REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 03 AUG 2021 TUESDAY
Chief Whip
Hon. Emmanuel Wangwe, MP
Finlay Muriuki

REPORT

OF

THE AUDITOR-GENERAL

ON

JUBILEE PARTY

FOR THE YEAR ENDED 30 JUNE, 2020



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Regulatory and Other Non – Commercial Government Owned Entities
(Semi - Autonomous Government Agencies and Public Funds Established by an Act of Parliament or a Legal Notice)

REGULATORY AND OTHER NON-COMMERCIAL ENTITIES
JUBILEE PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2020

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

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 03 AUG 2021
DAY:
TABLED BY:

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Jubilee Party is a political party registered under the office of the Registrar of Political Parties on September 9th 2016. Our commitment to the national values and principles of governance enshrined in the constitution of Kenya.
This party was formed as a merger of its affiliate parties within the Jubilee family with the sole purpose of unifying the country and promoting development as a unified entity.

(b) Principal Activities

The political activity/mission of Jubilee Party is to promote democratic participation and involvement of all Kenya citizens. We endeavour to form a Government that shall embody our ideals and aspirations, promote the common good, conserve and develop 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.

(c) Key Management

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

- Secretary General
- Executive Director
- Deputy Executive Director & Director Legal Affairs
- Director Finance & Administration
- Director Membership
- Director Elections
- Director Communications
- Director Programmes – Special Interest Groups
- Director Logistics and Events

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman	**Nelson Dzuya**
2.	Secretary General	**Hon. Raphael Tuju, EGH**
3.	Treasurer	**Alfred Mutai**
4.	National Executive Director	**James Waweru, CBS**

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(e) Fiduciary Oversight Arrangements

- National Executive Committee
- Budget Committee activities
- Procurement Committee
- Audit Committee
- Technical Committee
- National Elections Board
- National Treasury
- Tender Committee
- Parliamentary Group
- National Governing Council
- Office of The Registrar of Political Parties
- Auditor General

(f) Entity Headquarters

P.O. Box 37544 - 00100
Jubilee House
Pangani Interchange, Exit 3, Thika Road
Nairobi, KENYA

(g) Entity Contacts

Telephone: (254) 0709 175 111
E-mail: info@jubileepamoja.co.ke
Website: www.jubileepamoja.co.ke

(h) Entity Bankers

Equity Bank Ltd
Tel: 2744000
P.O. Box 75104-00200
Community Corporate Branch
Nairobi, Kenya

(i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(j) List of Lawyers

1. MBUGWA, ATUDO & MACHARIA, ADVOCATES
   JADALA PLACE, 2 ND FLOOR
   NGONG LANE, OFF NGONG ROAD
   P.O. BOX 10409-00100
   NAIROBI
   Tel: 0722822865
2. SINGOEI MURKOMEN & SIGEI ADVOCATES,
   REGENT COURT APARTMENTS,
   BOCK B, SUITE B8, 3 RD FLOOR,
   ARGWINGS KODHEK ROAD,
   P.O. BOX 37330-00100 GPO,
   NAIROBI.
   Tel: 0720832373

NATIONAL EXECUTIVE COMMITTEE

NAME	DESIGNATION
1. Nelson Dzuya	Chairman
2. Veronica Maina	Deputy Chairperson
3. Hon. Raphael Tuju, EGH	Secretary General
4. Caleb Kositany	Deputy Secretary General
5. Alfred Mutai	Treasurer
6. Abdul Haji	Organizing Secretary
7. James Waweru, CBS	Executive Director, Ex-officio

MANAGEMENT TEAM

MANAGEMENT TEAM	Responsibility
1. Executive Director	Chief Executive and Secretary to National Executive Committee
2. Deputy Executive Director, Director Legal Affairs	Deputizes E.D and in charge of legal
3. Director Finance & Administration	In charge of Finance & Accounting, Human Resources Management, General Administration, Chief of Operations and ICT services.
4. Director Communications	In charge of Publicity and Publications and Media Services
5. Director Elections	In charge of Nominations, By-elections & Elections
6. Director Programmes – Special Interest Groups	In charge of Programmes – Special Interest Groups (Youth, Gender, PWD)
7. Director Membership	In charge of Programmes & Head of Field Services
8. Director Logistics and Events	In charge of Campaigns and Events

REPORT OF THE EXECUTIVE DIRECTOR

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

The party commends the party Leadership, NEC and the Secretariat 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 enjoy the support of stakeholders, other likeminded parties and members, general supporters and Kenyans at large.

