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OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
ORANGE DEMOCRATIC MOVEMENT**

**FOR THE YEAR ENDED
30 JUNE 2017**

REGULATORY AND OTHER NON-COMMERCIAL ENTITIES
(ORANGE DEMOCRATIC MOVEMENT)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

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

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ORANGE DEMOCRATIC MOVEMENT

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Orange Democratic Movement was formed in 2007 as a political party after meeting the registration requirements under the newly established Registrar of Political Parties office. The National Executive Committee is responsible for the general policy and strategic direction of the Party.

(b) Principal Activities

The organization's principal activity is to strive to establish a Government of Kenya based on democratic and good governance and constitutional principles of a pluralistic democracy whilst promoting rule of law.

(c) Key Management

The *Orange Democratic Movement* day-to-day management is under the following key organs:

- Secretary General ;
- Executive Director
- Finance & Administration Director
- Other Managers
- Accountant

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman	Hon. John Mbadi
2.	Ag. Secretary General	Hon. Sen. Agnes Zani
3.	Organizing secretary	Hon. Abdikadir Aden
4.	Executive Director	Mr. Oduor Ong'wen
5.	National Treasurer	Hon. Timothy Bosire

(e) Fiduciary Oversight Arrangements

Audit Committee

The audit committee helps the National Executive Committee with corporate governance. It is a creation of the National Executive Committee of the party. Its membership is comprised of the Treasurer and two deputies, the chairperson of the Finance & Resource Mobilization and the chairperson of the Strategic Planning Committee. The primary role of the audit committee is to assist the National Executive Committee with its corporate governance oversight responsibilities in ensuring that:

- o **External Auditing** processes are carried out independently without interference so as to guarantee the integrity of the party's financial statements,
- o **Regulatory and Legal** requirements of the government inclusive of the Orange Democratic Movement code of conduct are in total compliance at all levels of the government.
- o **Risk management** to assure that the allocation of the party's resources are optimized and conforms to the party's goals and objectives.

However from time to time, the audit committee may be called upon to address specific issues that fall outside of its primary role by the National Executive Committee.

Risk Management Policy

Effective risk management begins with the understanding, by everyone in the organization, that the effort is important, and that everyone is expected to uphold that effort. Orange Democratic Movement is subject to certain risks that affect our ability to operate, serve our clients, and protect assets. These include risks to employees and volunteers, liability to others, and risks to property.

Controlling these risks through a formal program is necessary for the well-being of the organization and everyone in it. The jobs and services the party provides the safety of the workplace and other benefits all depend to an extent on our ability to control risks. Management has the ultimate responsibility to control risks. Control includes making decisions regarding which risks are acceptable and how to address those that are not. Those decisions can be made only with the participation of the entire workforce, because each of us understands the risks of his or her own tasks better than anyone else in the organization. Each is responsible for reporting any unsafe conditions they see. Also, each is encouraged to suggest ways in which we can operate more safely.

We are committed to the careful consideration of everyone's suggestions, and to taking appropriate action to address risks. Accidents and other situations involving loss or near-loss will be investigated as part of the effort to manage risks. Every employee's and volunteer's performance is evaluated, in part, according to how he or she complies with this policy.

Purpose

The purpose of this policy is to ensure that risks to Orange Democratic Movement are identified, analyzed, and managed so that they are maintained at acceptable levels. Risks to the confidentiality, integrity, and availability of both party information and assets are considered.

ODM Risk Management Mission Statement

The Orange Democratic Movement has a moral and legal duty to its membership, employees, and to party assets. We continue to meet our duty by ensuring that risk management plays an integral part in sound governance at both a strategic and operational level.

The National Executive Committee of the party will support the risk management efforts through setting policy and providing broad guidance on goals and objectives. However, risk management is an active process that requires cooperation by all directors, employees, and—where appropriate—the larger party membership. To that end, the National Executive Committee accepts that it must take a leadership role in seeing that appropriate measures are undertaken.

