

REPUBLIC OF KENYA

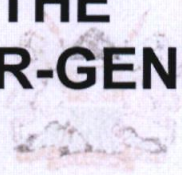


*Paper laid by the  
Leader of  
majority for  
30/4/2014  
@Kumh...*

**KENYA NATIONAL AUDIT OFFICE**

*Volume 8*

**REPORT OF  
THE  
AUDITOR-GENERAL**



KENYA NATIONAL AUDIT OFFICE

**ON**

**THE FINANCIAL STATEMENTS OF  
ORANGE DEMOCRATIC MOVEMENT FOR  
THE YEAR ENDED 30 JUNE 2013**



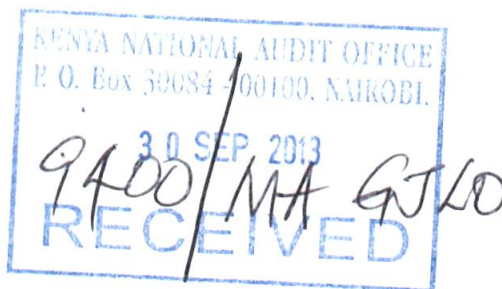
# ORANGE DEMOCRATIC MOVEMENT

ORANGE HOUSE  
MENELIK ROAD  
KILIMANI AREA  
NAIROBI

P.O. BOX 2478-00202  
NAIROBI  
Tel: 020-20253481

30<sup>th</sup> October, 2013

The Auditor General  
The Kenya National Audit Office  
P.O Box 30084 00100  
NAIROBI



Dear Sir,

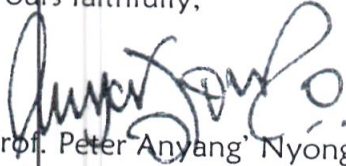
RE: AUDIT OF THE FINANCIAL STATEMENT OF THE ORANGE DEMOCRATIC  
MOVEMENT FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2012

Please receive the following documents to enable you conduct the audit for our party

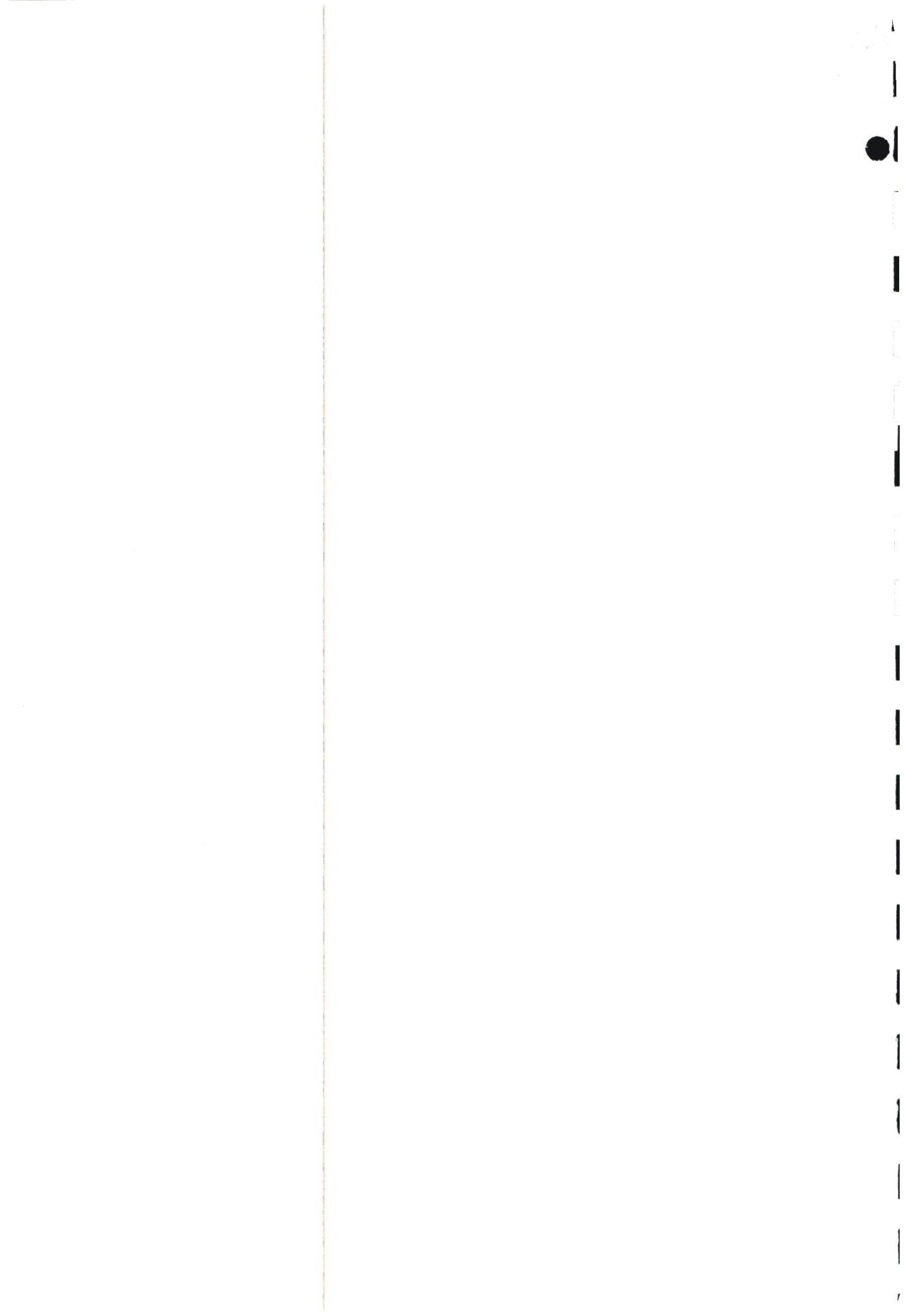
1. Party Constitution
2. Trial Balance
3. Signed 2012/2013 Financial Statements

