

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 19 SEP 2024

DAY.

THURSDAY

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BY:
REPORT
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THE-TABLE:

HON. ROBERT PUKOSE, MP

VIVIAN WAMBUI

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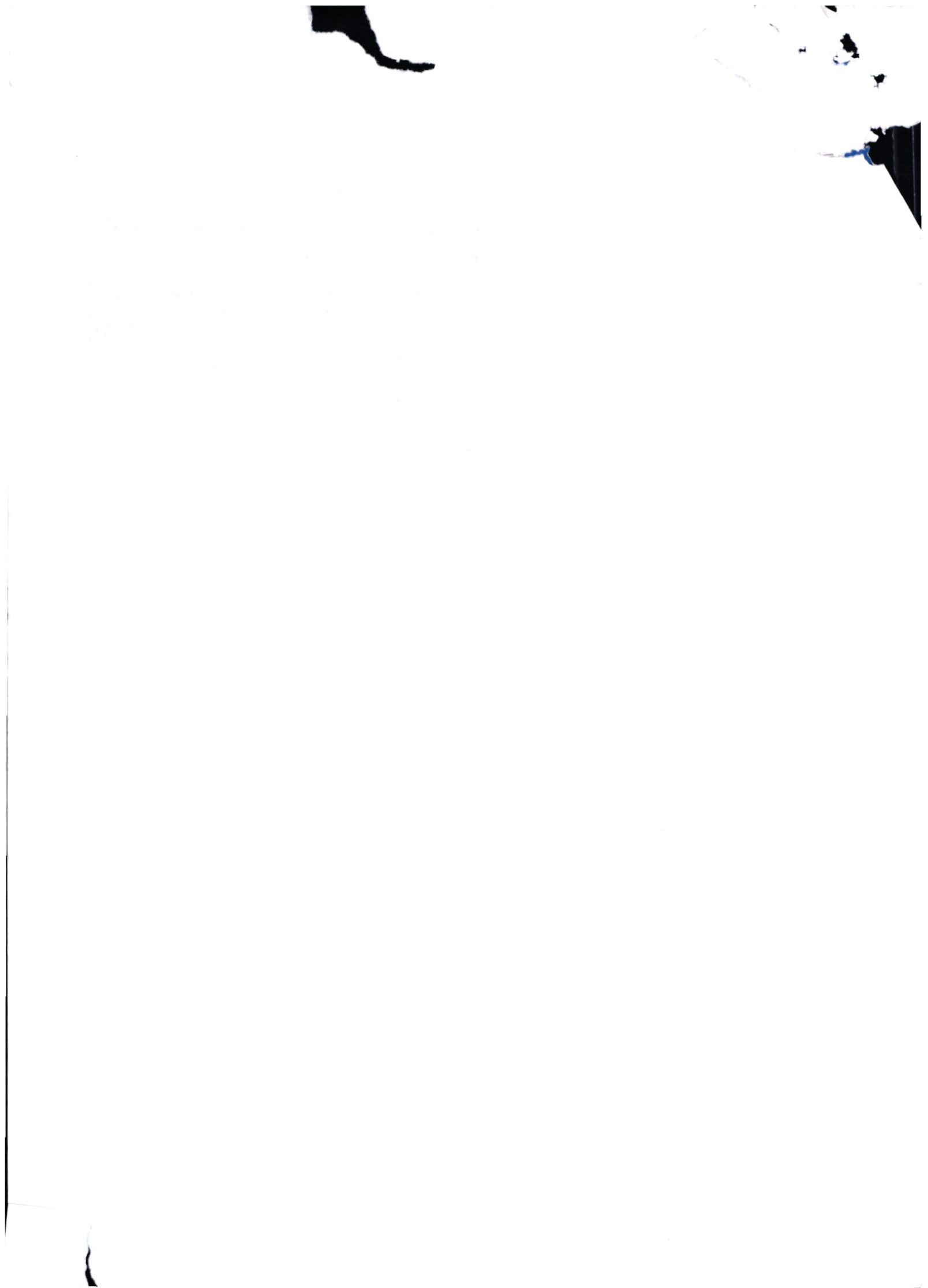
OF

THE AUDITOR-GENERAL

ON

UNITED DEMOCRATIC ALLIANCE

FOR THE YEAR ENDED
30 JUNE, 2023





UDA
KAZI NI KAZI



**UNITED DEMOCRATIC ALLIANCE
(UDA)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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



United Democratic Alliance
Annual Report and Financial Statements
for the year ended June 30, 2023.

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1. Acronyms, Abbreviations and Glossary of Terms

A. Acronyms and Abbreviations

ED	Executive Director
FY	Financial Year
GOK	Government of Kenya
IAS	International Accounting Standard
KK	Kenya Kwanza Coalition
M.P	Member of Parliament
MCA	Member of County Assembly
MOU	Memorandum of Understanding
N.E.C	National Executive Committee
NDC	National Delegates Committee
NGC	National Governing Council
EDRC	Election Dispute Resolution Committee.
PG	Parliamentary Group
S.G	Secretary General
UDA	United Democratic Alliance
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
ORPP	Office of Registrar of Political Parties.
BETA	Bottom-Up Economic Transformation Agenda.

B. Glossary of Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

United Democratic Alliance is the ruling political party registered under the office of the Registrar of Political Parties (ORPP), under the Political Parties Act. The Party is funded by the National Treasury through the ORPP and also by the public. Our commitment to the national values and principles of governance enshrined in the constitution of Kenya.

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The Party is a major shareholder in Kenya Kwanza Alliance. The Party's registration number is 0015.

(b) Principal Activities

The principal activity/mission of United Democratic Alliance (UDA) is to ensure a just and prosperous nation through good governance, nurturing the right political atmosphere for business and industries to thrive, development of human resource, foster stability and welfare of the people of Kenya. The party is founded on the principles of good governance including equality, diversity, love, unity, freedom, justice, accountability, transparency and peace – Article 1 of UDA Constitution.

Key Management

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

No.	Designation	Name
1.	Executive Director	Nicodemus Bore
2.	Deputy Executive Director	Brian Higgins Mbugua
3.	Director Finance & Administration	Joseph Mulili
4.	Director Programs & Partnership	Daniel Kiptoo
5.	Director Legal	Emmanuel Kibet
6.	Director Membership	Samuel Mwangi
7.	Director Media & Publicity	Rob Gillo
8.	Director Events & Logistics	Grace Murigi
9.	Director Diaspora & International Relationships	Charles Matoke
10.	Internal Auditor	CPA Marvin Wamukota

(c) Fiduciary Management

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

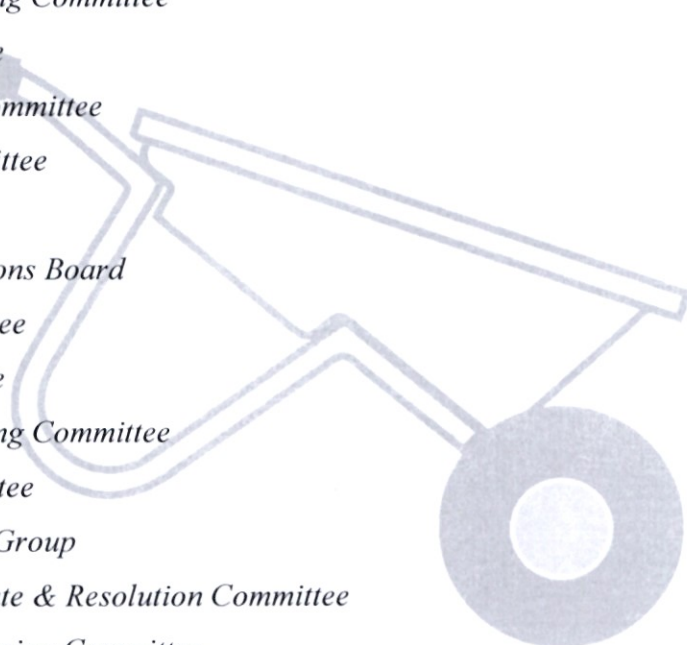
No.	Designation	Name
1.	Chairperson	H.E Cecily M. Mbarire
2.	Secretary General	Sen. Cleophas Malalah
3.	Treasurer	Hon. Japheth Nyakundi
4.	National Organising Secretary	Hon. Vincent Musau

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No.	Designation	Name
5.	Senate Majority Leader	Kimani Ichung'wa
6.	National Assembly Majority Leader	Sen. Aaron Cheruiyot
7.	Executive Director	Nicodemus Bore
8.	Deputy Executive Director	Brain Higgins K. Mbugua

(d) Fiduciary Oversight Arrangements

- *National Executive Committee*
- *National Steering Committee*
- *Audit committee*
- *Procurement committee*
- *Finance Committee*
- *EDRC*
- *National Elections Board*
- *Budget committee*
- *Audit committee*
- *National Steering Committee*
- *Tender Committee*
- *Parliamentary Group*
- *Electoral Dispute & Resolution Committee*
- *National Governing Committee*
- *Office of the Registrar of Political Parties*
- *Office of Auditor General*



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Key Entity Information and Management (continued)

(e) Entity Headquarters

P.O. Box 37500 – 00100 Nairobi
Hustler Plaza
Ndemi Road,
Off Ngong Road,
Nairobi, KENYA

(f) Entity Contacts

Telephone: (254) 746 - 568851

E-mail: hello@UDA.ke

Website: UDA.ke

(g) Entity Bankers

1. EQUITY BANK LTD
Supreme Branch Nairobi
P.O. Box 75104
City Square 00200
NAIROBI, KENYA
2. ACCESS BANK (KENYA) PLC
Mama Ngina Branch
P.O. 34353-00100
NAIROBI KENYA

(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

Office of Attorney General
P.O. Box 56057
00200
Nairobi, Kenya

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Key Entity Information and Management (continued)

3. National Executive Committee

NO	NAME	DESIGNATION
1.	Cecily M. Mbarire	National Chairperson
2.	Cleophas Malalah	Secretary General
3.	Japheth Nyakundi	National Treasurer
4.	Vincent Musyoka Musau	National Organizing Secretary
5.	Hassan Omar Hasan	Deputy Chairperson – Strategy
6.	Marete Nicholas Kimathi	Deputy Chairperson – Strategy
7.	Mohammed Sahal	Deputy Secretary General – Operations
8.	Daniel Munturwa Ole Sambu	Deputy Secretary General - Programs
9.	Seth Sindani Ambusini Panyako	Deputy Chairperson - Programs
10.	Kanake Joshua Mugo	Deputy National Treasurer- Programs
11.	Otucho Mary Emaase	Deputy National Treasurer- Strategy
12.	Rotich David Kipkemoi	Deputy National Treasurer-Operations
13.	Jamhuri Guyo Warda	Deputy National Organizing Secretary -Operations
14.	Wakili Edward Muriu	Secretary Legal Affairs
15.	Ndii Franklin Mbuba	Secretary MSME's, Trade and Industrialization
16.	Shako Ronald Mwasambo	Secretary for Lands, Housing and Urban Planning
17.	Kabiru Mary Wanjiku	Secretary Youth Affairs, Sports & Culture
18.	Elina Mapenzi Samini	Secretary Water and Sanitation
19.	Julius Mathenge Kabue	Secretary Agriculture , Livestock and Fisheries
20.	Hussein Adan Somo	Secretary International Affairs
21.	Francis Ngotho Maina	Secretary Energy, Petroleum and Mining
22.	Ngitit Cecilia Asinyen	Secretary Transport and Infrastructure
23.	Robert Maina Theuri	Secretary Education
24.	Njathi Cecilian Wairimu	Secretary Women Affairs
25.	Ipato Surum Korema	Secretary Tourism, Environment and Natural Resources
26.	Mwangagi Diana Katile	Secretary for Information, Communication and Technology
27.	Pauline Lenguris	Secretary Persons with Disabilities
28.	Mark Lemunokol	Secretary Devolution and Intergovernmental Relations
29.	Manyarkiy Leah Jelagat	Secretary for Health
30.	Aaron Cheruiyot	Majority Leader, Senate
31.	Kimani Ichung'wa	Majority Leader, National Assembly
32.	Anne Waiguru	Chairperson, Governors Caucus
33.	Bonny Khalwale	Whip Senate
34.	Silvanus Osoro Onyiego	Whip National Assembly
35.	Stephen Kipyego Sang	Whip Governors Caucus
36.	Thuku Meshack Kiruga	Chairperson, MCA Caucus
37.	Hon Hassan Haji Mohamoud	Whip, MCA Caucus



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National Executive Committee

