REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF JUBILEE PARTY

FOR THE YEAR ENDED 30 JUNE 2018

JUBILEE PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING JUNE 30, 2018

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

KEY MANAGEMENT INFORMATION

Jubilee Party is a political party registered under the office of the Registrar of political Parties on September 9th 2016. Jubilee Party is domiciled in Kenya and has no branches.

Our commitment to the national values and principles of governance is 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 for all Kenyan citizens. We endeavour to form a Government that shall embody our ideals and aspirations, promote the common good, conserve and develop our 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.

The party objective is to ensure that the country remains united and indivisible State that is pride of its diversity, and in which all persons enjoy all the rights freedom and protections as set out in the constitution of Kenya, to the greatest extent permissible under the Law. (JP Constitution)

VISION

To transform Kenya into a just, modern and prosperous Nation. A country in which every citizen has an equal and fair chance to be their best.

MISSION

To provide a platform for involving Kenyans in the transformation of their country, inspire, equip, facilitate and harness the synergies of Kenyans towards transforming their lives. A commitment to a conviction that every Kenyan deserve and can have an equal and fair chance to excel in life. A pledge and declaration of faith that everything Kenyans aspire for as a nation is possible. A fundamental shift in the management of public affairs for the good of all. A just society for mankind.

CORE VALUES

i. Patriotism and nationalism founded on the respect for human rights, dignity and the rule of law

ii. The establishment of a democratic, transparent and accountable government in the service of the people of Kenya

iii. Participation and inclusivity of the people in Governance, equality of all before the law and equity in resource allocation

iv. Integrity, honesty and social justice in the discharge of public duty

v. Conservation and sustainable use of the environment for the benefit of present and future generations

vi. Devolution of power, protection of minorities and the marginalized, and non-discrimination on the basis of race, sex, religion, ethnicity or any other bias

(c) Key Management

The entity's day - to – day management is under the following key organs:

- Secretary General
- Executive Director
- Deputy executive director & Director Legal and compliance
- Director Finance &administration
- Director Membership
- Director Elections
- Director Media
- Director Special Interest & Gender

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibilities were:

No.	Designation	Name
1	Chairman	Nelson Dzuya
2	Secretary General	Hon. Raphael Tuju
3	Treasurer	Alfred Mutai
4	National Executive Director	CBS James Waweru
5	Finance Director	Wambui Gichuru

(e) Fiduciary Oversight Arrangements

- **External Auditing** processes are carried out independently without interference so as to guarantee the integrity of the party's financial statements,
-

(f) Entity Headquarters

P.O Box 38601 – 00623
Jubilee House
Pangani Interchange, Exit 3, Thika road
Nairobi, Kenya

(g) Entity Contacts

Telephone: 0711 399 841, 0780 184 393
E- mail: info@jubileepamoja.co.ke
Website: jubileepamoja.co.ke

(h) Entity bankers

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

(i) Independent Auditors

Office of the Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084-00100 G.P.O
Nairobi, Kenya

(j) Principal Legal Adviser

Mbugwa, Atudo & Macharia
0715 993 782 / 0731 634 016
P.O Box 10409 – 00100
Nairobi.

THE NATIONAL EXECUTIVE COMMITTEE

His Excellency Uhuru Kenyatta	Party Leader
His Excellency William Samoei Ruto	Deputy Party Leader
Nelson Dzuya	Chairman
Hon Raphael Tuju	Secretary general
Alfred Mutai	Treasurer
James Waweru	Executive director

MANAGEMENT TEAM

1. Hon. Raphael Tuju	Secretary General
2. CBS James Waweru	Executive Director
3. Mary Karen C Kigen	Director Legal & Compliance
4. Wambui Gichuru	Director Finance & Administration
5. Peter Kahara	Director Elections
6. Gloria Ndekei	Director Special Interest & Gender
7. Nicodemus Bore	Director Membership
8. Albert Memusi	Director Media

CHAIRMANS STATEMENT

The writers of the new Constitution sought to have political parties being run in extremely professional manner just like it is in public and other private sectors. Indeed, I am delighted by the steps and policies that the party has made during the year.

