRATIC PARTY without whom it would not have been possible for us to achieve the results for the year under review.

I would like to appreciate the support accorded to me by my fellow party officials and I thank them for their invaluable advice and support. I would also like to thank the Government and the Registrar of Political Parties for their support.

Thank you.



**SECRETARY GENERAL / ACCOUNTING OFFICER**

**September 30, 2012**

**PEOPLES DEMOCRATIC PARTY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**REPORT OF THE PARTY OFFICIALS**

**RESULTS**

The results are set out in pages 8 to 13

**PARTY OFFICIALS**

The list of party officials whi served during the year is set out in page 2.

**AUDITORS**

The auditor General is responsible for the statutory audit of the party's books of Accounts in accordance with the Political Party's Act, 2011.

BY ORDER OF THE NATIONAL EXECUTIVE COMMITTEE.



**SECRETARY GENERAL.**

**30 SEPTEMBER 2012.**

**PEOPLES DEMOCRATIC PARTY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**STATEMENT OF PARTY OFFICIALS' RESPONSIBILITIES**

The Political Parties Act, 2011 requires the Party officials to prepare financial statements which give a true and fair view of the state of affairs of the Party as at the end of the financial year and of the results for that year. The Party officials are also required to ensure that the Party maintains proper accounting records which disclose with reasonable accuracy the financial position of the Party. The Party officials are also responsible for safeguarding the assets of the Party.

The Party officials accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, consistent with the internal financial reporting standards.

The Party officials are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Party as at 30 June 2012 and of the operating results for the year then ended. The Party officials further confirms the accuracy and completeness of the accounting records maintained by the Party which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the Party officials to indicate that the Party will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Party officials and signed on their behalf on \_\_\_\_\_ 2012



SECRETARY GENERAL

**PEOPLES DEMOCRATIC PARTY  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012**


	2012 Kshs	2011 Kshs
<b>Notes</b>		
<b>Income</b>		
Political Parties Fund	954,169	763,761
Members Contribution	-	200,000
<b>Total Income</b>	<u>954,169</u>	<u>963,761</u>
<b>Expenditure</b>		
Advertisement & Publicity Expenses	-	290,000
Administrative Expenses 4	302,243	350,913
Printing Expenses	200,000	32,000
Seminars and Meetings Expenses	215,000	312,500
<b>Total Expenditure</b>	<u>717,243</u>	<u>985,413</u>
<b>Surplus / (Deficit) for the year</b>	<u>236,926</u>	<u>(21,652)</u>

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**PEOPLES DEMOCRATIC PARTY  
STATEMENT OF FINANCIAL POSITIONS  
AS AT 30 JUNE 2011**

	Notes	2,012 Kshs	2011 Kshs
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	317,999	89,727
<b>Current Assets</b>			
Cash and Bank Balances	3	20,827	12,173
<b>Current Liabilities</b>			
		-	-
<b>NET CURRENT ASSETS</b>		20,827	12,173
<b>NET TOTAL ASSETS</b>		338,826	101,900
Represented by:			
<b>Accumulated Fund</b>	5	338,826	101,900

These financial statements were approved by the Party Officials and signed on their behalf by:

  
Joyce Isaac,  
Secretary General

Date...16/11/2012...

**PEOPLES DEMOCRATIC PARTY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2012**

	<b>Accumulated Fund</b>	
	<b>2,012 Kshs</b>	<b>2011 Kshs</b>
<b>As at 1 July</b>	101,900	123,552
Surplus for the year	236,926	(21,652)
<b>As at 30 June</b>	<b>338,826</b>	<b>101,900</b>

**PEOPLES DEMOCRATIC PARTY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	<b>2012</b>	<b>2011</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus / (Deficit) for the year	236,926	(21,652)
Adjustment for Non-Cash Movements		
Add: Depreciation	16,728	31,818
	<hr/> 253,654	<hr/> 10,166
Increase / (Decrease) in Creditors and Accruals	-	(42,000)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<hr/> <b>253,654</b>	<hr/> <b>(31,834)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Non Current Assets	(245,000)	-
	<hr/> -	<hr/> -
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<hr/> <b>8,654</b>	<hr/> <b>(31,834)</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1 JULY</b>	<hr/> <b>12,173</b>	<hr/> <b>44,007</b>
<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE</b>	<hr/> <b>20,827</b>	<hr/> <b>12,173</b>

**PEOPLES DEMOCRATIC PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**1. a) SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**b) Basis of preparation**

The financial statements are prepared in accordance with International Financial Reporting Standards.

**c) Depreciation**

Depreciation is calculated on a reducing balance basis to write off the cost of each asset, to its residual value over its estimated useful life.

The Party's policy is to provide no depreciation in the year of acquisition and full depreciation in the year of disposal using the following rates:

	<u>Rate %</u>
Computers and Accessories	30
Furnitures and Fittings	12.5
Office Equipment	12.5

**2. NON CURRENT ASSETS**

	<b>Computers and Accessories Kshs</b>	<b>Furniture and Fittings Kshs</b>	<b>Office Equipment</b>	<b>Total Kshs</b>
<b>Cost</b>				
At 01 July 2011	31,500	23,227	35,000	89,727
Additions	245,000	0	35,000	280,000
	276,500	23,227	35,000	334,727
<b>Depreciation</b>				0
At start of year	0	0		
Charge for the year	9,450	2,903	4,375	16,728
	-	-		
<b>Net book value</b>				
As at 30 June 2012	267,050	20,324	30,625	317,999

**PEOPLE'S DEMOCRATIC PARTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2012**

		2012 Kshs	2011 Kshs
3	<b><u>Cash and Bank Balances</u></b>		
	Petty Cash	19,820	12,000
	Cash at Bank	1,007	173
		<u>20,827</u>	<u>12,173</u>
4	Bank Charges	9,315	15,595
	Office Stationery		35,000
	Rent	239,200	258,000
	Repairs & Maintenance	2,000	10,500
	Depreciation	16,728	31,818
	Audit Fees	35,000	-
		<u>302,243</u>	<u>350,913</u>