

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 SEP 2024	DAY: THURSDAY
TABLED BY:	HON. ROBERT PUKOSE
CLERK-AT THE-TABLE:	VIVIAN WAMBUI

REPORT

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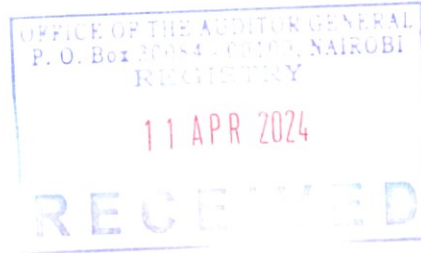
THE AUDITOR-GENERAL

ON

DEMOCRATIC ACTION PARTY-KENYA

**FOR THE YEAR ENDED
30 JUNE, 2023**

Revised 30th June 2023



DEMOCRATIC ACTION PARTY-KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

**Prepared by the Accrual Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)**

Democratic Action Party - Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

DAP-K	Democratic Action Party-Kenya
SG	Secretary General
NC	National Chairman
DNC	Deputy National Chairman
ED	Executive Director
ORPP	Office of the Registrar of Political Parties
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
CMD	Centre of Multiparty Democracy
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of DAP-K

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Democratic Action Party – Kenya was formed in 2021 as a political party after meeting the registration requirements under the Political Parties Act, 2011. It is founded on the democratic principles of unity of purpose in diversity, rule of the law, transparency, accountability, equity and equality. The ideology of the party is Social Democracy.

(b) Principal Activities

The Party’s principal activity is to strive to establish a Government of Kenya based on democratic and good governance and constitutional principles of a democracy whilst promoting rule of law.

(c) Key Management

DAP-K’s day-to-day management is under the following key organs:

No.	Designation	Name
1.	National Management Committee	Dr. David Eseli Simiyu Secretary General
2.	Secretary General	Dr. David Eseli Simiyu
3.	The Secretariat	Aggrey Mugalavai Executive Director

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Party Leader	Hon. Eugene Wamalwa
2	Chairman	Mr. David Simiyu Muchele
3	Secretary General	Hon. Dr. David Eseli Simiyu
4	Organizing Secretary	Hon. Dickson Oyugi Maungu
5	National treasurer	Ms. Beatrice Mbingi
6	1 st Deputy Party Leader	Hon. Wafula Wamunyinyi
7	Executive Director	Mr. Aggrey Kihima Mugalavai

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Key Entity Information and Management

(e) Entity Headquarters

Chui House
Kilimani Road
P o Box 1131 – 00606
Sarit Centre, Nairobi

(f) Entity Contacts

Telephone (254) 0208000280
(254) 0742382032
Website: www.dap-kenya.co.ke
E-mail: info@dap-kenya.co.ke

(g) Entity Bankers

- i. Kenya Commercial Bank
Webuye Branch
No. 1288239238
- ii. Co-operative Bank
Parliament Branch
No. 01120747385000

Key Entity Information and Management

(h) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100




Nairobi, Kenya

(i) Principal Legal Adviser

Wamalwa & Echesa Co Advocates

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3. The Board of Directors/Council

Ref	Directors	Details
1.	 <p>Hon. Eugene Wamalwa Party Leader</p>	<ul style="list-style-type: none"> • Advocate of the High Court • Cabinet Secretary for over 10 years.
2.	 <p>David Simiyu Muchele National Chairman</p>	<ul style="list-style-type: none"> • An accountant for over 20 years
3.	 <p>Dr. David Eseli Simiyu Secretary General</p>	<ul style="list-style-type: none"> • Medical Doctor • Member of parliament 15 years

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4.	 <p>Hon Athanas Wafula Wamunyinyi Deputy Party Leader</p>	<ul style="list-style-type: none">• Member of parliament for 20years• Businessman for over 25 years
5.	 <p>Beatrice Mbingi Treasurer</p>	<ul style="list-style-type: none">• Businesswoman for over 20 years

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4. Key Management Team

	Management	Details
1.	Mr. Aggrey Kihima Mugalavai	Executive Director
2.	Kevin Wanjala Simiyu	Deputy Executive Director
3.	Emmanuel Barasa	Finance Director
4.	Rodney Sabwa	ICT Director

5. Chairman’s Statement

We are obligated by the Political Parties Act 2011 to prepare annual financial statements in respect of Democratic Action Party - Kenya, which statements are expected to represent a true and fair view of the state of affairs of our Party including the operating results at the end of each fiscal year. The Public Finance Management Act 2012 at Section 81, Section 31 of the Political Parties Act 2011 and public audit requires us to prepare the said statements and present the same to the offices of the Registrar of Political Parties and Auditor General respectively not later than September 30th every year.