Jubilee Party is a key player in the Jubilee Government. This is after the affiliate parties dissolved and formed one formidable Jubilee Party. The reason for a stronger party is to achieve economies of scale and all pull in one direction. Unity of purpose will enable us to achieve our goals faster and better. An accountable regime ensures that the citizen's expectations are not only met but also surpassed. Driven by the desire to succeed and offer first class public service, J.P is geared to being integrated to successive governments that are positively legendary to this great nation.

For J.P to be able to achieve the above goal it has set up an effective and efficient party management on its resources (Capital, Supporters, Goodwill, Finance etc.)

The office of the registrar of political parties (ORPP) together with key political parties in Kenya is instrumental players in laying down policies that govern the use of Political Parties funds. The Party has adopted the new IPSAS standards as directed to better management of tax payer's money and other related stakeholder's funds, and central to empress it has been the office of the registrar of political parties and her beneficiary political parties.

I must acknowledge the support and contribution that we have received from our members and other donors (in the capacities as individual and elected to the party). Their time and participation has shaped this party to what it is. I am glad to note that the Jubilee Party has been collaborating with key partners and stakeholders. Secondly, let me register my heartfelt appreciation to all former Jubilee affiliate parties for having seen it wise to shelf personal political space for the overall goodwill of the nation.

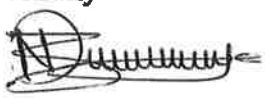
Just like other nations need to have strong issue-based political parties, Kenya needs a non-tribal and issue-based political party to meet her development agenda. J.P is that party as it appeals to all citizens of this country.

J.P has a strong base built from the support from more than eleven different political parties. The political parties have come under the umbrella of J.P with the aim of establishing an all-inclusive party with presence across the country.

J.P is also a sign of unity for all Kenyans. It is the one single party that enjoys support from all the 47 counties and therefore reflects the picture of the republic of Kenya.

Our main focus in J.P is to ensure that our promises to the electorate are delivered accordingly and in line with that, we field candidates who have a similar vision and capacity to deliver to the people.

Yours Faithfully



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Nelson Dzuya
PARTY CHAIRMAN.

REPORT OF THE CHIEF EXECUTIVE OFFICER

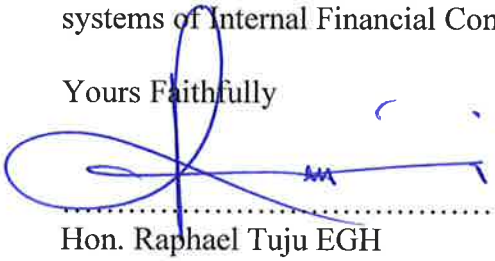
As per the Political Parties Act 2011, political parties are required to prepare financial statements for each financial year.

Attached please find Jubilee Party's financial statement which is a true and fair reflection of the state of financial affairs and operating results of the party as at the end of the financial year ending June 30th 2018.

This financial statement has been prepared in conformity with International Public Sector Accounting Standards (IPSAS).

The party confirms the completeness of the Accounting records maintained for the party which, has been relied upon in preparation of the party's Financial statements as well as Adequacy of the systems of Internal Financial Control.

Yours Faithfully



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Hon. Raphael Tuju EGH
SECRETARY GENERAL.

CORPORATE GOVERNANCE STATEMENT

Jubilee Party is committed to operating in accordance with best practice in political integrity and ethics and maintaining the highest standards of financial reporting and corporate governance. The National Executive Committee is delighted to report that the party has, throughout the year, complied with the provisions set out in the Code on Corporate Governance and equally applied the main principles of the Code.

Corporate governance for the Jubilee Party has gone a long way to define how the party conducts its affairs in line with the objects for which it was founded. It has given the party its structure, which contains all set of rules that governs the ethical operating procedures and processes of the party by ensuring that we conform to the Kenyan Statutory requirements and the best practices in line the Political Parties Act 2011 in all political activities. Likewise it has ensured the best interests of the public and party members are jealously protected. Responsibility for corporate governance is vested with the National Executive Committee of the Jubilee Party.

