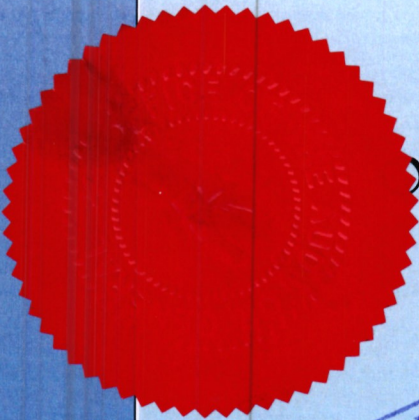


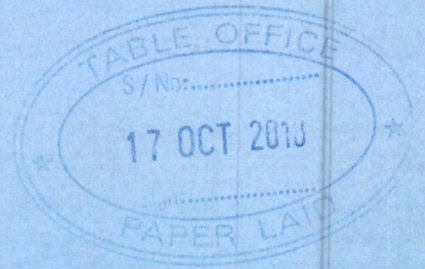
REPUBLIC OF KENYA



*Paper laid  
By the LOM on  
Wed, 17/10/2018.  
Wanyu*



OFFICE OF THE AUDITOR-GENERAL



**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**UNITED REPUBLICAN PARTY**

**FOR THE YEAR ENDED**  
**30 JUNE 2016**

UNITED REPUBLICAN PARTY

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



**UNITED REPUBLICAN PARTY**

Party No: 026

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

**UNITED REPUBLICAN PARTY**

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

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**UNITED REPUBLICAN PARTY**

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

**LIST OF ABBREVIATIONS**

E.D	- Executive Director
FY	- Financial Year
GOK	- Government of Kenya
IAS	- International Accounting Standard
M.P	-Member of Parliament
MCA	-Member of County Assembly
MOU	- Memorandum of Understanding
N.E.C	-National Executive Committee
NDC	- National Delegates Council
PG	- Parliamentary Group
S.G	- Secretary General
URP	- United Republican Party

## UNITED REPUBLICAN PARTY

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

- **KEY ENTITY INFORMATION AND MANAGEMENT**

- **Background information**

United Republican Party is a political party registered under the office of the Registrar of Political Parties in April 25, 2012 our commitment to the national values and principles of governance enshrined in the constitution of Kenya

- **Principal Activities**

The principal activity/mission of United Republican Party is to promote democratic participation and involvement for all the Kenyan citizens. We endeavor to form a Government that shall embody our ideals and aspirations, promote the common good, conserve and develop our patrimony; to secure to ourselves and our posterity the blessings of independence and democracy under the rule of law and a regime of truth, justice, freedom, love, equality, and peace;

- **Key Management**

The entity's day-to-day management is under the following key organs:

- Secretary General;
- National Executive Director
- Deputy Executive Director
- Director Programmes
- Director ICT
- Director Finance
- Director Procurement

- **Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

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

- **Fiduciary Oversight Arrangements**

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

UNITED REPUBLICAN PARTY

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

- *National Treasury*
- *Tender Committee*
- *Parliamentary Group*
- *National Governing Council*
- *Office Of The Registrar Of Political Parties*
- *Auditor General*
  
- **Entity Headquarters**  
P.O. Box 72410 – 00200 Nairobi  
House No. 7734  
Mucai Road  
Nairobi, KENYA
  
- **Entity Contacts**  
Telephone: (254) 020-2166885  
E-mail: [comm@urp.co.ke](mailto:comm@urp.co.ke)  
Website: [www.urp.co.ke](http://www.urp.co.ke)
  
- **Entity Bankers**
  - Trans National Bank Ltd  
Tel: 2224235/6  
P.O Box 34353 - 00100  
City Hall Branch  
Nairobi
  
  - Co-operative Bank Of Kenya Ltd  
Tel: 2224235/6  
P.O Box 2169 – 00200  
City Hall Branch  
Nairobi  
Parliament Road Branch
  
- **Independent Auditors**  
Office Of The Auditor General  
Anniversary Towers, University Way  
P.O.Box 30084 0100  
Nairobi.
  