In pursuit of the foregoing obligations, and exercising its mandate under the DAP – Kenya Constitution, the National Executive Committee approved the work plan and annual budget for the financial year under review within the framework of our Strategic Plan. Accordingly, we have submitted the report and accounts for the year ended June 30, 2023 to the Auditor General. We have also published in the local daily newspapers the applicable income section of the accounts for the year ended in accordance with section 29 (1) of the Political Parties Act 2011.

The year ending June 30th, 2023 has been a fairly busy year for our party. The party has involved for first time in national election by fielding candidates in the following positions all over the country Gubernatorial, Senators, Women Representatives, Parliamentary seats and Members of County Assemblies. In the last General Elections, we managed to win one Governor, Five Members of Parliament and Twenty-eight members of county assemblies. This resulted into allocation of twelve slots for nominator MCAs.

Voluntary contributions from DAP – Kenya members, supporters, member pay bill, donations and bequests and grants from various lawful sources are other revenue streams that continue to strengthen the financial position of the Party. I wish to thank members of the National Executive Committee for their stewardship as well as the National Secretariat staff for prudent management of our resources. Our party slogan is “Mwamko Mpya” Our members and supporters have continued to manifest this in word and action. To them I commit to support and am loyal to the Party vision and do everything in my position to reciprocate their zeal.



Mr. David Simiyu Muchele

6. Report of the Chief Executive Officer

REPORT OF THE CHIEF EXECUTIVE OFFICER.

We wish to present the financial report for the year ended June 30th 2023 in accordance with the International Public Sector Accounting Standards. During the year, our key responsibilities included

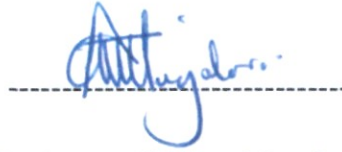
1. Developing strategies for and realizing financial resource mobilization for the Party.
2. Ensuring that the books of the Party are prepared according to the law.
3. Participation in the preparation of the NGC & NDC.
4. Continuing to develop principles of stewardship, financial discipline, ethics and best practices to guide the Party in matters of Fiscal Planning and management.
5. 2022 General election preparations and we managed to win.

In accordance with section 35 of Public Audit Act 2015 requirements and the Political Parties Act 2011, we managed to accomplish the following in time,

- Develop a work- plan and budgets with reference to the Party’s strategic plan for the current financial year Work plan for 2022-2023, 4Year Strategic Plan for the party – Report and accounts for the year ended 30th June 2023.
- Ensured that the books of accounts for the year ended June 30th 2023 are prepared in time and presented to the Auditor General and that relevant income section of the same extracted and published in the Local Newspapers see The Star Newspapers of in accordance to section 29. (1) which states that ‘A political party shall, within three months of its financial year, publish the sources of its funds stating
 - a) The amount of money received from the Political Parties Fund,
 - b) The amount of money received from its members and supporters, and
 - c) The amount and sources of donations given to the party.
- We further inform that the accounts were forwarded on to the office of the Auditor General in IPSAS reporting format.

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The Key Income Drivers Are a share from government Political fund, Life membership, recruitment fees, Nomination fee and donation from well-wishers than the previous year where mainly was from founder members.



