

THE EQUITABLE PARTY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

The Equitable Party
Annual report and financial statements
For the year ended 30 June 2024

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The Equitable Party
Corporate information
For the year ended 30 June 2024

Shareholders

Mr. Carey Karani - Chairperson
Mr. Emmanuel Soreh - Secretary
Ms. Sharon Chepkirui - Treasurer

Principal place of business

Tiriki
P.O. Box 254-50309
Tiriki

Registered office

Tiriki
P.O. Box 254-50309
Tiriki

Bankers

KCB Kenya Limited
P.O. Box
Nairobi

Independent auditor

Evans Wasike & Company
Certified Public Accountants(K)
P.O. Box 75326 - 00200
Nairobi.

The Equitable Party
Report of the directors
For the year ended 30 June 2024

The Directors submit their report and the audited financial statements for the year ended 30 June 2024, which disclose the state of affairs of the entity.

Incorporation

The party is incorporated and is domiciled in Kenya under the Political Parties' Act.

Principal activities

The principal activity of the Equitable Party is to promote democratic participation and involvement of all Kenyan

Results

The profit for the year of Shs.45,544 has been deducted from retained earnings. The directors do not recommend the declaration of a dividend for the year.

Auditors

During the year, Evans Wasike & Company was appointed as the company's auditor and has expressed its willingness to continue in office in accordance with the Political Parties' Act.

By order of the Board

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Secretary General

.....2024

The Equitable Party
Statement of directors responsibilities
For the year ended 30 June 2024

The Political Parties' Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the entity, as at the end of the financial year and of its operating results for the year. It also requires the directors to ensure the entity keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the entity. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Political Parties' Act. The directors are of the opinion that financial statements give a true and fair view of the state of the financial affairs of the entity and of its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

The statement was approved by the Board of Directors on.....2024 and signed on its behalf by:

CHAIRPERSON

SECRETARY GENERAL

REPORT OF THE INDEPENDENT AUDITOR

To the members of:

THE EQUITABLE PARTY

Report on the Financial Statements

We have audited the financial statements of The Equitable Party set out on page 5 to 14 which comprise the statement of financial position as at 30 June 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility on the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Political Parties' Act. This responsibility include: designing, presentation of the financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of the financial affairs of the company as at 30 June 2024 and of its profit and cash flow for the year then ended in accordance with the International Financial Reporting Standards and comply with the requirements of the Political Parties' Act.

Report on Other Legal Requirements

As required by the Political Parties' Act we report to you, based on our audit, that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account have been kept by the entity, so far as appears from our examination of those books; and
- (iii) The entity's balance sheet and profit and loss account are in agreement with the books of account.

The engagement partner responsible for the resulting audit in this independent audit report is **CPA EVANS WASIKE** member no. **15452**

Evans Wasike & Company
Certified Public Accountants(K)
P.O. Box 75326-00200
Nairobi

Date.....

The Equitable Party
Financial statements
For the year ended 30 June 2024

STATEMENT OF COMPREHENSIVE INCOME

	Note	2024 Kshs	2023 Kshs
Revenue	4	3,389,893	1,579,213
Cost of sales	5	-	-
Gross profit		3,389,893	1,579,213
Other Incomes			
Gain On Disposal		-	-
Expenses			
Administrative expenses	6	662,641	319,380
Establishment expenses	7	2,659,976	1,268,002
Finance Costs	8	21,732	9,013
		3,344,349	1,596,396
Profit before tax	9	45,544	(17,183)
Income tax charge		-	-
Profit for the year attributable to the owners		45,544	(17,183)

The Equitable Party
Financial statements
For the year ended 30 June 2024

STATEMENT OF FINANCIAL POSITION

Assets	Note	2024 Kshs	2023 Kshs
Non current assets			
Property, plant and equipment	14	299,726	340,529
Intangible assets	16	-	-
		<u>299,726</u>	<u>340,529</u>
Current Assets			
Investments	12	-	-
Trade and other receivables	10	-	-
Cash and cash equivalents	11	225,020	39,632
Inventory		-	-
		<u>225,020</u>	<u>39,632</u>
Total assets		<u><u>524,746</u></u>	<u><u>380,161</u></u>
Equity and liabilities			
Capital and reserves			
Share capital	13	-	-
Retained earnings		(149,474)	(195,018)
Opening balance equity		-	-
Shareholders capital fund		-	-
		<u>(149,474)</u>	<u>(195,018)</u>
Non current liabilities			
Borrowings	14	-	-
Bank Loan		-	-
		<u>-</u>	<u>-</u>
Current liabilities			
Trade and other payables	15	674,219	575,179
Taxation		-	-
Bank Overdraft		-	-
		<u>674,219</u>	<u>575,179</u>
Total equity and liabilities		<u><u>524,746</u></u>	<u><u>380,161</u></u>

The financial statements on pages 5 to 14 were approved for issue by the board of directors on -----2024 and signed on their behalf by :-