Kindly indicate other documents required to enable you proceed with the audit work as required under law.

Yours faithfully,

  
Prof. Peter Anyang' Nyong'o  
SECRETARY GENERAL

*Chungwa Moja, Maisha Bora*



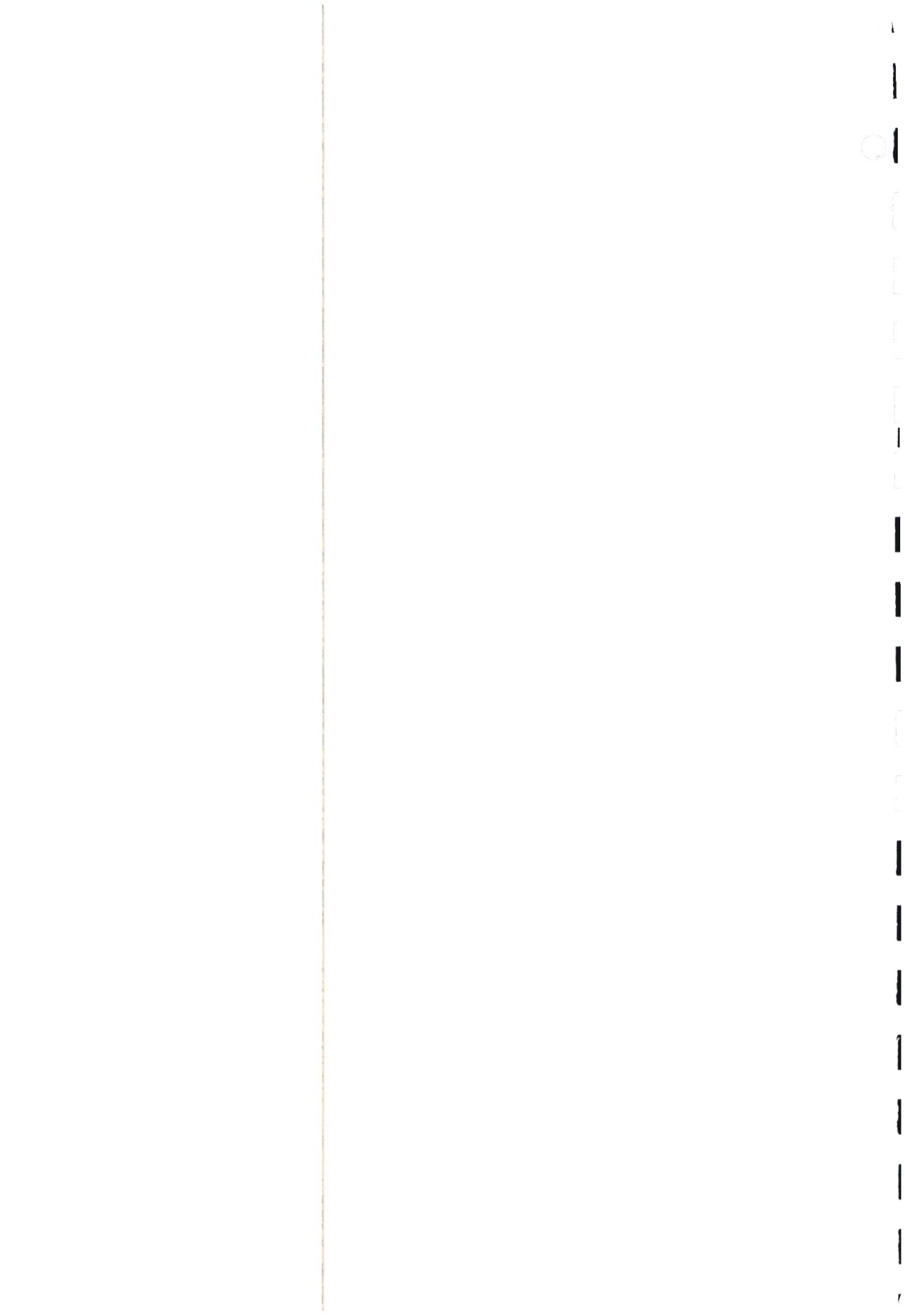
# ORANGE DEMOCRATIC MOVEMENT

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

30 SEP 2013

RECEIVED

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013

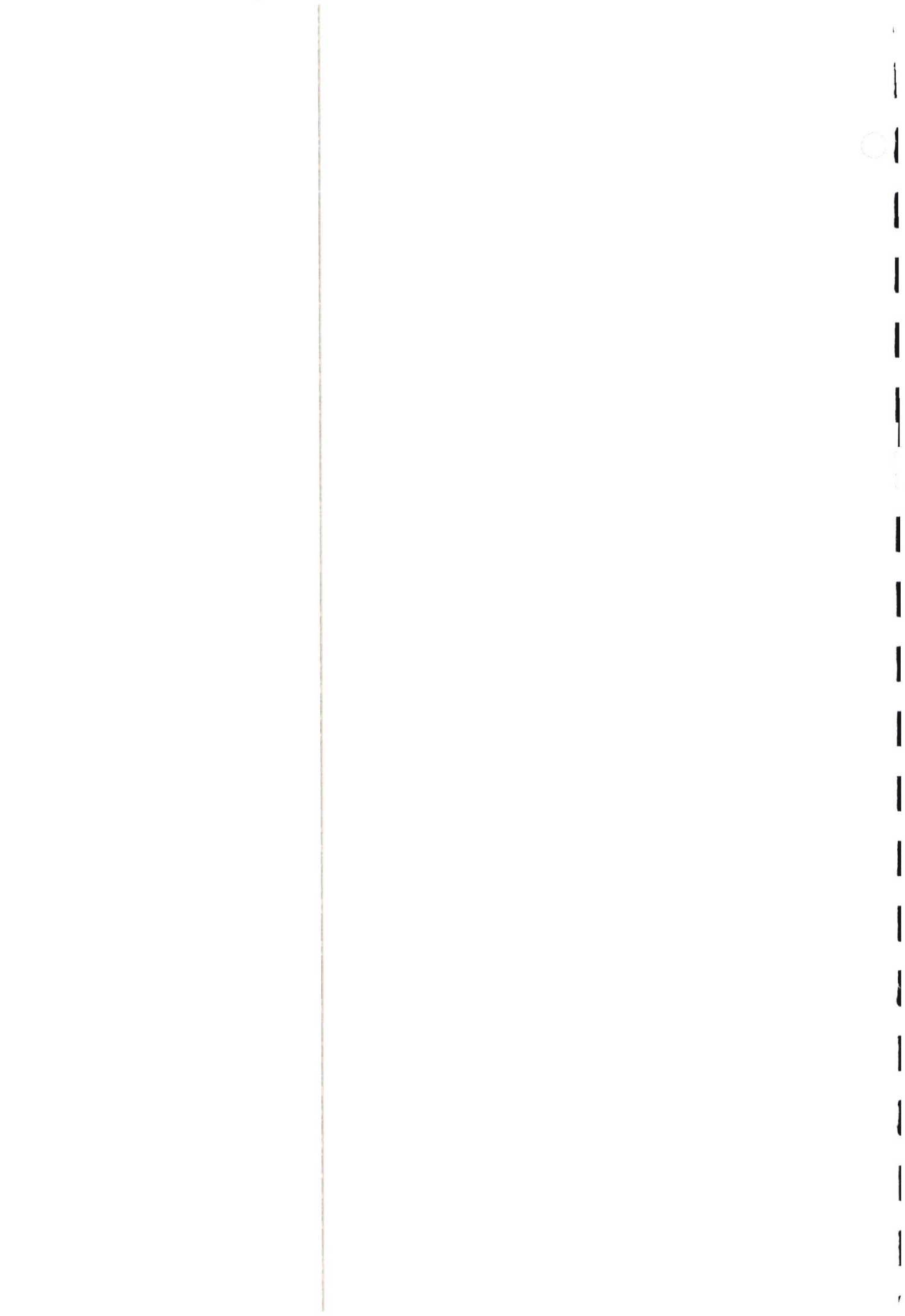


# ORANGE DEMOCRATIC MOVEMENT

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REPORT OF THE NATIONAL EXECUTIVE COMMITTEE	4
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# ORANGE DEMOCRATIC MOVEMENT

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## STATEMENT OF THE NATIONAL EXECUTIVE COMMITTEE RESPONSIBILITIES.

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.

National Chairman.....

National Secretary.....

Date.....