Ref	Directors	Details
1	 <p>H.E Hon. Cecily Mutitu Mbarire. MGH, EGH National Chairperson.</p> <p>Academic Qualification: Egerton University Bachelor in Arts (Economics and Sociology)</p> <p>United States International University - Global Executive Master of Business Administration</p>	<p>Born: 26th December 1972 Hon. Cecily Mbarire is a seasoned Legislature and a profound public administrator with over twenty years' experience in national politics & governance.</p> <p>Work Experience United Democratic Alliance – Chairperson Governor Embu County Kenya National Assembly – Member of Parliament, Nominated (Special Interest) Majority Deputy Chief Whip. Member of Parliament Runyenjes Constituency Kenya Women Parliamentarians Association (KEWOPA) – Chairperson and Treasurer Amani Forum – Kenya Chapter (Regional Peace Initiative for East and Central Africa Parliamentarians)</p> <p>Professional Experience A. 11th Parliament Departmental Committee on Energy, Communication & Information Departmental Committee on Transport, Public Works & Housing Public Accounts Committee – Vice Chairperson</p> <p>B. 12th Parliament Departmental Committee on Energy-member Committee on Appointments-member Procedure and House Rules Committee-member</p>

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<p>2</p>	 <p>Hon. Sen. Cleophas Malalah Secretary General</p> <p>Academic Qualification – United States Informational University - Bachelor's Degree in Information System Masinde Muliro University of Science Master of Science in Diplomacy and International Relations</p>	<p>DOB: 30th June 1985</p> <p>Sen. Cleophas Malalah is a vibrant and acutely analytical legislature and debator. He brings deep wealth in party visibility, publicity and in marketing party ideologies.</p> <p><u>Works Experience</u></p> <p>Member of the County Assembly - Lurambi ward Member of Parliament - Kakamega County United Democratic Alliance – Secretary General</p>
<p>3</p>	 <p>Hon. Japheth Nyakundi National Treasurer</p> <p>Academic Qualifications – United States International University (BSc International Business Administration)</p>	<p><u>Work Experience</u></p> <p>Member of parliament – Kitutu Chache North (UDA Party) United Democratic Alliance – Treasurer</p> <p>Member - Budget Committee, National Assembly</p> <p><u>Professional experience</u></p> <p>Honors & Awards: Kenya Scout Association, Nyanza Province Secondary Schools Sports Association, Kisii Central District Secondary Schools co-curricular Activities</p>

<p>4</p>	 <p>Hon. Eng. Vincent Musyoka Musau Kawayia. National Organizing Secretary</p> <p>Academic Qualifications: Massachusetts Institute of Technology (MIT), USA – Digital Fabrication</p> <p>University of Nairobi – Bachelor of Science (BSc) Electrical and Information Engineering</p>	<p>Hon. Vincent Musyoka is a consecutive three term MP for Mwala constituency.</p> <p>Eng. Musyoka is an outstanding figure with impeccable Leadership and organisational acumen.</p> <p>Currently, he is the Chair Energy Committee National Assembly</p>
<p>5</p>	 <p>Hon. Muriu Wakili Edward Secretary Legal Affairs</p> <p><u>Education/professional qualification</u> The Institute of Certified Public Secretaries of Kenya – Governance Auditors’ Accreditation Course Coach Development Institute – Certified Executive Leadership Coach Euro Money-London – Syndicated Loan Training Commonwealth Institute of Directors – Graduate African Real Estate Finance & Investment School Cape Town, SA – Graduate</p>	<p><u>Professional Experience</u> Professional affiliations: Law Society of Kenya; the Institute of Certified Public Secretaries of Kenya; International Bar Association; Institute of Directors (Kenya); Commonwealth Lawyers Association Kenya Association of Manufacturers; Kenya Private Sector Alliance</p>



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	<p>Kenya School of Law – Diploma in Law University of Nairobi Faculty of Law – Degree (LLB) <u>Work Experience</u> Member of Parliament – National Assembly (Gatanga Constituency) Muriu Mungai & co Advocates LLP – Founding Partner, Team Leader, Head of Strategy & Business Development</p>	
6	<div data-bbox="384 703 774 1008" data-label="Image"> </div> <p style="text-align: center;">Nicodemus Bore Executive Director.</p> <p>Professional Qualification - Moi University</p>	<p>DoB – 15th September 1976</p> <p>Academic/Professional qualifications</p> <p>Primary - Uhuru Primary School</p> <p>Secondary - Rongai agricultural and technical high school nakuru</p> <p>Work – Director Membership Jubilee Party, CEO KESSHA</p> <p>CEO African Confederation of Principals</p> <p>Professional Experience</p> <p>Director NGO- Coordination Board</p> <p>Treasurer Political Parties Liason Committee</p> <p>Member Presidential working party on education reforms</p>

4. Key Management Team

	Management	Details
1.	 <p>Nicodemus Bore Executive Director</p>	<p>In charge of the party secretariat and oversees the day-to-day operations of the Party; Chief Executive and Secretary to National Executive Committee, Head of Campaigns, Nominations and campaigns</p>
2.	 <p>Brian Mbugua Deputy Executive Director</p>	<p>Deputizes the ED and in charge of ICT & Party Systems. Secretary to NEB. In charge of Party Primaries, Grassroots Elections, National Elections and By-Elections Management & Strategies.</p>

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3.	 <p style="text-align: center;">Joseph Mulili Director Finance and Administration.</p>	<p>Oversee and lead annual budgeting and planning process in conjunction with the ED; administer and review all financial plans and budgets; monitor progress and changes; and keep senior leadership team abreast of the organization's financial status. Manage organizational cash flow and forecasting.</p>
4.	 <p style="text-align: center;">CPA Marvin Wamukota. Internal Auditor.</p>	<p>Examine and analyze party's records and financial documents. Identify issues like compliance concerns, risks, fraud, and data inaccuracies. Review all records within the audit scope and investigate any problem(s) identified.</p> <p>Ensure adequacy of party system of internal controls, and assesses compliance with policies</p>

Other Key Members of the Management Team

No	Management	Details
5.	Director Programs & Partnership	Director Party Programs and Operational activities
6.	Director Media & Publicity	In charge of Media and general positive party image
7.	Membership Director	Head of Membership Activation & Head of Field Services
8.	Director Events & Logistics	Management of events and venues, Logistics, Supply Chain Management
9.	Director Legal	Director of Legal and Party General Compliance
10.	Director Diaspora	In charge of International Relations and Diaspora Matters

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5. Chairperson's Statement

Under my leadership as the team leader of the National Executive Committee (NEC) and as the United Democratic Alliance (UDA) National Chairperson, I am pleased to announce the remarkable progress towards higher levels of political leadership that our Party has achieved since its formation. During the 2022 General Election, UDA secured a historic victory, obtaining more seats in the Gubernatorial, Senatorial, Members of National Assembly, and Members of County Assembly elective positions than any other party.

During my inaugural year as the National Executive Committee (NEC) team leader, we initiated a positive paradigm shift that saw the translation of our Party's campaign manifesto promises into tangible actions. Cognizant of the necessity for effective governance, the NEC fully instituted and mandated the National Steering Committee (NSC) to conduct regular and productive meetings, empowering it to make decisions on behalf of the Party.

The NSC has demonstrated its effectiveness by providing policy directions for Party affairs and implementing well-thought-out measures aligned with the Party's manifesto. This has been guided by the NSC's comprehensive work plan that reflects the party's goals.

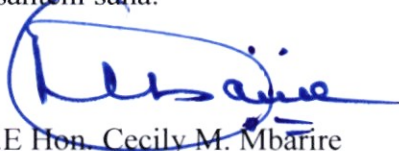
Our commitment to consistency in ideological progression distinguishes us from other political parties that view power as a fleeting vehicle. We have purposely rejected the common practice of only seeking votes during the last year of an administration, and opted instead to strategically re-engineer our party programs to keep the interests of our supporters and voters at the forefront of our endeavours.

To enhance grassroots engagement, we plan to connect with our members through various initiatives, including & not limited to 'gumzo mtaani' with local vendors, 'barazas' with *boda bodas*, town hall meetings with potential grassroots officials, and one-on-one interactions. Recognizing the importance of disseminating government achievements and countering negative propaganda, we are committed to showcasing our positive works through these forums.

Through a democratic and well-organized engagement mechanism, our goal is to scale even higher heights of political leadership and good governance. Our vibrant recruitment efforts will ensure a fair selection of our Party's office bearers from within our ranks. The efficient and effective management of the Party affairs will be actualized under the guidance of these officials.

As the UDA National Chairperson, I have full confidence that with our sustained efforts and commitment, we will continue to ascend to greater heights of political leadership in Africa.

Asanteni sana.



H.E Hon. Cecily M. Mbarire
National Chairperson

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6. Secretary General's Statement.

I am pleased to announce a series of remarkable achievements of our Party the United Democratic Alliance (UDA); a testament to our commitment to growth, inclusivity, and empowerment of our members. I extend my heartfelt gratitude to our dedicated team members, partners, and all those who have supported us in this incredible journey.

Over the past year, we have demonstrated our commitment to growth and inclusivity through various initiatives. Our party conducted membership activations in twenty-five out of forty-seven counties, resulting in the registration of over 1.5 million new members. This achievement reflects the increasing appeal of UDA and the trust placed in our party's vision and leadership.

In addition to expanding our membership, we have focused on the professionalization of our party by absorbing dedicated volunteers into formal employment. This has created a more structured and efficient organization, supplemented by the addition of new employees with diverse skills and experiences.

We are also committed to operating in compliance with the Political Parties Act, Section (f) (iii), by actively working on establishing branch offices in various counties. This ensures accessibility and responsiveness to the unique needs of each region, strengthening our presence and engagement at the grassroots level.

Recognizing the vital role of young people, we initiated the "**Youth na Bizz Expo**" to empower twenty UDA lobby groups in Nairobi County. This included valuable training in collaboration with relevant government departments of MSMEs, BRS, AGPO, and banks, emphasizing company creation and access to funds like the Hustler Fund. This initiative is a testament to our commitment to nurturing the entrepreneurial spirit among our youth.


Our recent electoral victories, including the Member of Parliament seat in Kandara Constituency, the Senatorial seat in Elgeyo Marakwet County, and the win in Garissa Township Constituency, demonstrate the trust and support we have gained in various regions across the country.

As we prepare for grassroots elections in April, August, and December, we aim to strengthen the democratic process, providing a platform for our members' voices to be heard at all levels of government.

UDA's commitment to embracing party diversity is evident through our acceptance of defectors from other political parties, widening our popularity in regions where support was previously limited. We have also strengthened our international relations, notably with the Communist Party of China (CPC), promoting shared values and developing bilateral agreements.

Continuing to work closely with our developing partners, we focus on programs to grow skillsets, knowledge, and experience targeting women, youth and Special Interest Groups.

Overall, these achievements underscore our unwavering commitment to growth, inclusivity, and the empowerment of our members in particular and Kenyans in general. Moving forward, we aim to strive for excellence and tirelessly pursue our goals to serve the interests of the people of Kenya. Thank you for your continued support, and we anticipate even more significant accomplishments in the future.



.....
Sen. Cleophas Malalah
Secretary General

7. National Treasurer's Statement

As the National Treasurer of our esteemed political party, I am honored to present our evolution that highlights our noteworthy achievements over the past year following our resounding victory in the 2022 General elections. This period has been marked by significant progress, growth, and financial stability, enabling us to steadfastly pursue our mission of serving the Kenyan people and advancing our nation's future.

As part of our existent as a political Party, adequate funding ensures that the Party carries out its core mandate to the Kenyan citizenry. In this regard, funds secured from the Office of the Register of Political Parties require that we are committed to financial prudence, transparency, and adherence to our country's electoral laws. These funds have empowered us to advance our agenda and better cater to the needs of our Kenyans.

Our party has also been able to receive substantial financial support through special membership contributions, providing crucial resources for day-to-day expenses. Additionally, generous contributions from donors, organizations, individuals, and businesses with whom we share common values have bolstered our financial standing. Additionally, the subscription fees from UDA elected members have also played a pivotal role in enhancing our party's financial position. These contributions have not only strengthened our financial capability but also affirm the unwavering dedication of our elected representatives to our party's vision and mission.

Another significant accomplishment in the past one (1) year has been the meticulous preparations for the upcoming grassroots elections. Recognizing the importance of grassroots engagement, we have invested time, resources, and energy to ensure our party is well-prepared for these crucial contests. Strategies have been developed to identify, support, and field capable candidates representing the interests of our communities.

Furthermore, strides have been made in enhancing the knowledge and skills of our party's secretariat. A comprehensive training program has been initiated to equip our secretariat with the necessary tools to navigate the evolving political landscape and efficiently serve our members and supporters. Our commitment to core values remains unwavering, promoting inclusivity, accountability, and transparency in all endeavors. Open dialogue and engagement with our supporters continue to be a cornerstone of our success.

As we reflect on the past year's achievements, let us remember that our journey is ongoing. While we celebrate our successes, we must remain vigilant and continue working tirelessly for the betterment of our party and nation. The road ahead may be challenging but united as a determined party, we can overcome any obstacles.

