

EMPOWERMENT AND LIBERATION PARTY-CERT.NO 075

FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST JULY 2021

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
26 APR 2023
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OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
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P. O. Box 1131 - 00606, NAIROBI

For the year ended 31st July 2021

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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

Mutune and Associates
Certified Public Accountants
P.O. Box 62167-00610
NAIROBI.

Principal bankers

Equity Bank



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Executive Members:

National Chairlady:

Rose Mbithe

Secretary General:

Beatrice Mwihaki

National Treasurer:

Moses Adida

National Executive Director:

Patrick Kyalo

The financial statements disclose the parties affairs in the period ended 31st July 2021

Principal activities

Is to conduct awareness and activism



National Chairlady

Nairobi. 2nd Feb 2022



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STATEMENT OF PARTY OFFICIALS' RESPONSIBILITIES

The Political Party Act requires the Party to prepare Financial statements which give a true and fair view of the state of affairs of the Party as at the end of the financial year and of the operating Results for that year. It also requires the Party to ensure that the party maintains proper accounting Records which disclose with reasonable accuracy of the financial position of the Party. The Party officials are



Also responsible for safeguarding the assets of the Party.

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

1. Designing, implementing and maintaining internal controls relevant to the preparation and fair
2. Selecting and applying appropriate accounting policies and
3. Making accounting estimates 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 December 2021 and of its operating results for the year then ended. The Party officials further accept responsibility for the maintenance of the accounting records which have been relied upon in the preparation of the Financial statements, as well as on the adequacy of the systems of internal financial controls.

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

Approved by the board of Party officials on 02 FEB 2022 and signed on its behalf by:

National Chairlady



National Treasurer

Secretary General

National Executive Director



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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021 Shs	2020 Shs
Revenue	3(a)	700,000	560,000
Other income	3(b)	-	-
Total Income		700,000	560,000
Direct Cost	11	(180,000)	(150,000)
Administrative expenses	14	(42,700)	(35,000)
Establishment Cost	14(b)	(175,000)	(80,000)
Operating profit		302,300	295,000
Finance costs	13	-	-
Profit before tax		302,300	295,000
Tax		-	-
Net profit for the year		302,300	295,000



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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022 Shs	2021 Shs
Revenue	3(a)	1,800,000	700,000
Other income	3(b)	-	-
Total Income		1,800,000	700,000
Direct Cost	11	(270,000)	(180,000)
Administrative expenses	14	(1,374,890)	(42,700)
Establishment Cost	14(b)	(163,125)	(175,000)
Operating profit		(8,015)	302,300
Finance costs	13	-	-
Profit before tax		(8,015)	302,300
Tax		-	-
Net profit for the year		(8,015)	302,300

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CASH FLOW STATEMENT

		2022	2021
	Notes	Shs	Shs
Cash generated from operations			
Profit before tax	10	(8,015)	302,300
Add: Depreciation		83,125	95,000
Operating cashflow before		75,110	397,300
(Increase)decrease in:			
Trade and other receivables		-	-
Inventory		(120,000)	-
Increase(decrease) in:			
Trade and other payables		-	-
Deferred tax		-	-
Tax paid		-	-
Net cash from operating activities		(44,890)	397,300
Cashflow from investing activities			
Purchase of property ,plant and equipme		-	-
Investments		-	-
Disposal of fixed assets		-	-
Net cashflow from investing activities		-	-
Cashflow froms financing activities			
Share premium		-	-
Directors current a/c		-	-
Shareholders loan		-	-
Babk loan		-	-
Net cashflow from financing activities		-	-
Net Increase(decrease) in cash and cash		(44,890)	397,300
At 1st July 2020		792,300	395,000.00
Increase/(Decrease) during the period		(44,890)	397,300
At 31st July 2021	8	747,410	792,300

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NOTES TO THE FINANCIAL STATEMENT