Much of the details are contained in the attached party Constitution which contains the following

- Identity, Vision and Mission — Aims, objectives and Values
- Membership, Rights and Duties — National Officials
- Party Organs — Committees
- Stewardship — Dissolutions
- Coalitions, Dispute Settlement and Amendment
- General Provisions

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Our ambition is to gradually but visibly, establishes a prosperous, industrialized and modern nation in which citizens enjoy social, economic and democratic rights, and live in dignity. We envisage that our people will exploit their full potential. The sporting concerts and events will ensure that there is a continuous link between the people and the party organs – This program arises from a desire to ensure our contribution to society goes beyond purely political campaigns. Citizens have a duty to interact in a responsible way from a social and environmental perspective. In this context, one of the questions Jubilee Party aims to answer is: how do our activities improve living standards in our communities? In addition, it makes political sense in the long-term. When managed well this social responsibility can also facilitate achievement of strategically important goals for the party:

- Involvement in project work that tackles real challenges in our communities is a way through which we can increase **staff engagement**, member's loyalty and **pride.**
- Through collaboration in projects we can improve the **dynamism of relationships** with our members and competitors
- As a consequence of positive outcomes from our Corporate social activity, we can enhance Jubilee Party's **reputation** among key stakeholders nationally

REPORT OF THE NATIONAL EXECUTIVE COMMITTEE

The National Executive Committee submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the Jubilee Party affairs.

Principal activities

The principal activities of the entity are 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, 2018 are set out on pages 1 to 16.

Directors

The members of the National Executive Committee (NEC) who held office during the year are shown on page vi .

Dividends/Surplus remission

The Jubilee Party did not make any surplus during the FY 2017/2018 and hence no remittance to the Consolidated Fund.

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, 2018.

By Order of the National Executive Committee

Hon. Raphael Tuju
Secretary General
Jubilee Party
Nairobi

Date: 15/07/2019

STATEMENT OF NATIONAL EXECUTIVE COMMITTEE'S RESPONSIBILITIES

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

The National Executive Committee members are responsible for the preparation and presentation of Jubilee Party financial statements, which give a true and fair view of the state of affairs of the Jubilee Party for and as at the end of the financial year (period) ended on June 30, 2018. 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 entity; (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 Jubilee Party; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The National Executive Committee members accept responsibility for Jubilee Party 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 National Executive Committee members are of the opinion that Jubilee Party financial statements give a true and fair view of the state of Jubilee Party transactions during the financial year ended June 30, 2018, and of Jubilee Party financial position as at that date. National Executive Committee further confirm the completeness of the accounting records maintained for the Jubilee Party, which have been relied upon in the preparation of Jubilee Party financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Jubilee Party will not remain solvent for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Jubilee party's financial statements were approved by the Board on 27/09/ 2018 and signed on its behalf by:

Hon. Raphael Tuju	Nelson Dzuya	Wambui Gichuru
Secretary General	National Chairman	Head of Finance

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON JUBILEE PARTY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Jubilee Party set out on pages 1 to 15, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amount 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 and the Political Parties Act, 2011. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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 Jubilee Party as at 30 June 2018, 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(Amended 2016).

Basis for Qualified Opinion

1. Going Concern and Sustainability of Services

The statement of financial position as at 30 June 2018 reflects current liabilities balance of Kshs.133,558,229 which exceedes current assets of Kshs.67,278,244 by Kshs.66,279,985 implying that the Party was operating with a negative working capital and thus technically insolvent.

In the circumstances, the continued existence of the Party is dependent on continued financial support from its creditors, bankers and well-wishers.

2. Cash and Bank Balances

The statement of financial position as at 30 June 2018 reflects a cash and cash equivalents balance of Kshs.24,904,311. Included in this amount is a total of Kshs.2,595,115 comprising of balances inherited from defunct The National Alliance and United Republican parties of Kshs.117,671 and Kshs.2,477,444 respectively. However, these balances were not supported with bank statements and bank balance confirmation certificates as at 30 June 2018 as required.
Under the circumstances, it has not been possible to confirm the existence of the inherited balances and the accuracy and completeness of the cash and cash

equivalents balance of Kshs.24,904,311 reflected in the statement of financial position as at 30 June 2018.

