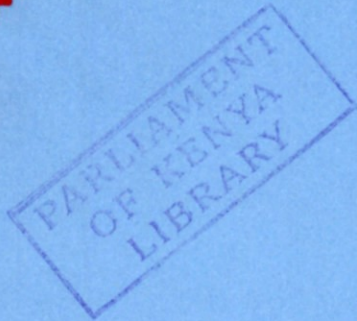


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL AGENDA PARTY OF KENYA**

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

THE NATIONAL ASSEMBLY PAPERS LAID		DATE: 11 <sup>th</sup> SEP 2023	DAY: Kileleshay
TABLED BY:	Hon. Owen Baya, MP		Deputy Majority Party
CHECKED THE TABLE:	Finlay		Murike



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30584 - 0103, NAIROBI  
KENYA

03 MAY 2024

RECEIVED



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**NATIONAL AGENDA PARTY OF KENYA (NAP-K)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2023**

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

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**National Agenda Party of Kenya (NAP-K)  
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**1. Acronyms, Abbreviations and Glossary of Terms**

**A: Acronyms and Abbreviations**

DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
WB	World Bank
SG	Secretary General
NEC	National Executive Committee
ORPP	Office of the Registrar of Political Parties
FY	Financial Year
PWD	People with disability

**B: Glossary of Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization

**Comparative Year-** Means the prior period.

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**2. Key Party Information and Management**

**(a) Background information**

The Party was established under the Political Parties Act, 2011 on 15 February 2008. The Party is domiciled in Kenya and has branches in in the Counties.

**(b) Principal Activities**

The principal activities of the Party are to promote democratic good governance and the rule based on constitutional principles.

**(c) Key Management**

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

No.	Designation	Name
1.	National Chairman	Alfayo Alfonze Agufana
2.	Secretary General	Kinya Marage
3.	National Treasurer	Bevalyne Kwamboka
4.	National organizing Secretary	Julius Mbogo

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	National Chairman	Alfayo Alfonze Agufana
2.	Secretary General	Kinya Marage
3.	National Treasurer	Bevalyne Kwamboka
4.	National organizing Secretary	Julius Mbogo

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**Key Party Information and Management (continued)**

**(e) Party Headquarters**

Emperor Plaza, 4<sup>th</sup> Floor, Suite 414  
Koinange Street  
Nairobi, KENYA

**(f) Party Contacts**

P. O BOX 3308 -00100  
GPO 00100  
Nairobi, Kenya  
Telephone: (254) 728 777 000  
E-mail: aspirants@agenda.or.ke  
Website: www.agenda.or.ke

**(g) Party Bankers**

1. Kenya Commercial Bank - Account No. 1309197024  
Moi Avenue
2. Absa Kenya Plc- Account No. 0751403909  
Moi Avenue Branch



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**Key Party Information and Management (continued)**

**(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**


The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

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**3. National Executive Committee**

<b>Ref</b>	<b>Designation</b>	<b>Name</b>
1.	<b>National Chairman</b> 	<b>Alfayo Alfonze Agufana</b>
2.	<b>Deputy Chairperson</b> 	<b>Fatuma Shariff Noor</b>
3.	<b>Secretary General</b> 	<b>Kinya Marage</b>
4.	<b>Deputy Secretary General</b> 	<b>Mourine Akinyi Owino</b>

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5.	<p><b>National Treasurer</b></p> 	<p><b>Bevalyne Kwamboka</b></p>
6.	<p><b>Deputy Treasurer</b></p> 	<p><b>Staford Omari Kedemi</b></p>
7.	<p>National organizing Secretary</p>	<p><b>Julius Mbogo</b></p>
8.	<p>Youth League Chairperson</p> 	<p><b>Yvoone Baaru</b></p>
9.	<p>Secretary International Affairs</p> 	<p><b>Erick Inghatt Matsanza</b></p>



**National Agenda Party of Kenya (NAP-K)**  
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**4. Key Management Team**

	<b>Management</b>	<b>Details</b>
1.	National Chairman	<b>Alfayo Alfonze Agufana</b>
2.	Secretary General	<b>Kinya Marage</b>
3.	National Treasurer	<b>Bevalyne Kwamboka</b>
4.	National organizing Secretary	<b>Julius Mbogo</b>

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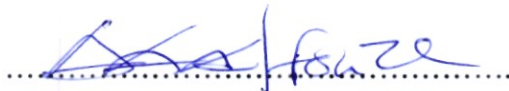
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**5. Chairman's Statement**

The Political Parties Act 2011 obligates NAP-K to prepare annual financial statements which are expected to present a true and fair view of the state of affairs of our party including the operations 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 requires us to prepare financial statements and present the same to the offices of the Registrar of Political Parties and Auditor General respectively not later than September 30<sup>th</sup> every year.

In Pursuit of the foregoing obligations, and exercising its mandate under NAP-K 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 30 June, 2023 to the Auditor General.

Our Party Slogan is '*Utu ni Bora*'. Our members and supporters have contributed to manifest this word and action. To them I commit to support and be loyal to the Party Vision and do everything in my position to reciprocate their zeal.