ODM Risk Management Goals Statement

The National Executive Committee authorizes the establishment of a Risk Management Committee, which shall consist of Five members, the party treasurer, a member trained on fire and emergency, a member trained on public works management, and two NEC Members (to be selected by the National Executive Committee for five-year terms). The Committee shall be chaired by the party treasurer, and its responsibilities shall be:

- Identifying and assessing risks
- Selecting and implementing risk control and financing measures
- Periodically reviewing risk management efforts and reporting to the National Executive Committee

These activities shall be undertaken in the service of the risk management mission statement, and to that end risk management practices are undertaken to reduce the cost of risk to Orange Democratic Movement and to maximize benefits of opportunities that the membership may encounter.

Effective risk management begins with the understanding, by everyone in the organization, that the effort is important, and that everyone is expected to uphold that effort.

Orange Democratic Movement is subject to certain risks that affect our ability to operate, serve our clients, and protect assets. These include risks to employees and volunteers, liability to others, and risks to property.

Controlling these risks through a formal program is necessary for the well-being of the organization and everyone in it. The jobs and services the party provides the safety of the workplace and other benefits all depend to an extent on our ability to control risks.

Management has the ultimate responsibility to control risks. Control includes making decisions regarding which risks are acceptable and how to address those that are not. Those decisions can be made only with the participation of the entire workforce, because each of us understands the risks of his or her own tasks better than anyone else in the organization. Each is responsible for reporting any unsafe conditions they see. Also, each is encouraged to suggest ways in which we can operate more safely. We are committed to the careful consideration of everyone's suggestions, and to taking appropriate action to address risks.

Accidents and other situations involving loss or near-loss will be investigated as part of the effort to manage risks. Every employee's and volunteer's performance will be evaluated, in part, according to how he or she complies with this policy.

This Risk Policy document has received the following review and approvals from ODM Management:



TUKO TAYARI

ORANGE DEMOCRATIC MOVEMENT

(f) Entity Headquarters

Orange House
Menelik Road
P.O. Box 42422 - 00100
Nairobi

(g) Entity Contacts

Telephone: (254) 020-2053481
E-mail: info@odm.co.ke
Website: www.odm.co.ke

(h) Entity Bankers

Co-operative Bank
Parliament Road Branch
Nairobi.

(i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(j) Principal Legal Adviser

Makori & Karimi Advocates
Nellion Place, Block B 1stFloor Suite 2
Rhapta Road, Westlands Nairobi
P.O. Box 45053
City Square 00100
Nairobi, Kenya

II. NATIONAL EXECUTIVE COMMITTEE MEMBERS

1.	Rt. Hon. Raila Amolo Odinga	Party Leader
2.	Hon. John Mbadi	Chairman
3.	Hon. Sen. Agnes Zani	Ag. Secretary General
4.	Hon. Abdikadir Aden	National Organizing Secretary
5.	Hon. Timothy Bosire	National Treasurer
6.	Mr. Oduor Ong'wen	Executive Director

III. MANAGEMENT TEAM

1.	Hon. Sen. Agnes Zani	Ag. Secretary General
2.	Mr. Oduor Ong'wen	Executive Director
3.	Joshua Kawino	Director, Finance & Administration
4.	Charles Memba	Financial Accountant
5.	Anthony Muturi	Parliamentary Liaison & Legal Affairs Officer
6.	Rosemary Kariuki	Director, Membership & Recruitment
7.	Wafula Buke	Director, Policy & Strategy



IV. CHAIRMAN'S STATEMENT

This being the election year please; allow me to thank the members of the National Executive Committee for the timely preparation of the Financial Statements for the year ended 30th June 2017. In accordance with Section 81 of the Public Finance Management Act, 2012, Public Audit requirements and Section 31 of the Political Parties Act 2011 we are required to prepare our financial statements and to present the same to the Registrar and the Office of the Auditor General before 30th September of every year.

We are mandated to prepare financial statements in respect of Orange Democratic Movement, which statement is expected to give a true and fair view of the state of affairs of our party inclusive of the operating results at the end of every financial year. The committee is further required to ensure that the party keeps proper accounting records whilst disclosing with reasonable accuracy the financial position of the Party. The committee is finally responsible for safeguarding the assets of the party.

In pursuit of the same the national Executive Committee developed the work plan and budgets with reference to the party's strategic plan for the current financial year. We have submitted the report and accounts for the year ended 30th June 2017 to the Auditor General. We also published in the local Newspapers the relevant income section of the accounts for the year under review in accordance with section 29. (1) of the Political Parties Act 2011.