- **Principal legal adviser**  
Singoei, Murkomen & Sigei Advocates  
0729 366357  
P.O Box 37300-00100  
Nairobi

UNITED REPUBLICAN PARTY

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

**NATIONAL EXECUTIVE COMMITTEE**

NEC Members		
No.	Name	Designation
1	Hon. Elias Bare Shill	Chairman
2	Hon. Doyo Godana	Deputy chairman
3	Fred Muteti	Secretary General
4	Hon. David K. Koech	National Executive Director
4	Leah Ntimama	Deputy Secretary General
6	George Ayugi	National Organizing Secretary
7	Florence Ngugi	Deputy Organizing Secretary
8	John Kangogo	Deputy Organizing Secretary
9	Hon. Fatuma Mwachache	National Treasurer
10	Bishop. Moses Murpus	Deputy Treasurer
11	Tiampati Ketuyio	Sec For Environment
12	Robert Kochale	Sec Pastrolist, ASAL Development
13	Hellen Njue	Sec Public Economic Affairs
14	Hon. Sonia Birdi	Sec Security & Defence
15	Fatuma Hassan	Sec Publicity & Information
16	John Lodepe Nakara	Sec Education
17	Aden Noor	Member
18	Hon. Sarah Korere	Member
19	Linet Mirihane	Member
20	James Lenayiara	Member
21	Amina Ahmed Sharif	Member
22	David Pkosing	Member
23	Joshua Rotich	Member
24	Joseph Dida Halake	Member
25	Eng. Henry Orangi	Member
26	Geoffrey Ruku	Member
27	Hon. Peris Simam	Member
28	Rehema Jaldesa	Member
29	Charity Kathambi Chepkwony	Member
30	Gideon Keter	Member
31	Victor Ayugi	Member
32	Hon. Sammy Mwaita	Member
33	Sen. Stephen Sang	Member

UNITED REPUBLICAN PARTY

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

**MANAGEMENT TEAM**

<b>No.</b>	<b>Management Team</b>	<b>Responsibility</b>
1	National Executive Director	Chief Executive and Secretary to National Executive Committee, head of campaigns
2	Deputy Executive Director	Deputises N.E.D, head of operations, Human Resources Management, Planning & Research.
3	Programs Director	Head of Programs, & Head Of Field Services.
4	Information Communication Technology Director	Head of ICT and party systems.
5	Procurement Director	Head of Procurement.
6	Finance Director	Head of Finance.

UNITED REPUBLICAN PARTY

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

**CHAIRMAN'S STATEMENT**

Allow me to register my appreciation in being part and parcel of the United Republican Party as outlined in this 2015/2016 financial year report. As part of the new constitution, the writers sought to have political parties being run in extremely professional manner just like it is in public and other private sectors. Indeed, I am delighted by the steps and policies that the parties have made during the year.

**POLITICAL ENVIRONMENT**

The year under review was the penultimate period before our dissolution and merging to the Jubilee Party of Kenya. United Republican Party as a key player in the Jubilee Government to overwhelmingly support the Government in all its endeavors in making Kenya the country we want. It is in the fore front of bringing positive changes to all its citizens and various stakeholders as enshrined in our constitution and indeed our manifesto.

In the Financial year 2015/2016 , as a party, we have embarked on a meticulous process of harmonizing 12 political parties under the Jubilee Coalition into one solid party. Being part of the process I stand here today humbled yet proud of that great initiative that we have taken. As the Swahili, saying goes ‘umoja ni nguvu, utengano ni udhaifu’ we shall serve our people better as one that when divided.

**PARTY FINANCES**

The Financial Statements presented herein are a record of both the Financial Position and Comprehensive Income of the affairs of the party as at June 30, 2016. As mentioned the government through the Registrar of Political Parties continues to be the major financier of our political process. It is no wonder that the party has laid down proper measures. We assure Internal Control measures that conform to the Government expectations in areas of compliance, mentoring and evaluation and internal audits.

I must also note that elected members of Parliament, Senators and Members of County Assembly for the contributions which they are monthly making to the support of the grass root activities.

Lastly, being the penultimate whole Financial year before the merger, I would like to give a go ahead to the Executive Director to complete the winding up process and transfer our net assets to the to be formed Jubilee Party.

**UNITED REPUBLICAN PARTY**

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

**COUNTY FIELD PROGRAMS**

In the year under review the party operated more than 26 offices within the country thus being the party with the highest grassroots representation. The same will be handed over to the Jubilee Party and re-branded.