Name: Alfayo Alfonze Agufana

National Chairman

## **6. Report of the Secretary General**


We wish to present the financial statements for the year ended 30 June, 2023 in accordance with the international Public Sector Accounting Standards Board. During the year our key responsibilities included: -

- (i). Developing strategies and realizing financial resource mobilization for the Party.
- (ii) Ensuring that the books of the party are well maintained.
- (iii) Participation in the preparation of the NEC activities.
- (iv) Continuing to develop principles of stewardship, financial discipline, ethics and best practices to guide the party in matters of Fiscal Planning and Management.
- (v). The 2022 General Elections preparations.

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:

- Developed a work-plan and budgets with reference to the Party's strategic plan.
- Ensured that books of accounts for the year ended 30 June 2023 are prepared according to the Public Sector Accounting Standards Board.
- Ensured that the financial statements were forwarded on 30<sup>th</sup> September 2023 to the Auditor General.

The key income drivers came from Government funding, contribution from members, and further donations and receipts from members.

.....  


Name: Kinya Marage

Secretary General



**National Agenda Party of Kenya (NAP-K)  
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**7. Statement of Performance against Predetermined Objectives for FY 2022/2023**

National Agenda Party of Kenya has 4 strategic pillars and objectives within the current Strategic Plan for the FY 2022/2023. These strategic pillars issues are as follows:

Pillar 1: To promote good governance based on accountability and equitable share of resources.

Pillar 2: Participate in the general elections and ensure the Party is well represented in all elective positions.

Pillar 3: To promote social justice and ensure inclusivity.

Pillar 4: To promote civic education and create awareness to members of the public on matters affecting citizens.

National Agenda party of Kenya develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The National Agenda Part of Kenya achieved its performance targets set for the FY 2022/2023 period for its 4 strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: To promote good governance and accountability	Ensure that national resources are properly utilized	Citizens included in key decisions affecting them	Carrying out workshops and using social media to agitate for good governance	The citizens are more aware on how public resources are utilized
Pillar 2: Participate in General Elections	Field candidates in all elective positions	Ensure that women, PWDs and the youth are supported	The party cleared several candidates to participate in the general elections	Several leaders were elected from MCA's to an MP
Pillar 3: Promote Social justice and inclusivity	Ensure that citizens are included in key	Citizens included in key	Carrying out workshops to promote social	Awareness from members of the public

**National Agenda Party of Kenya (NAP-K)**  
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	decisions affecting them	decisions affecting them	justice and inclusivity	
Pillar 4: Promote civic education and creating awareness	Sensitize members of the public on various laws and legislations affecting them	Members of the Public are more aware on laws and legislations	Carrying out workshops and use of social media to create awareness	Members of the public participate in forums to discuss legislative issues affecting them

## **8. Corporate Governance Statement**

Our ambition is to gradually but visibly, establishes a prosperous, industrialized and modern nation in which citizens enjoy social, economic and democratic rights, and live in dignity. We envisage that our people will exploit their full potential. The party policy advocacy programs will ensure that there is a continuous link between the people and the party organs. The programs arise 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, the Party aimed to ensure that its activities improve living standards in our communities. Through social responsibility the Party was able to facilitate achievement of strategically important goals for the party which includes:

- Involvement in project work that tackled real challenges in our communities in a way through which increased staff engagement, member's loyalty and national pride.
- Through collaboration in projects, we were able to improve the dynamic relationship with our members and competitors.
- As a consequence of positive outcomes from our Corporate social activities, we were able to enhance the Party's reputation among key stakeholders nationally.



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**9. Report of the National Executive Committee**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Party's affairs.

**i) Principal activities**

The principal activities of the Party are to promote good governance based on democratic and constitutional principles and also promoting the rule of law.

**ii) Results**

The results of the Party for the year ended June 30, 2023, are set out on page 1-6.

**iii) National Executive Committee**

The members of NEC who served during the year are shown on page vii.

**iv) Auditors**

The Auditor-General is responsible for the statutory audit of the Party in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the NEC



.....

Name: Alfayo Alfonze Agufana

National Chairman

## **10. Environmental and Sustainability Reporting**

### **i) Sustainability strategy and profile**

To ensure sustainability of National Agenda Party of Kenya, the NEC funds the following key sectors with the following sustainable priorities-

- Workshops and conferences to sensitize members on good governance and activities.
- Workshops and conferences on civic education and promote awareness.
- Ensure that the party participates in all elective posts.
- Support members of the vulnerable group ie women, PWD and youth to ensure they get an equal chance in representation.

### **ii) Environmental performance**

Global warming and climate change have negatively affected the global economy due to their adverse effects on productive sectors. There is need to enhance capacity for environmental planning to mitigate against global warming and adaptation to climatic changes. NAP K is involved in activities that promote afforestation and mitigation against the impacts of environmental degradation.

