



THE EQUITABLE PARTY



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The Equitable Party

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5<sup>th</sup> April 2023

The Auditor-general

3rd Floor, Anniversary Towers, University Way.

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Dear Madam,

**RE: SUBMISISION FOR FINANCIAL STATEMENT FOR YEAR ENDED 25<sup>TH</sup> MARCH 2022**

In the subject matter above, The Equitable Party is submitting its financial statements for FY 2021/2022 in line with section 31 of PPA.

TEP is committed to maintaining transparency and accountability in all of our financial dealings, and we believe that this submission will further strengthen our commitment to these values. We are confident that our financial statements accurately reflect our financial position and operations for the year under review.

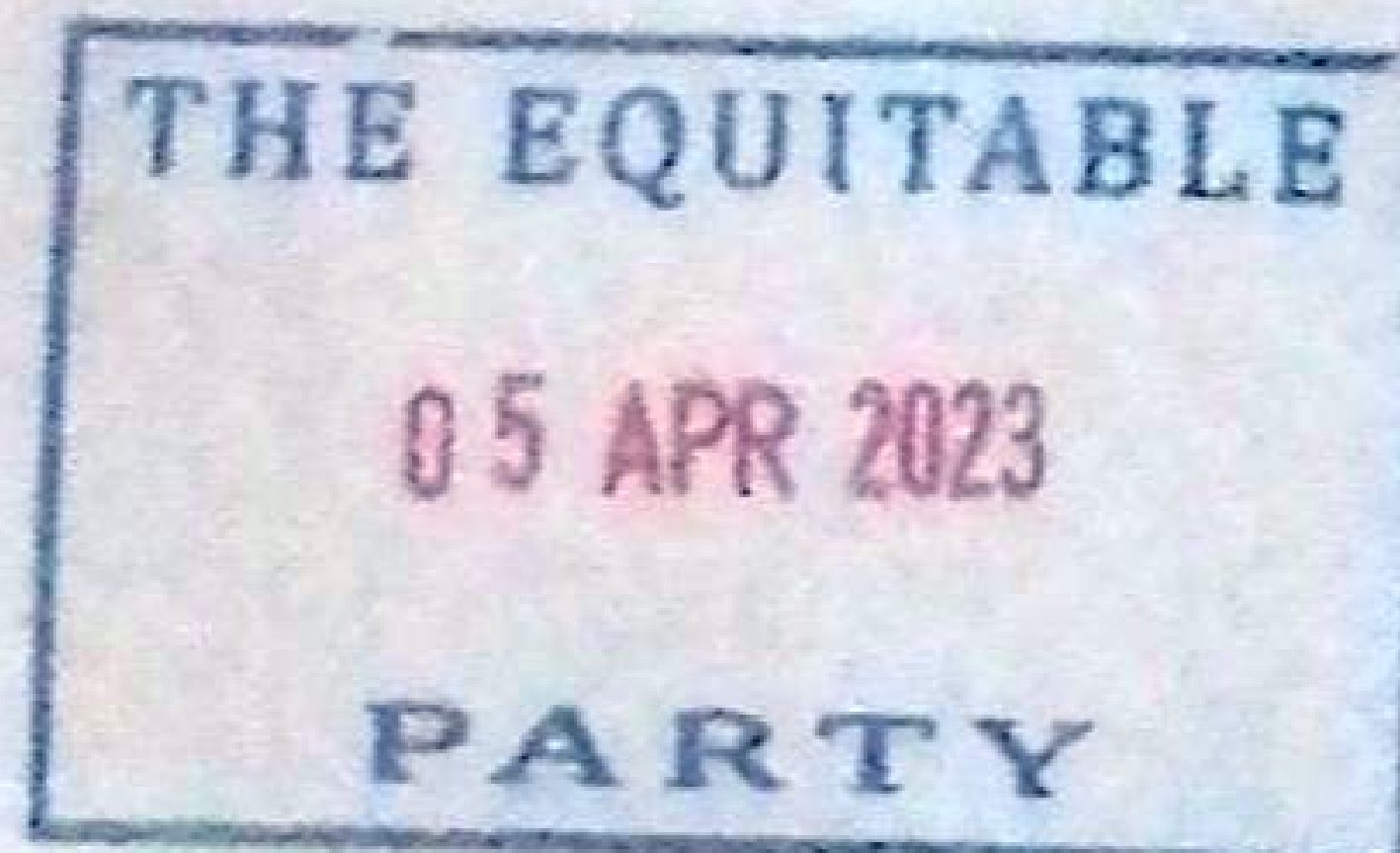
Please find enclosed copies of our financial statements for your review. Should you require any further information or clarification, please do not hesitate to contact us at the address, email or phone numbers provided above

Thank you for your attention to this matter.