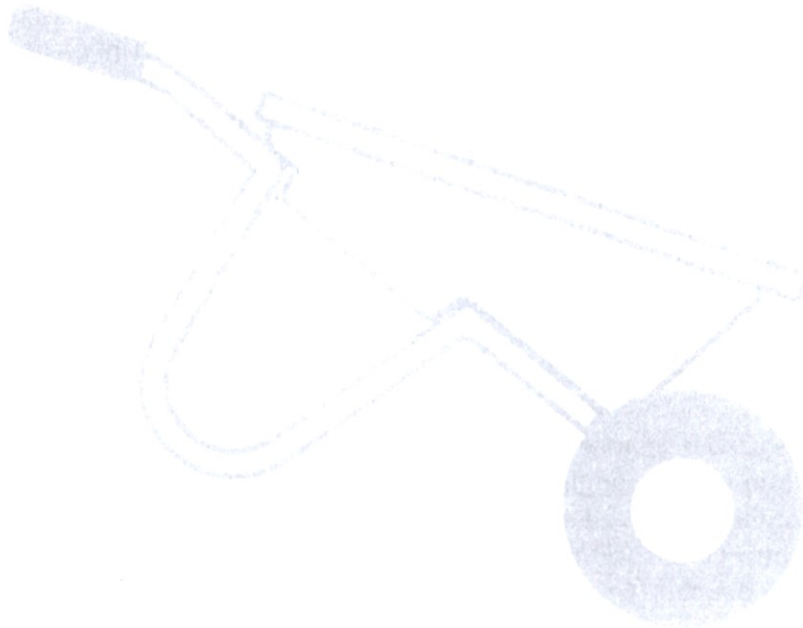
In conclusion, I express deep appreciation for the hard work and dedication of our party members, volunteers, and contributors. Your unwavering support has been the driving force behind our achievements, and I am confident that, with your continued commitment, our party will thrive and positively impact our nation.

Thank you, and let us anticipate another year of remarkable achievements, unity, and progress as we work towards our common goals.

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Hon. Japheth Nyakundi
National Treasurer



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8. STATEMENT OF NATIONAL EXECUTIVE COMMITTEE'S RESPONSIBILITIES.

National Executive Council (NEC) is the executive organ of our party. It is fully responsible for the Party's financial statements, which provide an accurate and fair account of the party's financial situation as of the conclusion of the financial year concluded on 30th June 2023. NEC designs, implements, and maintains internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are devoid of material misstatements, are all part of this responsibility. It also includes maintaining adequate financial management arrangements and ensuring that this remains effective throughout the reporting period.

NEC further certifies the correctness of the accounting records kept for the Party, upon which the Party's financial accounts have been based, as well as the effectiveness of the internal financial control systems.

In the year under review, the party Total Accrued Income, Exchequer Receipts, Nomination Fees and Donations & Members Contributions was Kshs. 719,539,463 up from Kshs. 537,794,904 last Financial Year, these being an increase of 34%. During the year in review we had a Total Expenditure of Kshs. 417,524,562 effectively due to prudent Financial Management Measures.

Over my tenure as the Treasurer, I have spearheaded significant revenue stream geared towards maximization of Income. ORPP income was at Kshs. 345.8M, with an accrued income of Kshs. 57.2M reported as at close of that year. Elected members continue to make regular contributions with their expected revenue per month now at Kshs. 13.5M.

The National Executive Committee is widely responsible for the party's policies, political direction for the party, membership, formation of bodies and committees, communications with other parties and state bodies, and regional and global partnerships with partners and governments. NEC ensures that party policies are followed, as well as the NDC. Controlling the party's administration at all levels and making sure that all activities are carried out in a way that advances the party's goals as well as collaborates with the other party organs to ensure that the Party's actions and decisions are harmonious and cohesive.

Guided by our party constitution, NEC has sanctioned sub-committees charged with performing duties and preparing policies as per this legal framework.

Ultimately, I wish to express my anticipation and conviction that we will be able to guide UDA to greater heights and continue working with like-minded parties to improve Kenya. It's been an honor to work among such accomplished individuals and to be able to present my perspective before you all, thank you, and may God watch over you all.

The number of our current elected members is at 1,054 as follows: -

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Item	Position	No. Of Members
1	Party Leader (President)	1
2	Deputy Party Leader (Deputy President)	1
3	Governors	20
4	Deputy Governors	20
5	Senators (Elected)	6
6	Senator (Nominated)	10
7	Majority leader (SEN)	1
8	Chief whip(SEN)	1
9	Deputy chief whip(SEN)	1
10	Chair of committee (SEN)	12
11	Deputy chair of committee(SEN)	1
12	Deputy Speaker (MNA)	1
13	Majority leader (MNA)	1
14	Chief whip(MNA)	1
15	Deputy chief whip(MNA)	1
16	Chair of committee (MNA)	29
17	Deputy chair of committee (MNA)	24
18	Member of Parliament (Elected)	62
19	Member of Parliament (Nominated)	5
20	Women Representative	21
21	East Africa Legislative Assembly (EALA)	5
22	Speaker of County Assembly	21
23	Member of County Assembly (Elected)	518
24	Member of County Assembly (Nominated)	291
	TOTAL	1054

Lastly, as we enter this Financial Year 2023/2024 I am hopeful that we shall as a party endeavour to fulfil the manifesto of the party and the promises we made to Kenyans.



.....
Nicodemus Bore
National Executive Director

9. Statement of Performance against Predetermined Objectives for FY 2022/2023

In the pursuit of our Party goals and commitment to democratic principles, we are pleased to present a comprehensive assessment of our performance against predetermined objectives. We are working tirelessly to ensure that we deliver to all the people as expected.

UDA has five strategic pillars/issues and objectives within the current Strategic Plan for the FY 2022/2023. These strategic objectives are as follows:

1) Elections Management:

Having undertaken fair, verifiable and accountable Party primaries, the party had a field of strong candidates to fly her flag in General elections 2022. We were assured of profound wins across the position thus need for safeguarding our votes.

A robust election monitoring mechanisms enables us to uphold the integrity of the electoral process. Voter education programs to enhance civic awareness and participation were put in place and facilitated.

The various levels of elections that our members participated in included;

- Presidential level-1 candidate
- Gubernatorial level-41 members
- Senatorial level-40 members
- County Women Representative level-43
- Member of National Assembly Level-261
- Member of County Assembly level-1286

The Party managed to garner the presidential seat, 20 Gubernatorial seats, 22 senatorial seats, 21 women representative seats, 119 Member of national Assembly seats and 518 Member of County Assembly seats. Our utilization amounted to Kshs. 245,795,914 against a budget of 450 Million during the whole election management process.

2) Nominations:

As a result of appointment of three elected members to the Cabinet, the following positions were gazetted as vacant: -

- i. Elgeyo Marakwet Senatorial Position
- ii. Kandara Constituency Member of National Assembly
- iii. Garissa Township Member of National Assembly

The vacancy attracted a high number of contestants for this positions necessitating a pedantically planned and executed nominations that was also delivered by the secretariat.

Garissa Township Constituency and Shella Ward (Lamu) candidates were unchallenged.

3) By-Elections:

The culmination of the above Party Primaries would be confirmed or contradicted by IEBC's results. As predicted UDA's candidates in the three positions went ahead to defend the sets on behalf of the Party cementing the fact that the right choice by our supporters in Nominations was also confirmed in their By-Elections.

4) Party Activations:

In our strategic plan done in December 2022, the party identified membership recruitment as a key pillar post General elections 2022. There was a general realisation that parties go silent immediately after election only to resurface in the next election cycles.

So as to keep member informed with party matters, deliberate measures to market the parties are required. In this regard, party activations were successfully organized, engaging members and fostering a sense of unity and purpose.

There was implementation of targeted outreach initiatives to broaden the party's reach and strengthen grassroots connections. The budget for facilitation of the activations was set at 25 million shillings and the actual amount utilized was 18.846 million. Our party embarked on a significant journey to increase our reach and impact many by conducting membership activations in twenty-five out of forty – seven counties. The target to recruit members to the party was set to increase to 10 million members. This remarkable achievement demonstrates the growing appeal of UDA and the trust that people have in our party's vision and leadership.

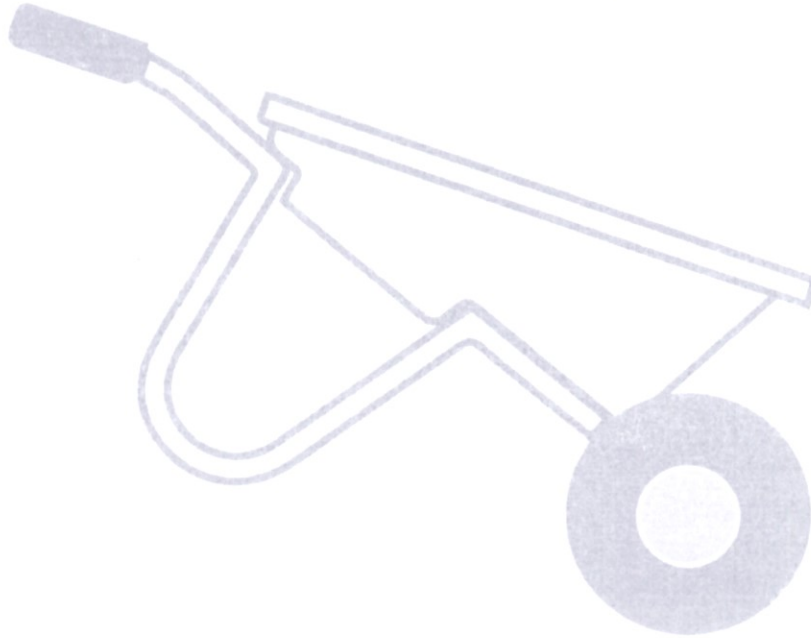
5) Programs:

Our manifesto, clearly outlines the Plan to achieve sustained economic growth & stability. In BETA proposal, NEC realigned its programs in synch with BETA. The party executed a diverse array of programs aimed at addressing the needs and concerns of our constituents. Innovation and flexibility

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in program design was demonstrated ensuring relevance to the evolving political society. The programs conducted were county field programs, grassroots meetings and voter mobilisations. The party is actively preparing for the upcoming grassroots elections scheduled for the month of April 2024. These elections are crucial in giving our members a voice and ensuring that their interests are represented at all levels of government. Through these elections, we aim to strengthen the democratic process and provide a platform for the people's voices to be heard

UDA develops its annual work plans based on the above 5 pillars. Assessment of the Party's performance against its annual work plan is done on a quarterly basis. The party achieved its performance targets set for the FY 2023 period for its five strategic pillars, as indicated in the table below:



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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Elections Management	<p>Ensure a fair and democratic selection of representatives.</p> <p>Uphold the principles of transparency and accountability in the electoral process.</p> <p>Facilitate public participation and engagement in the democratic process.</p> <p>Establish a legitimate and representative government.</p>	<p>Voter turnout percentage.</p> <p>Number of registered voters.</p> <p>Incident-free polling stations.</p> <p>Accuracy and integrity of the vote counting process.</p> <p>Public confidence in the electoral system.</p>	<p>Voter registration drives.</p> <p>Candidate nominations.</p> <p>Conducting debates and forums for candidates.</p> <p>Organizing election-day logistics and polling stations.</p> <p>Implementing voter education programs.</p>	<p>Successful completion of the electoral process.</p> <p>High voter turnout, indicating public engagement.</p> <p>Transparent and accurate counting of votes.</p> <p>Acceptance of election results by candidates and the public.</p>
Nominations	<p>Identify and select qualified candidates for elections.</p>	<p>Number of candidates nominated.</p>	<p>Soliciting and reviewing candidate applications.</p>	<p>Diverse and qualified candidate pool.</p>

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	<p>Encourage diversity and representation within the candidate pool.</p> <p>Ensure a transparent and fair nomination process.</p>	<p>Representation of diverse demographics among candidates.</p> <p>Public perception of fairness in the nomination process.</p>	<p>Conducting candidate interviews or debates.</p> <p>Communicating nomination results to the public.</p>	<p>Public confidence in the nomination process.</p>
By-elections	<p>Fill vacant seats in a timely manner.</p> <p>Provide representation to areas with vacant positions.</p> <p>Ensure fairness and integrity in the by-election process.</p>	<p>Voter turnout in the by-election.</p> <p>Successful filling of vacant positions.</p> <p>Transparency and fairness in the by-election process.</p>	<p>Candidate nominations for vacant positions.</p> <p>Voter education on the significance of by-elections.</p> <p>By-election logistics and polling station setup.</p>	<p>Timely filling of vacant positions.</p> <p>Engaged participation in the by-election.</p> <p>Acceptance of results by candidates and the public.</p>
Party Activations	<p>Increase party visibility and engagement.</p> <p>Mobilize party members and supporters.</p> <p>Build a sense of community and identity among party members.</p>	<p>Attendance at party events and rallies.</p> <p>Growth in party membership.</p> <p>Social media engagement and reach.</p>	<p>Organizing rallies, events, and town hall meetings.</p> <p>Utilizing social media campaigns.</p> <p>Membership drives and outreach programs.</p>	<p>Increased party visibility and presence.</p> <p>Growing and engaged party membership.</p>

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<p>Programs</p>	<p>Address specific issues or challenges within the community or society. Promote the party's values and platform. Demonstrate the party's commitment to public welfare.</p>	<p>Impact of programs on targeted issues. Public perception of the party's commitment to societal challenges. Media coverage and outreach for program initiatives.</p>	<p>Implementing community development projects. Advocacy and awareness campaigns. Collaborating with stakeholders for program success.</p>	<p>Tangible positive impact on targeted issues. Enhanced public perception of the party's commitment to societal well-being.</p>
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10. Corporate Governance Statement

Introduction

The party's mandate is to facilitate the fundamental rights, freedoms and potential of Kenyan people through a devolved, accountable and democratic government anchored onto a Bottom-up Economic Model that promotes equal opportunities, improved economic welfare and shared prosperity.