Mr. Aggrey Kihima Mugalavai

7. Corporate Governance Statement

DAP – Kenya 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 DAP Kenya 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 Kenya Statutory requirements and the best practices in line with 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 DAP Kenya. Much of the details are contained in the party Constitution which contains the following,

- Identity, Vision and Mission
- Membership, Rights and Duties
- Party Organs
- Stewardship
- Coalitions, Dispute Settlement and Amendment
- General Provisions

8. Environmental and Sustainability Reporting

Our ambition is to gradually but visibly establish 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 question DAP Kenya 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 management, 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 outcome from our Corporate social activity, we can enhance DAP Kenya's reputation among key stakeholders nationally.

9. Report of the Directors

REPORT OF THE NATIONAL EXECUTIVE COMMITTEE

The National Executive committee submit their report together with the audited financial statement for the year ended June 30, 2023 which show the state of the DAP Kenya affairs

Principal activities

The organization'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.

Results

The results of the entity of the year ended June 30, 2023 are set out on page 1-17

Directors

The National Executive Committee Members who served during the year are shown on page vi

Auditors

The Auditor General is responsible for the statutory audit of the DAP Kenya in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the DAP Kenya for the year/period ended June 30, 2023.

By Order of NEC.



Secretary General

Date: 01/03/2024

10. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Political Parties Act, 2022 require the Directors to prepare financial statements in respect of DAP-K, which give a true and fair view of the state of affairs of DAP-K at the end of the financial period and the operating results of DAP-K for the period (2022/2023). The Directors are also required to ensure that DAP-K keeps proper accounting records which disclose with reasonable accuracy the financial position of the DAP-P. The Directors are also responsible for safeguarding the assets of DAP-K.

The Directors are responsible for the preparation and presentation of the DAP-K financial statements, which give a true and fair view of the state of affairs of DAP-K for and as at the end of the financial year ended on June 30, 2023. 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 DAP-K;
- (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 DAP-K;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for DAP-K 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 and Political Parties Act, 2011. The Directors are of the opinion that DAP-K's financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2023, and of DAP-K's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for DAP-K, which have been relied upon in the preparation of DAP-K's financial statements as well as the adequacy of the systems of internal financial control.

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In preparing the financial statements, the Directors have assessed DAP-K's ability to continue as a going concern.

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

Approval of the financial statements

DAP-K's financial statements were approved by the Board on 1st March 2024 and signed on its behalf by:



.....

David Simiyu Muchele
National Chairman

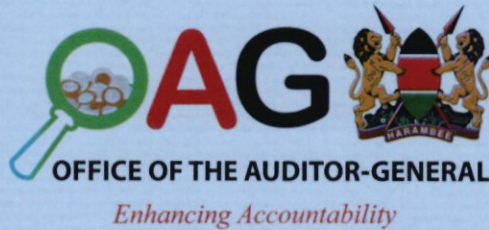


.....

David Eseli Simiyu
Secretary General

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON DEMOCRATIC ACTION PARTY-KENYA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Democratic Action Party-Kenya set out on pages 1 to 16, which comprise of the statement of financial position, as at 30 June, 2023, and the statement of financial of performance, statement of changes in

net assets and statement of cash flows 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. 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, the financial statements present fairly, in all material respects, the financial position of the Democratic Action Party-Kenya as at 30 June, 2023, 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 Public Finance Management Act, 2012 and the Political Parties Act, 2011.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Democratic Action Party-Kenya Management in accordance with ISSAI 130 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 opinion.

Emphasis of Matter

1. Unaudited Comparative Balances

I draw your attention to the fact that prior to 2022/2023 financial year, only the financial statements of political parties funded from public funds were being audited pursuant to Article 229(4)(f) of the Constitution of Kenya, which mandates the Auditor-General to audit political parties funded from public funds. Although the financial statements presented for audit reflects comparative balances for the year ended 30 June, 2022, 2022/2023 financial year is considered as the first year of audit and the audit procedures undertaken did not cover the prior year balances.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflected final revenue budget and actual on comparable basis of Kshs.29,281,121 and Kshs.20,801,940 respectively resulting in under-performance of Kshs.8,479,181, or 29% of the approved budget. Further, out of the estimated funding of Kshs.18,781,121 from the Political Parties Fund, only Kshs.15,642,280 was received resulting in an under-funding of Kshs.3,138,841 or 17% of the estimated revenue.

In the circumstances, the under-funding affected the planned activities of the Party and may have negatively impacted on service delivery to the public.