**PROGRESS IN STRATEGIC ACTIVITIES**

As I mentioned earlier URP being a key player in Jubilee Government, we recognize the need to strengthen our coalition so as to obtain synergy in our unity of purpose. We are committed to attaining our code mandate by working together as one and with one agenda of uplifting our people's standards.

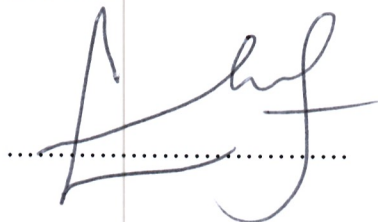
**ACKNOWLEDGMENT**

I wish to express my gratitude to the URP elected members, NEC, staff and county officials for their unwavering support.

Finally on behalf of the NEC, I wish to thank you, our esteemed supporters for the trust bestowed upon us as your representatives. With your unwavering support, URP will continue to strive for sustainable growth for the benefits of all Kenyans.

As we close the chapter of United Republican Party and open the a new door as The Jubilee Party I wish to convey my appreciation and salute to all supporters for the bold harmonization move.

Hon. Bare Shill  
Chairman



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UNITED REPUBLICAN PARTY

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

**THE NATIONAL EXECUTIVE DIRECTORS REPORT**

On behalf of the National Executive Committee and Secretariat of the United Republican Party (U.R.P), I am pleased to present the 2015/2016 Financial Report of the Party. The reports demonstrate the tremendous milestones we have achieved in the making of URP as a crucial partner in the Jubilee Coalition Government.

The United Republican Party has been a leader in uniting people of different walks of this great republic. It is no wonder that the URP has been at the core of ensuring that all parties in the coalition merge into one big party thus breaking the tribal lines which ail our Kenyan politics.

In the Financial Year 2015/2016 we received **kshs. 50,892,382** directly from the Office of the Registrar of Political Parties and a further **Kshs. 19,727,574** from TNA (as per our agreement) the total amount being **Ksh. 70,619,956**. All these funds were duly received. We expected a total of **Kshs. 30,042,000** as contributions from our elected members.

The total income was expected at **100.6M** that we received in the financial period 2015/2016 compared to expected income amount of **Kshs.98.7** Million in the previous year. However, the outstanding amount from members' contribution is at **Kshs. 41.25** Million an amount which we endeavor to collect within this current year.

On the September 8 – 10, 2016, history was made in this country when our party lead other parties in the coalition in dissolving, merging and ultimately forming The Jubilee Party Of Kenya. Our delegates, in the words of Deputy President, the party leader, William S. Ruto termed them as heros and heroines.

After the merger, United Republican Party will released its assets and liabilities to the Jubilee Party. The Total Assets as at June 30, 2016 was at **Kshs. 54,827,978** against Total Liabilities of **Kshs. 5,650,363**. The Net Assets thus been **Kshs. 49,177,615**. In addition, the party will also release all its secretariat staff and county offices for the use of the new party.

During the year under review the Party sent representatives to China and was hosted by the Communist Party of China (C.P.C). This was an Inter-Party exchange program which greatly exposed the Party to greater management of political parties. The party has invested a lot of resources in working with like minded parties not only within the country but also from without.

The secretariat and the NEC have also gone overboard to step in and reconcile party members/organs in conflict. This has happened in quit a number of Counties hence bringing harmony and co-existence.

**UNITED REPUBLICAN PARTY**

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

The Party commends the NEC and Secretariat staff for their personal commitment to the mandate of the Party as demonstrated by their personal participation and timely advisory role as and when required. In addition the Party has enjoyed and continues to enjoy the support of stakeholders who include TNA, Office of the Registrar of Political Parties, CMD, NDI, EISA Foundation, URP elected members, URP general supporters and Kenyans at large.

Finally, I wish to register my optimism and confidence that we shall be able to steer the Jubilee dream to greater heights and make Kenya a better Country.