National Executive Committee

To effectively undertake the mandate, the party's National Executive Committee embraces principles of good governance; including equity, diversity, love, unity, freedom, justice, accountability, transparency, and peace.

The National Executive Committee is composed is the highest governing organ in the party.

It's composed of;

1. National Officials
2. The Parliamentary Party Leaders and Whips
3. The Governors' Caucus Chairperson and Whip;
4. The Chairperson and Whip of the County Assembly Caucus, and,
5. The Executive Director who shall be ex-officio

Committee Changes

The following are the respective changes to National Executive Committee

Name	Designation	Dates	
		Appointment	Resignations
Hon. Cecily M. Mbarire	National Chairperson	February 27, 2023	
Hon. Hassan Omar	Deputy Chairperson	February 27, 2023	
Sen. Cleophas Malalah	Secretary General	February 27, 2023	

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Hon. Eng. Vincent M. Musau	National Secretary	Organizing	February 27, 2023	
Hon. Japheth Nyakundi	Treasurer		February 27, 2023	
Hon. Johnson N. Muthama	National Chairperson			February 15, 2023
Sen. Veronica W. Nduati	Secretary General			February 27, 2023
Hon. Karisa Nzai	National Secretary	Organizing		February 27, 2023

NEC Governance

The primary responsibility of the Committee is to make binding decisions on party management and its policies. The NEC sets and oversees the overall policy, broad strategy and framework for the party and monitors the execution progress.

The NEC draws its powers and authority from party constitution. As the custodians of the party's governance structure, the NEC is committed to the principles of best practice in governance. The NEC continually strives to strengthen the party internal controls and management and promote a culture of integrity to support the party in achieving its strategic and financial objectives.

NEC Responsibilities

- i. The NEC is tasked with the following primary responsibilities in providing leadership and strategic direction to the party:
- ii. The National Executive Committee shall be in charge of the Secretariat.
- iii. The National Executive Committee shall provide Party policies, political guidance to the Party, Party membership, bodies and committees formed by the Party, communications made to state bodies and others, regional, international cooperation with governments, and partners.

NEC Composition and Diversity

The NEC is composed of diverse and seasoned professionals in the field of business management, engineering, finance, accounting, legal, policy, and banking with extensive knowledge and understanding in various sectors. Their combined experience is leveraged to help the party's strategic direction for improved party performance.

NEC Committees

The NEC has established five Committees to enhance its efficiency and effectiveness. Appointment to these NEC committees takes into consideration diversity of the members' skills, expertise and experience required to handle respective functions. The committees operate in accordance with specified terms of reference.

NEC in this year under review had 8 sittings.

NEC Capacity Development

The Committee underwent a comprehensive induction programme tailored to their individual needs to acquaint them with their responsibilities as well as keep them abreast of the party's strategy and operations. In the period, various capacity building programmes focusing on leadership, corporate governance, finance and other relevant areas were conducted for the NEC.

Each year the Committee prepares a training calendar where specific training needs are identified and scheduled. The trainings focus on leadership, governance, finance and other relevant areas.

NEC Evaluation

The committee undertook an annual self-assessment for continuous growth and development of individual members and to enhance collective performance.

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Governance Audit

The Committee continued to implement the corporate governance audit recommendations from the audit done the previous year. This is to ensure that the party complies with relevant areas of corporate governance.

Ethics and Code of Conduct

The party actively promotes a strong ethical culture of accountability and ‘doing the right thing’ among its members of staff and support partners. This is aimed at inculcating and sustaining a value-based approach in party operations and decision making.

To entrench ethics and integrity, the party conducts internal trainings and awareness campaigns. The trainings have enhanced standards of professional conduct and reinforced our core ethical values, and empowered staff to make ethical decisions and conduct themselves in the best interest of the organization. During the period under review our employees underwent training on maintaining ethics and integrity in the workplace.

The party has initiated a mandatory annual programme requiring all employees to declare any conflict of interest in the process of carrying out their official work. The purpose is to deter corrupt practices at the workplace and rally members of staff to work in the best interests of the party.

In addition, the party continued to implement its whistleblower protection policy to encourage employees and the public report on malpractices without fear of retaliation.

Whistle blowing is encouraged through the provision of various reporting channels including an anonymous online platform and telephone number **0791555222**.

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11. Management Discussion and Analysis

Introduction:

We are pleased to present the Management Discussion and Analysis (MD&A) for the financial year ending June 30th,2023. This report aims to provide stakeholders and our supporters with insights into the financial performance, strategic initiatives, and key developments of the United Democratic Alliance (UDA).

Financial Performance:

In the financial year 2022-2023, the United Democratic Alliance (UDA) recorded in total revenue of Ksh719,539,463.00. This represents a substantial increase compared to the previous financial year's total revenue of Ksh537,794,904.00 translating to a 34% increase. The positive income growth is attributable to various factors, including increased donations, successful fundraising campaigns, positive public support, and the Political Parties Fund.

The income for the financial year 2021-2022 and 2022-2023 are highlighted below;

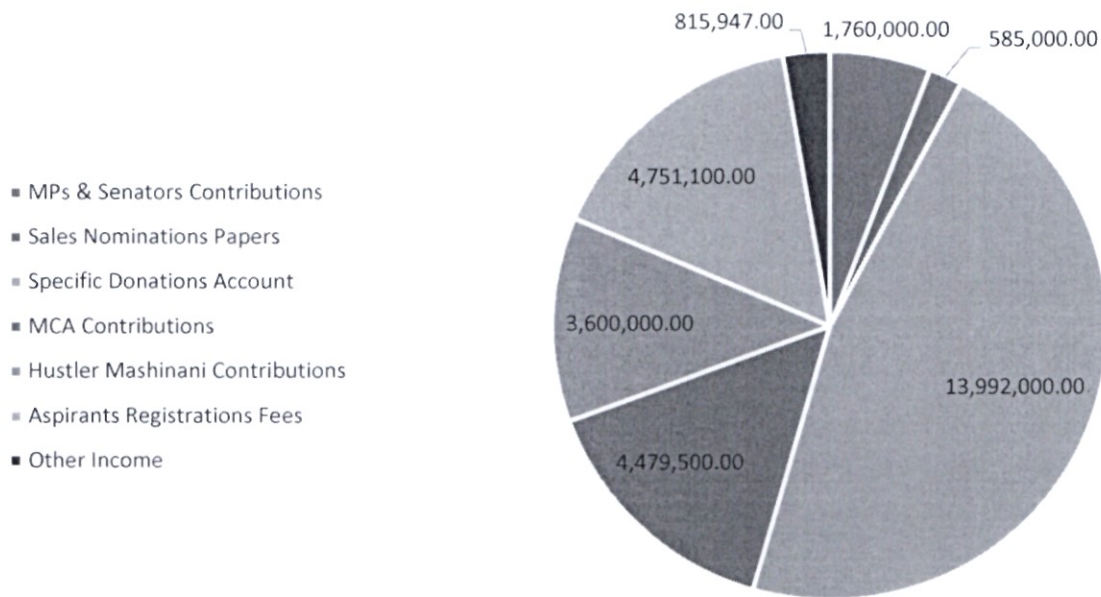
FY 2022-2023	2022-2023	2021-2022	2020-2021
Source of income	Kshs	Kshs	Kshs
Elected Members Contributions	118,349,000.00	10,800,000.00	6,239,500.00
Nomination Fees	7,282,084.00	437,654,298.00	585,000.00
Donations Account	240,995,463.30	22,179,859.40	17,592,000.00
Special Membership Category	7,112,423.00	52,234,795.60	-
Aspirants Registrations Fees	-	7,834,004.00	4,751,100.00
Other Income	-	-	815,947.00
Dispute Resolution Fees	-	7,091,947.00	-
Political Parties Fund	345,800,493.00	-	-
Total Accrued Income and Contributions	719,539,463.30	537,794,904.00	29,983,547.00

These collections: Party Contributions, and Donations increased the party's income for the financial year 2022-2023.

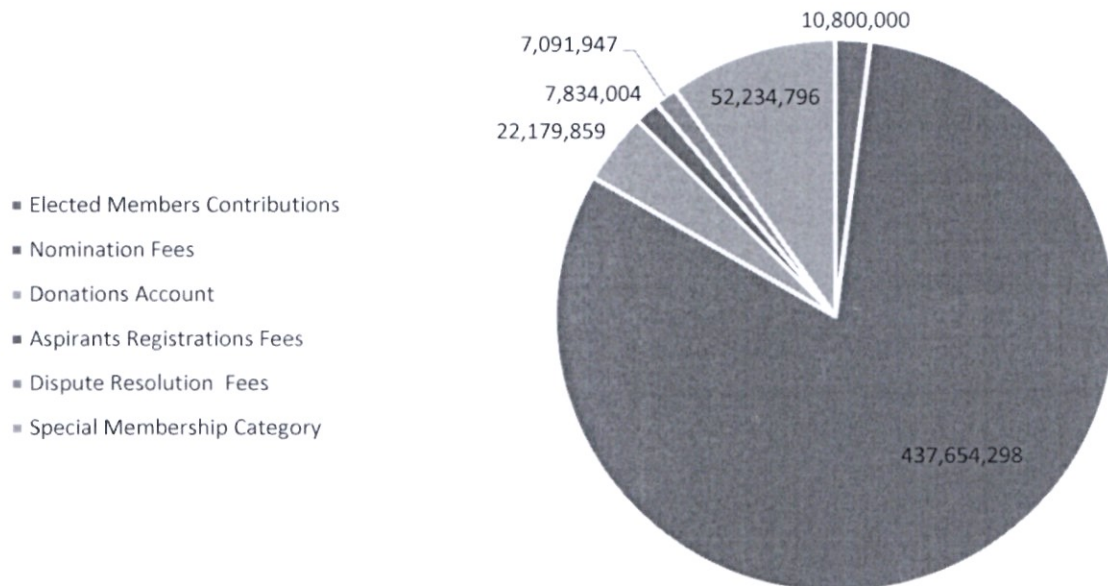
The income for the financial years 2020-2021,2021-2022 and 2022-2023 are represented graphically below in a pie chart.

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Income for FY 2020-2021

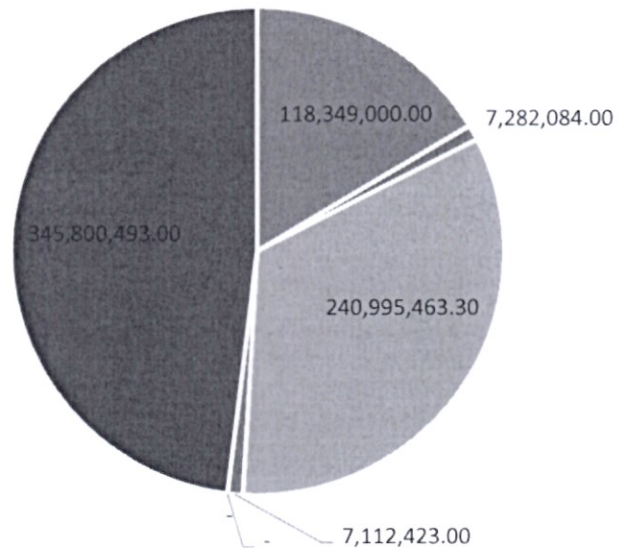


Income for FY 2021-2022



Income for FY 2022-2023

- Elected Members Contributions
- Nomination Fees
- Donations Account
- Special Membership Category
- Aspirants Registrations Fees
- Dispute Resolution Fees
- Political Parties Fund



The combined revenue from the public and members for the year is 52% compared to 48% from the National treasury. It is our continued endeavor that we maintain the trend of matching or surpassing allocations from the exchequer