My opinion is not modified in respect of these matters.

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. There were no key audit matters to report in the year under review.

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, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else 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

Failure to Establish Party Offices

An inspection carried out revealed that the Party has nine (9) offices out of thirty-eight (38) Counties visited. This is contrary to Section 7(f)(iii) of the Political Parties Act, 2011 which requires a political party to be fully registered if it has submitted to the Registrar the locations and addresses of branch offices of the political party, in more than half of the Counties.

In the circumstances, Management was in breach of the law.

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 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and overall 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Party's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Party or cease operations.

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 in compliance 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 Management 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 overall 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 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 applicable 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 continue 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 continue 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 June, 2024

Democratic Action Party - Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023.

11. Statement of Financial Performance for the year ended 30 June 2023

	Notes	Insert	Insert Comparative
		Current 2023	2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Registrar of Political Party Fund	3	18,781,121.00	00.00
Public contributions and donations	4	5,500,000.00	41,924,258.00
		24,281,121.00	41,924,258.00
Revenue from exchange transactions			
Total revenue		24,281,121.00	41,924,258.00
Expenses			
Use of goods and services	5	17,612,864.00	37,721,313.00
Employee costs	6	2,770,000.00	1,976,000.00
Depreciation and amortization expense	7	289,923.00	310,518.00
Finance costs	8	20,560.00	41,773.00
Total expenses		20,693,347.00	40,049,604.00
Impairment loss		(0.00)	(464,299.00)
Surplus/ (deficit) before tax		3,587,774.00	1,410,355.00
Surplus/(deficit) for the period/year		3,587,774.00	1,410,355.00
Net Surplus for the year		3,587,774.00	1,410,355.00
Attributable to:			
Surplus attributable to owners of the controlling Entity		3,587,774.00	1,410,355.00
Accumulated Surplus		4,998,129.00	1,410,355.00

The notes set out on pages 1 to 2 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 2 were signed on behalf of the Board of Directors by:

.....
Dr. Eseli Simiyu
Accounting Officer

.....
Moses Khamala
Head of Finance

.....
David Muchele
Chairman of the Party

ICPAK M/No:
01/03/2024

ICPAK M/No:
01/03/2024

ICPAK M/No:
01/03/2024

Democratic Action Party - Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023

12. Statement of Financial Position as at 30 June 2023

	Notes	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	9	62,322.42	580,322.00
Receivables from Non-Exchange Transactions	10	8,751,181.00	446,056.00
Inventories		0.00	47,200.00
Total Current Assets		8,813,503.00	1,073,578.00
Non-Current Assets			
Property, Plant and Equipment	11	657,295.00	647,295.00
Total Non- Current Assets		657,295.00	647,295.00
Total Assets		9,470,798.00	1,720,873.00
Liabilities			
Current Liabilities			
Trade and Other Payables	12	2,182,500.00	0.00
Current Provision for Depreciation	7	289,923.00	310,518.00
Current Portion of Borrowings	14	2,000,000.00	0.00
Total Current Liabilities		4,472,423.00	310,518.00
Non-Current Liabilities			
Total Non-Current Liabilities		0.00	0.00
Total Liabilities		4,472,423.00	310,518.00
Net Assets			
Reserves		0.00	0.00
Accumulated Surplus		4,998,129.00	1,410,355.00
Capital Fund		0.00	0.00
Total Net Assets		4,998,129.00	1,410,355.00
Total Net Assets and Liabilities		9,470,798.00	1,720,873.00

Democratic Action Party - Kenya
Annual Report and Financial Statements
for the year ended June 30, 2023

The financial statements set out on pages 3 to 4 were signed on behalf of the Board of Directors by:



.....

Dr. Eseli Simiyu
Accounting Officer
Secretary General
01/03/2024



.....

Moses Khamala
Head of Finance
ICPAK Member Number:
01/03/2024



.....