1000

1000

# ORANGE DEMOCRATIC MOVEMENT

## REPORT OF THE NATIONAL EXECUTIVE COMMITTEE FOR THE YEAR ENDING 30<sup>TH</sup> JUNE 2013

### PRINCIPAL ACTIVITIES

The organization's principal activity is 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 for the year ended 30<sup>th</sup> June 2013 are set on pages 3 to 12

### EXECUTIVE OFFICIALS

The executive officials during the year were as follows;

Hon. Henry Kosgey	-National Chairman
Hon. Prof. Peter Anyang' Nyong'o	-Secretary General
Hon. Hassan Ali Joho	-National organizing secretary
Hon. Dalmas Otieno Anyango	- Deputy Treasurer - R/ Mobilization
M/S Janet Ong'era	-Executive Director

### REGISTERED OFFICE

Orange House  
Menelik Road  
Nairobi


### BANKERS

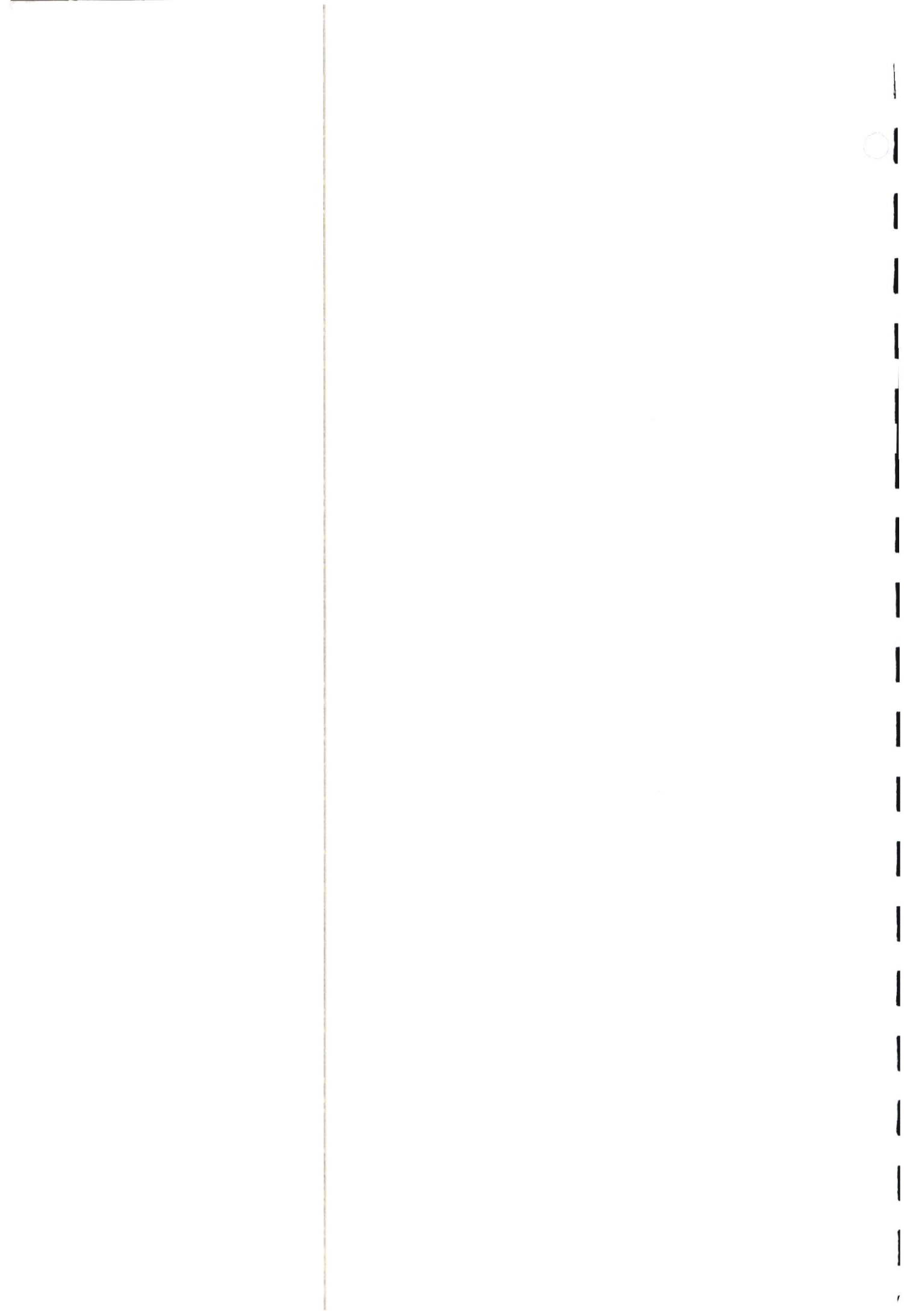
Co-operative Bank  
Parliament Road Branch  
Nairobi.

