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EMPOWERMENT AND LIBERATION PARTY – CERT. NO 075

FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JULY 2019- 31ST JULY 2020

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
RECEIVED
18 JUN 2021
P.O. Box 1131 00606. NAIROBI

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EMPOWERMENT AND LIBERATION PARTY – CERT. NO 075

Annual report and financial statements

FOR THE YEAR ENDED 31ST JULY 2020

Party Information

Empowerment and liberation party is

registered in the Republic of Kenya under the Political Parties Act.



Registered Office

**P.O. BOX 437-00502
Kumbe Road Karen.
Nairobi**

Auditors

**BMK MUOKI
Certified Public Accountants
P.O. Box 2242-00400
Nairobi,
Kenya.**

Principal bankers

Equity Bank Kenya

EMPOWERMENT AND LIBERATION PARTY – CERT. NO 075

Annual report and financial statements

FOR THE YEAR ENDED 31ST JULY 2020

Executive Members:

National Chairlady: Rose Mbithe.

Secretary General: Beatrice Mwhaki

National Treasurer: Moses Adida.

National Executive Director: Patrick Kyalo.

The Financial statements disclose the parties affairs in the period ended 31ST July 2020

The Parties principal activity is to conduct political awareness and activism



Rose Mbithe

.....
National Chairlady

Nairobi...*1st*.....*August* 2020



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Political Party Act requires the Party to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Party as at the end of the financial period and of its operating results for that period. It also requires the Party to ensure that the Party maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Party. The Party officials are also responsible for safeguarding the assets of the Party.

The Party officials accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) designing, implementing and maintaining internal control relevant to the preparation and fair
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

The Party officials are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Party as at 31st July 2020 and of its profit/loss and cash flows for the year then ended in accordance with the International Financial Reporting Standard for registered political parties.

Nothing has come to the attention of the Party officials to indicate that the party will not remain a going concern for at least twelve months from the date of this statement.

.....
National Chairlady

.....
Secretary General



.....
National Treasurer

.....
National Executive Director



STATEMENT OF COMPREHENSIVE INCOME

	Notes	2020 Shs	2019 Shs
Revenue	3 (a)	560,000	1,327,363
		<u>560,000</u>	<u>1,327,363</u>
Other income	3(b)	-	-
Total Income		<u>560,000</u>	<u>1,327,363</u>
Direct Cost	11	(150,000)	-
Gross Profit		<u>410,000</u>	<u>1,327,363</u>
Expenditure			
Administrative expenses	14	(35,000)	(454,255)
Establishment Expenses	14(b)	(80,000)	(382,414)
Operating Profit		<u>295,000</u>	<u>490,694</u>
Finance cost	13	-	-
Profit before tax		<u>295,000</u>	<u>490,694</u>
Net profit after tax		<u><u>295,000</u></u>	<u><u>490,694</u></u>

EMPOWERMENT AND LIBERATION PARTY – CERT. NO 075
 Annual report and financial statements
 FOR THE YEAR ENDED 31ST JULY 2020
 STATEMENT OF FINANCIAL POSITION

	Notes	2020 Shs	2019 Shs
CAPITAL EMPLOYED			
Share capital		100	100
Retained earnings		1,483,966	1,188,966
		<u>1,484,066</u>	<u>1,189,066</u>
Non Current Liabilities			
Bank loan		-	0
Related Party Transactions	12	-	-
Total		<u>-</u>	<u>-</u>
Total Shareholders' funds		<u>1,484,066</u>	<u>1,189,066</u>
REPRESENTED BY			
Non-current assets			
Property and equipment		760,000	580,000
		<u>760,000</u>	<u>580,000</u>
Current asset			
Cash and bank balances	7	724,066	609,066
Trade and other receivables	8	-	-
Inventory	9	-	-
		<u>724,066</u>	<u>609,066</u>
Current liabilities			
Bank overdraft		-	-
Tax payables	4	-	-
Trade and other payables		-	-
		<u>-</u>	<u>-</u>
Net current asset		<u>724,066</u>	<u>609,066</u>
Total Assets		<u><u>1,484,066</u></u>	<u><u>1,189,066</u></u>



The Party official borrowings /injections do not attract interest and are obtained from party official personal savings
 The financial statements set out on pages 13 were approved for issue by the Party officials on
 1st August 2020 and were signed on its behalf by

[Signature]
 National chairlady

EMPOWERMENT AND LIBERATION PARTY – CERT. NO 075
 Annual report and financial statements
 FOR THE YEAR ENDED 31ST JULY 2020

STATEMENT OF CASHFLOWS

Cash flows from operating activities	Note	2020 Shs	2019 Shs
Profit before tax		295,000	490,694
Add: Depreciation		-	-
Accumulated Depreciation on disposal		-	-
Operating profit before working capital changes		295,000	490,694
(Increase)/decrease in:			
Trade and other receivables		-	-
Inventory		-	-
Increase/(decrease) in:			
Trade and other payables		-	-
Deffered tax		-	-
Tax paid		-	-
Net cash from operations activities		295,000	490,694
Cash flow from investing activities activities			
Purchase of Property, plant & equipment		-	-
Investments		-	-
Disposal of fixed assets		-	-
Net cash from investing activities		-	-
Cash flow from financing activities activities			
Share premium		100,000	100,000
Directors current A/c		-	-
Share holder loan		-	-
Bank loan		-	-
Net cash from financing activities		100,000	100,000
Net increase/decrease in cash and cash equivalents		395,000	590,694
Cash and cash equivalents at 1st Jan		-	-
Cash and cash equivalents at 31st July		395,000	590,694



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NOTES TO THE FINANCIAL STATEMENTS



1. General Information

the ELP is a Registered Political party, and is domiciled in Kenya. The address of its registered office and principal place of business is at Karen. The principal activity of the Party is that of Political activism.

2. Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below:

1) Basis of preparation and Statement of Compliance with International Financial Reporting Standards

The financial statements are prepared on a going concern basis in compliance with International Financial Reporting Standards (IFRSs).

The measurement basis used is the historical Cost basis.

a) Functional and presentation currency

These financial statements are presented in the functional currency, Kenya shillings (Kshs) rounded to the nearest shilling.

The financial statements comprise of (i) Profit & loss account for the year, (ii) Statement of Financial Position, (iii) Statement of Changes in Equity, (iv) Statement of Cash Flows and (v) Notes. Transactions with the Director of the business in his capacity as the director is recognized in the statement of changes in equity.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires the Directors to exercise its judgement in the process of applying the accounting policies adopted by the proprietor. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period. Any resulting revisions to such estimates are recognised in the year in which the revision is made.

b) Translation of foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the proprietor operates), which is Kenya Shillings.

Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the Statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the profit and loss account in the year in which they arise, except for differences arising on translation of non-monetary available-for-sale financial assets, which are recognised in other comprehensive income.

c) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS



e) *Revenue recognition*

Revenue from donation from members and other donors.

f) *Property and equipment*

Property and equipment is stated at historical Cost less depreciation and accumulated impairment losses.

Depreciation is calculated using the reducing balance method to write down the Cost of each asset to its residual value over its estimated useful life based on the month of acquisition and disposal as follows:

	<u>Rate - %</u>
Motor vehicles	25%
Electronics	30%
Computers, faxes & copiers	30.00%
Furniture & fittings	12.50%
Office Equipment	12.50%

Furniture and equipment are periodically reviewed for impairment. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and maintenance on property, plant and equipment is charged to the profit and loss account in the year to which it relates.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(i) Financial liabilities

All financial liabilities are recognised initially at fair value of the consideration given plus the transaction Cost with the exception of financial liabilities carried at fair value through profit or loss, which are initially recognised at fair value and the transaction Coasts are expensed in the profit and loss account.

Subsequently, all financial liabilities are carried at amortised Cost using the effective interest method except for financial liabilities through profit or loss which are carried at fair value.

All financial liabilities are classified as non-current except financial liabilities at fair value through profit or loss, those Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or Borrowings and trade and other liabilities are classified as financial liabilities by the party officials and are carried at amortised Cost.

j) Provision for liabilities and charges

Provisions are recognised when the party has a present legal or constructive obligation as a result of past events, 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 the obligation can be made.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. In the Statement of financial position, bank overdrafts are included as borrowings under current liabilities.

k) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

II) Significant judgements made in applying the accounting policies

Whether it is probable that that future taxable profits will be available against which temporary differences can be utilised; and whether the p[ro]p[re]tor has the ability to hold 'held-to maturity' investments until they mature. If the company were to sell other than an insignificant amount of such investments before maturity, it would be required to classify the entire class as 'available-for-sale' and measure them at fair value.

III) Risk management objectives and policies

i) Financial risk management

The partys activities expose it to a variety of financial risks including credit, liquidity and market risks. The party officials overall risk management policies are set out by the party members and implemented by the party officials and focus on the unpredictability of changes in the operating environment and seek to minimise the potential adverse effects of such risks on the partys performance by setting acceptable levels of risk. The party does not hedge against any risks.



EMPOWERMENT AND LIBERATION PARTY – CERT. NO 075

Annual report and financial statements

FOR THE YEAR ENDED 31ST JULY 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

vi) Capital Risk Management

The Parties objective in managing its capital is to ensure that it supports the development of its members and is able to continue as a going concern, while at the same time creating awareness. The Party officials are not subject to any external capital requirements.

The Party officials manage capital by evaluating the working capital requirements and investment in non-current assets before borrowings and based on this requirement, setting an internal debt to equity ratio, which it monitors on a regular basis.

The gearing ratio at the year-end was as follows:

	2020 Shs	2019 Shs
Total borrowings	-	0
Less: cash and cash equivalents	724,066	(609,066)
Net debt	<u>(724,066)</u>	<u>(609,066)</u>
Total equity	<u>-</u>	<u>-</u>
Total Capital resources	<u>(724,066)</u>	<u>(609,066)</u>
	2020 Shs	2019 Shs
3 (a) Revenue	Shs	Shs
Income	295,000	490,694
	<u>295,000</u>	<u>490,694</u>
3(b) Other income		
Disposal of fixed asset	-	-
	<u>-</u>	<u>-</u>



SCHEDULE OF OPERATING EXPENDITURE

	2020 Shs	2019 Shs
OPERATING EXPENSES		
14 (a) Administrative Coasts	35,000	454,255
Employment Costs		
Salaries & Wages	-	-
Other administrative Costs		
Bank Charges	-	-
Security Guard	150,000	-
Telephone & airtime	-	-
Travelling Expenses	-	-
Office Expenses	80,000	382,414
Printing And Stationary	-	-
Accountancy Fee	-	-
Electricity and water	-	-
Fines And Penalties	-	-
Computer repairs	-	-
	<u>230,000</u>	<u>382,414</u>
Total Administrative expenses	<u><u>230,000</u></u>	<u><u>382,414</u></u>
(b) Establishment Expenses		
Insurance	-	-
Legal fees	-	-
Vehicle expenses- repair and maintanance	-	-
Vehicle expenses-running expenses	-	-
Municipal Licences & Renewals	-	-
Provision for depreciation	-	-
	<u>0</u>	<u>0</u>