David Muchele
Chairman of the Party
01/03/2024

13. Statement of Changes in Net Assets for the year ended 30 June 2023

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2021	0.00	0.00	0.00	0.00	0.00	0.00	00.00
Issued new capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation gain	0.00	0.00	0.00	0.00	(0.00)	(0.00)	0.00
Transfer of excess depreciation on revaluation	0.00	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)
Deferred tax on excess depreciation	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)	0.00
Fair value adjustment on investments	-	-	0.00	-	-	-	0.00
Surplus/ deficit for the year	-	-	-	1410,355.00	-	-	1,410,355.00
Capital/development grants received during the year	-	-	-	-	-	0.00	0.00
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	0.00	-	(0.00)	(0.00)
Dividends paid	-	-	-	-	(0.00)	(0.00)	(0.00)
Interim dividends paid	-	-	-	(0.00)	-	-	(0.00)
Proposed final dividends	-	-	-	(0.00)	0.00	0.00	0.00
As of June 30, 2022	0.00	0.00	0.00	1,410,355.00	0.00	0.00	1,410,355.00
As at July 1, 2022	0.00	0.00	0.00	1,410,355.00	0.00	0.00	1,410,355.00
Issue of new share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation gain	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)	0.00
Transfer of excess depreciation on revaluation	-	(0.00)	-	0.00	-	-	-
Deferred tax on excess depreciation	-	0.00	-	-	-	-	0.00
Fair value adjustment on investments	-	-	0.00	-	-	-	0.00
Surplus/ (deficit) for the year	-	-	-	3,587,774.00	-	-	3,587,774.00

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Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
Capital/development grants received during the year	-	-	-	-	-	0.00	0.00
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	0.00	-	(0.00)	-
Dividends paid	-	-	-	-	(0.00)	(0.00)	(0.00)
Interim dividends paid	-	-	-	(0.00)	-	-	0.00
Proposed final dividends	-	-	-	(0.00)	0.00	0.00	(0.00)
As at June 30, 2023	0.00	0.00	0.00	4,998,129.00	0.00	0.00	4,998,129.00

14. Statement of Cash Flows for the year ended 30 June 2023

		2023	2022
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	3	15,642,280.00	0.00
Public contributions and donations	4	159,660.00	41,926,258.00
Total receipts		15,801,940.00	41,926,258.00
Payments			
Use of goods and services	5	15,286,242.00	38,564,744.00
Employee costs	6	2,218,000.00	1,823,378.00
Total payments		17,504,242.00	40,388,122.00
Net cash flows from/(used in) operating activities		(2,218,000.00)	1,538,136.00
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(300,000.00)	(957,814.00)
Net cash flows from/(used in) investing activities		(300,000.00)	(957,814.00)
Cash flows from financing activities			
Proceeds from borrowings	14	5,000,000.00	0.00
Repayment of borrowings	14	(3,000,000.00)	(0.00)
Net cash flows from financing Activities		2,000,000.00	0.00
Net increase/(decrease) in cash & Cash equivalents		(518,000.00)	580,322.00
Cash and cash equivalents at 1 July 2022		580,322.00	580,322.00
Cash and cash equivalents at 30 June	9	62,322.00	580,322.00

15. Statement of Comparison of Budget and Actual Amounts for FY2022/23

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	B	c=a+b	d	e=c-d	f=d/c %
Exchequer releases	0.00	0.00	0.00	0.00	0.00	0.00
Transfers from other government entities	31,629,493.00	(12,848,372.00)	18,781,121.00	15,642,280.00	3,138,841.00	83.29%
Proceeds from domestic borrowings	5,000,000.00	0.00	5,000,000.00	5,000,000.00	0.00	100%
Miscellaneous receipts – Elected/Nominated (MCA,MP, DGV, & GV)	5,500,000.00	0.00	5,500,000.00	159,660.00	5,340,340.00	2.9%
Total Receipts	42,129,493.00	(12,848,372.00)	29,281,121.00	20,801,940.00	8,479,181.00	71.05%
Payments						
Compensation of employees	2,770,000.00	0.00	2,770,000.00	2,770,000.00	0.00	100%
Use of goods and services	17,256,580.00	0.00	17,256,580.00	17,256,580.00	0.00	100%
Interest payments	20,560.00	0.00	20,560.00	20,560.00	0.00	100%
Finance costs including loan interest						
Repayment of domestic & foreign borrowing	3,000,000.00	0.00	3,000,000.00	3,000,000.00	0.00	100%
Total Payments	23,047,140.00	0.00	23,047,140.00	23,047,140.00	0.00	100%
Surplus/ Deficit	19,082,353.00	(12,848,372.00)	6,233,981.00	(2,245,200.00)	8,479,181.00	