3. Lack of Ownership Documents for Motor Vehicles

The statement of financial position reflects a balance of Kshs.18,275,731 in respect of property, plant and equipment which includes Kshs.3,407,315 representing book values for motor vehicles. As previously reported, logbooks for the respective vehicles were not made available for audit verification.

In view of the foregoing, the ownership and safety of the motor vehicles valued at Kshs.3,407,315 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Jubilee Party in accordance with ISSAI 30 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 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.

Emphasis of Matter

Budget and Budgetary Performance

1. Revenue

The Jubilee Party had a revenue budget of Kshs.397,740,000, but actual revenue realized amounted to Kshs.618,330,552 resulting to extra receipts of Kshs.220,590,552 or 55% indicative of an unrealistic budget estimates as follows:

Revenue	Budget Kshs.	Actual Kshs.	(Excess)/Shortfall Kshs.	Variance %
Government grants and subsidies	263,000,000	240,374,863	22,625,137	9
Public Contributions and Donations	115,740,000	377,955,689	(262,215,689)	227
Other Income	19,000,000	-	19,000,000	100
Total	**397,740,000**	**618,330,552**	**(220,590,552)**	**55**

2. Expenditure

The Party had budgeted to spend Kshs.594,880,000 but actual expenditure amounted to Kshs.515,685,431 resulting to an under-expenditure of Kshs.79,194,569 or 13% as follows:

Expenditure	Budget Kshs.	Actual Kshs.	(Over)/under Kshs.	Variance %
Compensation of employees	237,840,000	141,924,648	95,915,352	40
Goods and services	228,520,000	277,412,132	(48,892,132)	21
Finance cost	360,000	1,636,019	(1,276,019)	354

Expenditure	Budget Kshs.	Actual Kshs.	(Over)/under Kshs.	Variance %
Rent	98,160,000	90,888,000	7,272,000	7
Depreciation	30,000,000	3,824,632	26,175,368	87
Total	**594,880,000**	**515,685,431**	**79,194,569**	13

The overall under expenditure of Kshs.79,194,569 was mainly under compensation of employees item where Kshs.237,840,000 was budgeted against actual expenditure of Kshs.141,924,648. The resultant under expenditure of Kshs.95,915,35 was attributed to reduction in the number of the Party's staff after the general elections.

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, I confirm that, nothing 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

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 governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. 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 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the National Governing Council either intends to liquidate the Party or to cease operations, or have no realistic alternative but to do so.

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 incompliance 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 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 going concern 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.

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

Nairobi

4 July 2019

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Revenue from non-exchange transactions			
Public contributions and donations	1	377,955,689	1,106,832,835
Transfers from other governments	2	240,374,863	145,911,501
		618,330,552	**1,252,744,336**
Total revenue		**618,330,552**	**1,252,744,336**
Expenses			
Employee costs	3	141,924,628	38,964,032
Depreciation and amortization expense	4	3,824,632	3,392,410
Repairs and maintenance		0	5,796,688
General expenses	5	277,412,132	1,367,308,074
Finance costs	6	1,636,019	17,790,967
Rent Paid	7	90,888,000	7,750,223
Total expenses		**515,685,411**	**1,441,002,393**
Other gains/(losses)			
Surplus/ Deficit for the year		**102,645,141**	**-188,258,057**

The notes set out on pages 6 to 15 form an integral part of these Financial Statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	8	24,904,311.00	5,010,290.00
Receivables from exchange transactions	9	42,373,933.00	2,662,869.00
		67,278,244.00	**7,673,159.00**
Non-current assets			
Property, plant and equipment	10	18,275,731.00	22,100,364.00
		18,275,731.00	**22,100,364.00**
Total assets		**85,553,975.00**	**29,773,524.00**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	11	133,558,229.00	180,422,920.00
		133,558,229.00	**180,422,920.00**
Total liabilities		**133,558,229.00**	**180,422,920.00**
Net assets			
Accumulated surplus		-48,004,255.00	-150,649,396.00
Total net assets and liabilities		**85,553,974.00**	**29,773,524.00**