The year ending 30th June 2017 has been an extremely busy period. Party primaries for 2017 elections, and the subsequent campaigns show our expenditure risen to over Kshs 460M.

We continue to use Membership Pay bill, voluntary contributions; Donations, bequests for various cadre of party membership and receiving grants from legal sources, and the proceeds of investment, projects and undertaking like the Kenyan Newspaper that the Party owns.

I have no doubt that our slogan forward together will drive us to democratic power come 2017. I promise to be loyal to the party vision and to do everything in my position to support your efforts.

Hon. CPA John Mbadi
National Chairman

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

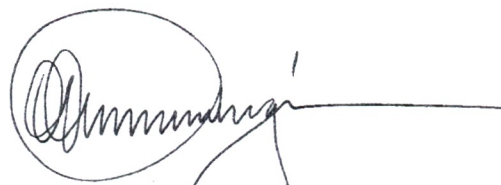
We wish to present the financial report for the year ended June 30th 2017 in accordance with the International Public Sector Accounting Standards. During the year our key responsibilities included

1. Developing strategies for and realizing financial resource mobilization for the Party
2. Ensuring that the books of the Party are audited.
3. Participation in the preparation of the NGC & NDC
4. Continuing to develop principles of stewardship, financial discipline, ethics and best practices to guide the Party in matters of Fiscal Planning and management.
5. 2017 General election preparations

In accordance with Section 35 of Public Audit Act 2015 requirements and the Political Parties Act 2011, we managed to accomplish the following in time:

- Developed a work-plan and budgets with reference to the Party's strategic Plan for the current financial year. ...\\Work plan for 2017_2018.doc.doc,...\\4 Year Strategic Plan for the party –Report and accounts for the year ended 30th June 2017.doc
- Ensured that the books of Accounts for the year ended June 30th 2017 are prepared in time and presented to the Auditor General and that relevant income section of the same extracted and published in the local Newspapers - see The Standard Newspapers of 30th September 2017) in accordance to section 29. (1) which states that “A political party shall, within three months of its financial year, publish the sources of its funds stating –
 - (a) The amount of money received from the Political Parties Fund;
 - (b) the amount of money received from its members and supporters, and
 - (c) the amounts and sources of the donations given to the party.
- We further inform that the accounts were forwarded on 30th September 2017 to the Office of the Auditor General in IPSAS reporting format

The Key Income Drivers remained more or less similar to the previous year as they included Government funding, contribution from ODM Members of Parliament, Life membership fee collections, receipts from 2017 election applicants and further donations and receipts from members.


Oduor Qng'wen
EXECUTIVE DIRECTOR

VI. CORPORATE GOVERNANCE STATEMENT

Orange Democratic Movement is committed to operating in accordance with best practice in political integrity and ethics and maintaining the highest standards of financial reporting and corporate governance. The National Executive Committee is delighted to report that the party has, throughout the year, complied with the provisions set out in the Code on Corporate Governance and equally applied the main principles of the Code.

Corporate governance for the Orange Democratic Movement has gone a long way to define how the party conducts its affairs in line with the objects for which it was founded. It has given the party its structure, which contains all set of rules that governs the ethical operating procedures and processes of the party by ensuring that we conform to the Kenyan Statutory requirements and the best practices in line the Political Parties Act 2011 in all political activities. Likewise it has ensured the best interests of the public and party members are jealously protected. Responsibility for corporate governance is vested with the National Executive Committee of the Orange Democratic Movement.

Much of the details are contained in the attached party Constitution which contains the following

- Identity, Vision and Mission Aims, objectives and Values
- Membership, Rights and Duties National Officials
- Party Organs Committees
- Stewardship Dissolutions
- Coalitions, Dispute Settlement and Amendment
- General Provisions

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Our ambition is to gradually but visibly, establishes a prosperous, industrized and modern nation in which citizens enjoy social, economic and democratic rights, and live in dignity. We envisage that our people will exploit their full potential. The sporting concerts and events will ensure that there is a continuous link between the people and the party organs – This program arises from a desire to ensure our contribution to society goes beyond purely political campaigns. Citizens have a duty to interact in a responsible way from a social and environmental perspective. In this context, one of the questions ODM aims to answer is: how do our activities improve living standards in our communities? In addition, it makes political sense in the long-term. When managed well this social responsibility can also facilitate achievement of strategically important goals for the party:

- Involvement in project work that tackles real challenges in our communities is a way through which we can increase **staff engagement**, member's loyalty and **pride**.
- Through collaboration in projects we can improve the **dynamism of relationships** with our members and competitors
- As a consequence of positive outcomes from our Corporate social activity, we can enhance ODM's **reputation** among key stakeholders nationally

VIII. REPORT OF THE NATIONAL EXECUTIVE COMMITTEE

The National Executive Committee is required to prepare financial statements 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 of the operating results of the Party for the year. They are also responsible for ensuring the Party keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Party and for safeguarding the assets of the Party.