(a) *Variance analysis:*

(b) *Reallocations within the year:*



The entity financial statements were approved on 30th September 2023 and signed by:

.....
HON. David Eseli Simiyu
Secretary-General

.....
Moses Khamala
Head of Accounting Unit
ICPAK M/No.....

16. Notes to the Financial Statements

1. General Information

The DAP-Kenya was formed by and derives its authority and accountability from Political Parties Act 2011. The entity is wholly domiciled in Kenya. The entity's principal activity is to strive to establish a Government off 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 DAP-K's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of DAP-K. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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Notes to the Financial Statements (Continued)

3. Transfers from Other Government entities

Description	2023	2022
	KShs	KShs
Unconditional Grants		
Operational Grant	18,781,121.00	0.00
Total Unconditional Grants	18,781,121.00	0.00
Conditional Grants amortised/ transferred to revenue		
Total Government Grants And Subsidies	18,781,121.00	0.00

4. Public Contributions and Donations

Description	2023	2022
	Kshs	Kshs
Elected/Nominated party Members Contributions (MCAS/MPS/D/GOV & GOV)	5,500,000.00	0.00
Total Transfers and Sponsorships	5,500,000.00	0.00
Membership & Nomination fee		41,924,258.00
Reconciliation Of Public Contributions and Donations		

5. Use of Goods and Services

Description	2023	2022
	Kshs	Kshs
Electricity	12,860.00	0.00
Water	0.00	0.00
Security	188,500.00	0.00
Professional Services	100,000.00	100,000.00
Subscriptions	70,000.00	170,000.00
Advertising/Publication	0.00	0.00
Admin Fees	3,431,790.00	1,143,200.00
Audit Fees	0.00	0.00
Conferences and Delegations	8,566,284.00	24,509,500.00
Legal Expenses	100,000.00	60,000.00
Chemicals	0.00	0.00
Postage	12,870.00	109,745.00
Printing and Stationery	40,000.00	1,767,405.00
Rent expenses	2,410,000.00	1,286,000.00
Travel, Subsistence & Other Allowances*	0.00	8,533,690.00

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Description	2023	2022
	Kshs	Kshs
Bank charges	20,560.00	41,773.00
Other General Expenses	2,660,000.00	0.00
Use Of Goods and Services	17,612,864.00	37,721,313.00

6. Employee Costs

Description	2023	2022
	Kshs	Kshs
Salaries and wages	2,770,000.00	1,976,000.00
Employee costs	2,770,000.00	1,976,000.00

7. Depreciation and Amortization Expense

Description	2023	2022
	Kshs	Kshs
Property, plant and equipment	289,923.00	310518.50
Total depreciation and amortization	289,923.00	310,518.00

8. Finance Costs

Description	2023	2022
	Kshs	Kshs
Finance – Bank charges	20,560.00	41,773.00
Total finance costs	20,560.00	41,773.00

9. Cash and Cash Equivalents

Description	2023	2022
	Kshs	Kshs
Current Account	62,322.42	224,284.00
Total Cash And Cash Equivalents	62,322.42	224,284.00

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023	2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	M -38	5,680.00	482,084.00
Kenya Commercial Bank	N – 59	2,392.00	92,638.00
Co -op Bank	m-85000	8,333.50	
Co – op Bank.	N -85001	45,916.92	
Sub- Total		62,322.42	574,722.00
Cash In Hand		0.00	5,600.00

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Financial Institution	Account number	2023	2022
		Kshs	Kshs
Grand Total		62,322.42	580,322.00