.....
DIRECTOR

.....
DIRECTOR

The Equitable Party
Financial statements
For the year ended 30 June 2024

STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs	Retained earnings Kshs	Total Kshs
Year ended 30 June 2023			
At 01 July 2022	-	(177,835)	(177,835)
Prior year adjustment			-
Profit for the year	-	(17,183)	(17,183)
As at 30 June 2023	<u>-</u>	<u>(195,018)</u>	<u>(195,018)</u>
Year ended 30 June 2024			
At 01 July 2023	-	(195,018)	(195,018)
Prior year adjustment			-
Profit for the year	-	45,544	45,544
As at 30 June 2024	<u>-</u>	<u>(149,474)</u>	<u>(149,474)</u>

The Equitable Party
Financial statements
For the year ended 30 June 2024

STATEMENT OF CASH FLOW

	Note	2024 Kshs	2023 Kshs
Operating activities			
Profit before tax		45,544	(17,183)
Adjustment for:			
Depreciation of Property, plant and equipment		40,803	47,837
Taxpaid		-	-
Operating Profit before working capital changes		86,347	30,654
Working capital changes			
(Increase) in inventories/short term investments		-	9,000
(Increase) in Trade and other receivables		-	-
Increase/(decrease) in Trade and other payables		99,041	49,979
Net cashflows (used in) operating activities		185,387	89,632
Investing activities			
Purchase of motor vehicle		-	-
Purchase of furniture and fixtures		-	(60,000)
Net cash generated from investing activities		-	(60,000)
Financing activities			
Shareholders funds		-	-
Issue of Shares		-	-
Net cash generated from financing activities		-	-
Net Increase/(decrease) in cash and cash equivalents		185,387	29,632
Movement in cash and cash equivalents			
At start of the year		39,632	10,000
Movement during the year		185,387	29,632
At end of year	10	225,020	39,632

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been applied over the years unless otherwise stated:-

a) Basis of Preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRSs). The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The area involving a higher degree of judgement and complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 3.

b) Revenue recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized.

Other

Other income is recognized when received.

c) Foreign currency transactions

Transactions in foreign currencies during the year are converted into Kenya shillings at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate ruling at the balance sheet date. The resulting exchange differences are recognized in the income statement in the period which they arise.

d) Property, plant and equipment

Property, plant and equipment are initially stated at cost or subsequent at valuation, less accumulated depreciation and any impairment in value. Subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate, only where it is probable that economic future benefits associated with the item will flow to the company and the cost can be measured reliably. All other expenses and maintenance costs are classified to the income statement in the financial period which they are incurred.

Depreciation is charged on Straightline basis, at an annual rates estimated to write off carrying values of property, plant and equipment over their expected useful lives.

The rates in use are:

Motor Vehicles	25.00%
Furniture & Fittings	12.50%
Computers & Equipments	30.00%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

f) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

g) Employment benefits

Pension Obligations

The entity contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by a local statute and are currently to Kshs 200 per employee per month, with the company contributing a similar amount. The company contributions to the above scheme are charged to the income statement in the year which they relate.

h) Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalent, trade and other receivables, trade and other payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

i) Trade receivables

Trade and other receivables are recognized at anticipated realizable value less an allowance for any uncollectible amounts. Bad debts are written off when all reasonable steps to recover them have been taken without success.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand.

For the purpose of the cash flow statement, cash and cash equivalent comprise cash and cash equivalents as defined above, net of outstanding bank overdrafts.

l) Provisions

A provision is recognized in the balance sheet when the company has a present legal or constructive obligation as a result of past event and it is more likely than not an outflow of economic benefits will be required to settle the obligation and it can be reliably be estimated.

m) Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is uncertain or cannot be reliably measured. Contingent liabilities are not recognized but disclosed unless they are remote.

o) Taxation

Current tax

Current taxation is provided for on the basis of the results for the year as shown in the financial statements, adjusted in accordance with tax legislation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

o) Taxation

Deferred tax

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

The carrying amounts of the deferred tax assets and liabilities is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income asset to be utilized.

p) Interest bearing borrowings

All borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 Financial risk management objectives and policies

The entity's activities expose it to a variety of financial risks, including credit risks and effects of changes in foreign currency exchange rates and interest rates. The entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its performance. The entity has policies in place to ensure that sales are made to customers with appropriate credit history.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that believe to be reasonable under the circumstances:

i) Critical accounting estimate and assumptions

Property, Plant and Equipment

Critical estimates are made by the directors in determining depreciation rates for the property, plant and equipment. These rates are set out in note 1 (d).

ii) Critical Judgements in applying the entity's accounting policies

In the process of applying the company's accounting policies, the management has made judgements in determining:

* Whether the assets are impaired

* The classification of financial assets

	2024 Kshs	2023 Kshs
4 Investment income		
Government grant	-	-
Membership contribution	3,389,893	1,579,213
	<u>3,389,893</u>	<u>1,579,213</u>
4b Other incomes		
Gain On Disposal		
	<u></u>	<u></u>
5 Cost of sales		
Opening inventories	-	-
Purchases	-	-
Closing inventories	-	-
	<u>-</u>	<u>-</u>
6 Administration expenses		
Salaries & Wages	112,588	52,450
Audit fees	20,000	20,000
Office expense	53,235	24,800
Printing and stationery	180,312	84,000
Internet	46,002	21,430
Legal Fees	214,657	100,000
Travelling	35,848	16,700
	<u>662,641</u>	<u>319,380</u>

The Equitable Party
Financial statements
For the year ended 30 June 2024

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2024	2023
	Kshs	Kshs
7 Establishment expenses		
Rent and rates	2,619,173	1,220,166
Depreciation	40,803	47,837
	<u>2,659,976</u>	<u>1,268,002</u>
8 Finance Costs		
Bank charges	21,732	9,013
	<u>21,732</u>	<u>9,013</u>
9 (Loss) before tax		
The (loss) before tax is stated after charging:-		
Depreciation of Property, plant and equipment	40,803	47,837
Auditor's remuneration	20,000	20,000
	<u>60,803</u>	<u>67,837</u>
10 Trade and other receivables		
Trade Receivables	-	-
Deposits	-	-
Prepayment	-	-
Other Receivables	-	-
Directors Account	-	-
	<u>-</u>	<u>-</u>
11 Investments		
Money market fund	-	-
Saccos'	-	-
	<u>-</u>	<u>-</u>
12 Cash and cash equivalents		
Cash at bank	225,020	39,632
Cash in Hand	-	-
	<u>225,020</u>	<u>39,632</u>
13 Share capital		
Authorised, issued and fully paid		
1000 Ordinary shares of Kshs.100 each	-	-
Shareholders capital fund	-	-
	<u>-</u>	<u>-</u>
14 Borrowings		
The borrowings are analysed as follows:		
Non-current liabilities		
Shareholders Long term loans	-	-
	<u>-</u>	<u>-</u>
Current liabilities		
Trade Payables	674,219	575,179
Accrued Expenses	-	-
	<u>674,219</u>	<u>575,179</u>
Total borrowings	<u>674,219</u>	<u>575,179</u>

The borrowings from the Directors' have no terms of repayment and does not attract any interest.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 Property, plant and equipment

	Land	Computers & Equipment	Furniture & Fittings	Total
As at 01 July 2022				
Cost	-	-	364,850	364,850
Additions	-	60,000	-	60,000
Disposals	-	-	-	-
As at 30th June 2023	-	60,000	364,850	424,850
As at 01 July 2022				
Accumulated Depreciation	-	-	36,485	36,485
Written Back	-	-	-	-
Depreciation charge	-	15,000	32,837	47,837
As at 30th June 2023	-	15,000	69,322	84,322
Net carrying value	-	45,000	295,529	340,529
Net carrying value				
As at 01 July 2023				
Cost	-	60,000	364,850	424,850
Additions	-	-	-	-
Disposals	-	-	-	-
As at 30th June 2024	-	60,000	364,850	424,850
As at 01 July 2023				
Accumulated Depreciation	-	15,000	69,322	84,322
Written Back	-	-	-	-
Depreciation charge	-	11,250	29,553	40,803
As at 30th June 2024	-	26,250	98,874	125,124
Net carrying value	-	33,750	265,976	299,726

	2024 Kshs	2023 Kshs
16 Trade and other payables		
Accruals	674,219	575,179
	674,219	575,179

17 Currency

The financial statements are presented in Kenya shillings (Kshs) and rounded off to the nearest one shilling.

THE EQUITABLE PARTY

INCOME TAX COMPUTATION

FOR THE YEAR ENDED 30 JUNE 2024

	2024 Kshs	2023 Kshs
Net Profit before tax as per financial statements	45,544	-17,183
Add Back:		
Depreciation of property, plant and equipment	40,803	47,837
Disposal loss	-	0
Less:		
Wear and tear Allowances	(40,803)	(47,837)
Adjusted taxable profit	45,544	(17,183)
Taxable losses brought forward	(195,018)	(177,835)
Taxable profit carried forward	(149,474)	(195,018)
Tax 30%	-	-
Less: WHT Credits	-	-
Net tax payable	-	-

Wear and Tear schedule

	Class 11 30.0% Kshs	Class 111 25.0% Kshs	Class 1V 10.0% Kshs	Total Kshs
W.D.V as at 01 July 2022	-	-	328,365	328,365
Additions	-	60,000	-	60,000
Disposal	-	-	-	-
Allowance	-	(15,000)	(32,837)	(47,837)
WDV as at 30 June 2023	-	45,000	295,529	340,529
W.D.V as at 01 July 2023	-	45,000	295,529	340,529
Additions	-	-	-	-
Disposal	-	-	-	-
Allowance	-	(11,250)	(29,553)	(40,803)
WDV as at 30 June 2024	-	(11,250)	265,976	254,726