The National Executive Committee accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Reporting Standards and in the manner required by the Political party's Act.

The National Executive Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Party and of its operating results. The National Executive Council further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Nothing has come to the attention of the National Executive Committee to indicate that the Party will be insolvent in the next twelve months from the date of this statement.

Principal activities

The organization's principal activity is to strive to establish a Government of Kenya based on democratic and good governance and constitutional principles of a pluralistic democracy whilst promoting rule of law.

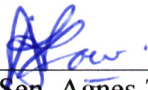
Results

The results of the entity for the year ended June 30, 2017 are set out on page 1-17

Directors

The National Executive Committee Members who served during the year are shown on page (vi)

By Order of National Executive Committee



Hon. Sen. Agnes Zani MP

Ag. Secretary General

Nairobi

Date: 29-09-2017

IX. STATEMENT OF THE NATIONAL EXECUTIVE COMMITTEE'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires the National Executive Committee to prepare financial statements in respect of Orange Democratic Movement showing how the money has been spent. We are therefore expected give a true and fair view of the state of affairs and the operating results of the Party at the end of every financial year. The National Executive Committee is thus required to ensure that the Orange Democratic Movement keeps proper accounting records disclosing with reasonable accuracy the financial position of the Party. The National Executive Committee is also responsible for safeguarding the assets of the Orange Democratic Movement.

We are responsible for the preparation and presentation of the *Party's* financial statements, which give a true and fair view of the state of affairs of the Orange Democratic Movement for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining 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; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The National Executive Committee accepts responsibility for the *party's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The National Executive Committee is of the opinion that the *party's* financial statements give a true and fair view of the state of *party's* transactions during the financial year ended June 30, 2017, and of the *party's* financial position as at that date. The Committee further confirm the completeness of the accounting records maintained for the Orange Democratic Movement, 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.

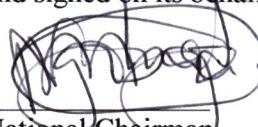
Nothing has come to the attention of the National Executive Committee to indicate that the Orange Democratic Movement will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

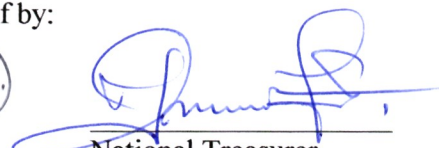
The Orange Democratic Movement's financial statements were approved by the National Executive Committee on 29-09-2017 and signed on its behalf by:



Ag. Secretary General



National Chairman



National Treasurer

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON ORANGE DEMOCRATIC MOVEMENT FOR THE YEAR ENDED 30 JUNE, 2017

REPORT ON FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Orange Democratic Movement Party set out on pages 1 to 17, which comprise the statement of financial position as at 30 June 2017, 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 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.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Orange Democratic Movement Party as at 30 June, 2017, and of its financial performance and 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.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing 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 Opinion

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

Key Audit Matters

Key audit matters are those matters based on my professional judgement are of most significant in the audit of the financial statements. There were no Key Audit Matters to report in the year under review.

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.

In preparing the financial statements, management is responsible for assessing the Party's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Party 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 of Kenya. 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 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.