Thank you



**Hon. David K. Koech**

**The National Executive Director**

UNITED REPUBLICAN PARTY

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

**UNITED REPUBLICAN PARTY**

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

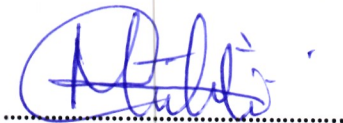
The National Executive Council, (NEC) is required by the Political Parties Act to prepare Financial Statements for each financial year, which gives a true and fair view of the state of the financial affairs of the Party as at the end of the financial year and of its operating results for the year. The National Executive Council (NEC) is also responsible for safeguarding the assets of the Party.

The National Executive Council (NEC) are responsible for the preparation and representation of the Party's financial statements, which give a true and fair view of the state of affairs of the party for at as the end of the financial year ended on June 30, 2016. The responsibility includes maintaining adequate financial management arrangements and ensuring that this continue to be effective throughout the reporting period, maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Party, designing, implementing and maintain internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, safeguarding the assets of the Party, selecting and applying accounting policies and making accounting estimates that are reasonable in the circumstances.

The National Executive Council (NEC) accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Statements give true and fair view of the state of the financial affairs of the Party and of its operating results at that date. The National Executive Council (NEC) further confirm the completeness of the accounting records maintained for the Party, which have been relied upon in the preparation of the Party's financial statements as well as the adequacy of the systems of internal financial control.

**Disclosure:-**

We wish to notify the public that the National Executive Council (NEC) has given a go ahead for the party to be dissolved and merged together with other into The Jubilee Party of Kenya pursuant to our URP constitution. Therefore the going concern of the party will cease as at September 08, 2016 **after** endorsement by the National Delegates Council.



SECRETARY GENERAL

Date

20.03.2017

UNITED REPUBLICAN PARTY

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

**REPORT OF THE DIRECTOR (MANAGEMENT)**

The Director presents the report together with the audited financial statements for the year ended 30<sup>th</sup> June 2016, which disclose the state of affairs of the party.

**Principal activities**

The party is mandated, as per the Political Parties Act, 2011, to promote active political participation by citizens with the view of ensuring national values and principles of governance enshrined in the Constitution of Kenya.

**Results**

The results of the party for the year ended June 30, 2016 are set out from pages 14.

**Directors**

The members of the National Executive Committee who held office during the year are set out on page 6 and Management Team on pages 7.

**Auditors**

The Auditor of the Party for the year ended is the Auditor General in line with the Public Audit Act, 2003. The Auditor of the Party continues to be the Auditor General.

On Behalf of the Party



**Hon. David K. Koech**  
**NATIONAL EXECUTIVE DIRECTOR**



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE UNITED REPUBLICAN PARTY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the United Republican Party set out on pages 14 to 27 which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of changes in net assets, 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.

#### **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.

The 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.

#### **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 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. 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

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*Report of the Auditor-General on the Financial Statements of the United Republican Party for the year ended 30 June 2016*

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 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.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

### **Basis for Adverse Opinion**

#### **1. Accuracy, Completeness and presentation of the financial statements**

- i) Note 6 to the financial statements reflect administrative expenses of Kshs.4,345,160 which includes Kshs.3,000,000 paid as rent expenses. However, the lease agreement indicates that Kshs.500,000 being deposit equivalent to two (2) months rent was paid but the amount was excluded from the financial statements. Further, the lease agreement indicates that the premises were let for residential purposes.
- ii) The financial statements do not show the complete list and details of bank accounts operated by the Party showing clearly the bank account numbers and balances as at 30 June 2016. Further, a bank balance of Kshs.390,742 at Cooperative Bank was not supported with a bank certificate and bank reconciliation statements. Therefore, the accuracy of the bank balance cannot be ascertained.
- iii) The cash flow statement shows Kshs.30,042,000 (Note 1) as public contributions and donations. However the supporting schedules indicate cash received from public contributions amounted to Kshs.8,598,000. The resultant difference of Kshs.21,444,000 has not been explained or reconciled.

In view of the foregoing, the accuracy, completeness and presentation of the financial statements for the year ended 30 June 2016 could not be ascertained.

#### **2. Long Outstanding Party Debtors**

Reflected in the statement of financial position as at 30 June 2016 and analysed in Note 8 to the financial statements are long outstanding party debtors totalling Kshs.41,520,000, brought forward from the previous year. No plausible explanation has been provided for failure to clear the balance.

### **Adverse Opinion**

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial

position of the United Republican Party as at 30 June 2016, and of its financial performance and its 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.