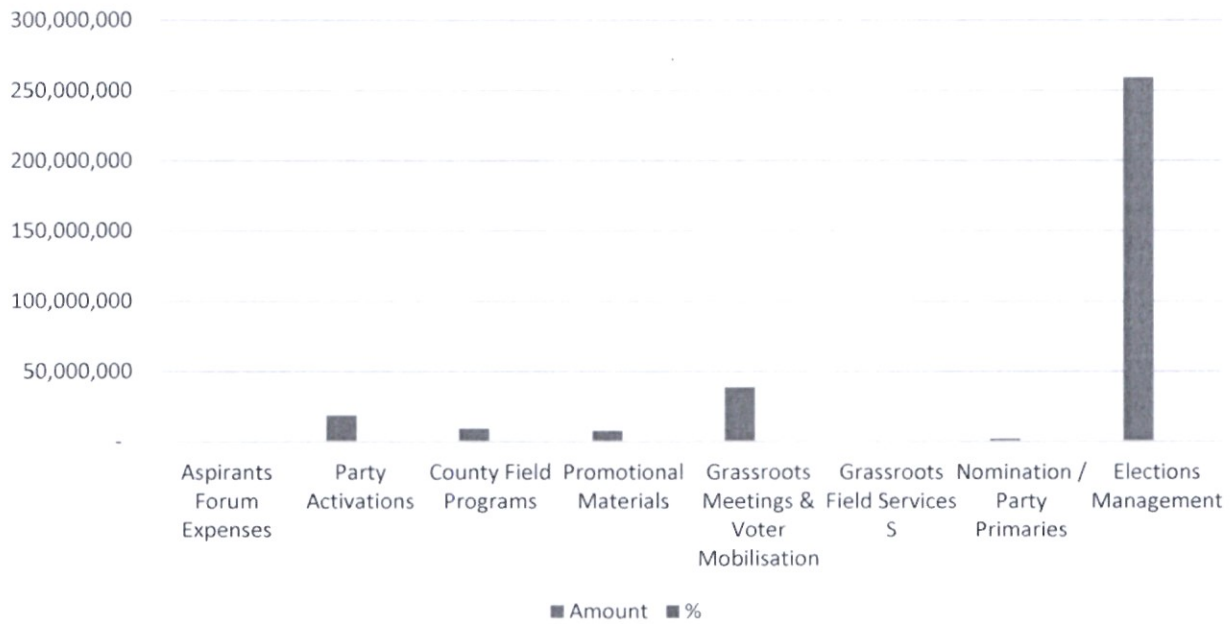
Operating Expenses:

The operating expenses for the financial year 2022-2023 totaled Ksh418,976,888.00. This represents a reduction from the previous financial year's operating expenses of Ksh491,014,809.00, showcasing the party's commitment to prudent financial management. Additionally, the operating expenses have seen an increase compared to the 2020-2021 financial year, where they amounted to Ksh 29,470,805.00.

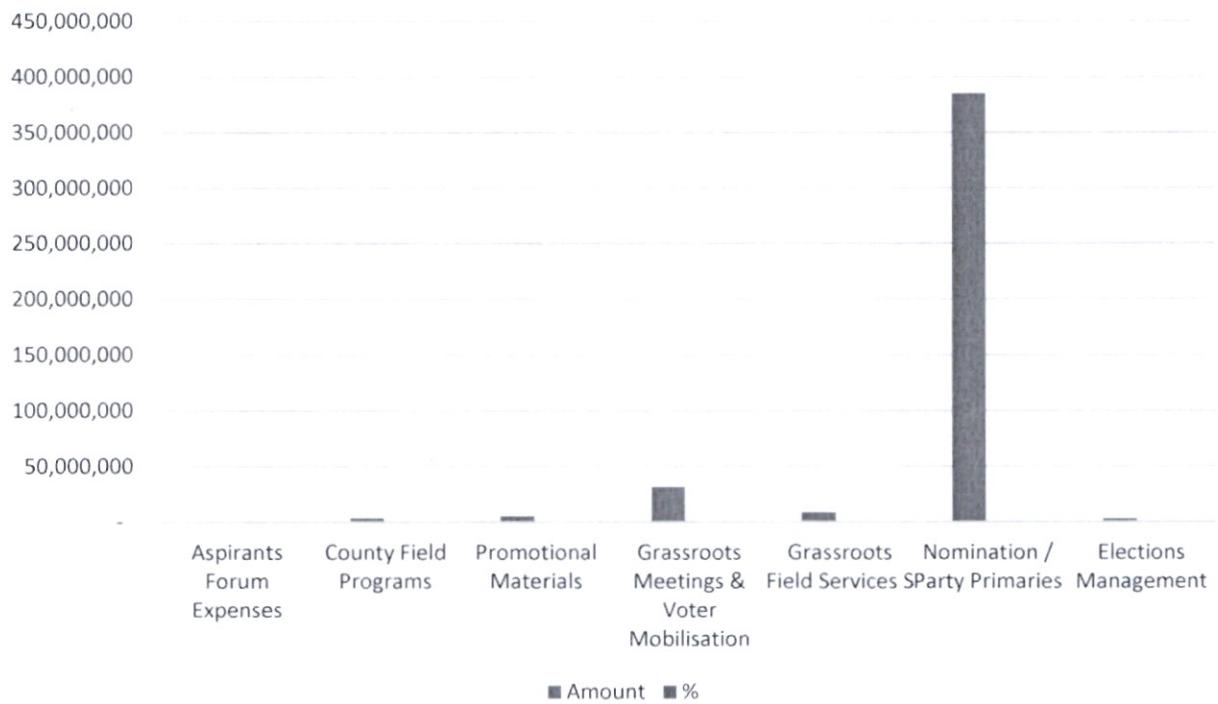
The increase in expenses for the financial year 2021-2022 can be greatly attributed to grassroots expenses which were incurred during the Party Primaries and by-elections which were not so intense during the previous financial year. During the financial year 2020-2021, grassroots expenses were recorded at Ksh19,069,401.00 while in the 2021-2022 financial year, it was recorded at Ksh438,392,866.00 because of an increase in the grassroots exercise. The two financial years' grassroots expenses are compared graphically below

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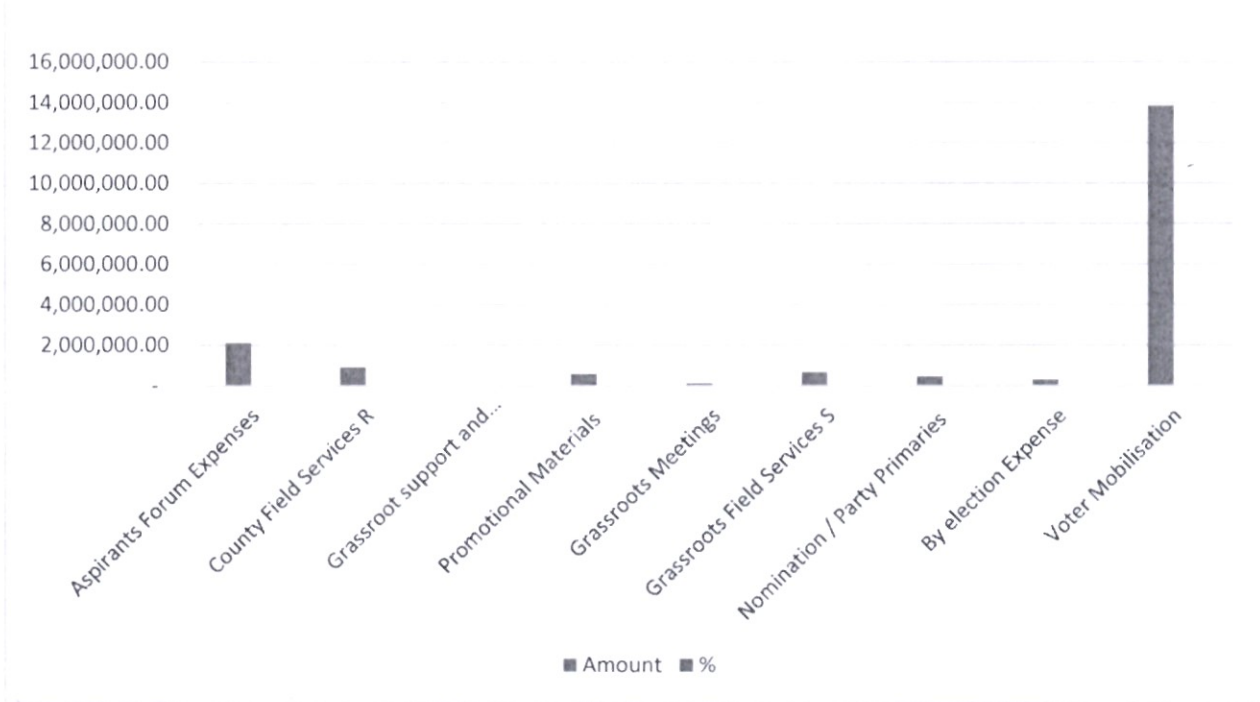
Grassroot Expense for FY 2022-2023



Grassroot Expense for FY 2021-2022



Grassroot Expense for FY 2020-2021



It is important to highlight that the party has remained focused on optimizing its operational efficiency while ensuring responsible allocation of resources. This has been achieved through rigorous cost-control measures and strategic planning.

Financial Sustainability and Future Outlook:

United Democratic Alliance (UDA) remains financially stable and well-positioned for the future. The positive trend in operating income, coupled with controlled operating expenses, reflects the party's commitment to financial sustainability. The party continues to explore new avenues for revenue generation, including innovative fundraising strategies and engagement with supporters.

The financial landscape is subject to external factors, such as economic conditions and political dynamics. The party is proactively monitoring these variables and has established contingency plans to mitigate potential risks.

Strategic Initiatives:

United Democratic Alliance (UDA) has undertaken several strategic initiatives aimed at enhancing its outreach, strengthening organizational capabilities, and fostering members' engagement. These initiatives include:

1. **Technology Integration:** Leveraging advanced technologies to streamline communication, enhance voter outreach, and improve organizational efficiency.

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2. **Party Members Programs:** Launching programs to connect with communities, understand their concerns, and incorporate feedback into policy formulations.
3. **Transparency and Accountability:** Emphasizing transparency in financial transactions and operational processes to build trust among stakeholders.
4. **Policy Advocacy:** Actively participating in public discourse and advocating for policies aligned with the party's vision and values.

Conclusion:

In conclusion, the financial year 2022-2023 has been marked by positive financial performance and strategic advancements for United Democratic Alliance (UDA). The party remains committed to its core values, financial responsibility, and continuous improvement. As we move forward, we are confident that our strategic initiatives will contribute to the party's long-term sustainability and effectiveness in serving the interests of our constituents.

12. Environmental and Sustainability Reporting

I. Sustainability Strategy and Profile

United Democratic Alliance (UDA) recognizes the growing importance of environmental and sustainability reporting as part of its commitment to responsible governance. This section outlines the sustainability strategy and profile of UDA, with a specific focus on the role of top management, particularly the accounting officer.

A. Sustainable Efforts:

UDA is dedicated to integrating sustainable practices into its operations and policies. The accounting officer, working closely with top management, ensures that sustainable efforts are woven into the fabric of the organization. This includes initiatives such as minimizing the environmental impact of political campaigns, promoting eco-friendly practices within the party, and incorporating sustainability considerations into decision-making processes.

B. Political and Macroeconomic Trends:

The accounting officer and top management regularly assess broad trends in the political and macroeconomic landscape that may affect sustainability priorities. This involves monitoring governmental policies, societal expectations, and economic shifts that influence UDA's sustainability initiatives. By staying informed and adaptable, UDA aims to address emerging challenges and contribute positively to the national and global environmental agenda.

In reference to environment and climate change agenda, where government committed to plant **15 billion** trees to achieve 30% coverage by 2032. As part of a broader strategy to combat deforestation, enhance biodiversity, and contribute to global efforts to combat climate change. Tree planting initiatives are often linked to international agreements, environmental conservation goals, and sustainable development objectives.

UDA has taken up the task of spearheading this agenda all over the country through its county and regional offices. Among the projects undertaken in collaboration with local communities;

1. Community Engagement:

Foster active involvement and collaboration with local communities in tree planting efforts.

2. Awareness Campaigns:

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Conduct educational campaigns to raise awareness about the benefits of tree planting and the environmental impact.

3. Partnerships:

Establish partnerships with Ministry of Environment and Forestry and Kenya Forest Service to refer our supporters especially farmers to obtain certified tree seedlings. As a policy we have incorporated maintenance of tree nurseries and tree planting as a mandatory responsibility of our field officers. As of close of year under review, the party had excess of **5,000** trees and fruits at our hustler center offices.

4. Tree Adoption Programs:

Implement programs that encourage individuals, schools, and businesses to adopt and care for specific trees.

5. Identify Suitable Locations:

Conduct assessments to identify suitable locations for tree planting, considering ecological factors and community needs.

6. Select Native Species:

Prioritize the planting of native tree species that are well-suited to the local environment and contribute to biodiversity.

7. Organize Tree Planting Events:

Plan and execute organized tree planting events, involving volunteers and community members.

C. Reference to International Best Practices:

UDA places a strong emphasis on aligning its sustainability initiatives with international best practices. The accounting officer collaborates with top management to ensure the party adheres to recognized frameworks such as the Global Reporting Initiative (GRI). This commitment enhances the credibility of UDA's sustainability efforts and demonstrates its dedication to meeting global environmental standards.

In recent days, the United Democratic Alliance (UDA) has enhanced its ties with globally recognized political parties, such as the China Communist Party, with the aim of engaging in benchmarking activities.