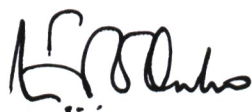
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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. 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.
- 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

5 March 2018

ORANGE DEMOCRATIC MOVEMENT

X. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
Revenue from non-exchange transactions			
Public contributions and donations	3	35,308,205	206,362,390
Transfers from other governments – gifts and services-in-kind	4	131,233,622	139,647,018
		166,541,827	346,009,408
Revenue from exchange transactions			
Other income	5	267,635,500	7,446,000
		267,635,500	7,446,000
Total revenue		434,177,327	353,455,408
Expenses			
Employee costs	6	45,009,014	45,677,618
Depreciation and amortization expense	7	2,000,407	2,586,052
Repairs and maintenance	8	473,185	606,950
General expenses	9	403,378,583	161,255,251
Rent Paid		1,680,000	1,680,000
Financial Cost	10	673,871,	367,051
Grants & Subsidies Paid		6,800,000	24,400,000
Total expenses		460,015,060	236,572,922
Surplus before tax		(25,837,734)	116,882,485
Surplus for the period		(25,837,734)	116,882,485
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling entity			
(Surplus) /Deficit for the period		(25,837,734)	116,882,485

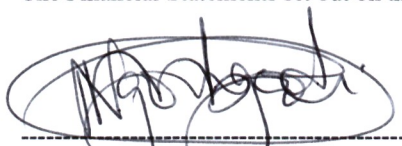
The notes set out on this page upto page 17 form an integral part of the Financial Statements


XI. STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	2017-2017 Kshs	2015-2016 Kshs
Assets			
Current assets			
Cash and cash equivalents	11	(7,336,156)	211,246
Receivables from non-exchange transactions	12	114,364,261	144,211,731
Inventories	13	8,039,888	-
		115,067,993	144,422,978
Non-current assets			
Property, plant and equipment	14	7,508,868	8,277,555
		<u>7,508,868</u>	<u>8,277,555</u>
Total assets		<u>122,576,861</u>	<u>152,700,533</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	15	9,763,968	14,049,904
Taxation		9,763,968	14,049,904
Non-current liabilities			
Deferred tax liabilities			
Total liabilities		<u>9,763,968</u>	<u>14,049,904</u>
Net assets		112,812,894	138,650,629
Reserves		2,356,176	2,356,176
Accumulated surplus		110,456,719	138,441,518
Total Membership Funds		<u>225,625,789</u>	<u>279,448,323</u>

The Financial Statements set out on these pages were signed on behalf of the National Executive Committee by:


 National Chairman


 Ag. Secretary General

Date: 29-09-2017

Date: 29-09-2017

ORANGE DEMOCRATIC MOVEMENT

XII. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2017

	Attributable to the owners of the controlling entity						
	Self insurance reserve	Reserves			Accumulated surplus	Net Surplus/ Deficit	Total
		Capital replacement development reserve	Housing reserve				
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Balance as at 30 JUNE 2012	-	2,356,176	-	(3,638,482)	15,026,458	13,744,152	
Surplus/(deficit) for the period	-	-	-	-	(5,008,049)	(5,008,049)	
Transfers to/from accumulated surplus	-	-	-	-	-	-	
Balance as at 30 JUNE 2013	-	2,356,176	-	(3,638,482)	10,018,409	8,736,103	
Surplus for the period	-	-	-	-	8,029,290	8,029,290	
Transfers to/from accumulated surplus	-	-	-	-	-	-	
Balance as at 30 JUNE 2014	-	2,356,176	-	(3,638,482)	18,047,699	16,765,393	
Surplus for the period	-	-	-	-	4,172,309	4,172,309	
Transfers to/from accumulated surplus	-	-	-	-	830,442	830,442	
Balance as at 30 JUNE 2015	-	2,356,176	-	(3,638,482)	23,050,450	21,768,144	
Surplus for the period	-	-	-	-	116,882,485	116,882,485	
Transfers to/from accumulated surplus	-	-	-	-	-	-	
Balance as at 30 JUNE 2016	-	2,356,176	-	(3,638,482)	139,932,935	138,650,629	
Surplus for the period	-	-	-	-	(25,837,734)	(25,837,734)	
Transfers to/from accumulated surplus	-	-	-	-	-	-	
Balance as at 30 JUNE 2017	-	2,356,176	-	(3,638,482)	114,095,201	112,812,895	