Finally, I wish to register my optimism and confidence that we shall be able to steer J.P. to greater heights and continue to work with likeminded parties to make Kenya a better country.

Yours faithfully,

.....

James Waweru, CBS
The Executive Director.

DATE: 19th July 2021

REPORT OF THE SECRETARY GENERAL

As per the Political Parties' Act 2011, the party is required to prepare Financial Statements for each Financial Year, which gives a true and fair view of the state of the financial affairs of a Party as at the end of the Financial Year and that of it's operating results for the year.

Prepared using appropriate Accounting Policies in conformity with of the Financial State of the Party and that of it's operating results.

The party further confirms the completeness of the accounting records maintained for the party which has been relied upon in preparation of the Party's Financial Statements.

Attached herewith the Party Financial Statement, which gives a true and fair view of the state of affairs of the Party for the year ended June 30, 2020.

Yours faithfully,

.....

Hon. Raphael Tuju, EGH
Secretary General

Date: 19th July 2021

REPORT OF THE DIRECTORS

The Directors submit their annual report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Party's affairs.

Principal activities

The principal activities of the Party, derived from the Political Parties' Act, 2011, is to promote active political participation by citizens with general view of assuring national values and principles of governance enshrined in the Constitution of Kenya.

Results

The results of the entity for the year ended June 30, 2020 are set out on page 8.

Directors

The members of the National Executive Committee (NEC) who served during the year are shown on page 3.

Auditors

The Auditor General is responsible for the statutory audit of the Jubilee Party in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Jubilee Party for the year/period ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the NEC

Raphael Tuju, EGH
Secretary General
Nairobi
Date: 19th July 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 require the Fiduciary Management Team to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year/period and the operating results of the Party for that year/period. The Fiduciary Management Team are also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the financial position of the Party. The Fiduciary Management Team are also responsible for safeguarding the assets of the Party.

The Fiduciary Management Team 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 Party for and as at the end of the financial year ended on June 30, 2020. 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 Party;
(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 Party;
(v) selecting and applying appropriate accounting policies; and
(vi) making accounting estimates that are reasonable in the circumstances.

The Fiduciary Management Team accept 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), and in the manner required by the PFM Act, 2012.
The Fiduciary Management Team are 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, 2020, and of the Party's financial position as at that date. The Fiduciary Management Team 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.

Nothing has come to the attention of the Fiduciary Management Team to indicate that the Party 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 Party's financial statements were approved by the NEC on 27th July 2020 and signed on its behalf by:

Chairman

Secretary General

Executive Director

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

OFFICE OF THE AUDITOR GENERAL

Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON JUBILEE PARTY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Jubilee Party set out on pages 11 to 35, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, the statement of changes in net assets, the 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Jubilee Party as at 30 June, 2020, 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 (Revised 2016) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of financial position reflects a cash and cash equivalents balance of Kshs.314,757,389. Included in the balance are amounts of Kshs.117,671 and Kshs.2,477,444 being balances inherited from the defunct The National Alliance (TNA) and United Republican Party (URP) respectively. However, the bank statements in relation to TNA's bank accounts reflected a balance of Kshs.7,604,615 resulting in a difference of Kshs.7,486,944 which has not been explained or reconciled. Further, the bank statements for the defunct URP were not provided for audit review.

In the circumstances, it has not been possible to confirm that the accuracy and existence of the reported cash and cash equivalents balance of Kshs.314,757,389.