1. General Information

The EPL 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 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

a) 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* measurement basis is the historical cost basis

b) Functional and Presentation Currency

The financial statement are presented in the functional currency, Kenya shillings (Kshs) rounded to the nearest shil
The financial statement comprises of a) Profit and loss account, b)Statement financial position c) statement of cash flow and d) Notes Transaction with the directors of the business in his capacity as director is recognized In the statement of change in equity. The preparation of financial statement in conformity with International Financial Reporting Standards requires use of estimates and assumptions.It also requires the director to exercise its Judgment in the proves of applying the accounting policies adopted by the proprietor. Although such estimates and assumptions are based on the directors best knowledge of information available, actual results can differ From those estimates. The judgments and estimates are reviewed at end of each reporting period. Any resulting revisions to such estimates are recognized in the year

c) Translation of Foreign Currency

On initial recognition, all the transactions are reported in the functional currency(Ksh)

Translation of foreign currency 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 the financial position date denominated in foreign currency are translated into the functional currency

Using the exchange rate prevailing as at that date. The resulting foreign exchange gain or losses from the settlement of those transactions and from year end translation are recognized on a net basis in the profit and loss account differences in the year in which they arise, except for differences arising on

Translation of non-monetary available-for-sale financial assets Which are recognized in other comprehensive income

d) 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 recognized amounts and

There is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

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e) Revenue recognition

Revenue from donation from members and other donors

f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. -

Depreciation is calculated on a reducing balance basis to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:-

	<u>Rate - %</u>
Motor vehicle	25.00
Electronics	30.00
Computer	30.00
Furniture and fitting	12.50
Office equipment's	12.50

Furniture and fitting 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



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g) Financial liabilities

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

Subsequently, all financial liabilities are carried at amortization cost using effective interest methods except for financial liabilities through the profit and loss which are carried at fair value.

All financial liabilities are classified as non-current liabilities except financial liabilities at fair value through profit and loss, those financial liabilities are derecognized only when the obligation specified in the contract is

Discharged or cancelled. Borrowings and trade and other liabilities are classified as financial liabilities and carried at amortized cost.

b) Provision for liabilities and charge

Provisions are recognized when the party has a present or constructive obligation as a result of past events, it is probable that outflow of resources embodying economic benefit 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

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, Deposits held at call with banking institutions, net of bank overdrafts.

j) Comparative

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

k) Significant judgments made in applying the accounting policies

Whether it is probable future taxable profit will be available against which temporary difference can be utilized and whether the proprietor has the ability to hold Held-to-maturity investment until they mature. If the Party were to sell other than an insignificant amount of such investments before maturity, it could be required to classify the entire class as available-for-sale and mature them at fair value

l) Risk management objective and policies

Financial risk management

The party's activities expose it to a variety of financial risks including credit, liquidity and market risk. The Party's 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 seeks to minimize potential adverse effect of such risks on the Party performance by setting acceptable level of risks. The Party does not hedge against any risks.

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Capital Risk Management

The Party's objective in managing its capital is to ensure it supports the development of its members and its ability 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 requirement and invest in



non-current assets before borrowing and based on this requirement setting an internal debt ratio which it monitors on a regular basis.

The gearing ratio at the yearend was as follows

	2021 Shs.	2020 Shs.
Total borrowing	-	-
Less: Cash and Cash equivalent	<u>792,300.00</u>	<u>724,066.00</u>
Net Debt	(792,300.00)	(724,066.00)
Total equity	<u>-</u>	<u>-</u>
	<u>(792,300.00)</u>	<u>(724,066.00)</u>
Total Capital resources	<u>(792,300.00)</u>	<u>(724,066.00)</u>
3a) Revenue	<u>302,300</u>	<u>295,000</u>
	<u>302,300</u>	<u>295,000</u>
3b) Other Income		
Disposal of fixed assets	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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SCHEDULE OF EXPENSES

	2021 Shs.	2020 Shs.
1 Direct Cost		
Direct Cost	180,000	150,000
2 Administration expenses:		
Office expenses	42,700	35,000
Bank Charges	-	-





Telephone	-	-
Travelling	-	-
Printing and Stationery	-	-
Electricity and Water	-	-
Total administrative expenses	<u><u>42,700</u></u>	<u><u>35,000</u></u>
3 Establishment Cost		
Rent	80,000	80,000
Insurance		
Legal and Professional fee		
License		
Vehicle expenses		
Repair and maintenance		
Depreciation	<u>95,000</u>	
Total other operating expenses	<u><u>175,000</u></u>	<u><u>80,000</u></u>