NATIONAL DEMOCRACY EXPANSION PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2024

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NATIONAL DEMOCRACY EXPANSION PARTY

Company information

For the period ended 30th June 2024

Party Officials	Terry Julie Safari Elija Mwiti Thaddeaus O. Juaga
Registered Office Address	Reli House ,3rd Floor Suite 319 P.O Box 35710-00200 Nairobi ndep.party2022@gmail.com www.ndep.or.ke
Independent Auditors	Afrek & Associates Certified Public Accountants (K) Kalson Towers 7th Floor Crescent Street P.O. Box 5577-00100 Nairobi. Kenya.
Principal Bankers	Kenya Commercial Bank Gateway Mall Mombasa Rd Nairobi, Kenya

NATIONAL DEMOCRACY EXPANSION PARTY

Report of the directors

For the period ended 30th June 2024

The national exercutive council present their report together with the audited financial statement for the period ended 30th June 2024, which disclose the state of affairs of the Party.

Incorporation

The Party is registred in Kenya under the Kenyan political Act 2011 with the registrar of polical parties and is domiciled in Kenya. The address of the registered office is as set out on page 1.

Principal activities

The principal activities of the party is to bring people together to achieve the control of the government,develop policies favorable to their interest or group that support it,and organize and persude voters to elect their candidate to the office .

Results and dividends

The net deficit for the period is Kshs. (256,611.33) has been added to the retained earnings.

The party

The Nec officials who held office during the year and to the date of this report are set out on page 1.

Auditors

The company Auditors Messrs Afrek & Associates, have expressed their willingness to continue in office in accordance with Section 159(2) of the Kenyan Companies Act.

By order of the national executive council

Nairobi ____________________ 2024

The Kenyan Political Party's Act 2011 requires the Nec officials to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The Nec officials accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility
i) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements

ii) Selecting and applying appropriate accounting policies and
iii) Making accounting estimates and judgements that are reasonable in the circumstances

The Nec officials are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 30th June 2023 and of its profit/loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Political Party's Act.
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.

Approved by the Nec officials on _______________and signed on its behalf by:

Chairman **Secretary/Treasurer**

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE NATIONAL DEMOCRACY EXPANSION PARTY

Report on the Financial Statements

We have audited the finacial statements of ***National Democracy Expansion Party*** as set out on page 5 to 17 which comprise the statement of finacial position as at 30th June 2023 and the statement of comprehensive income,statement of changes in equity and statement of cash flows for the year then ended,together with summary of significant accounting policies and other explanatory notes and have obtained all the information and explanations which,to the best of our knowledge and belief were necessary for the purposes of our audit.

1.National Executive Councils' responsibility for the Financial Statement

The directors are responsible for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards.This responsibility includes:designing,implementing,and maintaining internal controls relevant to the preparation of and fair presentation of financial statements that are free from material misstatement,whether due to fraud or error,selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the

2.Auditors' responsibility

Our responsibility is to express an 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 and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts disclosures in the financial statements.The procedures selected depends on our judgement and include an assessment of the risk of material misstatement of the financial statements,whether due to fraud or error.In making those risk assessment,we considered internal controls relevant to the company'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 system.An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made ny 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.

3.Opinion

In our opinion,the financial statement give a true and fair view of the financial position of the party as at 30th June 2023 and of its financial perfomance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

4.Reporting on Other Legal and Regulatory Requirements

As required by the Act we report,based on our audit that;

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion proper books of accounts have been kept by the company ,so far as appears from our examination of those books and;

c) The financial statements of the company are in agreement with the books of accounts.

The engagement partner responsible for this audit resulting in the independent auditors report is CPA Amboka Frank Ondeko P/2281)

7th Floor Kalson Towers
Crescent Street-Parklands Rd
P.O.Box 5577-00100
Nairobi

AFREK & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
OF KENYA
P. O. Box 5577-00100, NAIROBI.

________________ **2024**

NATIONAL DEMOCRACY EXPANSION PARTY

Statement of Comprehensive Income

For the period ended 30th June 2024

	Note	2024 Kshs	2023 Kshs
Revenue	3.	105,000	45,000
Direct cost	4.	-	-
Gross Profit/(Loss)		105,000	45,000
Administrative expenses	5.	(361,611)	(350,320)
Deficit before Tax		(256,611)	(305,320)
Net deficit for the period		(256,611)	(305,320)