2. Lack of Ownership Documents for Motor Vehicles

Included in the property, plant and equipment balance of Kshs.13,965,903 reflected in the statement of financial position and Note 16 to the financial statements, is an amount of Kshs.2,608,726 representing the book values for motor vehicles. However,

as previously reported, logbooks for the respective motor vehicles were not provided for audit verification.

Under the circumstances, the ownership of the motor vehicles and the accuracy of their reported value of Kshs.2,608,726 could not be confirmed.

3. Trade and Other Payables from Exchange Transactions

The statement of financial position reflects a trade and other payables from exchange transactions balance of Kshs.171,770,224 out of which trade payables amounting to Kshs.156,518,973 have been outstanding for several years. In addition, supporting documents for the payables including invoices, delivery notes, demand notes and inspection and acceptance committee certificates were not provided.

Consequently, the validity and accuracy of the reported balance of Kshs.171,770,224 for trade and other payables could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Jubilee Party Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no Key Audit Matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Registration of Leases

The statement of financial performance reflects rent expenditure of Kshs.87,470,000. However, lease agreements for the Party offices both in the Headquarters and the regional offices had not been registered with the Ministry of Lands and Physical Planning as required under Section 47 of the Registered Land Act, CAP 300 which provides the prescribed form of registration for leases for a specified period exceeding two years.

In the circumstances, the regularity of the lease agreements, and the resultant payments for rent could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330.The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Party's ability to continue to sustain services, disclosing, as applicable, matters related to sustain services and using the sustainability of service basis of accounting unless Management is aware of the intention to terminate the Party or to cease operations.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Party's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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. 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 and weakness 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.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Party's policies and procedures may deteriorate.

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.

- 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 applicable 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 sustain its services. 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 sustain its services.

- 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

07 July, 2021

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020

+	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Public contributions and donations	6	103,878,658.19	133,279,046.00
Transfers from other governments – gifts and services-in-kind	7	758,437,685.70	240,374,733.80
		862,316,343.89	**373,653,779.80**
Total revenue		**862,316,343.89**	**373,653,779.80**
Expenses			
Employee costs	8	166,647,564.00	168,566,415.05
Depreciation and amortization expense	9	2,271,881.50	2,715,044.15
Repairs and maintenance	10	113,600.00	425,200.00
Rent paid		87,470,000.00	97,853,500.00
General expenses	11	271,699,682.00	125,857,932.20
Finance costs	12	6,394,515.74	275,483.55
Total expenses		**534,597,243.24**	**395,693,574.95**
Other gains/(losses)			
Surplus before tax		**327,719,100.65**	**(22,039,795.15)**
Surplus/(deficit) for the period/year		**327,719,100.65**	**(22,039,795.15)**

The notes set out on pages 11 to 30 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	314,757,388.15	18,292,252.05
Receivables from exchange transactions	14 & 15	100,721,983.44	69,112,918.45
		415,479,371.59	**87,405,170.50**
Non-current assets			
Property, plant and equipment	16	13,965,903.38	16,237,784.85
		13,965,903.38	16,237,784.85
Total assets		**429,445,274.97**	**103,642,955.35**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	171,770,224.44	173,687,005.50
		171,770,224.44	**173,687,005.50**
Non-current liabilities			**0.00**
Total liabilities		171,770,224.44	**173,687,005.50**
Net assets		**429,445,274.97**	**103,642,955.35**
Reserves		0.00	0.00
Accumulated surplus		257,675,050.53	(70,044,050.15)
Capital Fund		0.00	0.00
Total net assets and liabilities		**257,675,050.53**	**(70,044,050.15)**

The Financial Statements set out on pages 9 to 12 were signed on behalf of the Board of Directors by:

Head of Finance
Name: Wambui Gichuru

Date 19th July 2021

Executive Director
Name: James Waweru

Date 19th July 2021

Secretary General
Name:

Date 19th July 2021

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2020

	Ordinary share capital	Revaluation reserve	Accumulated Funds	Net Surplus / deficit	Capital/ Development Grants/Fund	Total
At July 1, 2017	-	-	-	**(150,649,396.00)**	-	**(150,649,396.00)**
Revaluation gain						
Total comprehensive income	-	-	-	102,645,141.00	-	102,645,141.00
At June 30, 2018	-	-	-	**(48,004,255.00)**	-	**(48,004,255.00)**
At July 1, 2018	-	-	-	**(48,004,255.00)**	-	**(48,004,255.00)**
Revaluation gain	-	-	-	-	-	-
Total comprehensive income	-	-	-	(22,039,795.16)	-	(22,039,795.16)
At June 30, 2019	-	-	-	**(70,044,050.16)**	-	**(70,044,050.16)**
At July 1, 2019				**(70,044,050.16)**		**(70,044,050.16)**
Revaluation gain				**327,719,100.65**		
Total comprehensive income				**257,675,050.49**		
At June 30, 2020						

Note:

1. *For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.*

2. *Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances need to be done.*

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

		2020-2019	2019-2018
		Kshs	Kshs
Cash flows from operating activities	Notes		
Net surplus for the year		327,719,100.65	(22,039,795.15)
Adjusted for			
Gain/ loss on disposal written back		-	-
Depreciation written back	9	2,271,881.50	2,715,044.15
		329,990,982.15	**(19,324,751.00)**
Working capital changes			
(Increase) Decrease in receivables	14 & 15	(31,609,064.99)	(26,738,985.45)
Increase (Decrease) in payables	17	(1,916,781.06)	40,128,776.50
cash generated from operations		(33,525,846.05)	13,389,791.05
Net cash flow from operating activities		**296,465,136.10**	**(5,934,959.95)**
Cash flow from investing activities			
Purchase of property and equipment	16	-	(677,098.00)
Proceeds from sale of assets		-	-
Net cash used in investing activities		-	**(677,098.00)**
Cash flow from financing activities			
Increase in deposits		-	-
Net cash used in financing activities		-	-
Net increase / (decrease) in cash and cash equivalent in the year		**296,465,136.10**	**(6,612,057.95)**
Cash and cash equivalent at 1st July 2019		18,292,252.05	24,904,311.00
Cash and cash equivalent at 30th June 2020		**314,757,388.15**	**18,292,253.05**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Performance difference-%
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Political Parties Fund	371,200,000.00	387,237,685.70	758,437,685.70	758,437,685.70	0.00	-
Public contributions and donations	124,020,000.00	0.00	124,020,000.00	103,878,658.19	(20,141,341.90)	(16.2%)
Sale of Membership cards	0.00	0.00	0.00	0	0.00	0.00
Total income	**495,220,000.00**	**0.00**	**495,220,000.00**	**862,316,343,89**	**367,096,343.80**	**74.1%**
Expenses						
Compensation of employees	356,400,000.00	0.00	356,400,000.00	166,647,564.00	189,752,436.00	53.2%
General expenses	42,600,000.00	0.00	42,600,000.00	271,699,682.00	(229,099,682.00)	(537.8%)
Finance cost	360,000.00	0.00	360,000.00	6,394,515.74	(6,034,515.74)	(1676.25%)
Rent paid	109,800,000.00	0.00	109,800,000.00	87,470,000.00	22,330,000.00	20.3%
Depreciation	0.00	0.00	0.00	2,271,881.50	(2,271,881.50)	-
Capital expenditure	3,620,000.00	0.00	3,620,000.00	0.00	3,620,000.00	100%
Total expenditure	**512,780,000.00**	**0.00**	**512,780,000.00**	**534,483,643.20**	**(21,703,643.24)**	**(4.2%)**
Surplus for the period	**(17,560,000.00)**	**0.00**	**(17,560,000.00)**	**327,832,700.20**	**345,392,700.60**	**1,967%**

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Jubilee Party is established by and derives its authority and accountability from Political Parties Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to promote democratic participation and involvement of all Kenya citizens.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act *(include any other applicable legislation),* and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	**Applicable: 1st January 2019** The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	**Applicable: 1st January 2022:** The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	**Applicable: 1st January 2022** The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from subscriptions, donations and fines 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.