Sincerely,

Emmanuel Soreh

Secretary General





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**THE EQUITABLE PARTY FINANCIAL STATEMENTS MARCH-JUNE(2022)**

**THE EQUITABLE PARTY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**AS THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

	NOTES	KSH	KSH
<b>INCOME</b>			
Government grant			-
Membership contribution			383,650
<b>TOTAL INCOME</b>			<b><u>383,850</u></b>
<b>EXPENSES</b>			
operating expenses	1	(525,200)	
depreciation		(36,485)	
<b>TOTOAL EXPENSES</b>			<b>(561,485)</b>
<b>SURPLUS /DEFICIT</b>			<b><u>(177,835)</u></b>

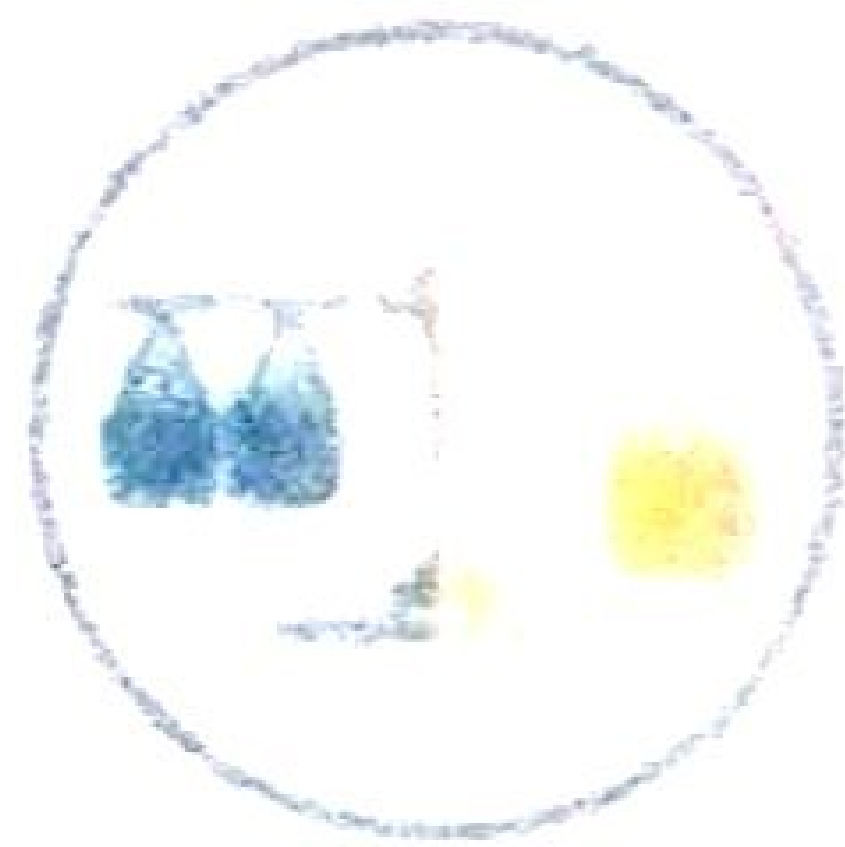


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**THE EQUITABLE PARTY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS THE YEAR ENDED 30 TH JUNE 2022**

	NOTES	KSHS	KSHS
<b>NONE CURRENT ASSETS</b>		197,865	
office furniture	2		
office equipment		130,500	
<b>CURRENT ASSETS</b>			
cash and cash equivalent		10,000	
Inventory	4	9,000	
			<u>347,365</u>
<b>TOTAL ASSETS</b>			
<b>CURRENT LIABILITIES</b>	3	525,200	
account payables			
<b>TOTAL LIABILITIES</b>			(525,200)
<b>FINANCED BY</b>			
surplus /(deficit) for the year			(177,835)
<b>ACCUMULATED FUND</b>			<u>347,365</u>



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**THE EQUITABLE PARTY**  
**STATEMENT OF CASH FLOW**  
**AS AT THE YEAR ENDED 30 JUNE 2022**