**Other matter**

The Party did not submit a management representation letter during the audit.



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

**Nairobi**

**12 May 2017**

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

	Notes	2015-2016 Kshs	2014-2015 Kshs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	30,042,000	27,732,000
Transfers from other governments	2	70,619,956	70,986,546
<b>Total Revenue</b>		<b>100,661,956</b>	<b>98,718,546</b>
<b>Expenses</b>			
Grassroots Expenses	3	62,101,479	62,716,323
Employee costs	4	16,980,000	16,490,000
Depreciation and amortization expense	5	862,782	1,160,563
Administration Expenses	6	4,345,160	5,592,271
<b>Total expenses</b>		<b>84,289,421</b>	<b>85,959,157</b>
<b>Surplus before tax</b>		<b>16,372,535</b>	<b>12,759,389</b>
<b>Surplus for the period</b>		<b>16,372,535</b>	<b>12,759,389</b>
Attributable to:			
Surplus B/F		26,824,588	14,065,199
		<b>43,197,122</b>	<b>26,824,588</b>

The notes set out on pages 19 to 22 form an integral part of the Financial Statements

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

	Notes	2015-2016 Kshs	2014-2015 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	10,119,107	10,882,593
Party debtors	8	41,520,000	20,140,000
		<b>51,639,107</b>	<b>31,022,593</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	3,188,870	4,051,652
		3,188,870	4,051,652
<b>Total assets</b>		<b>54,827,978</b>	<b>35,074,244</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Accounts Payable	10	5,650,363	2,269,163
<b>Total liabilities</b>		<b>5,650,363</b>	<b>2,269,163</b>
<b>Net assets</b>		<b>49,177,616</b>	<b>32,805,082</b>
<b>Financed By:-</b>			
Reserves		5,980,494	5,980,494
Accumulated Surplus		43,197,123	26,824,588
<b>Total net assets and liabilities</b>		<b>49,177,616</b>	<b>32,805,082</b>

The Financial Statements on pages 14 To 17 Were signed on behalf of the Agency by:

Hon. David K. Koech  
National Executive Director

Fred Muteti  
Secretary General

Date

20.03.2017



Date

20.03.2017



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

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	<b>Reserves</b>			
	<b>Contributed Capital</b>	<b>Accumulated Surplus</b>	<b>Total</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Balance as at 30 JUNE 2015</b>	5,980,494	26,824,588	32,805,082	
Surplus/(deficit) for the period	-	-	-	
Transfers to/from accumulated surplus	-	-	-	
<b>Balance as at 30 JUNE 2015</b>	<b>5,980,494</b>	<b>26,824,588</b>	<b>32,805,082</b>	
<b>Balance as at 01 JULY 2015</b>	<b>5,980,494</b>	<b>26,824,588</b>	<b>32,805,082</b>	
Surplus for the period	-	16,372,535	16,372,535	
<b>Balance as at 30 JUNE 2016</b>	<b>5,980,494</b>	<b>43,197,123</b>	<b>49,177,616</b>	

Note:

That the Contributed Capital represents assets donated to the party

**UNITED REPUBLICAN PARTY**

*Annual Report and Financial Statements*

*For the Financial Year ended 30th June 2016*

**XIV. STATEMENT OF CASH FLOWS**

Note

		2015-2016 Kshs	2014-2015 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		30,042,000	27,732,000
Government grants and subsidies		70,619,956	70,986,546
		<b>100,661,956</b>	<b>98,718,546</b>
<b>Payments</b>			
Compensation of employees	4	16,980,000	16,490,000
Goods and services	11	63,446,639	65,308,594
Rent paid		3,000,000	3,000,000
		<b>83,426,639</b>	<b>84,798,594</b>
<b>Net cash flows from operating activities</b>	12	<b>17,235,317</b>	<b>13,919,952</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-	(966,730)
Increase In Debtors		(21,380,000)	(18,361,227)
Increase In Creditors		3,381,200	123,543
<b>Net cash flows used in investing activities</b>		<b>(17,998,800)</b>	<b>(19,204,414)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(763,483)</b>	<b>(5,284,462)</b>
Cash and cash equivalents at 1 July		10,882,591	16,167,054
<b>Cash and cash equivalents at 30 June</b>	7	<b>10,119,107</b>	<b>10,882,591</b>