The Financial Statements set out on these pages were signed on behalf of the National Executive Committee by:

Secretary General
Name: Raphael Tuju
Date...15/09/2019

Head of Finance
Name: Wambui Gichuru
Date.....
15/09/2019

Chairman
Name: Nelson Dzuya
Date.....
15/09/2019

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018

	Note		Accumulated Fund shs	Total shs
Balance at 01.10.2016			10,287,555	10,287,555
Surplus/Deficit Addition During The Year		-	27,321,107	27,321,107
(Donation in kind)				-
Balance at 30-09-2016		**-**	**37,608,662**	**37,608,662**
Balance at 30-09-2016		-	37,608,662	37,608,662
Surplus/Deficit Addition During The Year		-	(188,258,058)	(188,258,058)
(Donation in kind)		-		-
Balance at 30-06-2017		**-**	**(150,649,396)**	**(150,649,396)**
Balance at 01.07.2017			(150,649,396)	(150,649,396)
Surplus/Deficit Addition During The Year		-	102,645,141	102,645,141
(Donation in kind)				-
Balance at 30-06-2018		**-**	**(48,004,255)**	**(48,004,255)**
Balance at 30-09-2016		-	(48,004,255)	(48,004,255)
Surplus/Deficit Addition During The Year		-	-	-
(Donation in kind)		-		-
Balance at 30-06-2017		**-**	**(48,004,255)**	**(48,004,255)**

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2018

	2017-2018	2016-2017
	Kshs	Kshs
Cash flows from operating activities		
Receipts		
Public contributions and donations	377,955,689	1,106,832,835
Transfers from other governments – gifts and services-in-kind	240,374,863	145,911,501
Total Receipts	**618,330,552**	**1,252,744,336**
Payments		
Employee costs	141,924,628	38,964,032
General expenses	277,412,132	1,367,308,074
Finance costs	1,636,019	17,790,967
Rent Paid	90,888,000	7,750,223
Repairs and maintenance	0	5,796,688
Depreciation	3,824,635	3,392,410
Total Payments	**515,685,411**	**1,441,002,394**
cash flows from operating activities	**102,645,141**	**-188,258,058**
Depreciation	3,824,635	3,392,410
Increase/decrease in trade debtors	- 39,711,064	41,261,239
Increase (Decrease) in Trade Payables	-46,864,691	136,251,919
Net cash flows from operating activities	**19,894,021**	**-7,352,490**
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	0	-765,095
Net cash flows used in investing activities	**0**	**-765,095**
Cash flows from financing activities	0	0
Net cash flows used in financing activities	**0**	**0**
Net increase/(decrease) in cash and cash equivalents	**19,894,021**	**- 8,117,585**
Cash and cash equivalents at 1 JULY 2017	5,010,290	13,157,096
Cash and cash equivalents at 30 JUNE 2018	24,904,311	5,010,290

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018

	Original budget	Final budget	Actual on comparable basis	Performance difference	% difference	Notes
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018	
Revenue	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	
Public contributions and donations	115,740,000	115,740,000	377,955,689	-262,215,689	-227	We received more donations and contributions.
Government grants and subsidies	263,000,000	263,000,000	240,374,863	22,625,137	9	
Other Income	19,000,000	19,000,000	-	19,000,000	100	Income from other sources was not realized.
Total income	**397,740,000**	**397,740,000**	**618,330,552**	-220,590,552	-55	
Expenses				-		
Compensation of employees	237,840,000	237,840,000	141,924,648	95,915,352	40	After election the number of staff was reduced lowering the salary cost.
Depreciation	30,000,000	30,000,000	3,824,632	26,175,368	87	There was no acquisition of new Assets hence depreciation was lower than had been anticipated.
Goods and services	228,520,000	228,520,000	277,412,132	-48,892,132	-21	These are election expenses
Finance cost	360,000	360,000	1,636,019	-1,276,019	-354	2017 was election year and delegates were paid through the bank hence rise in bank charges
Rent paid	98,160,000	98,160,000	90,888,000	7,279,200	7	
Total expenditure	**594,880,000**	**594,880,000**	**515,686,231**	**79,193,769**	**13**	
Surplus for the period	**-197,140,000**	**-197,140,000**	**102,644,321**	**-299,784,321**	**152**	