NATIONAL DEMOCRACY EXPANSION PARTY

Proforma Statement of Financial Position

As at 30th June, 2024

	Notes	2024 Kshs	2023 Kshs
Equity			
Share Capital	6.	-	-
Retained Earnings		(2,087,634)	(1,831,028)
Members' Funds		(2,087,634)	(1,831,028)
REPRESENTED BY			
Non-current assets			
Property & equipment	7.	14,123	17,977
		14,123	17,977
Current assets			
Cash and cash equivalents	8.	-	-
Trade and other receivables	9.	105,000	45,000
		105,000	45,000
Current liabilities			
Trade and other payables	10.	-	-
Directors current account		2,206,757	1,894,005
		2,206,757	1,894,005
Net current assets		(2,101,757)	(1,849,005)
		(2,087,634)	(1,831,028)

The financial statements were approved by the nec officials on ________________2024 and were signed on its behalf by;

____________________   ____________________

Chairman/chairleader   **Secretary/Treasurer**

NATIONAL DEMOCRACY EXPANSION PARTY

Statement of changes in equity

For the period ended 30th June 2024

	Share capital	**Retained earnings**	**Total**
	Kshs	**Kshs**	**Kshs**
As at 1st July 2022	-	(1,525,713)	(1,525,713)
Net profit for the year	-	(305,315)	(305,315)
At 30th June 2023	-	(1,831,028)	(1,831,028)
As at 1st July 2023	-	(1,831,028)	(1,831,028)
Net deficit for the period	-	(256,606)	(256,606)
At 30th June 2024	-	(2,087,634)	(2,087,634)

NATIONAL DEMOCRACY EXPANSION PARTY

Statement of cash flows

For the period ended 30th June 2024

	Notes	2024 Kshs	2023 Kshs
Cash flows from operating activities			
(Loss)/Profit before income tax		(256,611)	(305,320)
Adjustment for			
Depreciation	7.	3,854	5,192
Operating profit before working capital changes		(252,757)	(300,128)
Tax Paid		-	-
Changes in working capital			
Changes in trade and other receivables	9.	60,000	35,000
Changes in trade and other payables	10.	-	-
Net cash generated operating activities		(192,757)	(265,128)
Cash flows from investing activities			
Acquisition of property and equipment	7.	-	-
Assets disposal		-	-
Investments		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Directors account		192,757	265,128
Share capital	6.	-	-
Net cash (used) from financing activities		192,757	265,128
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

1. Summary of significant accounting policies

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

a) Basis of preparation

The financial statements are prepared on a going concern basis in compliance with International Financial Reporting Standards (IFRS). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Shs), which is also the functional currency.

The financial statements comprise statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes to the financial statements. Transactions with the owners of the company in their capacity as owners are recognised in the statement of changes in equity.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies adopted by the company. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made. The areas involving the judgements of most significance to the financial statements, and the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, are disclosed in Note 2.

c) Currency

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

d) Turnover

Revenue represents the fair value of consideration received or receivable for the sale of processed drinking juice in the course of the company's activities. It is stated net of Value Added Tax, rebates and trade discounts. Interest income is recognised for all interest bearing instruments on an accrual basis using the effective yield method based on on the actual purchase price. Interest income includes coups earned on fixed income investments and accrued discount and permium on treasury bills and other dicounted instruments.

Dividends are recognised as income in the period in which the right to receive payment is established.

e) Investments

All purchase and sale of investment are recognised on the trade date, which is the date the company commits to purchase or sell the asset. The cost of purchase includes the transaction costs. Investments are carried at fair value but in case of marketable securities fair value is market value. Fair value gains/(loss) arising on investments are credited/(debited to the income statement.

f) Property and equipment

All categories of property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system, that is an integral part of the related hardware is capitalised as part of the computer equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the statement of comprehensive income in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the statement of comprehensive income. Annually, the difference between depreciation charge based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation surplus reserve to retained earnings.

Depreciation is calculated using the reducing balance method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

	RATES %
Computer & Electronic Data Processing Equip	30
Furniture & Fittings	12.5
Machine Equipment	12.5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus reserve relating to that asset are transferred to retained earnings.

g) Retirement benefit obligations

The company and the employees contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of comprehensive income in the year to which they relate.

h) Employee entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the statement of financial position date is recognised as an employment cost accrual.

i) Leases

i) Finance leases

Leases of property and equipment where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Assets acquired under finance leases are capitalized at the inception of the lease at the lower of their fair values and the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges are included in non-current liabilities while the interest element of the finance charge is charged to the statement of comprehensive income over the lease period.

ii) Operating leases

Leases of assets where a significant proportion of the risks and rewards are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease period. Prepaid operating lease rentals are recognized as assets and are subsequently amortized over the lease period.

j) Income taxes

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year.