D. Key Achievements and Failures:

UDA has achieved significant milestones in its sustainability journey. These include the successful implementation of eco-friendly campaign practices, reduction in the party's carbon footprint, and the integration of sustainable principles into its policy framework. It's important to acknowledge, however, that challenges and failures are inherent in any sustainability journey. UDA is transparent about areas where improvements are needed, learning from failures and continuously adapting its strategies for greater sustainability.

II. Environmental Performance

A. Environmental Policy:

UDA has a comprehensive environmental policy that guides its commitment to responsible environmental practices. This policy outlines the party's dedication to minimizing its ecological footprint, promoting biodiversity, managing waste responsibly, and reducing the environmental impact of its products and activities.

B. Successes and Shortcomings:

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UDA has successfully implemented several aspects of its environmental policy. These include the reduction of single-use plastics in party events, the promotion of sustainable transportation options, and the integration of green spaces in party facilities. However, UDA recognizes that there are shortcomings, such as the need for improvement in waste management practices during large-scale events and the reduction of the environmental impact associated with certain party activities.

C. Biodiversity and Waste Management:

UDA is actively engaged in efforts to manage biodiversity and waste responsibly. The party supports initiatives to protect local ecosystems, and where possible, events are organized with minimal disruption to natural habitats. In terms of waste management, UDA is committed to reducing, reusing, and recycling waste generated during party activities. Ongoing efforts involve working with local communities to implement effective waste disposal strategies.

D. Environmental Impact of Products:

UDA acknowledges the need to address the environmental impact of its products. The party is exploring sustainable sourcing options for merchandise and materials used in campaigns. Initiatives include using recycled materials, promoting locally sourced products, and encouraging responsible consumption practices among supporters.

In conclusion, UDA is actively committed to a sustainability strategy that encompasses various aspects of its operations. The accounting officer, in collaboration with top management, plays a crucial role in driving and implementing these initiatives. By transparently communicating successes, shortcomings, and ongoing efforts to improve, UDA aims to contribute positively to the broader sustainability agenda and set an example for responsible political engagement.

i) Employee welfare

The United Democratic Alliance (UDA) is a political party duly incorporated and registered in accordance with the Political Parties Act. The party champions political and economic transformation of the people of Kenya through policies inclined at the bottom-up approach. It is founded on the principles of good governance including equity, diversity, love, unity, freedom, justice, accountability, transparency and peace.

Article 22 of the UDA Constitution establishes the party secretariat which shall be headed by the Executive Director under the supervision of the National Executive Committee through the Secretary General of the party. UDA views its Secretariat hereinafter referred to as 'Staff' as its most important asset and resource and the well-being and appropriate utilization of its staff is of critical importance.

There exist Human Resource Policies and Procedures Manual that represents the broad principles of human resources policy for the staffing and administration of UDA and the fundamental conditions of service and the basic rights, duties and obligations of the Staff of the party.

UDA's recruitment policy is to recruit staff members of the highest caliber through a competitive selection process based on criteria determined by the needs of the party and the requirements of the position, paying due regard to the importance of recruiting staff on a diverse basis

UDA is an equal opportunity employer providing equal employment opportunities to all applicants on the basis of loyalty, qualification, demonstrated ability, experience and learning

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The Party shall attract and retain a workforce that is qualified, highly motivated, result-oriented and committed to excellence in pursuit to the mission, vision and success of UDA.

UDA is guided by the following broad human resources principles applied during staff recruitment;

Ensure that as far as possible an optimum number of staff is maintained for efficient and effective management of the party;

Offer compensation and maintain a salary structure that is fair, equitable, and sufficiently attractive to sustain and motivate staff to strive for excellence in performance;

Provide reasonable terms and conditions of service to staff that are comparable with those applicable for similar positions in other such institutions, subject to availability of adequate funds and ability to pay sustainably;

Promote favourable relations between UDA as an employer and its employees and among employees themselves by providing adequate procedures to facilitate dealing effectively with inter-staff conflicts, disputes, and grievances;

Provide an environment where individual employees will participate in the development of their careers and where they will have the opportunity to fully utilize individual talents and ambitions;

Keep staff informed of changes taking place within the secretariat to enable them to appreciate the reasons for the changes.

Delivering the human rights approach with a culture of fairness, equality and inclusion for all UDA staff.

Work to deliver fairness, equality and inclusion for people working at UDA through, equality, diversity and inclusion objective for the Party staff.

Uphold the principle of non-discrimination throughout the recruitment process to ensure equitable opportunities for candidates with disabilities.

In applying equality and non-discrimination in its work, UDA will ensure that women and men benefit equally from its policies, programs and activities and that inequality is not perpetuated

On matters of improving skills and managing careers growth, the following policies and procedures are used for the purpose of need assessment and staff development planning at UDA.

Training need shall be identified through Annual Performance Appraisal carried out for every staff member. At the completion of the performance evaluation process, head of relevant directorate shall identify the training requirement for staff members of his/her directorate.

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At the end of the calendar year, all the training requirements shall be communicated to the head of HR in the form of a report.

HR shall consolidate the training requirements in the form of a Staff Development Plan including the following information:

Prioritized list of the trainings in coordination with the head of relevant directorate along with a timeline;

Resources required for successful completion of the identified trainings;

Expected outcome of the training;

Identify the funds required for the training in coordination with the head of finance directorate for inclusion in the annual budget.

The staff development plan shall then be communicated to the Executive Director for approval.

To realize and sustain the Party's Mission and Vision, UDA is committed to providing and maintaining safe and healthy working conditions, equipment and systems of work for all employees, associated personnel and other persons who may be on Party premises or affected by our operations; and to providing instruction, training and supervision as may be deemed necessary (required) for this purpose.

In fulfilling this commitment, the Party shall:

Comply with all applicable National & International Laws, common directives and internationally accepted standards on health and safety

Provide and maintain a safe and healthy working environment including safe systems of work

Eliminate Hazards & Reduce Occupational Health and Safety (OHS) Risks

Integrate health and safety objectives into individual business objectives at all levels

Provide adequate resources to meet legal and other health and safety obligations

Embed health and safety requirements at every stage of engagement with suppliers and other stakeholders

Continuously review the performance of the OH&S management system

Encourage dialogue and active participation of employees to enhance safety performance and maintaining open communication with stakeholders on our safety and health practices.

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Principal activities

The party's primary goal is influencing government and policy decisions. In her Strategic Plan and by realization in our work plans 2022_23 and beyond, NEC has steered the secretariat to support The plan. This is made possible by enabling our supporters to gain maximum information and support in all the Governments BETA Programs. We have re-engineered our Party Programs to the output oriented and information focused.

Results

The results of UDA for the year ended June 30, 2023, are set out on page (1) of the Statement for Financial Performance is a surplus of Kshs. 349,586,218.00.


NEC

The members of NEC who served during the year are shown on page viii. During the year 3 directors resigned and 5 were appointed with effect from February 27, 2023.

Auditors

The Auditor-General is responsible for the statutory audit of UDA in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of UDA for the year/period 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 Board



.....
Name: Sen. Cleophas Malalah

Secretary General

13. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (Political Parties Act, 2011 S 31 (3)) require the Directors to prepare financial statements in respect of UDA, which give a true and fair view of the state of affairs of UDA at the end of the financial year/period and the operating results of UDA for that 2022_2023. The Directors are also required to ensure that the Party's keeps proper accounting records which disclose with reasonable accuracy the financial position of UDA. The Directors are also responsible for safeguarding the assets of the party.

The Directors are responsible for the preparation and presentation of the UDA'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 (period) 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 UDA ; (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 UDA ; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

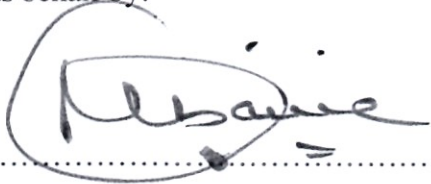
The Directors accept responsibility for the Party's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Political Parties Act, 2011 S 31 (3). The Directors are of the opinion that UDA's financial statements give a true and fair view of the state of UDA's transactions during the financial year ended June 30, 2023, and of UDA's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for UDA, which have been relied upon in the preparation of UDA's financial statements as well as the adequacy of the systems of internal financial control.

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

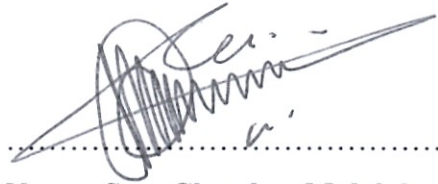
United Democratic Alliance
Annual Report and Financial Statements
for the year ended June 30, 2023.

Approval of the financial statements

UDA's financial statements were approved by the Board on 20/02 2024 and signed on its behalf by:



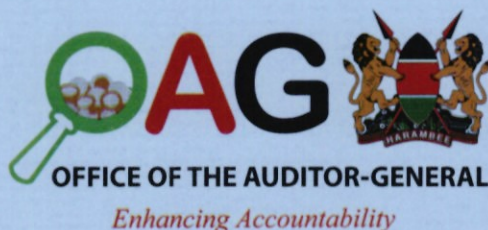
Name: Hon. Cecily M. Mbarire
Chairperson NEC



Name: Sen. Cleophas Malalah
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON UNITED DEMOCRATIC ALLIANCE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the United Democratic Alliance set out on pages 1 to 30, 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, the financial statements present fairly, in all material respects, the financial position of the United Democratic Alliance 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 the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflect final revenue budget and actual on comparable basis of Kshs.1,490,548,662 and Kshs.719,539,463 respectively resulting in under-funding of Kshs.771,009,199 or 51% of the budget. Similarly, the Party spent a total of Kshs.411,934,913 against actual receipts of Kshs.719,539,463 resulting in an under-utilization of Kshs.307,604,550 or 43% of the actual receipts.

The under-funding and the under-utilization may have affected the planned activities of the Party which may have impacted negatively on the service delivery to the members.

2. Unaudited Comparative Balances

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

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Establishment of Party Offices

During the year under review, the Party had established offices in twenty-one (21) Counties. This was contrary to the provisions of Section 7(f)(iii) of the Political Parties Act, 2011 which states that a Political Party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the Political Party, which shall be in more than half of the Counties.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal 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 governance.

In preparing the financial statements, Management is responsible for assessing the Party's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate 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 Party's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to 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 sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Party to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships concurred 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

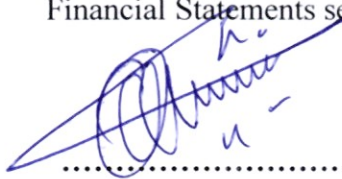
26 June, 2024

United Democratic Alliance
Annual Report and Financial Statements
for the year ended June 30, 2023.

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

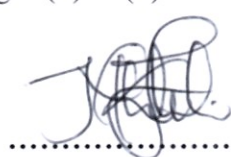
	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Political Parties Fund	6	345,800,493	-
Donations Account	6	240,995,463	22,179,859
		586,795,956	22,179,859
Revenue from exchange transactions			
Nomination Fees	6	7,282,084	437,654,298
Elected Members Contributions	6	118,349,000	10,800,000
Aspirants Registrations Fees	6	-	7,834,004
Dispute Resolution Fees	6	-	7,091,947
Special Membership Category	6	7,112,423	52,234,796
		132,743,507	515,615,045
TOTAL REVENUE		719,539,463	537,794,904
Expenses			
Grassroots & Election Expenses	7	336,522,844	438,392,866
Employee costs	8	36,802,968	20,949,708
Accrued Expenses	9	350,000	250,000
Depreciation and amortization expense	10	5,589,649	6,607,770
Administration Expenses	11	38,259,102	24,814,465
TOTAL EXPENSES		417,524,562	491,014,809
Surplus before tax		302,014,901	46,780,095
Surplus for the year		302,014,901	46,780,095
Surplus BF		47,571,317	791,222
Net Surplus for the year		349,586,218	47,571,317

The notes set out on pages (7) to (49) form an integral part of these Financial Statements. The Financial Statements set out on pages (1) to (6) were signed on behalf of the Board of Directors by:



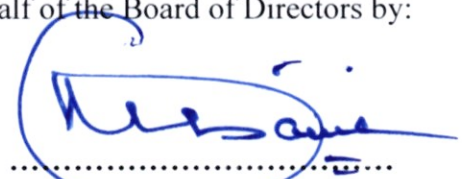
Name: Sen. Cleophas Malalah
Accounting Officer

Date 20/02/2024



Name: Joseph Mulili
Head of Finance

Date 20/02/2024



Name: Hon. Cecily Mbarire
Chairman NEC

Date 20/02/2024

United Democratic Alliance
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for the year ended June 30, 2023.