### **iii) Employee welfare**

We invest in providing the best working environment for our volunteers. NAP K recruitment is guided by Employment Act and other regulations as issued from time to time. In line with the law and regulations, the Party offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate our volunteers for exemplary performance. The NEC has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Party has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

### **iv) Market place practices-**

NAP-K is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from all regions

**National Agenda Party of Kenya (NAP-K)  
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for purposes of uplifting them economically. Our ethical market practices ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honoring all contracts and settling payments promptly.

NAP-K has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

**v) Corporate Social Responsibility / Community Engagements**

NAP- K has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging Women, PWDs and Youth whenever necessary. We have also engaged the community through sports, workshops, conferences and community projects



**National Agenda Party of Kenya (NAP-K)  
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**11. Statement of National Executive Committee Responsibilities**

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

NEC is responsible for the preparation and presentation of the Party's financial statements, which give a true and fair view of the state of affairs of the Party 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 the Party; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Party; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

NEC accept responsibility for the Party's 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 (the State Corporations Act) – entities should quote applicable legislation as indicated under which they are regulated). NEC are of the opinion that the Party's financial statements give a true and fair view of the state of Party's transactions during the financial year ended June 30, 2023, and of the Party's financial position as at that date. NEC further confirms the completeness of the accounting records maintained for the Party, which have been relied upon in the preparation of the Party's financial statements as well as the adequacy of the systems of internal financial control.



**National Agenda Party of Kenya (NAP-K)  
Annual Report and Financial Statements  
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In preparing the financial statements, NEC have assessed the Party's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Party will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Party's revised financial statements were approved by the NEC on 22/04 2024 and signed on its behalf by:

  
.....

Name: Alfayo Alfonze Agufana  
National Chairman

  
.....

Name: Kinya Marage  
Secretary General



## REPORT OF THE AUDITOR-GENERAL ON NATIONAL AGENDA PARTY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2023

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### 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 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

#### Qualified Opinion

I have audited the accompanying financial statements of National Agenda Party of Kenya set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Agenda Party of 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 Political Parties Act, 2011 and Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Inaccuracies of the Financial Statements**

Review of the financial statements presented for audit revealed the following inaccuracies:

- i. The statement of financial position reflects property, plant and equipment opening balances as Nil while the disclosure Note 16 to the financial statements reflects a balance of Kshs.6,978. The resulting variance of Kshs.6,978 had not been explained.
- ii. The statement of financial position reflects Nil prior year balances (2021/2022) for receivables from non-exchange transactions (long term) while Note 14b reflects a balance of Kshs.1,589,517. The variance of Kshs.1,589,517 had not been explained.
- iii. The statement of financial position reflects deposits and prepayments comparative year Nil balances while Note 15 to the financial statements reflects deposits and prepayments of Kshs.100,000.

In the circumstances, the accuracy, completeness and fairness of the financial statements could not be confirmed.

### **2. Unsupported Trade and Other Payable Balance**

The statement of financial position and as disclosed in Note 17 to the financial statements reflects trade and other payables from exchange transactions of Kshs.7,336,070. However, the balance was not supported with an approved comprehensive creditor register.

In the circumstances, the regularity, completeness and validity of the total liabilities balance of Kshs.7,336,070 could not be confirmed.

### **3. Unsupported Special Interest Group Expenses**

The statement of performance and as disclosed in Note 12 to the financial statements reflects expenses on special interest group activities of Kshs.5,993,658, However, the expenditure was not supported by an Imprest register or a memorandum cash book/ petty



cash book for standing Imprest. Additionally, travel allowances were paid without an approved salary structure, job groups and the respective rates for per diem.

In the circumstances, the completeness and regularity of the expenditure of Kshs.5,993,658 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Agenda Party of Kenya Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. 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 matters 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 of Conclusion**

#### **1. Party Offices**

During the year under review, thirty-eight (38) Counties were visited and it was established that the party had one functional (1) office in Nairobi excluding nine (9) Counties which were not visited. This is contrary to Section 7(f)(iii) of Political Parties Act, 2011 which provides that a political party is qualified to be fully registered if it has submitted to the registrar the location and addresses of the branch offices of the political parties, which has to be in more than half of the Counties.

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

#### **2. Unplanned Procurement**

The statement of financial performance reflects expenditures for use of goods and services, democratic activities and special interest groups totalling Kshs.19,727,859 that involved procurements for goods and services. However, the expenses were not supported by an approved procurement plan. In addition, contracts for services charged under the expenses were not supported by advertisement, the bid documents, opening



evaluation minutes and appointment letter, evaluation minutes and appointment letter, the professional opinion, awarding, the local purchase order/contract. Further, no procurement documentation and market survey reports was provided to show how the contracts were awarded.

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

### **3. Unsupported Office Rent Expenses**

The statement of financial performance reflects use of goods and services and as disclosed in Note 9 to the financial statements reflects Kshs.4,771,485 which includes expense on rent of Kshs.600,000. However, lease agreements were not registered with the Ministry of Lands and Physical Planning as required under Section 47 of the Registered Land Act, Cap 300.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, 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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of an Asset Register and Tagging/identification**

The statement of financial position reflects property, plant and equipment balance of Kshs.508,628. However, the assets were not tagged with unique identifiers contrary to the guidelines on asset and liability management. Additionally, the assets were not supported by an asset register.