	KSHS 2022
<b>CHANGES IN OPERATING ACTIVITIES</b>	
Reported and net surplus and deficit for the year	(177,835)
<b>ADD CHANGES IN WORKING CAPITAL</b>	
Increase in current liabilities	525,200
Depreciation	36,485
<b>TOTAL OPERATING ACTIVITIES</b>	<u><b>383,850</b></u>
<b>LESS CHANGES IN CASH DUE TO INVESTING ACTIVITIES</b>	
property, plants and equipment	(364,850)
less increase inventory	(9,000)
<b>NET CASH AND CASH EQUIVALENT</b>	<u><b>10,000</b></u>
<b>CASH AND CASH EQUIVALENT AS AT FROM 30/6/2022</b>	<u><b>10,000</b></u>



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**THE EQUITABLE PARTY**  
**STATEMENT OF CHANGES IN FUND**  
**AS AT THE YEAR ENDED 30 JUNE 2022**

balance as at 25/03/2022	347,365
add surplus /deficit	(177,835)
	<u>169,530</u>
<b>balance as at 30/06/2022</b>	



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## NOTES OF THE FINANCIAL STATEMENT

### 1.0 Summary of significant accounting policies

The principle accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the financial year unless stated otherwise.

#### 1.1 Basis of preparation and form of presentation

The financial statements are prepared under cost basis and modified by inclusion of certain assets at valuation.

These financial statements are prepared in accordance with and comply with International Reporting Standards (IRS) and are presented in Kenya Shillings (Ksh).

#### 1.2 Revenue recognition

Income is recognized in the period of which it was received. Grants from the Registrar of Political parties are recorded when realized. Income is not accrued if its recoverability is considered doubtful.

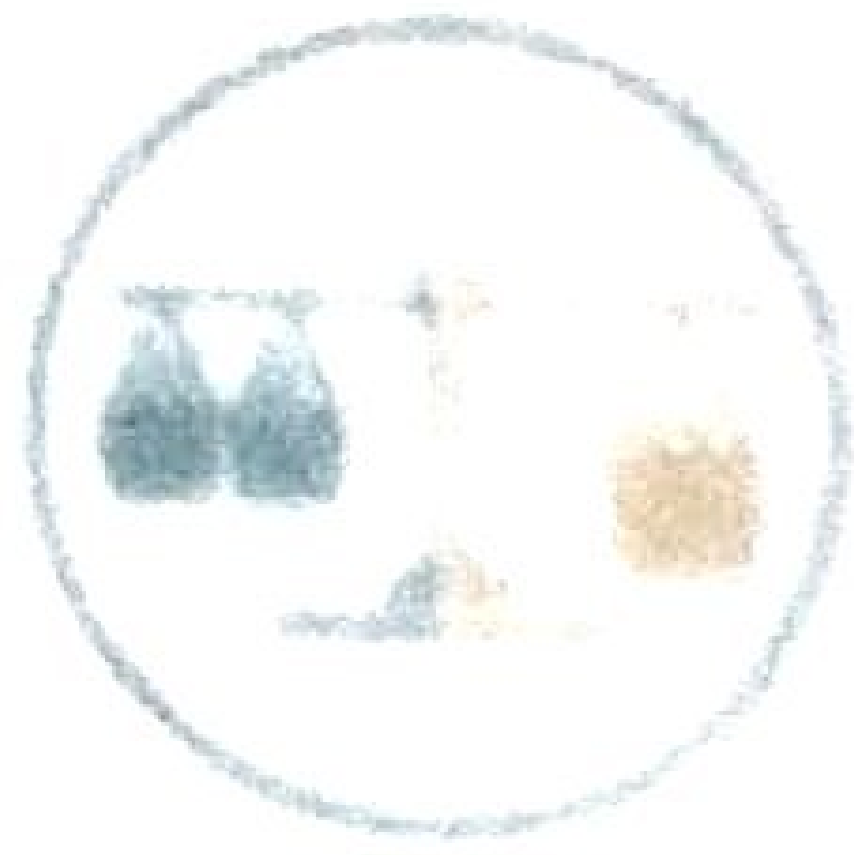
#### 1.3 Foreign Currency transactions

Revenue received and expenditure incurred in foreign currency is translated into Kenyan Shillings at the rates of exchange prevailing on the transactions dates. Assets and liabilities at the date which are expressed in foreign currencies, are translated into Kenya Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income and expenditure statements in the year which they arise.

