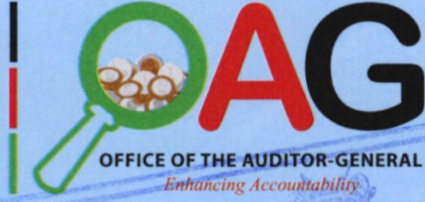


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*

REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 03 MAR 2026 DAY: Tuesday

TABLED BY: Hon. Naomi Wago  
Deputy Majority Whip

CLERK-AT-THE-TABLE: Mado Atobo

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OF KENYA  
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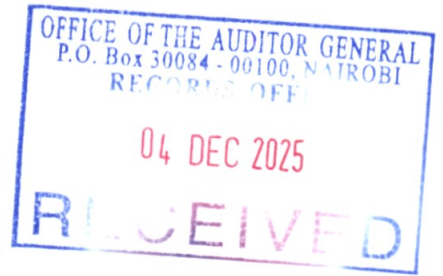
OF

THE AUDITOR-GENERAL

ON

UNITED PARTY OF INDEPENDENT  
ALLIANCE

FOR THE YEAR ENDED  
30 JUNE, 2025



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**UNITED PARTY OF INDEPENDENT ALLIANCE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

# United Party of Independent Alliance

## Annual Report and Financial Statements for the year ended June 30, 2025.

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**1. Acronyms and Definition of Key Terms**

**A: Acronyms**

SG	Secretary General
ED	Executive Director
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
PPA	Political Parties Act
ORPP	Office of Registrar of Political Parties
IDRM	Internal Dispute Resolution Mechanism
NEC	National Executive Council
NDC	National Delegates Council
NGC	National Governing Council
PPF	Political Parties Fund

**B: Definition of Key Terms**

**Fiduciary Management-** Members of management who are directly entrusted with the responsibility of managing the organization's financial resources.

**The Secretary-General** is the accounting officer of the Political Party

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

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**2. Key Political Party Information and Management**

**(a) Background information**

UPIA Party was fully registered under the Political Parties Act, CAP. 7D on 22<sup>nd</sup> November 2021. The Party is domiciled in Kenya and has 24 branches.

**(b) Principal Activities**

The principal Vision of the Party is to have a country that is Inclusive, united, prosperous, and sustainably developed with equal opportunities for all Kenyans to develop their potential and be free from poverty. The Party Mission is to identify and build capacity for all Kenyans to realize and exercise their political, social, economic, and cultural rights and fundamental freedoms enshrined in the constitution.

- a) Recruit and enlist members.
- b) Nominate candidates for elections.
- c) promote representation in Parliament and county assemblies of women, persons with disabilities, youth, ethnic and other minorities, and marginalized communities.
- d) Sensitize the public on the functioning of the political and electoral system.
- e) promote and enhance Inclusivity and national unity.
- f) mobilize citizens to participate in political decisions.
- g) solicit and articulate public policy priorities as identified by its members; and
- h) shape and influence public policy.

**(c) Key Management**

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

No.	Designation	Responsibility
1.	NDC/NGC;	Supreme Party Organs
2.	National Executive Council	Party Governing Organ
3.	Chairman	Preside over NEC
4.	Secretary General	Secretary to the NEC and
5.	Executive Director	Head of Secretariat

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman	<b>Cpt Neepe Iltasayon</b>
2.	Secretary General	<b>Hon Mohamed Dahir Duale</b>
3.	Treasurer	<b>Hon Hibo Bishar</b>
4.	Executive Director	<b>Sadick Doufa</b>

**(e) Fiduciary Oversight Arrangements**

- *Governing Body/NEC*
- *Finance committee*
- *Audit and Risk Committee*
- *Registrar of Political Parties*
- *Office of the Auditor General*
- *Parliamentary Oversight Committees*

**(f) Party Headquarters**

P.O. Box 51851-00100  
Ramshab Mansionates  
Ramshab lane along Ngong Road  
Nairobi, KENYA

**(g) Party Contacts**

Telephone: (254) 705927424  
E-mail: [info@upiaparty.com](mailto:info@upiaparty.com)  
Website: [upiaparty.com](http://upiaparty.com)

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**(h) Party Bankers**

1. Kenya Commercial Bank  
Lavington Branch  
P.O. Box 48400 – 00100
  
2. Equity Bank  
Marsabit Branch  
P.O. Box 75104 – 00200

**(i) Independent Auditor**

Auditor-General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(j) Principal Legal Adviser**