In the circumstances, the reliability and effectiveness of internal controls on assets management including valuation, recording security and custody of party assets could not be confirmed.

#### **2. Lack of Approved Management Policies and Procedure Manuals**

Review of the human resource records, revealed that there was no payroll maintained for payments of staff volunteers' allowances. In addition, the policy documents provided for



audit such as finance manual policy, procurement policy, internal audit policy, strategic plan and ICT policy examined were not comprehensive, and were not approved by the party organ.

In the circumstances the effectiveness of management processes on human resources, ICT, and risk management could not be confirmed.

### **3. Failure to Establish a Functional Management Structure of the Party**

Review of the existing party records revealed that it did not have a functional management structure. Key governance structures such as human resource, finance, administration, procurement and internal audit departments/functions had not been established and there were no permanent or contract staff employed during the year to ensure segregation of duties and effective governance.

In the circumstances, it was not possible to confirm the ability of the party to effectively and efficiently execute its mandate.

### **4. Failure to Prepare an Approved Strategic Plan and Approved Budget**

During the year under review, the party did not have an approved a budget and supporting strategic plan. In addition; the work plan submitted for audit in respect to financial year 2022/2023 did not fully indicate the activities to be executed during the year.

In the circumstances the effectiveness of the activities in the work plan/political party as a tool for achieving the organizational goals on service delivery could not be confirmed.

### **5. Weakness in Cash and Cash Equivalents**

The statement of financial position and as disclosed in Note 13 reflects cash and cash equivalents balance of Kshs.7,111. However, Management did not carry out cash survey at the end of the financial year. In addition, Management did not prepare and submit monthly bank reconciliations to the National Treasury with a copy to the Auditor-General not later than the 10th of the subsequent month as required by Regulation 90(1) of the Public Finance Management Act (National Government) Regulations, 2015.

In the circumstances, effectiveness of the internal controls on cash and cash equivalents management during the year could not be confirmed.

### **6. Weaknesses in Recording of Revenues**

The statement of financial performance and as disclosed in Notes 6, 7 and 8 to the financial statements reflects revenue from non-exchange transaction of Kshs.22,038,428 comprised of transfers from other Government entities of Kshs.1,340,177, public contributions and donations in kind of Kshs.20,598,251, and other incomes of Kshs.100,000. However, the party did not issue receipts to the members or the remitting institutions. Failure to receipt revenue from its members reflects weakness recording and accounting processes of revenue from members.

In the circumstances, the effectiveness of the controls on receiving and recording of revenue could not be confirmed.



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 controls, 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 controls 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 continue to sustain its 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 to 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 revenue reporting process, reviewing the effectiveness of how the 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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 scepticism 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 controls.
- 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

06 June, 2024

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

	Notes	2022/202	2021/202
	3	Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Total Government Grants and Subsidies	6	1,340,177	0
Public Contributions and Donations in kind	7	20,598,251	521,493
Other incomes	8	100,000	
<b>Total revenue</b>		<b>22,038,428</b>	<b>521,493</b>
<b>Expenses</b>			
Use of Goods and Services	9	4,771,485	1,379,699
Democratic activities	10	8,961,844	4,526,099
Depreciation expense	11	872	
Special Interest group activities	12	5,993,658	159,765
<b>Total expenses</b>		<b>19,727,859</b>	<b>6,065,563</b>
<b>Surplus/ (deficit)</b>		<b>2,310,569</b>	<b>-5,544,070</b>

The notes set out on pages 6 to 31 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the NEC by:



Name: Kinia Marage  
 Secretary General

Date 22/04/24



Name: Samuel Mwangi  
 Accountant

ICPAK M/No:21216

Date 22/04/24



Name: Alfayo Alfonze Agufana  
 National Chairman

Date 22/04/24





**National Agenda Party of Kenya (NAP-K)**  
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**12 Statement of Financial Position as at 30 June 2023**

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	13	7,111	509,213
current Receivables from Non-Exchange Transactions	14 (a)	4,695,684	1,589,517
Receivables from Non- Exchange Transactions (Long-term)	14 (b)	1,589,517	
<b>Total Current Assets</b>		6,292,312	2,098,730
deposits and prepayments	15	270,000	
<b>Non-Current Assets</b>			
Property, Plant and Equipment	16	508,628	0
<b>Total Non- Current Assets</b>		508,628	0
<b>Total Assets</b>		7,070,940	
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	17	7,336,070	1,342,180
Bank overdraft	18	420	
<b>Total Current Liabilities</b>		7,336,490	1,342,180
<b>Total Liabilities</b>		7,336,490	1,342,180
<b>Net Assets</b>		-265,550	
Retained Earnings	19	-3,232,629	-5,544,070
Capital fund	20	2,967,079	
reserves	21		6,300,620
<b>Total net assets</b>		-265,550	
<b>Total Net Assets and Liabilities</b>		7,070,940	2,098,730