#### 1.4 Property Plant and Equipment

All property, plant and equipment is initially recorded at cost and thereafter stated as historical cost less depreciation. Buildings, land improvements, furniture and fittings are subsequently shown at market values, based on periodic valuations, less subsequent depreciation.

Any depreciation at the date of revaluation is eliminated against gross carrying amount of the asset and the net amount is restated to the revaluated amount or recognized as separate asset, as



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appropriate only when it is probable that future economic benefits associated with the items will flow to the company and The Equitable Party and the cost can be reliably measured

The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged into the income statement during which the financial year are incurred. Increases in the carrying amount arising on the revaluation are credited to the revaluation reserve in the accumulated funds. Decreases that offset previous of the same assets are charged against revaluation reserve. All other decreases are charged to the income and expenditure statement. Each year the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the original cost of the asset is transferred from the revaluation reserve to the accumulated fund

### **Notes to the Annual Finance Statement**

**For the year ended 30<sup>th</sup> June 2022**

#### **(a) Depreciation**

Depreciation is calculated on the reducing balance basis at annual rates designed to write down the assets, or the revalued amount to estimated residual value over their estimated useful lives as following

1. Motor Vehicles 20%
2. Computers and office equipment 30%
3. Furniture, fixtures and fittings 30%



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## PROPERTY PLANT AND EQUIPMENT

	OFFICE FURNITURE	OFFICE EQUIPMENT
<b>COST AS AT 25/03/2022</b>		
<b>DEPRECIATION(4 MONTHS)</b>	219,850 (21,985)	145,000 (14,500)
<b>NET BOOK VALUE</b>	<u>197,865</u>	<u>130,500</u>

The asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its recoverable amount. Gain and losses on disposable assets are taken into account in determining the surplus of the year. On disposal of revalued assets, amounts on the revaluation reserve relating to that asset are transferred to accumulated fund

### (b) Intangible Assets

Computer software's licenses are capitalized on the basis of costs incurred to bring to use the specific software. These costs are amortized over their estimated useful life. Costs associated in developing or maintaining computer software are recognized as expenses incurred. Costs that are directly related with the production of identifiable and unique software and products controlled by The Equitable Party and that will probably generate economic benefits exceeding costs beyond one year are recognized as intangible assets. Direct costs include software development, staff costs and appropriate portion of overheads.

### (c) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is determined first-in first out basis

Water Dispenser	9,000
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**(d) Trade and other Receivables**

Trade receivables are recognized and carried at original invoice amount less allowance of any uncollectible amount. An estimate for doubtful debts is made when collection for the full amount is no longer probable. Bad debts are written off as incurred

**(e) Accounting for leases**

Leases in which, a significant of the portion of risks and rewards of ownership are retained by the lesser are classified as operating lease. All other leases are classified as finance lease. Payments made under the operating leases are charged to the income and expenditure statement on a straight line basis over the period of the lease

**Notes to the Annual Finance Statement**

**For the year ended 30<sup>th</sup> June 2022**

When assets are leased out under finance lease the present value of the lease payments is recognized as receivable. The difference between the receivable and the present value of receivable are recognized as unearned income. The lease income is recognized over the term of the lease using net investment method (before income tax), which reflects a constant periodic rate of return.

**(f) Trade and other payable**

Liabilities for trade and other payables are carried at a cost which is the fair value of the consideration to be paid in the future for good and services received, whether or not billed to The Equitable Party

As at 30 <sup>th</sup> June 2022	March	April	May	June	Total
	107,300	107,300	155,300	155,300	525,200



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### (g) Provisions and Accruals

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

### (h) Cash and Cash Equivalents

For the purposes of cash flow statements, cash and cash equivalents comprise of Cash in hand, bank balances and deposits held at a call with the banks with less than 91 days of maturity from the balance sheet date.

### (i) Income taxes

The Equitable Party is a non-trading party and hence does not pay income tax on its transaction activities

### 2.0 Donation from founding members

During the year under review founding members contributed a lot to the party in form of donations to support party activities

### 3.0 Political Parties Fund

The Political Parties Act (2011) section 24 establishes fund to be administered by the registrar. The sources of money in the fund are from the annual budget allocations

The Equitable Party however has not received funds for the year 2021/2022

EMMANUEL SOREMI  
SECRETARY GENERAL  
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