### AUDITORS

#### AUDITOR GENERAL

By order of the Executive

Signed  Date 31/8/2013  
Secretary General



REPUBLIC OF KENYA



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Fax: +254-20-311482  
E-mail: cag@kenao.go.ke  
Website: www.kenao.go.ke

P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON ORANGE DEMOCRATIC MOVEMENT FOR THE YEAR ENDED 30 JUNE 2013

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Orange Democratic Movement set out on pages 5 to 12, which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, Section 8 of the Public Audit Act, 2003 and Section 34(1) of the Political Parties Act, 2007 (Revised 2011). 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**

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 6 of the Public Audit Act, 2003.

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

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International

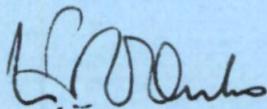
Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the party's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audit opinion.

### **Opinion**

In my opinion the financial statements present fairly, in all material respects, the financial position of the Orange Democratic Movement as at 30 June 2013 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Political Parties Act, 2007 (Revised 2011).



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

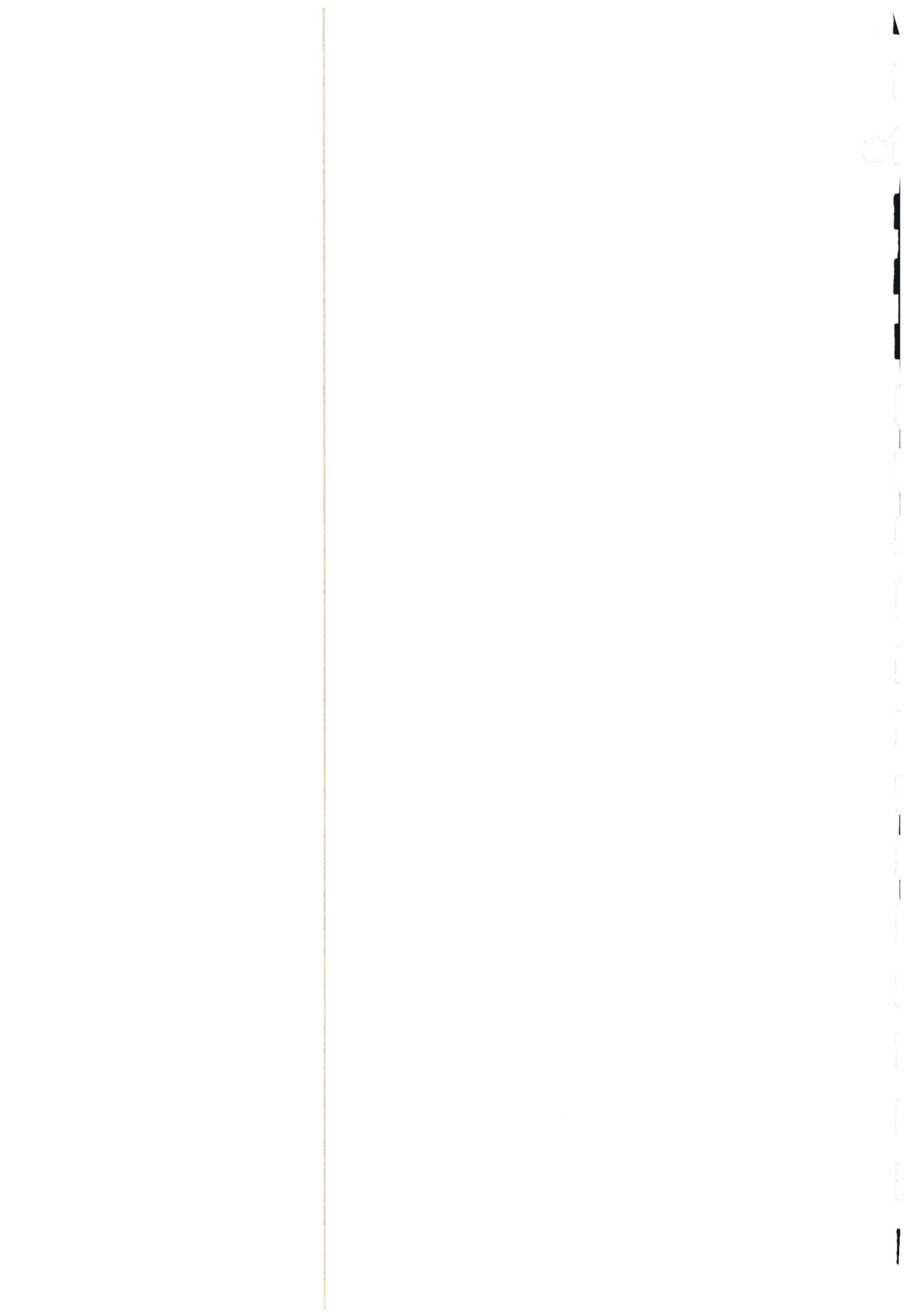
**Nairobi**

**7 April 2014**

# ORANGE DEMOCRATIC MOVEMENT

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2013

<b>INCOME</b>	<b>NOTES</b>	<b>2013 KSHS</b>	<b>2012 KSHS</b>
Government Political Party Fund		73,274,383	73,591,800
SMS Services			11,550
Branch Application Forms			487,600
Life Membership Fees		8,660,000	4,478,000
MPs Contribution		9,094,000	24,779,900
Nomination Fees-Combined		149,125,500	355,000
Nomination Rules		32,700	
Ordinary Membership Cards		1,400,500	7,219,396
Contribution From Members		3,025,049	4,999,999
<b>TOTAL INCOME</b>		<b>244,612,132</b>	<b>115,923,244</b>
 <b>EXPENDITURE</b>			
Cost of Membership Cards		220,792	5,094,799
Administrative Expenses	3	37,135,559	30,555,220
Financial Costs	4	470,835	167,862
Branch Training, Coordination & Support	5	14,364,432	2,767,435
Campaign Expenses	6	132,313,251	32,113,967
Civic Education Expenses	7	3,611,930	5,388,450
Regional Conferences	8	54,566,421	35,659,264
Party Policy and Advocacy	9	6,936,960	4,091,769
<b>TOTAL EXPENDITURE</b>		<b>249,399,389</b>	<b>115,838,766</b>
<b>NET INCOME</b>		<b>(5,008,049)</b>	<b>84,478</b>



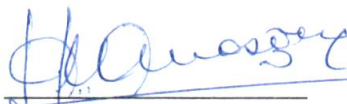
# ORANGE DEMOCRATIC MOVEMENT

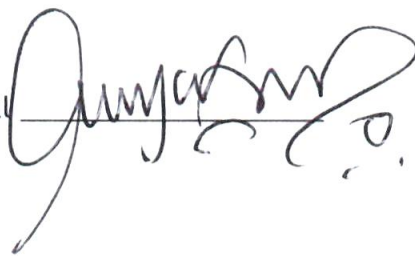
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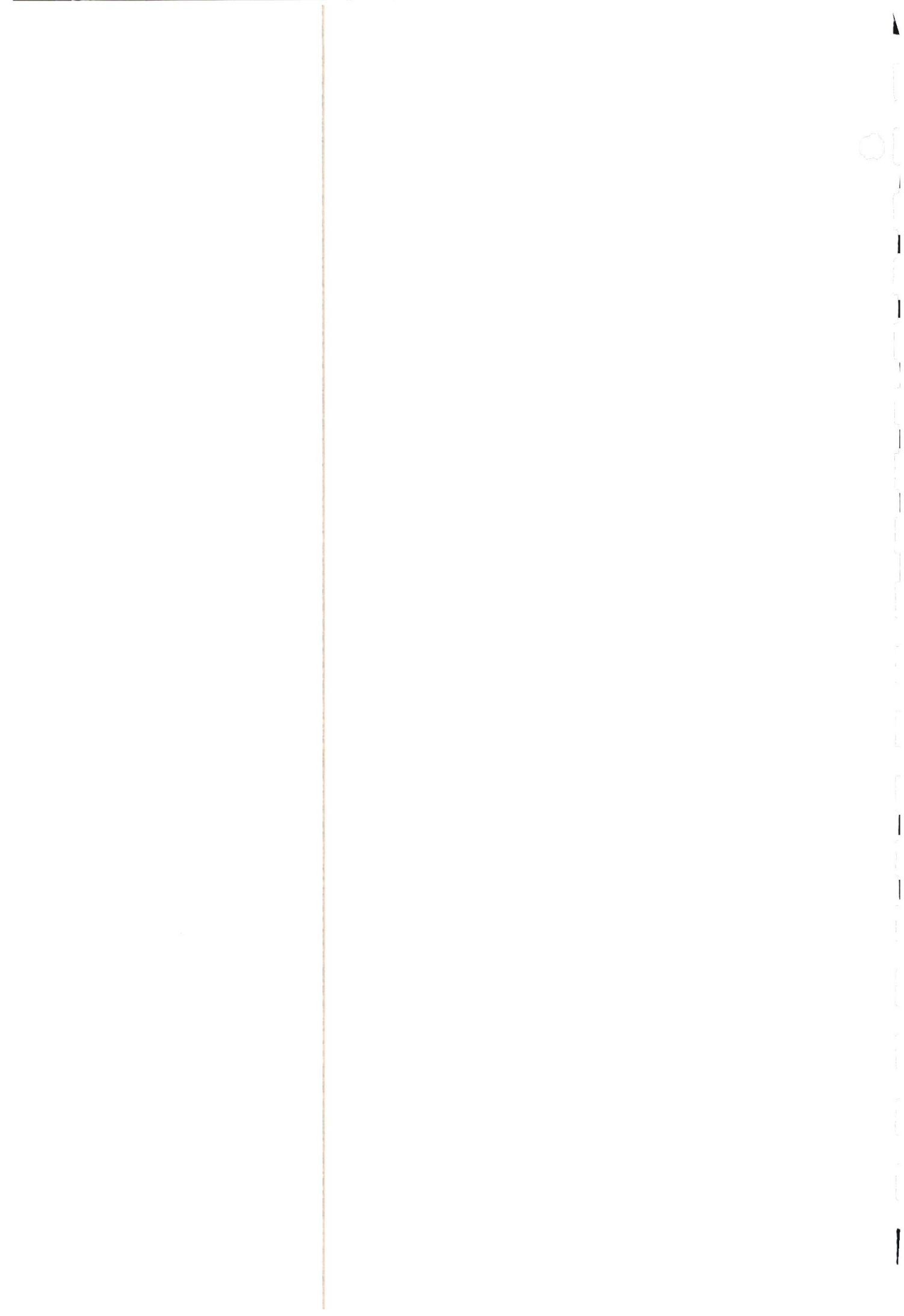
**STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2013**