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

## United Party of Independent Alliance




### Annual Report and Financial Statements for the year ended June 30, 2025.

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#### 3. The National Executive Council/Committee

No.	Name	Designation	Gender	Date Of Assumption
1	Amb. Ukur Yatani 	Party Leader	M	5/5/2025
2	Cpt. Iitasayon Neepe 	National Chairperson	M	5/5/2025
3	Hon. Yusuf Hassan 	3rd Deputy Chairperson (Programs)	M	5/4/2022
4	Dr. Mohamed Dahir Duale 	National Secretary General	M	5/4/2022
5	Hon. Hibo Bishar 	National Treasurer	F	5/4/2022
6	Prof. Jaldesa Guyo 	1st Deputy National Treasurer (Finance Audit)	M	5/4/2022
7	Hon. Joseph Kanguchu 	National Organizing Secretary	M	5/4/2022
8	Hon. Said Mohamed Adan 	1st Deputy Organizing Secretary (Programs)	M	5/4/2022
9	Hon. Fatuma Nur Ibrahim 	1st Deputy Youth Leader	F	5/4/2022
10	Hon. Gabrielea Lorere 	2nd Deputy Youth Leader	F	5/4/2022
11	Hon. Katra Salat Ahmed 	National Women Leader	F	5/4/2022

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12	 Hon. Danilla Lenatiyama	1st Deputy Women Leader	F	5/4/2022
13	 Hon. Edwin Ndeda	Persons With Disability	M	5/4/2022
14	 Hon. Sadick Doufa	Executive Director	M	5/5/2025

**4. Key Management/Secretariat Team**

<b>Name</b>	<b>Position</b>	<b>Responsibility</b>
Hon Mohamed Dahir  Duale	Secretary General	Accounting Officer/ Secretary to the NEC
 Sadick Doufa	Executive Director	Head of Secretariat
 Jackson Kipsiele	Head of Operations	Ensures compliance and operationalisation of party activities
 Arbe Isacko	Administration	Handles Administrative duties

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**5. Chairman's Statement**



On behalf of the National Executive Council (NEC), I am pleased to present this statement highlighting the activities, progress, and direction of the United Party of Independent Alliance (UPIA) during the year under review.

**Key Successes**

This year marked significant milestones in the growth of our Party. With the support of the Westminster Foundation for Democracy (WFD), we successfully developed a comprehensive five-year Strategic Plan to guide our political, organizational, and operational agenda. Additionally, UPIA was rendered fully compliant by the Registrar of Political Parties, strengthening our legitimacy and institutional standing within Kenya's political landscape.

**Challenges**

The Party faced financial constraints during the year, largely due to the slashing of the Political Parties Fund (PPF) and delayed or non-payment of contributions by some members. These challenges, while limiting, underscored the importance of resource mobilization and sustainable financing for our Party's future resilience.

**Changes in NEC**

The year saw notable leadership changes within the NEC. We appointed Hon. Amb. Ukur Yatani as the National Party Leader and I replaced Dr. Nuh Nassir as the National Party Chair. These changes have strengthened the leadership team and positioned UPIA for greater organizational coherence.

## **United Party of Independent Alliance**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

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### **Strategic Plan Implementation**

Implementation of the five-year Strategic Plan is underway, with a focus on strengthening internal structures, enhancing governance frameworks, and rolling out key membership and policy initiatives. The plan continues to serve as a roadmap for achieving our long-term goals.

### **Stakeholder Engagement**

UPIA has been actively conducting membership recruitment drives, with particular attention to youth and women, in line with our inclusivity agenda. We also engaged various stakeholders across counties, building alliances that will support the Party's long-term growth.

### **Political Direction**

As we approach the next general elections in two years, UPIA remains committed to strengthening itself as a formidable political entity. While we remain open to future coalition opportunities, our focus for now is on consolidating our structures, membership, and internal capacity to ensure sustainability and competitiveness.

### **Future Opportunities**

Looking ahead, UPIA is strategically positioned to contest for key leadership positions in the upcoming elections. We will also expand our outreach programs and partnerships to broaden our influence nationally. With unity, clarity of vision, and a focus on our strategic plan, we remain confident about the Party's future.