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kshs **387,237,685.70** on the 2019-2020 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 15 of these financial statements.

c) Taxes

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. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Deferred tax (continued)

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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.

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 de-recognition.

Transfers are made to or from investment property only when there is a change in use.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

e) Property, plant and equipment

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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

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) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

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.

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.

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.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an 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:

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- 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)
-

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i) Inventories

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.

j) Provisions

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Contingent assets (continued)

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.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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.

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. 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.

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

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.

p) Related parties

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 directors, the CEO and senior managers.

q) Service concession arrangements

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 Entity 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 price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. 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.

r) 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 include amounts held at the Central Bank of Kenya and at 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.

s) Comparative figures

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

t) Subsequent events

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, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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. State all judgements, estimates and assumptions made: e.g.

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 Entity 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 Entity. 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
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

6 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2019-2020	2018-2019
	KShs	KShs
Members' contribution	96,732,000.00	133,279,046.00
Other public donations	7,146,658.19	0.00
Total Public contributions and donations	**103,878,658.19**	**133,279,046.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 TRANSFERS FROM OTHER GOVERNMENTS

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Political parties fund	758,437,685.70	240,374,733.80
Other grants	0.00	0.00
Total government grants and subsidies	**758,437,685.70**	**240,374,733.80**

8 EMPLOYEE COSTS

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	166,647,564.00	168,566,415.05
Employee costs	**166,647,564.00**	**168,566,415.05**

9 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	2,271,881.50	2,715,044.15
Total depreciation and amortization	**2,271,881.50**	**2,715,044.15**

10 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Maintenance of office equipment	113,600.00	425,200.00
Total repairs and maintenance	**113,600.00**	**425,200.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 GENERAL EXPENSES

Description	2019-2020	2018-2019
	KShs	KShs
Advertising	147,000.00	64,000.00
Audit fees	0	300,000.00
Office Expenses	2,046,192.00	4,345,154.00
Cleaning & landscaping	3,690,000.00	5,432,416.00
Subscriptions	101,000.00	156,100.00
Electricity & water	5,246,198.00	7,565,116.05
Fuel and oil	4,285,990.00	4,830,316.00
Insurance	0.00	76,256.00
Campaign & election expenses	83,788,710.00	197,000.00
Grassroots & field programs	113,607,290.00	70,191,091.20
Travel & meeting expenses	5,234,500.00	21,296,866.95
Legal fee	47,005,288.00	2,520,020.00
Nomination expenses	0	110,000.00
Security costs	4,894,064.00	6,295,746.00
Telecommunication	1,565,450.00	2,027,850.00
Training	0.00	450,000.00
Mobilization & logistics	0.00	0.00
Allowances	78,000.00	0.00
Staff welfare	10,000.00	0.00
Total general expenses	**271,699,682.00**	**125,857,932.20**

12 FINANCE COSTS

Description	2019-2020	2018-2019
	KShs	KShs
Bank charges	6,394,515.74	275,483.55
Total finance costs	**6,394,515.74**	**275,483.55**

13 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Current account	313,698,987.15	18,192,252.05
On - call deposits	0.00	0.00
Fixed deposits account	0.00	0.00
Staff car loan/ mortgage	0.00	0.00
Others(specify)	1,058,401.00	100,000.00
Total cash and cash equivalents	**314,757,388.15**	**18,292,252.05**