**UNITED REPUBLICAN PARTY**  
*Annual Report and Financial Statements*  
For the period ended 30th June 2016

**XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2015-2016	Kshs	2015-2016	Kshs	2015-2016	Kshs	2015-2016	Kshs	2015-2016	Kshs
<b>Revenue</b>										
Public contributions and donations	27,732,000.00		2,310,000.00		30,042,000.00		9,902,000.00		20,140,000.00	
Government grants and subsidies	72,496,103.14		(1,876,147.49)		70,619,955.65		70,619,955.65		-	
Other Incomes	-		-		-		-		-	
<b>Total income</b>	<b>100,228,103.14</b>		<b>433,852.51</b>		<b>100,661,955.65</b>		<b>80,521,955.65</b>		<b>20,140,000.00</b>	
<b>Expenses</b>										
Compensation of employees	23,052,000.00		-		23,052,000.00		16,980,000.00		6,072,000.00	
Goods and services	94,176,103.14		-		94,176,103.14		64,309,421.13		29,866,682.00	
Rent	3,000,000.00		-		3,000,000.00		3,000,000.00		-	
<b>Total expenditure</b>	<b>120,228,103.14</b>		<b>-</b>		<b>120,228,103.14</b>		<b>84,289,421.13</b>		<b>35,938,682.00</b>	
<b>Surplus for the period</b>	<b>(20,000,000.00)</b>		<b>433,852.51</b>		<b>(19,566,147.49)</b>		<b>(3,767,465.48)</b>		<b>(15,798,682.00)</b>	

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**Notes to the Accounts**

**1. Public contributions and donations**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Parliamentary & Senate	12,990,000	10,440,000
Governor & MCA contributions	17,052,000	17,292,000
<b>Total transfers and sponsorships</b>	<b>30,042,000</b>	<b>27,732,000</b>

**2. Transfers from other governments**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
<b>Unconditional grants</b>		
From Registrar Of Political Parties	50,892,382	49,167,562
From The National Alliance Party	19,727,574	21,818,984
<b>Total government grants and subsidi</b>	<b>70,619,956</b>	<b>70,986,546</b>

**3. Grassroots Expenses**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Election Expenses	3,129,000	8,063,955
Grassroots County Expenses	42,218,835	33,792,449
NEC Expenses	1,940,000	1,484,000
Media & Publicity	660,000	2,193,598
Grassroots Travel	-	1,722,001
Womens league	843,000	1,588,240
Youth league	690,000	1,557,340
Meetings & Trainings	522,944	3,366,740
Field Services	12,097,700	8,948,000
<b>Grassroots Expenses</b>	<b>62,101,479</b>	<b>62,716,323</b>

**4. Employee costs**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Employee related costs - salaries	16,980,000	16,490,000
<b>Employee costs</b>	<b>16,980,000</b>	<b>16,490,000</b>

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**Notes to the Accounts**

**5. Depreciation expense**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Property, plant and equipment	862,782	1,160,563
<b>Total depreciation</b>	<b>862,782</b>	<b>1,160,563</b>

**6. Administration Expenses**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Stationery	68,019	649,322
Rent	3,000,000	3,000,000
Generator Fuel & Electricity	7,700	-
Repairs & Maintenance	33,555	142,355
Bank charges	220,026	154,135
General Office Expenses	754,178	826,458
Security	-	720,000
Water	12,000	-
Audit Fees	50,000	50,000
Internet & Telephone Charges	86,422	-
Cleaning services	63,260	-
Membership fees (CMD)	50,000	50,000
<b>Total general expenses</b>	<b>4,345,160</b>	<b>5,592,271</b>

**7. Cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Trans National Bank	8,684,577	9,543,292
Co-operative Bank Ltd	390,742	390,256
Cash-on-hand and with Counties	1,043,790	949,045
<b>Total cash and cash equivalents</b>	<b>10,119,107</b>	<b>10,882,593</b>

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**Notes to the Accounts**

**8. Party Debtors**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Party Debtors	41,509,000	20,129,000
Sundry Debtors	11,000	11,000
<b>Total non-current borrowings</b>	<b>41,520,000</b>	<b>20,140,000</b>