**Cpt. Neepe Iltasayon**  
**National Party Chairperson**

**United Party of Independent Alliance**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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



It is my pleasure, on behalf of the National Executive Council, to present the report on the operational and financial performance of the United Party of Independent Alliance (UPIA) during the year under review.

**Operational Performance**

UPIA has continued to strengthen its organizational base and presence across the country. Membership recruitment remained a key priority, and I am pleased to note that the Party is fully compliant with the Office of the Registrar of Political Parties (ORPP) requirement of having at least 1,000 registered members in 24 counties. This compliance affirms our standing as a truly national political party.

During the year, we intensified membership drives, placing particular focus on youth, women, and marginalized communities, in line with our inclusivity agenda. To further boost grassroots presence, the Party has embarked on a plan to onboard County Coordinators across all regions. These coordinators will play a vital role in expanding membership, strengthening communication between the Party and its grassroots base, and providing strategic advice on candidate identification and fielding ahead of the next general election.

In addition, the Secretariat has worked closely with the National Executive Council (NEC) to ensure that the five-year Strategic Plan is progressively implemented, anchoring our operations on clear priorities, performance indicators, and institutional strengthening.

**Financial Performance**

The Party approved a budget of KES 16,162,844 for the financial year. Against this, we realized total revenues of KES 10,136,411, marking a notable increase from the KES 7,971,346 received in the previous financial year. This reflects growing financial stability and improved income flows.

However, the Party registered a budget deficit of KES 6,026,433 largely due to the fact that planned direct donations were not received. Despite this, the Party benefited significantly from

**United Party of Independent Alliance**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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in-kind support. Notably, the Westminster Foundation for Democracy (WFD) supported the drafting and preparation of our five-year Strategic Plan by providing consultants and technical assistance valued at KES 2,400,000. This support allowed the Party to meet a critical strategic milestone without direct expenditure, easing financial pressure.

Moving forward, the Party intends to leverage and expand such partnerships while enhancing internal resource mobilization mechanisms. We believe that this dual approach will help bridge funding gaps, ensure operational continuity, and enable UPIA to realize its strategic ambitions.

### **Conclusion**

The Party remains committed to ensuring prudent management of resources, expanding membership, and reinforcing operational efficiency. With two years to the next general election, our focus will remain on building strong internal structures, ensuring compliance, and enhancing the Party's visibility and competitiveness at both county and national levels.



**Hon. Dr Mohamed Dahir Duale**  
**National Secretary General**

## United Party of Independent Alliance

### Annual Report and Financial Statements for the year ended June 30, 2025.

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#### 7. Statement of Performance against Predetermined Objectives for FY 2024/2025

*The Political Party has a strategic plan running from Year 2024 to Year 2028. The Strategic Plan is implemented in annual work plans.*

*The performance of the Party during the year is presented in the table below:*

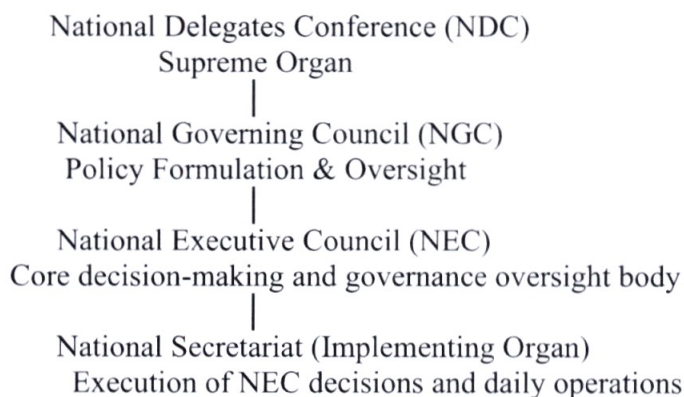
No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members	10,000	5000	
2.	County Coordinators	No. Of Coordinators	47	29	Recruiting & Training
3.	SIG activity	No. of activity	4	4	Activity for women youth pwd and minority
4.	Grassroot Forums & Baraza's	No of Activity	3	2	
5.	Social Media Engagement	Engagement rate	100,0000	60,000	People who like, reshared and commented on posts.
6.	Partnerships	No. of Partners	4	2	WFD and CMD

## **8. Governance Statement**

The United Party of Independent Alliance (UPIA) is committed to the highest standards of governance, accountability, and transparency in the conduct of its political and organizational affairs. The governance framework of the Party is designed to ensure compliance with statutory requirements, effective decision-making, oversight, and efficient implementation of Party policies and programs.