	NOTES	2013 KSHS	2012 KSHS
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	2	14,385,572	15,776,625
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	10	236,726	2,510,535
Other Current Assets	11	16,967,374	3,550,322
		17,204,100	6,060,857
<b>CURRENT LIABILITIES</b>			
Creditors & Accruals	12	22,853,570	8,093,331
		22,853,570	8,093,331
<b>NET CURRENT ASSETS</b>		<b>(5,649,470)</b>	<b>(2,032,474)</b>
<b>NET ASSETS</b>		<b>8,736,102</b>	<b>13,744,151</b>
<b>REPRESENTED BY:</b>			
<b>ACCUMULATED FUND</b>	13	<b>8,736,102</b>	<b>13,744,151</b>

Notes attached hereto form part of these accounts  
 These accounts were approved on the 31/8/2013  
 on behalf of the Party by:

National Chairman 

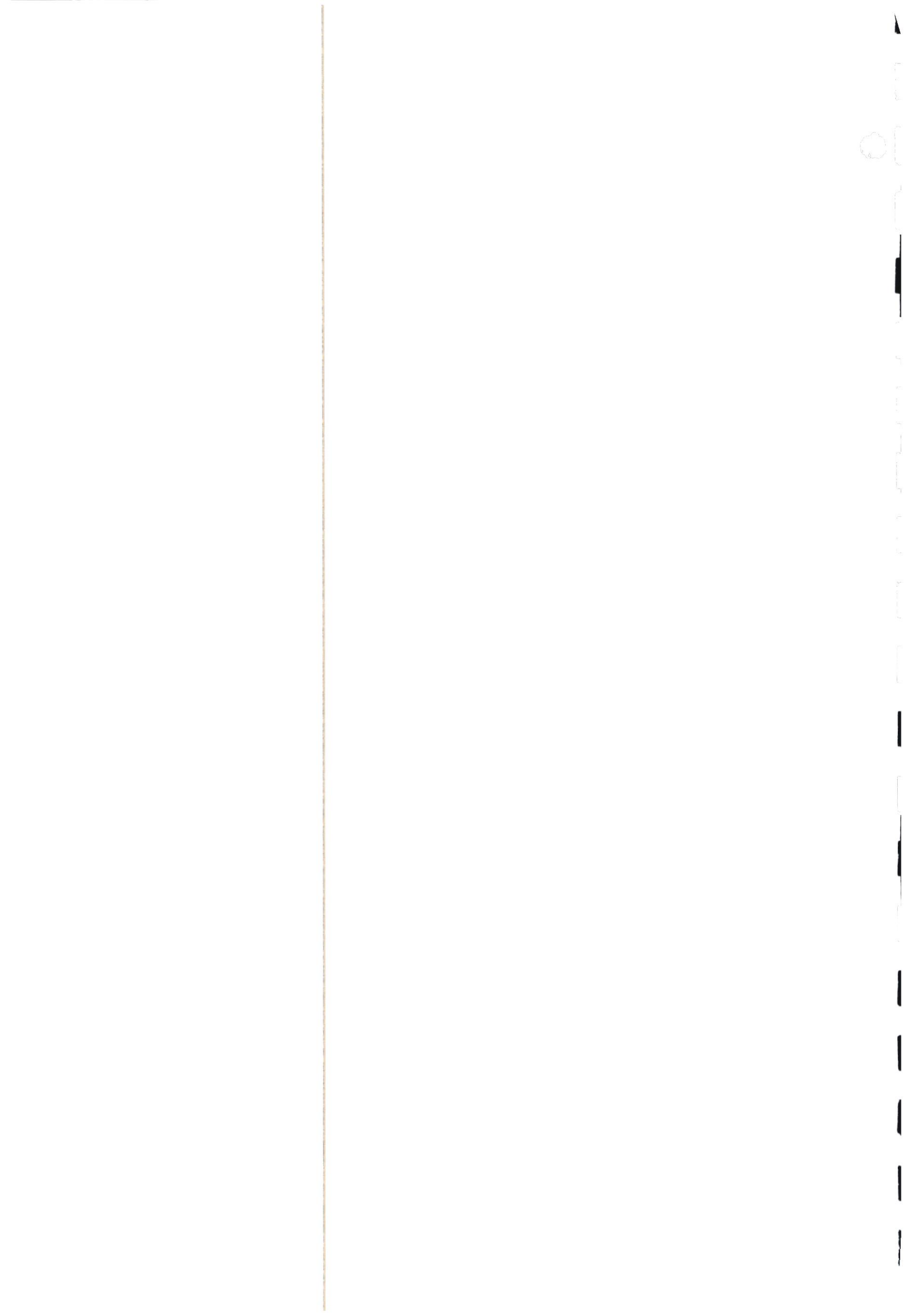
Secretary General 



# ORANGE DEMOCRATIC MOVEMENT

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2013

	2013 Kshs.	2012 Kshs.
<b>Cash flows from Operating Activities</b>		
Net Surplus/ (Loss)	(5,008,049)	84,478
Adjustments for:		
Depreciation	3,627,738	2,654,220
<b>Operating profit before changes in working capital</b>	<u>(1,380,311)</u>	<u>2,738,698</u>
<b>Analysis of changes in working capital</b>		
Increase/ (Decrease) in creditors & accruals	14,760,239	248,978
(Increase)/ Decrease in other current assets	<u>(13,417,052)</u>	<u>2,717,182</u>
<b>Net Changes in Working Capital</b>	1,343,187	2,966,160
<b>Net cash flows from operating activities</b>	<u>(37,124)</u>	<u>5,704,858</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Assets	<u>(2,236,685)</u>	(5,949,250)
<b>Net Cash flow from Investing activities</b>	<u>(2,236,685)</u>	<u>(5,949,250)</u>
<b>Net change in cash and cash equivalent</b>	(2,273,809)	(244,392)
Cash & Cash equivalents as at 1st July, 2012	2,510,535	2,754,927
<b>Cash &amp; Cash equivalents as at 30th, June 2013</b>	<u>236,726</u>	<u>2,510,535</u>