The financial statements set out on pages 1 to 5 were signed on behalf of NEC by:

  
 Name: Kinya Marage  
 Secretary General

  
 Name: Samuel Mwangi  
 Accountant

  
 Name: Alfayo Alfonze Agufana  
 National Chairman

Date 22/04/24

ICPAK M/No: 21216  
 Date 22/04/24

Date 22/04/24

**National Agenda Party of Kenya (NAP-K)  
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**National Agenda Party of Kenya (NAP-K)**  
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**13. Statement of Changes in Net Assets for the year ended 30 June 2023**

Description	Retained earnings	capital fund	Total
	Kshs	Kshs	Kshs
As at July 1, 2021			
Accumulated Surplus (Loss)	-5,544,070	0	-5,544,070
As at June 30, 2022	-5,544,070	0	-5,544,070
As at July 1, 2022	-5,544,070	0	-5,544,070
Recognition of capital fund		2,458,451	2,458,451
Transfer of depreciation on from capital fund to retained earning	872	-872	0
Additions		509,500	509,500
Surplus/ (deficit) for the year	2,310,569	0	2,310,569
As at June 30, 2023	-3,232,629	2,967,079	-265,550

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

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	6	1,119,156	-
Public contributions and donations	7	18,608,251	521,493
<b>Total receipts</b>		<b>19,727,407</b>	<b>521,493</b>
<b>Payments</b>			
Use of goods and services	9	4,771,485	5,023,508
Democratic Activities expenses	10	8,961,844	8,961,844
Special Interest group activities expenses	12	5,993,658	5,993,658
<b>Total payments</b>		<b>19,726,987</b>	<b>6,065,563</b>
<b>Net cash flows from/ (used in) operating activities</b>		<b>420</b>	<b>-5,544,070</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets	16	-502,522	-
<b>Net cash flows from/ (used in) investing activities</b>		<b>-502,522</b>	<b>-5,544,070</b>
<b>Cash flows from financing activities</b>			
Increase in Revenue Reserves (well-wishers' contributions)	21		6,043,326
<b>Net cash flows from financing Activities</b>		<b>0</b>	<b>499,256</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>-502,102</b>	<b>499,256</b>
Cash and cash equivalents at 1 July		509,213	9,957
<b>Cash and cash equivalents at 30 June</b>	13	<b>7,111</b>	<b>509,213</b>



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15. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers from Other Governments entities	1,340,177	-	1,340,177	1,340,177	0	0%
Public Contributions and Donations	20,000,000	-	20,000,000	20,698,251	698,251	97%
<b>Total Income</b>	21,340,177	0	21,340,177	22,038,428	698,251	97%
<b>Expenses</b>					0	
Use of Goods and Services	5,497,478	-	5,497,478	4,771,485	-725,993	115%
Democratic activities	9,340,177	-	9,340,177	8,961,844	-378,333	104%
Special Interest group activities	6,000,000	-	6,000,000	5,993,658	-6,342	100%
<b>%Total Expenditure</b>	21,340,177	-	20,837,655	19,726,987	-1,110,668	106%
<b>Capital development</b>	502,522		502,522	502,522	0	100%
<b>Total expenditure</b>	21,340,177	-	21,340,177	20,229,509	-1,110,668	105%
<b>Surplus for the period</b>	0			1,808,919	1,808,919	0%

## **16. Notes to the Financial Statements**

### **1. General Information**

National Agenda Party is established by and derives its authority and accountability from Public Finance Management Act, 2012. The Party is wholly owned by the Citizens of Kenya and is domiciled in Kenya. The Party's principal activity of the Party is to promote good governance based on democratic and constitutional principles and also promoting the 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 *Party'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 the *Party*. The financial statements have been prepared in accordance with the PFM Act, the Political Parties Act, 2011 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of a Party's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between a Party's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Party provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p>

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<b>Standard</b>	<b>Effective date and impact:</b>
	<p>(a) The nature of such social benefits provided by the Party.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Party's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1<sup>st</sup> January 2023</i></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>



**Notes to the Financial Statements (Continued)**

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of the Party.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

- iii. *Early adoption of standards*

The Party did not early – adopt any new or amended standards in the financial year.

**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees, taxes and fines**

The *Party* recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the *Party* and the fair value of the asset can be measured reliably.

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Party* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The *Party* recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.



**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Party*.

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the *Party's* right to receive payments is established.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

The original budget for the Current FY was approved by the NEC on 24 April 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the *Party* upon receiving the respective approvals in order to conclude the final budget.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Budget information (continued)**

The *Party's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the *Party* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Party* and the same taxation authority.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

***Sales tax***

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.



**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Party recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Party*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Party* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Party* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Party*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**g) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**h) Research and development costs**

The *Party* expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the *Party* can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.



**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**i) financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Party does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Party's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Party and a financial liability or equity instrument of another Party. At initial recognition, the Party measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

The Party classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Party's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless the Party has made irrevocable election at initial recognition for particular investments in equity instruments.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the Party classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.