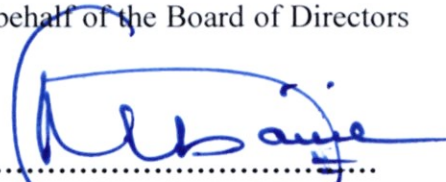
16. Statement of Financial Position as at 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	12	229,944,868	35,231,710
Receivables from Exchange Transactions	13	44,977,390	-
Receivables from Non-Exchange Transactions	13	57,219,045	5,388,900
Total Current Assets		332,141,303	40,620,610
Non-Current Assets			
Property, Plant and Equipment	14	68,070,116	45,942,263
Total Non- Current Assets		68,070,116	45,942,263
Total Assets		400,211,418	86,562,873
Liabilities			
Current Liabilities			
Trade and Other Payables	15	17,634,800	5,520,000
Total Current Liabilities		17,634,800	5,520,000
Total Liabilities		17,634,800	5,520,000
Net Assets			
Reserves		32,990,400	33,471,556
Accumulated Surplus	18	349,586,218	47,571,317
Capital Fund		-	-
Total Net Assets		382,576,618	81,042,873
Total Net Assets and Liabilities		400,211,418	86,562,873

The financial statements set out on pages (1) to (6) were signed on behalf of the Board of Directors by:


 Name: Sen. Cleophas Malalah
 Accounting Officer


 Name: Joseph Mulili
 Head of Finance


 Name: Hon. Cecily Mbarire
 Chairman NEC

Date 20/02/2024

Date 20/02/2024

Date 20/02/2024

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

Description	Capital Contributed Reserves	Fair Value adjustment reserve	Retained earnings	Total
	Kshs	Kshs	Kshs	Kshs
As at July 1, 2021	33,471,556	-	791,222	34,262,778
Surplus/ deficit for the year	-	-	46,780,095	46,780,095
As at June 30, 2022	33,471,556	-	47,571,317	81,042,873
As at July 1, 2022	33,471,556	-	47,571,317	81,042,873
Fair value adjustment on investments	(481,156)	-	-	(481,156)
Surplus/ (deficit) for the year	-	-	302,014,901	302,014,901
As at June 30, 2023	32,990,400	-	349,586,218	382,576,618

United Democratic Alliance
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18. Statement of Cash Flows for the year ended 30 June 2023

	Notes	2022 - 2023	2021 - 2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Political Parties Fund	6	345,800,493	-
Elected Members Contributions	6	118,349,000	10,800,000
Nomination Fees	6	7,282,084	437,654,298
Donations Account	6	240,995,463	22,179,859
Aspirants Registrations Fees	6	-	7,834,004
Dispute Resolution Fees	6	-	7,091,947
Special Membership Category	6	7,112,423	52,234,796
Other Income	6	-	-
Total receipts		719,539,463	537,794,904
Payments			
Grassroots & Election Expenses	7	336,522,844	438,392,866
Employee costs	8	36,802,968	20,949,708
Administration Expenses	11	38,259,102	24,814,465
Total payments		411,584,914	484,157,039
Adjustment: Cash and Cash Equivalent	12(c)	(481,156)	-
Net cash flows from/(used in) operating activities		307,473,394	53,637,865
Cash flows from investing activities			
Purchase of PPE and Intangible assets	19	(27,717,500)	(25,435,508)
Net cash flows from/(used in) investing activities		(27,717,500)	(25,435,508)
Cash flows from financing activities			
Increase in Debtors	20	(85,042,735)	(20,000)
Increase in creditors			4,674,093
Net cash flows from financing Activities		(85,042,735)	4,654,093
Net increase/(decrease) in cash & Cash equivalents		194,713,158	32,856,450
Cash and cash equivalents at 1 July	7	35,231,710	2,375,260
Cash and cash equivalents at 30 June		229,944,868	35,231,710

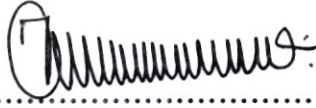
United Democratic Alliance
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(PSASB has now prescribed the direct method of cash flow presentation for all entities under the IPSAS Accrual basis of accounting)



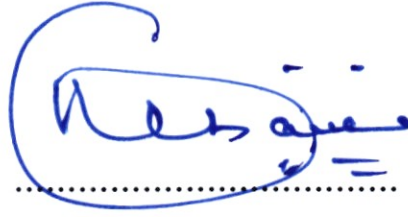
Name: Sen. Cleophas Malalah
Secretary General

Date 20/02/2024



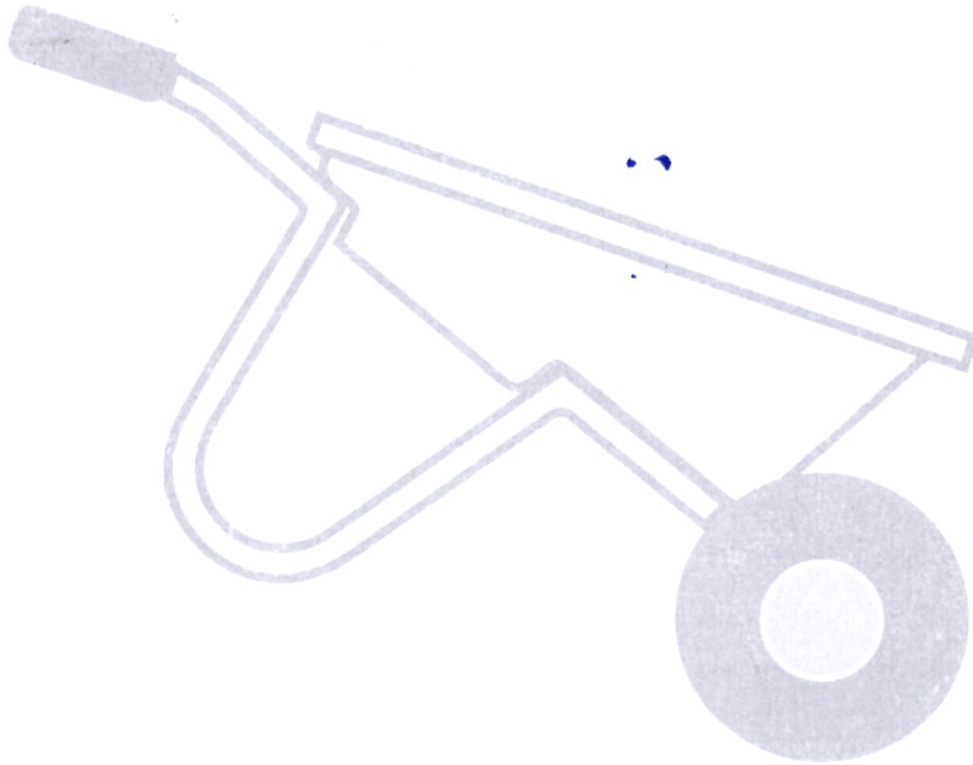
Name: Japheth Nyakundi
Treasurer

Date 20/02/2024



Name: Hon. Cecily Mbarire
National Chairman

Date 20/02/2024



United Democratic Alliance
Annual Report and Financial Statements
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19. 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 Utilisation
	2022 - 2023	2022 - 2023	2022 - 2023	2022 - 2023	2022 - 2023	2022 - 2023
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue						
Exchequer Political Parties Fund	632,748,662	-	632,748,662	345,800,493	286,948,169	55%
Elected Members Contributions	140,500,000	(9,700,000)	130,800,000	118,349,000	12,451,000	90%
Elections Income	600,000,000	(52,000,000)	548,000,000	7,282,084	540,717,916	1%
Donations	20,000,000	20,000,000	40,000,000	240,995,463	(200,995,463)	602%
Special Members Fees	140,000,000	(1,000,000)	139,000,000	7,112,423	131,887,577	5%
Total income	1,533,248,662	(42,700,000)	1,490,548,662	719,539,463	771,009,199	48%
Expenses						
Employee Costs	90,000,000	(264,000)	89,736,000	36,802,968	52,933,032	41%
Grassroots Meetings & Voter Mobilisation	180,000,000	(10,313,298)	169,686,702	75,058,130	94,628,572	44%
Nomination / Party Primaries	700,000,000	(82,479,200)	617,520,800	2,132,000	615,388,800	0.35%
Elections Management	450,000,000	50,000,000	500,000,000	259,332,714	240,667,286	52%
Audit Fees	350,000	-	350,000	350,000	-	100%
Administration Expenses	41,648,212	6,806,948	48,455,160	38,259,102	10,196,058	79%
Total Expenditure	1,461,998,212	(36,249,550)	1,425,748,662	411,934,913	1,013,813,749	29%
Surplus for the period	71,250,450	(6,450,450)	64,800,000	307,604,550	(242,804,550)	19%
Capital Expenditure	71,250,450	(6,450,450)	64,800,000	27,717,500	37,082,500	43%

Budget notes

Income

1. The PPF Funds were reduced from the budgeted 632,748,662 to 345,800,493. Moreover, a total of Kshs. 57,219,045 remained outstanding as at June 30, 2023.
2. During the year, the originally budgeted elected members contributions varied from the final due to delay in swearing in of Nominated MCAs in county assemblies. This technically reduced the contribution period and their subscription. Consequently, Special Membership Income due to the postponed grassroots elections highly reduced this special category of contributions to 5% of projected amount.
3. The Grassroots Elections scheduled to be undertaken during the year under review were postponed hence the income was not earned. During the year, three Elected Members were appointed by the President to serve as Cabinet Secretaries. This resulted in Party Primaries to fill up the positions and hence Kshs. 7,282,084 was realised.
4. A significant positive variance was reported in donations for the year. While the initial expected total donations were recorded at ksh.40,000,000, noticeable goodwill support by various party members exceeded the estimate by 602%.

**Annual Report and Financial Statements
for the year ended June 30, 2023.**

In summary, while the absolute change in actual comparable income was adverse yet the overall percentage variation was favourable.

Expenses

1. The variance in compensation of workforce by 41% was as a result of reduced revenues from ORPP. To cushion against this, the party invested in sound internal ICT systems, applications and platforms that enabled us to operate optimally without realizing the adverse effect in reduced workforce.
2. It is important to disclose that the adverse reduction in revenues from PPF and the postponement of elections hugely reduced our overall revenue necessitating overall cuts in expenditures with the exemptions being Elections Management.



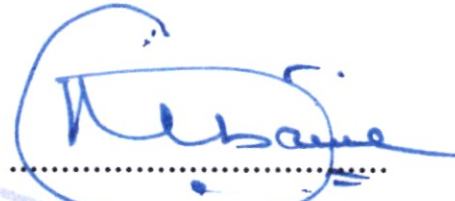
Name: Sen. Cleophas Malalah
Secretary General

Date 20/02/2024



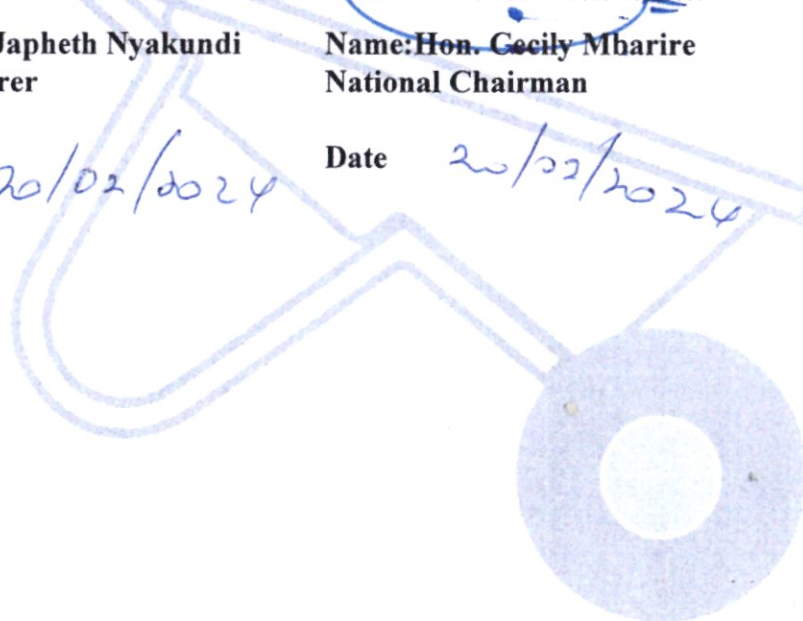
Name: Japheth Nyakundi
Treasurer

Date 20/02/2024



Name: Hon. Cecily Mbarire
National Chairman

Date 20/02/2024



20. Notes to the Financial Statements

1. General Information

United Democratic Alliance (UDA) was established by and derives its authority and accountability from the Political Parties Act. The Party is a Public Entity and its operations are regulated by the Office of the Registrar of Political Parties and it is domiciled in Kenya. The Organisation is a registered Political Party in Kenya under certificate number 0015.

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 judgment in the process of applying UDA's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of UDA. The financial statements have been prepared in accordance with the PFM Act, the Political Parties Act (PPA 2011 S 32 (3) and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

United Democratic Alliance
Annual Report and Financial Statements
for the year ended June 30, 2023.