### **Party Organogram**

Below is the governance structure of the Party, with defined roles and functions at each level:



### **Governance Arrangements**

#### **1. National Delegates Conference (NDC)**

The NDC is the supreme organ of UPIA.

- **Role:** The NDC provides the overall strategic direction of the Party, adopts policies, amends the Party constitution, and elects national officials.
- **Composition:**
  - Delegates from all county branches (minimum of 50 delegates per county).
  - National officials of the Party.
  - Representatives of special interest groups including women, youth, and persons with disabilities.
- **Nomination:** Delegates are nominated by county branches, ratified by NEC, and formally accredited by the Secretariat.
- **Meetings:** The NDC is held once every five years but may convene extraordinary sessions as required. During the reporting period, one full NDC session and one extraordinary session were held to deliberate on leadership changes and adoption of the Strategic Plan.

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## **2. National Governing Council (NGC)**

The NGC is the second-highest decision-making body after the NDC.

- **Role:** The NGC oversees the implementation of NDC resolutions, formulates national policies, and provides strategic oversight.
- **Composition:**
  - National Party officials.
  - Chairpersons and Secretaries of all county branches.
  - Representatives from affiliated leagues (youth and women leagues).
- **Meetings:** The NGC meets at least twice annually. In the reporting year, two meetings were held, focusing on membership growth strategies and preparations for the next general elections.

## **3. National Executive Council (NEC)**

The NEC serves as the principal decision-making and oversight body of the Party.

- **Role:** The NEC provides operational leadership, makes decisions on policy implementation, approves budgets, and ensures accountability across all Party structures.
- **Composition:**
  - National Party Leader.
  - National Party Chairperson.
  - Secretary General.
  - Deputy officials (Deputy Secretary General, Deputy Treasurer, etc.).
  - 24 county representatives.
- **Meetings:** NEC meets quarterly or as needed. During the year, four formal NEC meetings and two special sessions were held.

## **4. Committees under the NEC**

To enhance governance, the NEC has established specialized committees with clear mandates:

### **a. Dispute Resolution Committee**

- **Role:** Handles intra-party disputes, reconciliations, and mediation.
- **Composition:** 7 members with legal, mediation, and political backgrounds.
- **Meetings:** Convened three times during the year to address branch-level disputes.

### **b. Disciplinary Committee**

- **Role:** Enforces Party discipline, investigates breaches of the Party constitution, and recommends sanctions.
- **Composition:** 5 senior NEC members and 2 co-opted advisors.

- **Meetings:** Held two disciplinary hearings during the year.

#### **c. Elections Board**

- **Role:** Manages internal party elections, nominations, and ensures free and fair processes.
- **Composition:** 9 members, including representatives from women and youth.
- **Meetings:** Held four meetings to plan for grassroots and national elections.

#### **d. Finance Committee**

- **Role:** Reviews budgets, monitors income and expenditure, and advises NEC on resource mobilization.
- **Composition:** Treasurer, Deputy Treasurer, and 4 appointed finance experts.
- **Meetings:** Met four times, with special sessions convened for budget review.

#### **e. Audit and Risk Committee**

- **Role:** Provides oversight on internal audit processes, risk management, and compliance.
- **Composition:** 5 members with finance, audit, and legal expertise.
- **Meetings:** Met twice during the year, producing risk reports and recommending stronger financial controls.

### **5. National Secretariat**

The **Secretariat** is the **administrative and implementing organ** of the Party.

- **Role:** Executes NEC decisions, manages daily operations, oversees membership recruitment, and coordinates with county branches.
- **Composition:** Secretary General (head), Executive Director, and departmental heads (finance, communication, legal, and policy).
- **Performance:** The Secretariat has been instrumental in driving the Party's membership recruitment to over 57,000 members and coordinating the development of the Party's five-year Strategic Plan.

The governance framework of UPIA ensures a balanced separation of powers between the supreme decision-making organ (NDC), the oversight and policy organs (NGC and NEC), and the implementing organ (Secretariat). Through specialized committees, the Party has institutionalized accountability, transparency, and inclusivity in its operations.