**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Party manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Impairment**

The Party assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Party recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

**b) Financial liabilities**

**Classification**

The Party classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Party*.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**k) Provisions**

Provisions are recognized when the *Party* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Party* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**l) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Party recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Party will incur in fulfilling the present obligations represented by the liability.

**m) Contingent liabilities**

The Party does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**n) Contingent assets**

The Party does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Party in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.



**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**o) Nature and purpose of reserves**

The Party creates and maintains reserves in terms of specific requirements.

**p) Changes in accounting policies and estimates**

The Party recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**q) Employee benefits**

**Retirement benefit plans**

The *Party* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the Party pays fixed contributions into a separate Party (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**r) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

**s) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**t) Related parties**

The *Party* regards a related party as a person or a Party with the ability to exert control individually or jointly, or to exercise significant influence over the *Party*, or vice versa. Members of key management are regarded as related parties and comprise NDC, NEC and Management Committee.

**u) Service concession arrangements**

The *Party* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Party* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Party* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.



**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**v) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**w) Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**x) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Party's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Party based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Party. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Party.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in the Financial Statements. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.



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**Notes to the Financial Statements (Continued)**

**6. Transfers from Other Government entities**

Description	2022-2023	2021-2022
	KShs	KShs
<b>Unconditional Grants</b>		
Unconditional development grants	1,119,156	0
Accrued receivables from political parties' fund	221,021	
<b>Total Government Grants and Subsidies</b>	<b>1,340,177</b>	<b>0</b>

*The funding for institutionalization of political party as an institution of Governance*

**b) Transfers from political parties' fund**

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance.	Amount recognized in capital fund.	Total transfers 2022/2023	2021/2022
	KShs	KShs	KShs	KShs
Registrar of political parties-Political parties fund	599,156	520,000	1,119,156	0
Accrued receivables from the political parties' fund	221,021		221,021	
<b>Total</b>	<b>820,177</b>	<b>520,000</b>	<b>1,340,177</b>	<b>0</b>

**7. Public Contributions and Donations in Kind**

Description	2022/2023	2021/2022
	Kshs	Kshs
Public Contributions and Donations	16,123,588	232,483
Nomination fees	2,484,663	289,010
<b>Total received during the year</b>	<b>18,608,251</b>	<b>521,493</b>
Accrued Receivable Public Contributions and Donations	1,990,000	0
<b>Total Public Contributions and Donations</b>	<b>20,598,251</b>	<b>521,493</b>

The total amount includes the director's contribution of KSh 1,815,058, other incomes KSh 12,338,064 and other incomes -from donations from well-wishers and officials

Out of which kshs.18,608,251 was received.

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**Notes to the Financial Statements (Continued)**

**8. Other incomes**

Description	2022/2023	2021/2022
	Kshs	Kshs
Deposit on rent recovered	100,000	0
<b>Total</b>	<b>100,000</b>	<b>0</b>

*This relates to rent deposit that was recovered.*

**9. Use of Goods and Services**

Description	2022/2023	2021/2022
	Kshs	Kshs
Accounting and Audit Fees expenses provisions	300,000	60,000
Bank Transaction Charges	9,609	53,305
Internet & Telephone	278,723	330,865
Water and Electricity	-	186,636
Accommodation	-	68,550
Transport Expenses	-	90,132
Other Office Expenses	620,120	0
Rent	600,000	360,000
SIG Meeting Expenses	-	70,135
Volunteer Allowances	2,405,859	0
Website & Social media Platform	557,174	108,935
Covid compliance Expenses	-	51,141
<b>Total</b>	<b>4,771,485</b>	<b>1,379,699</b>

**10. Democratic Activities Expenses**

Description	2022/2023	2021/2022
	Kshs	Kshs
2022 Election Preparedness	2,346,740	3,600,480
IEC Materials	1,381,988	535,259
Legal fees	1,588,827	0
Recruitments Expenses	3,644,289	300,000
Public address system hire	0	90,360
<b>Totals</b>	<b>8,961,844</b>	<b>5,426,099</b>



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**11. Depreciation and Amortization Expense**

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Office equipment</b>	0	0
Computers And Related Equipment	0	0
Office Furniture, And Fittings	872	0
<b>Total depreciation and amortization</b>	<b>872</b>	<b>0</b>

*The depreciation is not charged in the year of purchase of the purchase*

**12. Special Interest Group Activities Expenses**

Description	2022/2023	2021/2022
	Kshs	Kshs
PWD Workshop	1,498,415	53,255
Women Workshop	2,996,829	53,255
Youth Workshop	1,498,414	53,255
<b>Total</b>	<b>5,993,658</b>	<b>159,765</b>

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**13.(a) Cash and Cash Equivalents**

Description	2022/2023	2021/2022
	Kshs	Kshs
Cash at Hand	7,111	0
<b>Total Cash and Cash Equivalents</b>	<b>7,111</b>	<b>0</b>