Current tax

Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

j) Income taxes(Continued)

Deferred income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

k) Financial instruments

Financial assets

The company's financial assets which include investments, cash and bank balances, debtors and prepayments and tax recoverable fall into the following categories:

Held to maturity: financial assets with fixed or determinable payments and fixed maturity where the management have the positive intent and ability to hold to maturity. Such assets are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in the statement of comprehensive income.

Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the statement of financial position date. All assets with maturities greater than 12 months after the balance sheet date are classified as non-current assets. Such assets are initially recognised at fair value and subsequently are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in the statement of comprehensive income.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the company commits to purchase or sell the asset.

l) Financial instruments (Continued)

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Gains and losses on disposal of assets whose changes in fair value were initially recognised in the statement of comprehensive income are determined by reference to their carrying amount and are taken into account in determining operating profit/(loss). On disposal of assets whose changes in fair value were initially recognised in equity, the gains/losses are recognised in the reserve, where the fair values were initially recognised. Any resultant profit/loss after the transfer of the gains/losses are transferred to retained earnings.

Financial liabilities and equity instruments issued by the company
Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

m) Provision for liabilities and charges

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

n) Cash and cash equivalents

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

2. Financial risk management objectives

The company’s operations are exposed to various financial risks. These risks include market risk (price risk), credit risk, liquidity risk and cash flow interest rate risk. The company’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company’s financial performance.

i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a company-wide basis. The company does not grade the credit quality of financial assets that are neither past due nor impaired.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting the credit limit and the credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the company's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due.

iii. Capital management

The company's objective in managing its capital is to ensure that it supports the development of its business and is able to continue as a going concern, while at the same time maximising the return to its shareholders. The company is not subject to any external capital requirements.

iv) Comparatives

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

NATIONAL DEMOCRACY EXPANSION PARTY

Notes to the Financial statements (Continued)

For the period ended 30th June 2024

		2024	**2023**
		Kshs	**Kshs**
3.	**Revenue**		
	Membership subscription fee	105,000	45,000

5.	**Administration expenses**		
	Wages and salary	80,000	8[illegible],000
	Depreciation	3,854	5,192
	Office supply & running costs	16,800	1[illegible],080
	Postage & delivery	5,240	3,602
	Printing & Stationery	1,800	1,400
	Rent & rates	145,000	14[illegible],000
	Telephone & postage	7,855	6,585
	Electricity & Water expense	12,500	1[illegible],554
	Travelling & accomodation	69,550	6[illegible],400
	Bank charges	19,005	1[illegible]7,500
		361,611	35[illegible],320

	2024 Shs	2023 Shs
6. Share Capital Authorised		
No ordinary shares since this is special club	-	-

Issued and fully paid up
For purposes of the audit the club did not have any issued shared capital

7. Property and equipment
Refer to page 17

8. Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2024 Shs	2023 Shs
Coop bank	-	-
Petty Cash	-	-
	-	-

	2024 Shs	2023 Shs
9. Trade and other receivables		
Deposits & Subscription	105,000	45,000
	105,000	45,000

	2024 Shs	2023 Shs
10. Trade and other payables		
Accounts payables	-	-
	-	-

NATIONAL DEMOCRACY EXPANSION PARTY
Notes to the Financial statements (Continued)
For the period ended 30th June 2024

Property and equipment	**Motor Vehicle**	**Computer & EDP Equipment**	**Furniture & Fitting**	**Machine Equipment**	**Total**
	Shs	**Shs**	**Shs**	**Shs**	**Shs**
	25%	**30%**	**12.5%**	**12.5%**	
Cost/Valuation					
As at 01.07.2022	-	45,000	16,000	-	61,000
Additions	-	-	-	-	-
As at 30.06.2023	-	45,000	16,000	-	61,000
Depreciation					
As at 01.07.2022	-	31,880	5,951	-	37,831
Charge for the period		3,936	1,256		5,192
As at 30.06.2023	-	35,816	7,207	-	43,023
Net Book Value	-	9,184	8,793	-	17,977
As at 30.06.2023	-	9,184	8,793	-	17,977
Cost/Valuation					
As at 01.07.2023	-	45,000	16,000	-	61,000
Additions	-	-	-	-	-
As at 30.06.2024	-	45,000	16,000	-	61,000
Depreciation					
As at 01.07.2023	-	35,816	7,207	-	43,023
Charge for the period	-	2,755	1,099	-	3,854
As at 30.06.2024	-	38,571	8,306	-	46,877
Net Book Value	-	6,429	7,694	-	14,123
As at 30.06.2024	-	6,429	7,694	-	14,123