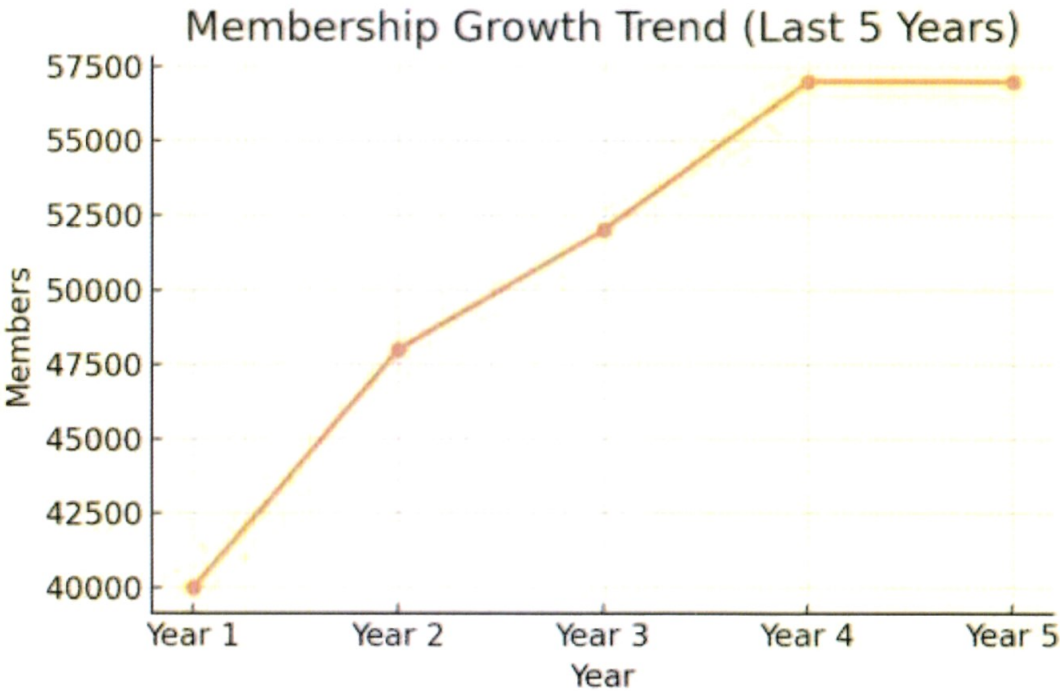
During the year under review, governance processes were strengthened through frequent meetings, effective dispute resolution mechanisms, and proactive planning ahead of the next general elections. These arrangements continue to enhance UPIA's ability to deliver on its strategic objectives and position the Party as a credible and sustainable political institution in Kenya.

**9. Management Discussion and Analysis**

The United Party of Independent Alliance (UPIA) presents the following Management Discussion and Analysis (MD&A), providing a comprehensive review of the Party’s operational, organizational, and financial performance over the past three to five years. This analysis reflects on trends in membership, finances, representation, and institutional growth, with a view toward positioning the Party for sustained development in the lead-up to the next general elections.

**Membership Growth and Distribution**

UPIA has consistently prioritized membership recruitment as the foundation of its organizational strength. As of the current reporting year, the Party has registered over 57,000 members across the country, exceeding the statutory threshold of 1,000 registered members in at least 29 counties. This achievement not only underscores compliance with the requirements of the Office of the Registrar of Political Parties (ORPP) but also demonstrates the Party’s growing national reach.



**Trend Analysis:**

- Three years ago, the Party had approximately 40,000 members, mainly concentrated in its traditional strongholds.
- By sustained recruitment drives, particularly targeting youth and women, membership grew to 48,000 two years ago, and further to 52,000 last year.

## United Party of Independent Alliance

### Annual Report and Financial Statements for the year ended June 30, 2025.

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- This year, the Party crossed the 57,000-member mark.

The trend shows steady growth averaging 4,500–5,000 new members annually, driven by structured grassroots outreach and the planned onboarding of County Coordinators. With 29 counties already compliant, UPIA is positioned to expand coverage to all 47 counties before the next general elections.