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

10. Receivables from Non-Exchange Transactions

Description	2023		2022	
	Kshs		Kshs	
Political Party Fund	3,138,841.00		0.00	
Licenses, Rent Deposits	272,000.00		272,000.00	
Other debtors (Party – Elected/Nominated)	5,340,340.00		174,056.00	
Total receivables from non-exchange transactions	8,751,181.00		446,056.00	
Aging Analysis- Receivables from non-exchange transactions	2023	% of the total	2022	% of the total
Less than 1 year	8,751,181.00	100%	446,056.00	100%
Total	8,751,181.00	100%	446,056.00	100%

Description	2023	2022
	Kshs	Kshs
Additional provisions during the year	8,751,181.00	446,056.00
At the end of the year	8,751,181.00	446,056.00

Democratic Action Party - Kenya
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

11. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicle	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additions	0.00	0.00	0.00	414,857.00	542,865.00	00.00	0.00	957,722.00
As at 30 th June 2022	0.00	0.00	0.00	414,857.00	542,865.00	00.00	0.00	957,722.00
Additions	0.00	0.00	0.00	0.00	300,000.00	0.00	0.00	300,000.00
As at 30 th June 2023	0.00	0.00	0.00	414,814.00	842,865.00	00.00	0.00	1,257,722.00
Depreciation And Impairment								
At 1 July 2022	(0.00)-	(0.00)	(0.00)	(131,328.50)	(179,190.00)	(00.00)	(0.00)	(310,518.50)
Depreciation	(0.00)	(0.00)	(0.00)	(70,871.50)	(219,057.00)	(00.00)	(0.00)	(289,928.50)
As At 30 th June 2023	(0.00)	(0.00)	(0.00)	(202,179.00)	(398,248.00)	(00.00)	0.00	(600,441.00)
Net Book Values								
As at 30 th June 2022	0.00	0.00	0.00	283,529.00	363,695.00	00.00	0.00	647,224.00
As at 30 th June 2023	0.00	0.00	0.00	212,678.00	444,617.00	00.00	0.00	657,295.00

11 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Furniture and Fittings	414,857.00	202,179.00	212,678.00
Computers And Related Equipment	842,865.00	398,248.00	444,617.00
Total	1,257,722.00	600,441.00	657,295.00

Democratic Action Party - Kenya
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Notes to the Financial Statements (Continued)

12. Trade and Other Payables

Description	2023		2022	
	Kshs		Kshs	
Employee payables	1,250,000.00		0.00	
Other payables	932,500.00		0.00	
Total trade and other payables	2,182,500.00		0.00	
Ageing analysis: (Trade and other payables)	2023	% of the Total	2022	% of the Total
Under one year	2,182,500.00	100%	0.00	0%
Total (tie to above total)	2,182,500.00	100%	0.00	

The deferred income movement is as follows:

13. Deferred Income

Description	2023		2022	
	Kshs		Kshs	
Public Contributions and Donations	5,340,340.00		0.00	
Total Deferred Income	5,340,340.00		0.00	

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0.00	0.00	0.00	0.00
Additions	0.00	0.00	5,500,000.00	5,500,000.00
Transfers To Income Statement	(0.00)	(0.00)	(5,500,000.00)	(5,500,000.00)
Balance Carried Forward	0.00	0.00	0.00	0.00

14. Borrowings

Description	2023		2022	
	Kshs		Kshs	
a) Domestic borrowings				
Balance at beginning of the year	0.00		0.00	
Domestic borrowings during the year	5,000,000.00		0.00	
Repayments during the year	(3,000,000.00)		(0.00)	
Balance at end of the year	2,000,000.00		0.00	
Balance at end of the period- domestic and	2,5100,000.00		0.00	

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External borrowings c = a+b		
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The analyses of both external and domestic borrowings are as follows:

	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Domestic Borrowings		
Kenya Shilling Loan From J O JUMA & CO ADV.	2,000,000.00	0.00
Total Balance at End Of The Year	2,000,000.00	0.00

Description	2023	2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	2,000,000.00	0.00
Total	2,000,000.00	0.00

15. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

16. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

Democratic Action Party - Kenya
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20. Appendices

Appendix I- Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Entity]


[Insert Address]

The wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30 th June (Current FY)			Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 th June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name: **Moses Khamala** Sign  Date: **01/03/2024**

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