**13.(b) Cash and Cash Equivalents (OD)**

Description	2022/2023	2021/2022
	Kshs	Kshs
Cash at KCB Bank	(420)	509,213
<b>Total Cash and Cash Equivalents</b>	<b>(420)</b>	<b>0</b>

**13.(c) Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	2022/2023	2021/2022
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1309197024	(420)	509,213
Absa Kenya Plc	0751403909	0	0
<b>Sub- Total</b>		<b>(420)</b>	<b>509,213</b>
<b>b) Others (Specify)</b>			
Cash In Hand		7,111	0
<b>Sub- Total</b>		<b>7,111</b>	<b>0</b>



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**14(a) Receivables from Non-Exchange Transactions**

Description	2022/2023		2021/2022	
	Kshs.		Kshs	
Accrued contributions from members	4,474,663		1,589,517	
Receivable from political parties' fund	221,021		0	
<b>Total receivables from non- exchange transactions</b>	<b>4,695,684</b>		<b>1,589,517</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2022/2023</b>	<b>% of the total</b>	<b>2021/2022</b>	<b>% of the total</b>
Less than 1 year	4,695,684	100 %	0	%
Between 1-2 years	0	0%	0	0%
Over 3 years		%	1,589,517	100%
<b>Total</b>	<b>4,695,684</b>	<b>100%</b>	<b>1,589,517</b>	<b>100%</b>

These relates to the unpaid nomination fees, monthly subscriptions and one-member monthly subscriptions for previous year that were not paid as at 30 June 2023.

**14(b) Receivables from Non- Exchange Transactions (Long-term)**

Description	2022-2023	2021-2022
	Kshs	Comparative FY Kshs
<b>Total receivables</b>		
Accrued contributions from members	1,589,517	1,589,517
<b>Total receivables</b>	<b>1,589,517</b>	<b>1,589,517</b>
Current portion transferred to current receivables	0	0
<b>Total non-current receivables</b>	<b>1,589,517</b>	<b>1,589,517</b>
<b>Total receivables (a+b)</b>	<b>1,589,517</b>	<b>1,589,517</b>

**14(c) Ageing analysis for Receivables from non- exchange transactions**

Description	2022-2023		2021-2022 Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Over 3 years	1,589,517	100%	1,589,517	100%
<b>Total (a+b)</b>	<b>1,589,517</b>	<b>100%</b>	<b>1,589,517</b>	<b>100%</b>

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**15. Deposits and Prepayments**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
<b>Receivables</b>				
Rent deposit and rent paid in advance	270,000		0	
<b>Total</b>	<b>270,000</b>		<b>0</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
<b>Under one year</b>	270,000	100%	100,000	100%
2-3 years	0	%	0	0%
Over 3 years	0	%	0	0%
<b>Total</b>	270,000	100%	100,000	100%

*Rent deposit*

**16. Property, Plant and Equipment**

Cost	Furniture and fittings	Computers	Office equipment	Total
	Kshs	Kshs	Kshs	Kshs
As At 1 July 2021	6,978			6,978
As at 30 <sup>th</sup> June, 2022	6,978	-	-	6,978
Additions	193,082	288,000	21,440	502,522
As at 30 <sup>th</sup> June, 2023	200,060	288,000	21,440	509,500
<b>Depreciation And Impairment</b>				
At 1 July 2021	0	0	0	0
Depreciation	0	0	0	0
As At 30 <sup>th</sup> June 2022	0	0	0	0
Depreciation	872	-	-	872
As at 30 <sup>th</sup> June, 2023	872	-	-	872
<b>Net Book Values</b>				
As at 30 <sup>th</sup> June 2022	6,978	-	-	6,978
As at 30 <sup>th</sup> June 2023	199,188	288,000	21,440	508,628



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**Notes to the Financial Statements  
(Continued)**

**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
Office equipment	21,440	0	21,440
Computers And Related Equipment	288,000	0	288,000
Office Furniture, And Fittings	200,060	872	199,188
<b>Total</b>	<b>509,500</b>	<b>872</b>	<b>508,628</b>

**17. Trade and Other Payables**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Accounting /audit fees	300,000		60,000	
Other payables	7,036,070		1,282,180	
<b>Total trade and other payables</b>	<b>7,336,070</b>		<b>1,342,180</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	6,313,260	%	0	0%
1-2 years	1,022,810	%	1,342,180	100%
<b>Total (tie to above total)</b>	<b>7,336,070</b>	<b>100%</b>	<b>1,342,180</b>	<b>100%</b>

*Payables resulted from budgetary constraints – The payables do not represent use of goods and services expenses*

**19. Retained Earnings**

Description	2022/2023	2021/2022
	Kshs	Kshs
Retained Earnings	-3,232,629	-5,544,070
<b>Total</b>	<b>-3,232,629</b>	<b>-5,544,070</b>

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**Notes to the Financial Statements (Continued)**

**20. Capital Fund**

Description	2022/2023	2021/2022
	Kshs	Kshs
Capital fund	2,765,429	
<b>Total</b>	<b>2,765,429</b>	