#### Financial Performance

##### Budget Trends

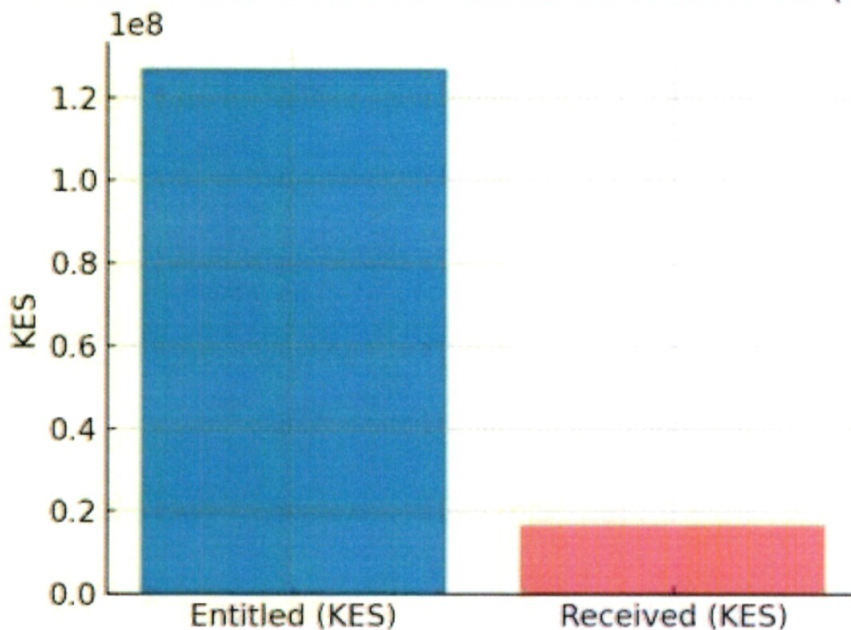
Over the last three years, the Party’s annual budget has averaged KES 15 million. The approved allocations reflect UPIA’s ambition to build strong organizational structures, intensify membership recruitment, and fund election preparedness activities.

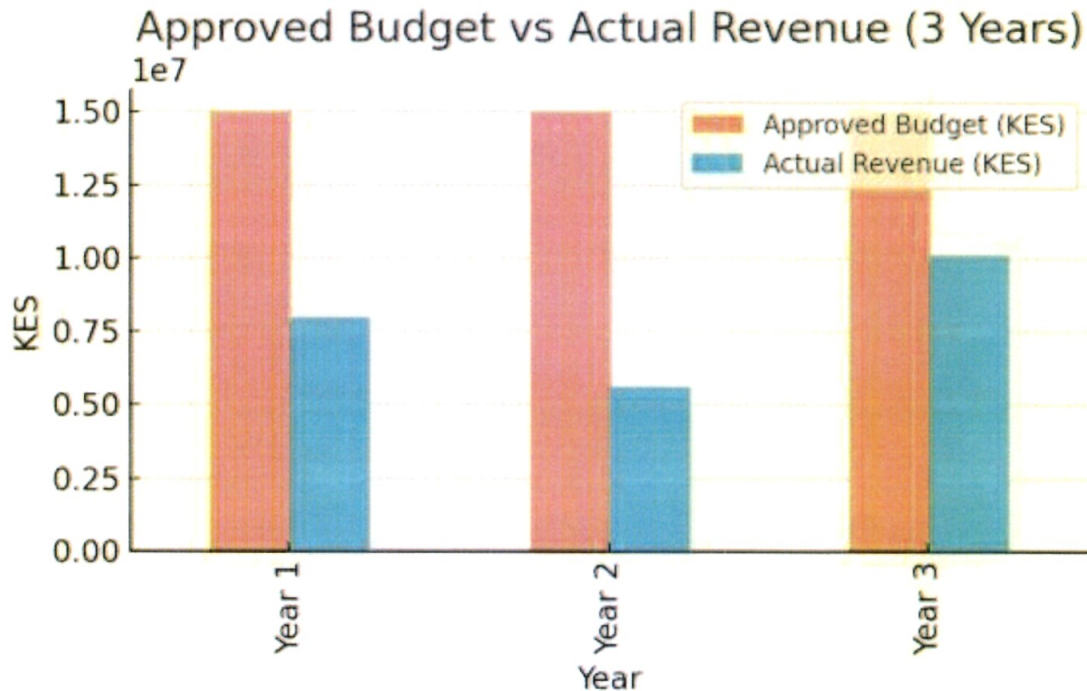
##### Revenue from the Political Parties Fund (PPF)

UPIA has faced persistent underfunding from the exchequer. While the Party was entitled to approximately KES 127,036,511 under constitutional provisions over the last three years, it only received KES 16,807,780, representing less than 15% of expected allocations.