**9. Property, Plant and Equipment**

	<b>Computers &amp; Printers</b>	<b>Furniture &amp; Fittings</b>	<b>Office Equipment</b>	<b>Total</b>
<i>Cost or Valuation:</i>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
<b>As at 01 July 2015</b>	<b>3,465,699</b>	<b>2,379,655</b>	<b>378,750</b>	<b>6,224,104</b>
Additions during the year	-	-	-	-
<b>Cost as at 30 June 2016</b>	<b>3,465,699</b>	<b>2,379,655</b>	<b>378,750</b>	<b>6,224,104</b>
Disposal	-	-	-	-
Adjustments	-	-	-	-
<b>As at 30th June 2016</b>	<b>3,465,699</b>	<b>2,379,655</b>	<b>378,750</b>	<b>6,224,104</b>
<b>Depreciation and Impairment</b>				
At 1 July 2015	1,429,553	654,265	88,633	2,172,452
Depreciation	610,844	215,674	36,265	862,782
Impairment	-	-	-	-
<b>At 30 June 2016</b>	<b>2,040,397</b>	<b>869,939</b>	<b>124,897</b>	<b>3,035,234</b>
<b>Net book values</b>				
<b>At 30 June 2016</b>	<b>1,425,302</b>	<b>1,509,716</b>	<b>253,853</b>	<b>3,188,870</b>
<b>At 30 June 2015</b>	<b>2,036,146</b>	<b>1,725,390</b>	<b>290,117</b>	<b>4,051,653</b>

**10. Accounts Payable**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Party Creditors	3,504,743	2,169,163
Sundry Creditors	2,145,620	100,000
<b>Total non-current borrowings</b>	<b>5,650,363</b>	<b>2,269,163</b>

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**Notes to the Accounts**

**11. Goods and Services Payments**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Grassroots Expenses ( Note 5)	62,101,479	62,716,323
Administration Cost	4,345,160	5,592,271
Rent Paid	(3,000,000)	(3,000,000)
<b>Total</b>	<b>63,446,639</b>	<b>65,308,594</b>

**12. Cash Generated from Operations**

	<b>2016</b>	<b>2015</b>
	<b>Shs</b>	<b>Shs</b>
Surplus for the year before Tax	16,372,535	12,759,389
Add Depreciation	862,782	1,160,563
<b>Net Cash Flow from operating activities</b>	<b>17,235,317</b>	<b>13,919,952</b>

**Summary of Significant Accounting Policies**

• **Statement of compliance and basis of preparation – IPSAS 1**

The party's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**a) Revenue recognition**

• **Revenue from non-exchange transactions – IPSAS 23**

**Contributions & Government Funding**

The entity recognizes revenues from members' contributions, government funding when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

For the year under review contributions from elected members have recognized when cash was received.

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**Summary of Significant Accounting Policies**

**b) Budget information – IPSAS 24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

**c) Property, plant and equipment – IPSAS 17**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the party recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. All donation assets have been capitalized as belonging to the party. Depreciation is done on straight line basis and rates applicable are as follows:-

	<u>Rates</u>
Computers	30%
Furniture & Fittings	12.5%
Office Equipments	12.5%

**d) Provisions – IPSAS 19**

Provisions are recognized when the Party has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. The provision in our statements includes Gratuity due to the directors which are payable at the expiry of the contract.

### **Summary of Significant Accounting Policies**

#### **e) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

#### **f) Changes in accounting policies and estimates – IPSAS 3**

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

#### **g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, headquarters & county petty cash. Bank account balances include amounts held Trans National Bank Ltd, Co-operative bank Ltd, and at various county office commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

#### **h) Comparative figures**

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

#### **i) Significant judgments and sources of estimation uncertainty – IPSAS 1**

The preparation of the party's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

As such the assumptions made are:-

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Elected members revenue inform of contributions not yet received during the financial year will be transferred to Jubilee Party.

**Summary of Significant Accounting Policies**

Going concern Assumption - The party will be dissolved on the September, 08, 2016 to form Jubilee Party.

**j) 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, 2016.

**k) Taxation**

The party, being a non-trading entity is not subject to taxation. No tax therefore is provided in these accounts.

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

None