**Cash Generated from Operations**

Description	2022/2023	2021/2022
	Kshs	Kshs
Surplus for the year before tax	2,310,569	(5,544,070)
Adjusted for:		
other incomes	100,000	
Rent prepaid b/f	450,000	
Depreciation	872	-
Contribution to provisions	300,000	60,000
	3,161,441	
Working capital adjustments		
Increase in receivables	(5,805,684)	1,589,517
Increase in payables	5,993,890	1,402,180
<b>Net cash flow from operating activities</b>	<b>3,349,647</b>	<b>(2,492,373)</b>

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

**21. Revenue Reserves (Well-wishers)**

Description	2021/2022
	Ksh.
Well-wishers' contributions	6,043,323

**1. Financial Risk Management**

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:



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**i) Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June 2022	0	0	0	0
Receivables from non-exchange transactions	1,589,517	1,589,517	1,589,517	0
Bank balances	509,213	509,213	-	
<b>Total</b>	<b>2,098,730</b>	<b>2,098,730</b>	<b>1,589,517</b>	<b>0</b>
As at 30 June 2023				0
Receivables from non-exchange transactions	4,695,684	6,064,180	1,589,517	0
Bank balances	7,111	7,111	509,213	0
<b>Total</b>	<b>6,071,291</b>	<b>6,071,291</b>	<b>2,098,730</b>	<b>0</b>

**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit

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risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the NAP-K NEC, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June 2022				
Trade payables		1,342,180	-	1,342,180
Provisions	60,000	-	-	60,000
<b>Total</b>	<b>60,000</b>	<b>1,342,180</b>	<b>-</b>	<b>1,402,180</b>
As at 30 <sup>th</sup> June 2023				
Trade payables		6,554,980	1,022,810	7,577,790
Provisions	300,000	-	-	300,000
<b>Total</b>	<b>300,000</b>	<b>6,554,980</b>	<b>1,022,810</b>	<b>7,877,790</b>

**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

**iii) Market risk**

The NAP-K has not put market risk.

**a) Foreign currency risk**

The NAP-K has no transactional currency exposures.

**Financial Risk Management**

The party has no carrying amount in foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**Financial Risk Management**



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The party transacts in local currency, hence no financial risk from exchange transactions.,

**b) Interest rate risk**

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The NAP-K has no interest rate risk from bank deposits and there is no exposure on the Entity to cash flow due to interest rate risk.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable interest rates.

**Financial Risk Management**

**Sensitivity analysis**

The party is not subject to sensitivity for interest rate risk

**Financial Risk Management**

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

The party has no financial instruments

**Financial Risk Management**

The party has no financial risks

**iv) Capital Risk Management**

The objective of the Entity's capital risk management is to safeguard the NAP-K ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Retained Earnings	-3,226,639	-5,544,070
Capital fund	2,967,079	0
Reserves		6,300,620
<b>Total Funds</b>	<b>-259,560</b>	<b>-756,550</b>
Total Borrowings	0	0
Less: Cash and Bank Balances	7,111	509,213
Net Debt/(Excess Cash And Cash Equivalents)	7,111	509,213
<b>Gearing</b>	<b>0 %</b>	<b>0 %</b>

**12. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Entity* include those parties who have ability to exercise control or

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exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

**Other related parties include:**

- i) Office of the Registrar of Political Parties
- ii) NGC
- iii) NEC
- iv) Party officials

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>a) Grants /transfers from ORPP</b>		
Grants from national government	1,340,177	0
Party officials	18,638,684	
<b>Total</b>	<b>19,978,861</b>	<b>0</b>

**1. Events after the Reporting Period**

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

**2. Ultimate And Holding Party**

The Party is an independent of the Government funded by the political party's fund. The party is owned by the members who are publics.

**Currency**

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



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**18. Appendices**

**Appendix 1: Implementation Status of Auditor-General's Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
N/a	None			

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Party responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

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National Chairman: Alfayo Afonze Agufana

Date: 22/04/24

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D envelopment / Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Office of the Registrar of Political Parties		Recurrent	1,340,177	1,340,177	-	-	-	-	1,340,177
<b>Total</b>			1,340,177	1,340,177	-	-	-	-	<b>1,340,177</b>



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**Appendix V- Inter-Party Confirmation Letter**

National Agenda Party of Kenya

The Secretary General wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> 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 Party] as at 30 <sup>th</sup> June (Current FY)							
Reference Number	Date Disbursed	Amounts Disbursed by ORPP (KShs) as at 30th June (Current FY)				Amount Received by [beneficiary Party] (KShs) as at 30 <sup>th</sup> June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		1,340,177	-	-	1,340,177	1,340,177	Nil
<b>Total</b>		<b>1,340,177</b>	<b>-</b>	<b>-</b>	<b>1,340,177</b>	<b>1,340,177</b>	<b>Nil</b>

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

Secretary General of beneficiary Party:

Name ..... KINYA MARAGE ..... Sign ..... [Signature] ..... Date 22/04/24

13.