# ORANGE DEMOCRATIC MOVEMENT

## STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013

	Reserves <u>Kshs</u>	Accummulated Fund <u>Kshs</u>	Net Surplus/(Deficit) <u>Kshs</u>	Total <u>Kshs</u>
As at 01/7/2012	2,356,176	(3,638,482)	15,026,458	13,744,151
Net Surplus/(Deficit) for the yr	<hr/>	<hr/>	(5,008,049)	<hr/>
Year Ended 30/6/2013	<u>2,356,176</u>	<u>(3,638,482)</u>	<u>10,018,409</u>	<u>8,736,102</u>

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# ORANGE DEMOCRATIC MOVEMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

### NOTE 1 (a) SIGNIFICANT ACCOUNTING POLICIES

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.

**(ii) Depreciation**

Depreciation is provided for on fixed assets using the reducing balance method.

The following are the rates used :

- Lease Hold Structure 10%
- Office Furniture and Fittings 12.5%
- Office Equipment 12.5%
- Computers and Printers 30%
- Motor Vehicles 25%

### NOTE 2

	Leasehold Structure Kshs.	Computer and Printers Kshs.	Motor Vehicles Kshs.	Office Furniture Kshs.	Office Equipment Kshs.	TOTAL Kshs.
Cost at 01.07 2012	1,379,506	2,727,248	11,425,690	5,134,005	3,699,870	24,366,319
Additions	-	1,806,690	-	64,995	365,000	2,236,685
<b>At 30.06.2013</b>	<b><u>1,379,506</u></b>	<b><u>4,533,938</u></b>	<b><u>11,425,690</u></b>	<b><u>5,199,000</u></b>	<b><u>4,064,870</u></b>	<b><u>26,603,004</u></b>
Accum. Depr	492,516	943,344	5,266,529	1,480,280	407,025	8,589,694
Charge for the yr	88,699	1,077,178	1,539,790	464,840	457,231	3,662,738
<b>At 30.06.2013</b>	<b><u>581,215</u></b>	<b><u>2,020,522</u></b>	<b><u>6,806,319</u></b>	<b><u>1,945,120</u></b>	<b><u>864,256</u></b>	<b><u>12,217,432</u></b>
<b>Net Book Value</b>						
At 30.06.2013	<u>798,291</u>	<u>2,513,416</u>	<u>4,619,371</u>	<u>3,253,880</u>	<u>3,200,614</u>	<u>14,385,572</u>
At 30.06:2012	<u>886,990</u>	<u>1,783,904</u>	<u>6,159,161</u>	<u>3,653,725</u>	<u>3,292,845</u>	<u>15,776,626</u>