13 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020 KShs	2018-2019 KShs
a) **Current account**			
Equity Bank, 009		158,100.00	158,100.00
Equity Bank, 079		1,287,332.28	1,287,332.28
Equity Bank, 141		6,406,315.14	10,525,046.20
Equity Bank, 269		526,271.17	526,271.17
Equity Bank, 309		2,309,053.25	2,309,053.25
Equity Bank, 949		300,416,800.31	791,334.15
Cooperative bank 1 TNA		33,269.00	33,269.00
Cooperative bank 2		84,402.00	84,402.00
Equity Bank,		54,945.00	54,945.00
Cooperative bank 1 URP		316,034.00	316,034.00
Transnational Bank		2,106,465.00	2,106,465.00
Sub- total		**313,698,987.15**	**18,192,252.00**
b) Others			
Cash in transit		0.00	0.00
cash in hand		1,058,401.00	100,000.00
M pesa		0.00	0.00
Sub- total		**1,058,401.00**	**100,000.00**
Grand total		**314,757,388.15**	**18,292,252.00**

14 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020 KShs	2018-2019 KShs
Current receivables		
Service ,water and electricity debtors	41,500.00	41,500.00
Rent deposit	2,621,369.00	2,621,369.00
Safaricom Internet deposit	104,980.00	104,980.00
Total receivables	**2,767,849.00**	**2,767,849.00**

15 RECEIVABLES FROM NON-EXCHANGE CONTRACTS

Description	2019-2020 KShs	2018-2019 KShs
Current receivables		
Arrears in membership contribution	97,954,134.44	66,345,069.44
Total current receivables	**97,954,134.44**	**66,345,069.44**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Furniture and fittings	Computers	Total
Cost	**Shs**	**Shs**	**Shs**	**Shs**
At 1July 2017	**18,850,000.00**	**22,945,673.00**	**8,605,088.00**	**50,400,761.00**
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers/adjustments	-	-	-	-
At 30th June 2018	**18,850,000.00**	**22,945,673.00**	**8,605,088.00**	**50,400,761.00**
Additions	-	677,098.00	-	**677,098.00**
Disposals	-	-	-	-
Transfer/adjustments	-	-	-	-
At 30th June 2019	**18,850,000.00**	**23,622,771.00**	**8,605,088.00**	**51,077,859.00**
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer/adjustments	-	-	-	-
At 30th June 2020	**18,850,000.00**	**23,622,771.00**	**8,605,088.00**	**51,077,859.00**
Depreciation and impairment				
At 1July 2017	14,306,913.00	8,212,401.00	5,781,083.00	**28,300,397.00**
Depreciation	1,135,772.00	1,841,659.00)	847,202.00	**3,824,633.00**
Impairment	-	-	-	-
At30 June 2018	**15,442,685.00**	**10,054,060.00**	**6,628,285.00**	**32,125,030.00**
Depreciation	425,914.35	1,696,088.90	593,040.90	**2,715,044.15**
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
At 30th June 2019	**15,868,599.35**	**11,750,148.90**	**7,221,325.90**	**34,840,074.15**
Depreciation	372,675.10	1,484,077.80	415,128.60	2,271,881.50

Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
At 30th June 2020	16,241,274.45	13,234,226.70	7,636,454.50	37,111,955.65
Net book values				
At 30th June 2020	**2,608,725.55**	**10,388,544.30**	**968,633.50**	**13,965,903.35**
At 30th June 2019	**2,981,400.65**	**11,872,622.10**	**1,383,762.10**	**16,237,784.85**
At 30th June2018	**3,407,315.00**	**12,891,613.00**	**1,976,803.00**	**18,275,731.00**

17 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	156,518,973.44	158,198,253.45
Accruals		
Salaries and wages	13,896,069.00	13,929,332.00
Electricity	289,360.00	476,082.05
Water	0.00	29,516.00
Security	288,422.00	288,422.00
Internet	120,400.00	120,400.00
Car hire	372,000.00	360,000.00
Cleaning service	285,000.00	285,000.00
Total trade and other payables	**171,770,224.44**	**173,687,005.50**

18 Currency

The financial statements are presented in Kenya Shillings (Kshs).

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Secretary General

Date 19th July 2021