Budget notes

The variance of Kshs 90,888,000 caters for rent expense, inclusive

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Jubilee Party was formed by and derives its authority and accountability from Political Parties Act. The entity is wholly domiciled in Kenya. The entity's principal activity is to strive to establish a Government of Kenya based on democratic and good governance and constitutional principles of a pluralistic democracy whilst promoting rule of law.

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 Jubilee Party'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 pages.
The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Jubilee Party.

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented

3. 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. ***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 principal accounting policies adopted in the preparation of these accounts are set below:

I. **Basis of preparation**

The final statements of the Party have been prepared in accordance and comply with the standards issued by the International Financial Standards (IFRS) under the Historical cost convention and Kenyan Government IPSAs.

II. **Depreciation**

Depreciation is provided for on fixed assets using the reducing balance method except for the Leasehold Structure that is to be written off over 10years period.

The following are the rates used:

- Lease Hold Structure - to be written off over 10 years
- Office Furniture and Fittings 12.5%
- Office Equipment 12.5%
- Computers and Printers 30%
- Motor Vehicles 25%

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. 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.

10. 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.

11. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. 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

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.

1. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2017-2018 Kshs	2016-2017 Kshs
Membership Fee	-	97,076,502
Membership Contribution	81,410,000	-
Nomination Fees	405,000	621,839,141
Nomination Petition Fees	427,000	583,000
Contributions From Members	295,713,689	387,334,192
Total Income	**377,955,689**	**1,106,832,835**

These includes Monthly party subscriptions by Governors, deputy governors, Senators, Members of Parliament, Women Representative, Members of the County Assembly and member's contribution to support party activities.

2. TRANSFERS FROM OTHER GOVERNMENT

Description	2017-2018 Kshs	2016-2017 Kshs
Political Parties Fund	240,374,863	145,911,501
Total Income	**240,374,863**	**145,911,501**

3. EMPLOYEE COSTS

	2017-2018 KShs	2016-2017 KShs
Salaries and wages	141,924,628	25,479,895
Staff Welfare	-	13,484,137
Employee costs	**141,924,628**	**38,964,032**

4. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2017-2018 KShs	2016-2017 KShs
Computer & Accessories	847,202	819,873
Motor Vehicles	1,135,772	1,048,405
Furniture & Fittings	1,841,659	1,524,132
Total depreciation and amortization	**3,824,632**	**3,392,410**

5. GENERAL EXPENSES

Description	2017-2018 KShs	2016-2017 KShs
Electricity and Water	2,890,173	273,317
Telephone, postage and Internet	390,200	1,735,305
Audit Fee	600,000	-
Cleaning and Landscaping Expenses	3,837,400	308,157
Office General Expenses	3,130,411	3,656,440
Insurance	844,000	120,691
Subscription	-	50,000
Advertisements and Communication Expenses	-	2,237,824
Campaign and Election Expenses	241,657,248	537,065,455
Grassroots' and Field Support	-	87,152,733
Traveling and Meeting Expenses	2,912,000	31,656,184
By Election Related Expenses	-	-
Mobilization and Logistics Expenses	1,870,500	-
Operational Consultancy and Legal Expenses	3,385,000	5,215,000
Repair and Maintenance	-	5,796,688
Training Expenses	13,423,000	7,903,776
Nomination Expenses	-	685,740,480
Security Expenses	2,472,200	2,266,560
Motor Vehicle Running Expenses	-	769,052
Unrecoverable debts w/o	-	1,157,100
Total general expenses	**277,412,132**	**1,367,308,074**

6. FINANCE COSTS

Description	2017-2018 KShs	2016-2017 KShs
Bank Charges & Interest Expense	1,636,132	17,778,662
Mpesa Charges	-	12,305
Total finance costs	**1,636,019**	**17,790,967**