STATEMENT OF CASH FLOWS

	Note	2016-2017 Kshs	2015-2016 Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations	3	35,308,205	206,362,390
Government grants and subsidies	4	131,233,622	139,647,018
Other income, rentals and agency fees	5	267,635,500	7,446,000
		434,177,327	353,455,408
Payments			
Compensation of employees	6	45,009,014	45,677,618
Depreciation	7	2,000,407	2,586,052
Repairs and maintenance	8	473,185	606,950
General Expenses	9	403,378,583	161,255,251
Rent paid		1,680,000	1,680,000
Finance cost	10	673,871	367,051
Grants and subsidies paid	17	6,800,000	24,400,000
		460,015,060	236,572,922
Net cash flows from operating activities		(25,837,734)	116,882,485
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(1,231,720)	(1,090,400)
Increase in investments		2,000,407	2,586,053
Net cash flows used in investing activities		768,687	1,495,653
Cash flows from financing activities			
Proceeds from borrowings		(4,285,938)	5,475,835
Increase in contribution receivable		21,807,579	(124,730,571)
Net cash flows used in financing activities		17,521,643	(119,254,736)
Net increase/(decrease) in cash and cash equivalents		(7,547,403)	(876,598)
Cash and cash equivalents at 1 JULY		211,246	1,087,844
Cash and cash equivalents at 30 JUNE	11	(7,336,156)	211,246



ORANGE DEMOCRATIC MOVEMENT
XIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget		Adjustments		Final budget		Actual on comparable basis	Performance difference
	2016-2017	Kshs	2016-2017	Kshs	2016-2017	Kshs		
Revenue								
Public contributions and donations	441,853,000				441,853,000	35,308,205	406,544,795	
Government grants and subsidies	850,166,400				850,166,400	131,233,622	718,932,778	
Other Income	5,000,000				5,000,000	267,635,500	(262,635,500)	
Total Income	1,297,019,400				1,297,019,400	434,177,327	862,842,073	
Expenses								
Compensation of employees	56,354,438				56,354,438	45,009,014	11,345,724	
Depreciation	1,981,019				1,981,019	2,000,407	(19,388)	
Finance cost	550,000				550,000	673,871	(123,871)	
Rent paid	1,800,000				1,800,000	1,680,000	120,000	
Repairs	1,000,000				1,000,000	473,185	526,815	
Other payments	1,183,522,552				1,183,522,552	403,378,583	780,143,969	
Grants and subsidies paid	51,811,391				51,811,391	6,800,000	45,011,391	
Total expenditure	1,297,019,400				1,297,019,400	460,015,060	837,004,340	
Surplus for the period						(25,837,733)	25,837,733	

XIV. NOTES TO THE FINANCIAL STATEMENTS

1. 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 and all values are rounded to the nearest thousand (Ksh000). 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.

2. Summary of significant accounting policies

a) Revenue recognition

I. Revenue from Government

We continue to receive grants from the Government however to date we have not recognized in our books the legitimate amount that is outstanding from the government amounting to about 5 billion as stipulated under the Political Parties Act 2011.

II. Membership Fees

The Orange Democratic Movement recognizes revenues from Membership fees when the amount is due and the asset recognition criteria are met. 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 party and the fair value of the asset can be measured reliably.

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. During the year under review the executive committee resolved to recognize the contribution of members mid stream when the budget had already been approved.

c) Taxes – IAS 12

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

d) Investment property – IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.



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Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

e) 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 entity 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.

f) Leases – IPSAS 13

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Financial instruments – IPSAS 29

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

(iii) Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

(iv) Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)
- During the year thieves broke into our offices and made away with the party assets estimated at over 1 million.

i) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

j) Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

IPSAS 29.65

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

k) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

l) Provisions – IPSAS 19

Provisions are recognized when the Entity 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.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

m) Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

n) Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

o) 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.

p) 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.

q) Employee benefits – IPSAS 25

Retirement benefit plans

The Entity provides retirement benefits for its employees and councillors. Defined contribution plans are post employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

r) Borrowing costs – IPSAS 5

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties – IPSAS 20

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the, the County Coordinating Committees, the Governors and the elected branch officials.

t) Service concession arrangements – IPSAS 32

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Party recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what cost.. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

We have an arrangement with our coalition partners to transfer funds to them on an agreed ratio and that they are required to disclose sources of their income, submit their financial statements to the office of the auditor general and to also forward the accounts to the registrar of Political parties. We recognize that all Parties that are funded and are collecting public funds are subject to audit

v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances amounts held at the various 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.

u) Comparative figures

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

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

The preparation of the Entity'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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Party based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Party. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes

Provisions

We have further provided for 20M Bad Debts in the current year following many more members switching party.

x) 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, 2017.