This shortfall is consistent with a broader trend in Kenya where the PPF has been systematically under-disbursed, undermining the capacity of political parties to fully implement their programs. Despite this challenge, UPIA has managed to prioritize strategic activities and ensure compliance with ORPP guidelines.

#### Political Parties Fund: Entitled vs Received (3 Years)





### **Member Subscriptions**

The Party realized approximately KES 1600,000 from membership subscriptions over the reporting period. This has provided a reliable but modest income stream, covering routine administrative and operational costs. However, subscriptions remain a small percentage of total financial requirements, and efforts are ongoing to strengthen enforcement and incentivization of member contributions.

### **Donations and Partnerships**

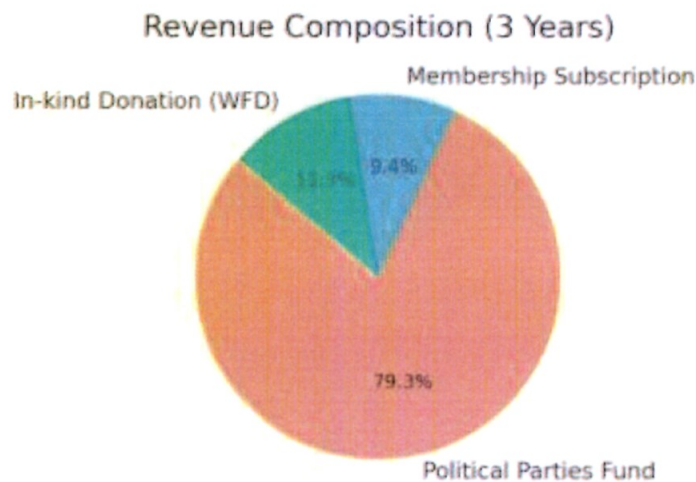
Direct financial donations from members have been limited, but UPIA has benefited from in-kind support. Notably, the Westminster Foundation for Democracy (WFD) provided consultancy and technical assistance valued at KES 2,400,000 for the development of the Party's five-year Strategic Plan. This support allowed UPIA to achieve a major milestone without direct expenditure, reinforcing the value of strategic partnerships.

### **Representation and Political Performance**

UPIA continues to consolidate its representation in both the National Assembly and county governments. Currently, the Party has:

- 2 Members of Parliament (MPs).
- 29 Members of County Assembly (MCAs) across multiple counties.

- **Nominated representatives** from youth and women, reflecting the Party's commitment to inclusivity.



**Trend Analysis:**

Representation has remained relatively stable in Parliament, while county representation has gradually expanded. UPIA has consistently fielded candidates in diverse regions, reinforcing its national outlook. With improved internal capacity and strategic planning, the Party aims to increase representation in the upcoming general elections.

**Institutional Growth and Structures**

UPIA's growth has been supported by its expanding organizational footprint. The Party currently operates 24 functional county branches, ensuring grassroots presence and compliance with statutory obligations. These branches serve as the primary channels for mobilization, recruitment, and dissemination of Party policies.

The decision to appoint County Coordinators is a strategic move aimed at professionalizing grassroots operations, improving data collection, and guiding candidate selection processes ahead of the elections.

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**Strategic Outlook**

Despite funding constraints, UPIA has maintained operational momentum, enhanced compliance, and steadily grown its membership and representation. The Party's five-year Strategic Plan provides a clear roadmap for scaling operations, deepening stakeholder engagement, and enhancing competitiveness.

Looking ahead, UPIA intends to:

- Expand its membership base beyond 100,000 registered members.
- Establish fully functional branches in all 47 counties.
- Strengthen internal financial sustainability through enhanced subscription enforcement and partnerships.
- Position itself strategically for key leadership positions in the next general elections.

**Conclusion**

The past three to five years have demonstrated UPIA's resilience in the face of systemic funding challenges. Through disciplined management, strong partnerships, and grassroots mobilization, the Party has expanded its footprint and sharpened its political competitiveness. With two years to the next general elections, the Party is strategically placed to translate its organizational strength into electoral success while remaining steadfast in its mission to grow as a national political entity.