7. RENT EXPENSES

Description	2017-2018 KShs	2016-2017 KShs
HQ Jubilee House	69,600,000	-
County Offices	21,288,000	7,750,223
Total	**90,888,000**	**7,750,223**

8. (a)CASH AND CASH EQUIVALENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Bank	24,721,676	5,010,290
Cash -on -hand and in transit	182,635	-
Total cash and cash equivalents	**24,904,311**	**5,010,290**

(b) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

		2017-2018	2016-2017
Financial institution	Account number	Kshs	Kshs
Equity 009		158,100	158,100
Equity 079		1,284,332	412,332
Equity 141		17,952,447	480,766
Equity 269		526,217	8,100
Equity 309		2,137,953	1,218,362
Equity 949		67,592	137,516
Co-operative Bank 1 TNA		33,269	33,269
Co-operative Bank 2		84,402	84,402
Equity Bank		54,945	54,945
Co-operative Bank 1 URP		316,034	316,034
Transnational Bank		2,106,465	2,106,465
Sub - total		**24,721,676**	
a) Cash -on -hand and in transit			
Cash in hand		182,635	-
Sub- total		**182,635**	-
Grand total		**24,904,311**	**5,010,290**

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

9. TRADE AND OTHER RECEIVABLES

Description	2017-2018	2016-2017
	KShs	KShs
Deposits and other Receivables	2,662,869	2,662,869
Unpaid members contributions	39,711,064	-
Total	**42,373,933**	**2,662,869**

10. PROPERTY, PLANT AND EQUIPMENT

	Computers and Accessories	Motor vehicles	Furniture and fittings	Total
Cost	**Shs**	**Shs**	**Shs**	**Shs**
At 1st July 2016	**8,489,988**	**18,500,000**	**18,042,068**	**45,382,056**
Additions	115,100	-	4,138,510	4,253,610
Disposals	-	-	-	-
At 30th Sept 2016	**8,605,088**	**18,850,000**	**22,180,578**	**49,635,666**
At 1st Oct 2016	**8,605,088**	**18,850,000**	**22,180,578**	**49,635,666**
Additions	-	-	765,095	765,095
Disposals	-	-	-	
At 30th June 2017	**8,605,088**	**18,850,000**	**22,945,673**	**50,400,761**
At 1st July 2017	8,605,088	18,850,000	22,945,673	50,400,761
Additions	-	-	-	-
Disposals	-	-	-	-
At 30th June 2018	8,605,088	18,850,000	22,945,673	50,400,761
Depreciation and impairment				
At 1st July 2016	4,665,760	12,885,742	6,188,517	**23,740,019**
Charge for 3 months	295,450	372,766	499,752	**1,167,968**
At 30th Sept 2016	4,961,210	13,258,508	6,688,269	**24,907,987**
At 1st Oct 2016	4,961,210	13,258,508	6,688,269	**24,907,987**
Charge for the year	819,873	1,048,405	1,524,132	**3,392,410**
At 30 June 2017	**5,781,083**	**14,306,913**	**8,212,401**	**28,300,397**
At 1st July 2017	5,781,083	14,306,913	8,212,401	**28,300,397**
Charge for the year	847,202	1,135,772	1,841,659	**3,824,632**
At 30th June 2018	**6,628,285**	**15,442,685**	**10,054,060**	**32,125,029**
Net book values				
At 30th June 2018	**1,976,804**	**3,407,315**	**12,891,613**	**18,275,732**
At 30th June2017	**2,824,005**	**4,543,087**	**14,733,272**	**22,100,364**
At 30th Sept 2016	**3,643,878**	**5,241,492**	**15,492,309**	**24,727,679**

NOTE: The balances brought forward from 1st Oct 2016 are as a result of the merger of several parties to form Jubilee party.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TRADE AND OTHER PAYABLES

Description	2017-2018	2016-2017
	KShs	KShs
Trade payables	133,558,229	157,466,046
Accruals	-	22,956,874
Total trade and other payables	**133,558,229**	**180,422,920**

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.....