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>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</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 an Entity'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"> • 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; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity 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> <p>(a) The nature of such social benefits provided by UDA.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p>

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Standard	Effective date and impact:
	<p>(c) The impact of such social benefits provided on UDA’s financial performance, financial position and cash flows.</p> <p>The party has taken deliberate steps post year under review to accept social benefit schemes from its employees. The proposed schemes are set to be presented and ratified. The party policy is to recognise expense of injury/sickness of staff at workplace at the period, hence there have been no Social Benefit Liabilities over the year under review.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</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>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <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). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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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 1st 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 an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>IPSAS 43, 28 requires disclosure on commencement dates and change of lease payments. Whilst the Party has two offices (hustler centre and hustler Plaza) and one warehouse dedicated to its headquarters, the latter's lease is on an incremental basis after every two years thus impacting on our cashflow. However, the hustler centre lease will come to termination on May 31, 2024 thus freeing Kshs. 350,000 per month.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st 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***

UDA did 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

UDA recognizes revenues from PPF, & Donations 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 UDA 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 UDA 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 realised 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

UDA 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 UDA.

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 May 30, 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 UDA upon receiving the respective approvals in order to conclude the final budget. Accordingly, UDA recorded additional appropriations of (Kshs. 42.7M) on the 2023 budget following the governing body's approval.

UDA'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 Note 19 of these financial statements.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) 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, UDA 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.

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to UDA. 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. UDA 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 UDA 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 UDA. 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)

e) 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.

f) Research and development costs

UDA expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when UDA 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)

g) 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. UDA does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, UDA 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

UDA classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both UDA'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 an entity 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 our party model and the cash flow characteristics, UDA 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 UDA 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

UDA 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. UDA 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) are set out in *Note xx*.

b) Financial liabilities

Classification

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

h) 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 UDA.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Provisions

Provisions are recognized when UDA 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 UDA 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.

j) 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. UDA recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that UDA will incur in fulfilling the present obligations represented by the liability.

k) Contingent liabilities

UDA 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.

l) Contingent assets

UDA 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 UDA 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)

m) Nature and purpose of reserves

UDA creates and maintains reserves in terms of specific requirements. The source of the party reserves is from contributed capital (redeemable) and accumulated surplus from previous years (non-redeemable).

The accumulated surplus can finance supplementary estimates in future.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) 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)

q) 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.

r) Related parties

UDA regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over UDA, or vice versa. Members of key management are regarded as related parties and comprise NEC members, directors, the ED and senior managers.

s) Service concession arrangements

UDA 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, UDA 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, UDA 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)

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, Mobile Money 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 Equity Bank Ltd and Access banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

u) Comparative figures

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

v) 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 UDA'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. UDA 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 UDA. 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 UDA.
- 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 Note 40. 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. Exchange and Non-Exchange Revenue

Description	2022 - 2023	2021 - 2022
	KShs	KShs
Revenue from non-exchange transactions		
Political Parties Fund	345,800,493	-
Donations Account	240,995,463	22,179,859
Non-Exchange Revenue transaction	586,795,956	22,179,859
Revenue from exchange transactions		
Nomination Fees	7,282,084	437,654,298
Elected Members Contributions	118,349,000	10,800,000
Aspirants Registrations Fees	-	7,834,004
Dispute Resolution Fees	-	7,091,947
Special Membership Category	7,112,423	52,234,796
Other Income	-	-
Exchange Revenue Transaction	132,743,507	515,615,045
TOTAL REVENUE	719,539,463	537,794,904

7. Grassroot Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Aspirants Forum Expenses	-	728,600
Party Activations	18,846,600	-
Promotional Materials	7,878,186	5,432,680
Grassroots Meetings & Voter Mobilisation	24,784,018	44,127,110
Meetings and Conferences	23,549,326	
Nomination / Party Primaries	2,132,000	384,904,476
Elections Management	259,332,714	3,200,000
TOTAL GRASSROOT EXPENSES	336,522,844	438,392,866

8. Employee Cost

Description	2022-2023	2021-2022
	Kshs	Kshs
Staff Costs	36,802,968	20,949,708
TOTAL EMPLOYEE COST	36,802,968	20,949,708

9. Accrued Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Accrued Audit Fees	350,000	250,000
TOTAL ACCRUED EXPENSES	350,000	250,000

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Notes to the Financial Statements (Continued)

10. Depreciation expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	5,589,649	6,607,770
TOTAL DEPRECIATION COST	5,589,649	6,607,770

11. Administration Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Materials Purchases	-	64,800
Office expenses	3,306,970	5,817,125
Newspaper Supplies	-	25,520
Telephone Charges	30,000	16,230
Internet, E-mail Charges	4,849,066	1,845,459
Courier, Periodicals	-	18,250
Advertisement & Publicity	1,026,864	7,759,720
Stationery	346,500	874,244
Bank charges	99,506	130,154
Water Rates and Electricity Bills	1,303,262	1,028,699
Rent	21,600,000	5,400,000
Repairs & Maintenance	614,933	363,423
General Cleaning	4,317,000	1,218,340
Loose Tools	-	112,500
Subscriptions	765,000	140,000
TOTAL ADMINISTRATION COST	38,259,102	24,814,465

12. Cash and Cash equivalents

a.) Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Political Parties Fund	188,831,844	-
Access Bank Ltd	187,182	1,441,142
Equity Bank Ltd 8414 main	315,605	1,887,755
Equity Bank Ltd Special Membership	344,542	29,537,127
Equity Bank Ltd Donations usd	430,952	773,095
Equity Bank Ltd Donations kshs	411,749	1,385,589
Elected Members Account	39,301,460	-
Cash Account	-	32,500
Petty Cash Account	121,534	174,502
TOTAL CASH AND CASH EQUIVALENTS	229,944,868	35,231,710

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Notes to the Financial Statements (Continued)

b.) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account Number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Political Parties Fund	081-028-338-3487	188,831,844	-
Access Bank Ltd	001-010-000-1252	187,182	1,441,142
Equity Bank Ltd 8414 main	081-028-078-8414	315,605	1,887,755
Equity Bank Ltd Special Membership	081-028-118-1434	344,542	29,537,127
Equity Bank Ltd Donations usd	081-028-118-1541	430,952	773,095
Equity Bank Ltd Donations kshs	081-028-118-1452	411,749	1,385,589
Equity Elected Members Account	081-028-204-6266	39,301,460	-
		229,823,335	35,024,708
Cash Account		-	32,500
Petty Cash Account		121,534	174,502
Sub- Total		121,534	207,002
Grand Total		229,944,868	35,231,710

c. Adjustments for the year

	Prior Balance	Final Balance	Adjustments
	Kshs	Kshs	Kshs
Equity Bank Ltd 8414 main	180,366.83	315,605.15	135,238.32
Equity Bank Ltd Special Membership	960,936.87	344,542.30	(616,394.57)
	1,141,303.70	660,147.45	(481,156.25)

The balances as shared in notes 12 (c) indicate the corrected figures as reported in the amended financial statements for the year ended 30th June 2023.

13. Party Debtors/ Receivables

Description	2022 - 2023	2021 - 2022
	KShs	KShs
Receivables from Non-Exchange Transactions		
PPF Outstanding	57,219,045.00	-
TOTAL NON-EXCHANGE TRANSACTION	57,219,045.00	-
Receivables From Exchange Transactions		
Elected Members Arrears	40,337,390.00	-
Debtors	-	5,388,900.00
Prepaid Rent	4,640,000.00	-
TOTAL EXCHANGE TRANSACTION	44,977,390.00	5,388,900.00
TOTAL RECEIVABLES	102,196,435	5,388,900

Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

Cost	Motor vehicles	Building	Computers & Printers	Furniture and fittings	Office Equipment	Total
	25%	5%	30%	12.5%	12.5%	
Cost or Valuation:	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 01 July 2022	-	17,005,000	7,238,325	29,003,486	2,276,331	55,523,142
Additions during the year	27,350,000	-	367,500	-	-	27,717,500
Cost as at 30 June 2023	27,350,000	17,005,000	7,605,825	29,003,486	2,276,331	83,240,642
Disposal	-	-	-	-	-	-
Adjustments						
As at 30th June 2023	27,350,000	17,005,000	7,605,825	29,003,486	2,276,331	83,240,642
Depreciation and Impairment						
At 1 July 2022	-	2,276,438	2,431,138	4,378,732	494,571	9,580,878
Annual Depreciation	-	736,428	1,552,406	3,078,094	222,720	5,589,649
Annual Impairment		-	-	-	-	-
At 30 June 2023	-	3,012,866	3,983,544	7,456,826	717,291	15,170,527
Net book values						
At 30 June 2023	27,350,000	13,992,134	3,622,281	21,546,660	1,559,040	68,070,116
At 30 June 2022	-	14,728,562	4,807,187	24,624,754	1,781,760	45,942,263

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Notes to the Financial Statements (Continued)

15. Trade and Other Accounts Payable

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Party Creditors Control A/C	17,284,800.00	5,000,000.00
Accrued expenses	350,000.00	520,000.00
Total non-current borrowings	<u>17,634,800.00</u>	<u>5,520,000.00</u>

16. Goods and Services Payments

Description	2022-2023	2021-2022
	Kshs	Kshs
Grassroots Expenses (Note 2)	336,522,843.67	438,392,866.17
Employee costs	36,802,968.00	20,949,708.00
Administration Cost	38,259,101.54	24,814,464.69
Total	<u>411,584,913.21</u>	<u>484,157,038.86</u>

17. Cash Generated from Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the year before Tax	302,014,901.15	46,780,095.00
Add Accrued Expenses	350,000.00	250,000.00
Add Depreciation	5,589,648.61	6,607,769.83
Net Cash Flow from operating activities	<u>307,954,549.76</u>	<u>53,637,864.83</u>

18. Capital Injection

Description	2022-2023	2021-2022
	Kshs	Kshs
Ordinary Capital	47,571,317.00	791,222.00
Retained Earnings	302,014,901.00	46,780,095.00
Total	<u>349,586,218.00</u>	<u>47,571,317.00</u>

19. Cash From Investing activities

	2022 - 2023	2021 - 2022
	Shs	Shs
Purchase off PPE	(27,717,500.00)	25,435,508.00
	<u>(27,717,500.00)</u>	<u>25,435,508.00</u>

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Notes to the Financial Statements (Continued)

20. Cash From Financing activities

	2022 - 2023	2021 - 2022
	Shs	Shs
Increase In Debtors	(96,807,535.00)	(348,900.00)
Increase In Creditors	12,114,800.00	(40,000.00)
Capital Refundable	(350,000.00)	4,944,092.93
Total	(85,042,735.00)	4,555,192.93

21. Debtors Control Account

Description	2022-2023	2021-2022
	Kshs	Kshs
Elected Members Arrears	40,337,390.00	-
PPF Outstanding	57,219,045.00	-
Debtors	-	5,388,900.00
Prepaid Rent	4,640,000.00	-
Total	102,196,435.00	5,388,900.00

Notes to the Financial Statements (Continued)

22. Financial Risk Management

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

a) Interest rate risk

Interest rate risk is the risk that UDA's financial condition may be adversely affected as a result of changes in interest rate levels. UDA's interest rate risk arises from bank deposits. This exposes UDA to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on UDA's deposits.

Management of interest rate risk

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

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect UDA's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with

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significant unobservable components. This hierarchy requires the use of observable market data when available. UDA considers relevant and observable market prices in its valuations where possible.

23. Events after the Reporting Period

Disclosure

The outstanding PPF funds Kshs. 57M were received on July 04, 2023.

The Elected Members contribution outstanding collections are enforceable and collectable.

Observation

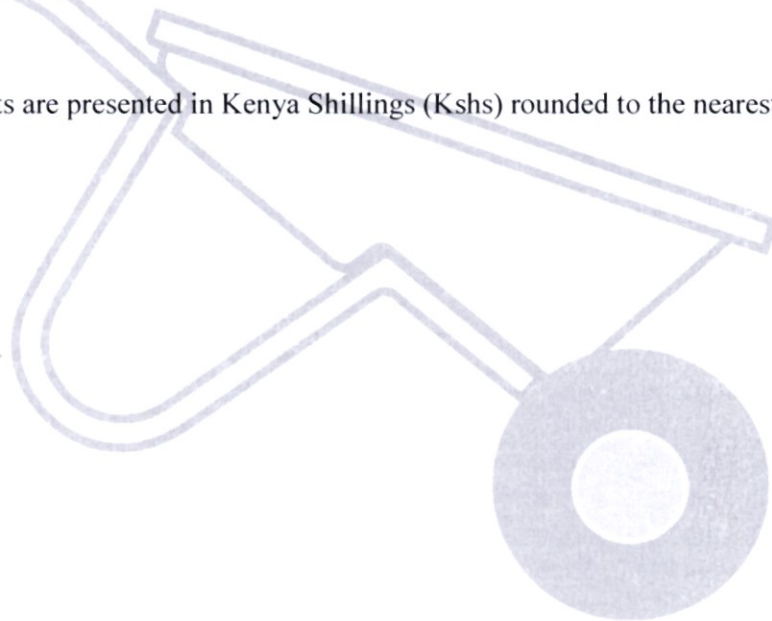
There were no material adjusting and non- adjusting events after the reporting period.

24. Ultimate and Holding Entity

UDA is a Political Party duly registered with ORPP No. 0015.

25. Currency

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



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21. Appendices



ORGANOGRAM