The principal accounting policies adopted in the preparation of these accounts are set below:

(i) Basis of preparation

The final statements of the Party have been prepared in accordance and comply with the standards issued by the International Financial Standards (IFRS) under the Historical cost convention and Kenyan Government IPSAs.

(ii) Depreciation

Depreciation is provided for on fixed assets using the reducing balance method except for the Leasehold Structure that is to be written off over 10years period.

The following are the rates used :

- Lease Hold Structure - to be written off over 10 years
- Office Furniture and Fittings 12.5%
- Office Equipment 12.5%
- Computers and Printers 30%
- Motor Vehicles 25%

Notes to the Accounts

3. Public contributions and donations

	2017	2016
	Shs	Shs
Governors Contribution	1,680,000	25,700,000
Deputy Governors Contribution	-	15,840,000
MPs & Senators Contribution	11,731,635	36,229,192
Members Contribution	20,538,570	30,481,198
MCA Contributions	1,358,000	98,112,000
Total transfers and sponsorships	35,308,205	206,362,390

4. Transfers from other governments – gifts and services-in-kind

	2017	2016
	Shs	Shs
Unconditional grants		
Government Political Fund	131,233,622	139,647,018
Total government grants and subsidies	131,233,622	139,647,018

5. Other income

	2017	2016
	Shs	Shs
Life membership Fees	72,740,000	6,782,000
Nomination Fees	194,853,500	660,000
Nomination Rules	-	-
Tender Purchase	42,000	4,000
Total other income	267,635,500	7,446,000

6. Employee costs

	2017	2016
	Shs	Shs
Employee related costs - salaries and wages	45,009,014	45,677,618
Employee costs	45,009,014	45,677,618

7. Property, plant and equipment

	2017	2016
	Shs	Shs
Property, plant and equipment	2,000,407	2,586,052
Total depreciation and amortization	2,000,407	2,586,052

8. Repairs and maintenance

	2017	2016
	Shs	Shs
Equipment	296,635	457,920
Leasehold Repairs	176,550	149,030
Total repairs and maintenance	473,185	606,950

9. The following are included in general expenses:

	2017	2016
	Shs	Shs
Advertising	917,193	627,448
Legal & Professional fees	1,735,500	680,000
Audit Fees	100,000	120,000
(Electricity) Utilities	178,632	120,885
Insurance- staff medical	3,344,801	2,398,275
Cost of Membership Cards	-	13,955,936
Communication and Internet	2,600,080	433,782
Branch Training ,co ordination and support	8,410,230	1,539,451
Campaign expenses	267,862,138	40,032,070
Civic Education Expenses	2,194,250	3,713,106
Regional Conferences	38,738,212	8,047,079
Party policy and Advocacy	30,674,984	41,271,377
Legal expenses	8,426,900	3,888,418
NSSF -Employer liability	41,600	54,400
Staff Welfare	278,055	197,814
Postage & Delivery	195,986	59,257
Office stationery	504,581	300,046
Printing and reproduction	1,150,633	214,507
Newspapers and Publications	147,600	140,470
Bad Debts	20,682,192	34,625,500
Travel and accommodation	7,476,475	3,347,880
Security costs	2,543,070	769,200
Transportation and Motor Expenses	4,633,448	4,378,751
Cleaning and Janitorial	20,000	-
Staff Development	390,874	-
Clubs & Memberships (CMD subs)	131,150	339,600
Total general expenses	403,378,583	161,255,251

10. Finance costs

	2017	2016
	Shs	Shs
Bank charges	673,871	367,051
	-	-
Total finance costs	673,871	367,051

11. Cash and cash equivalents

	2017	2016
	Shs	Shs
Bank	(7,783,813)	134,624
Cash-on-hand and in transit	447,657	76,622
Total cash and cash equivalents	(7,336,156)	211,246

12. Receivables from non-exchange contracts

Current receivables

	2017	2016
	Shs	Shs
Other debtors (VAT- Receivable)	3,288,166	3,461,439
Staff Advances	744,000	
Outstanding Members Contributions	78,280,500	123,560,692
Newspaper Investment	28,730,592	14,425,000
Prepaid Rent	420,000	
Prepaid staff Medical Insurance	2,901,003	2,764,600
Total current receivables	114,364,261	144,211,731

13. Inventories

	2017	2016
	Shs	Shs
Consumable stores –Membership Cards	8,039,888	-
Total inventories at the lower of cost and net realizable value	8,039,888	-



**TUKO TAYARI
ORANGE DEMOCRATIC MOVEMENT**

14. Property, plant and equipment

	Leasehold Structure						Computers & Printers						Office Equipment						Furniture & Fittings						Motor Vehicles						Total					
	Shs						Shs						Shs						Shs						Shs						Shs					
<i>Cost or Valuation:</i>																																				
As at 1st July, 2012	1,379,506						2,727,248						3,699,870						5,134,005						11,425,690						24,366,319					
Additions during the year	-						1,806,690						365,000						64,995						-						2,236,685					
As at 30th June 2013	1,379,506						4,533,938						4,064,870						5,199,000						11,425,690						26,603,004					
Additions during the year	-						140,000						-						-						-						140,000					
As at 30th June 2014	1,379,506						4,673,938						4,064,870						5,199,000						11,425,690						26,743,004					
Additions during the year	-						409,000						-						-						-						409,000					
As at 30th June 2015	1,379,506						5,082,938						4,064,870						5,199,000						11,425,690						27,152,004					
Additions during the year	-						1,090,400						-						-						-						1,090,400					
Disposals	-						(718,200)						(40,000)						-						-						(758,200)					
As at 30th June 2016	1,379,506						5,455,138						4,024,870						5,199,000						11,425,690						27,484,204					
Additions during the year	-						695,000						381,600						155,120						-						1,231,720					
As at 30th June 2017	1,379,506						6,150,138						4,406,470						5,354,120						11,425,690						28,715,924					
Depreciation and impairment																																				
At 1 July 2012	492,516						943,344						407,025						1,480,280						5,266,529						8,589,694					
Depreciation	88,699						1,077,178						457,231						464,840						1,539,790						3,627,738					
At 30 June 2013	581,215						2,020,522						864,256						1,945,120						6,806,319						12,217,432					
Depreciation	79,829						796,025						400,077						406,735						1,154,843						2,837,509					
At 30 June 2014	661,044						2,816,547						1,264,333						2,351,855						7,961,162						15,054,941					
Depreciation	71,846						679,917						350,067						355,893						866,132						2,323,855					
At 30 June 2015	732,890						3,496,464						1,614,400						2,707,748						8,827,294						17,378,796					
Depreciation	508,666						815,062						301,309						311,417						649,599						2,586,053					
Disposals	-						(718,200)						(40,000)						-						-						(758,200)					
At 30 June 2016	1,241,556						3,593,326						1,875,709						3,019,165						9,476,893						19,206,649					
Depreciation	137,950						767,044						316,345						291,869						487,199						2,000,407					
At 30 June 2017	1,379,506						4,360,370						2,192,054						3,311,034						9,964,092						21,207,56					
Net book values																																				
At 30 June 2017	-						1,789,768						2,214,416						2,043,086						1,461,598						7,508,868					
At 30 June 2016	137,950						1,861,812						2,149,161						2,179,835						1,948,797						8,277,555					
At 30 June 2015	646,616						1,586,474						2,450,470						2,491,252						2,598,396						9,773,208					
At 30 June 2014	718,462						1,857,391						2,800,537						2,847,145						3,464,528						11,688,063					
At 30 June 2013	798,291						2,513,416						3,200,614						3,253,880						4,619,371						14,385,572					

15. Trade and other payables from exchange transactions

	2017	2016
	Shs	Shs
Trade payables	9,763,968	14,049,904
Total trade and other payables	9,763,968	14,049,904

16. Cash generated from operations

	2017	2016
	Shs	Shs
Surplus for the year before tax	(25,837,734)	116,882,485
Adjusted for:		
Depreciation	2,000,407	2,586,052
Working capital adjustments:		
Increase in inventory	21,807,582	(124,730,571)
Increase in payables	(4,285,936)	5,475,835
Increase in payments received in advance		
Net cash flows from operating activities	(6,315,681)	213,801

17. Transfer to Coalition Partners

	2017	2016
	Shs	Shs
Wiper Democratic Movement	-	16,600,000
FORD-Kenya	6,800,000	7,800,000
Total	6,800,000	24,400,000