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

UPIA is committed to reducing the environmental impact of its operations while recognizing the importance of sustainable practices in securing long-term service delivery to the citizens of this country. Sustainability is the ability to responsibly utilize resources today while ensuring their availability for future generations. The party actively champions sustainable development as a cornerstone of its policies and operations

### **Sustainability strategy and profile**

To ensure the long-term sustainability of UPIA, the party invests in the following key thematic areas and programs:

#### **a. Training and Advocacy**

UPIA prioritizes political education by conducting sensitization forums and customized training programs. These initiatives are designed to empower party members across all levels—especially marginalized groups, women, youth, and persons living with disabilities (PWDs). The goal is to create informed and loyal members who actively contribute to democratic processes and party strength.

#### **b. Representation and Participation**

UPIA places special emphasis on increasing representation of Special Interest Groups (SIGs) in both County and National Assemblies. The strategy includes fostering community engagement and building long-term collaboration with stakeholders to enhance participation in political discourse and electoral processes. This approach is inclusive, ensuring all members have a voice in decision-making.

#### **c. Climate Change Mitigation**

Recognizing the environmental impacts of political operations, UPIA has allocated part of its annual budget to climate change mitigation efforts. These include:

- Afforestation and re-afforestation
- Grassroots sensitization on environmental conservation
- Tree seedling production and distribution

### **Environmental performance**

UPIA complies with the Environmental Management and Coordination Act Cap 387 and is committed to sound environmental practices, focusing on:

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- **Water Management:** Installation of smart taps, water use monitoring, and ensuring access to clean water in party offices.
- **Waste Management:** Timely waste collection, waste segregation, and promotion of recycling and reusability.
- **Energy Efficiency:** Use of energy-saving bulbs and clean energy technologies; lights turned off when not in use.
- **Recycling:** Active separation and recycling of office waste.
- **Transportation:** Adoption of low carbon-emission transport, including pooling transport during party activities.
- **Digital Documentation:** Promotion of paperless operations through digital transformation.
- **Green Energy:** Integration of solar and wind energy into party operations wherever feasible.

i) **Employee welfare**

UPIA is committed to providing a supportive and inclusive working environment guided by:

- Employment Act CAP 226D
- Political Parties Act CAP 7D
- UPIA Human Resource Policy

The party ensures:

- Equal employment opportunities
- Compliance with the two-thirds gender rule and SIGs inclusion
- Reward and recognition systems based on performance appraisal

**Health & Wellbeing:**

All employees are registered with national health insurance providers (e.g., SHA), encouraged to maintain a healthy work-life balance, and supported in continuous capacity building through professional training.

**Occupational Health & Safety:**

In compliance with the Occupational Safety and Health Act (OSHA) 2007, UPIA ensures:

- Safe and accessible office spaces for all, including PWDs
- Disaster preparedness (e.g., fire extinguishers, clear escape routes)

**3. Marketplace Practices**

UPIA upholds fair, transparent, and ethical marketplace operations. Key practices include:

**United Party of Independent Alliance**

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- Competitive procurement processes as per the Party's Finance and Procurement Manual
- Promotion of local vendors and contractors to boost local economies
- Timely payment and fulfillment of contractual obligations

The Party emphasizes:

- **Responsible Competition:** Zero tolerance for corruption and promotion of fair practices
- **Ethical Supplier Relations:** Sensitization on procurement laws and ethical standards
- **Responsible Marketing:** Honest and transparent advertising
- **Product Stewardship:** Protection of consumer rights and interests

:

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

- Supporting local causes and engaging local contractors and suppliers
- **Civic Education:** Through public barazas and specialized leagues (women, youth, PWDs), the Party promotes awareness and understanding of its mandate
- **Local Participation:** Engaging the community as stakeholders in political and developmental processes



**Hon. Dr. Mohamed Dahir Duale**  
National Secretary General  
United Party of Independent Alliance (UPIA)

**United Party of Independent Alliance**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**11. Report of the National Executive Council/Committee**

The Council/Committee submits their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Party's affairs.

**i) Principal activities**

The principal activities of the Party are reported on page (iii)

**ii) Results**

The results of the Entity for the year ended June 30, 2025, are set out on page 1 to 7.

**iii) Council Members**

The members of the Governing body/NEC who served during the year are shown on page vi. During the year no members retired/ resigned and no additional member was appointed.

**iv) Auditors**

The Auditor-General is responsible for the statutory audit of the *Entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Council/Committee



**Name Dr. Muhamed Dahir Duale**  
**National Secretary General**

## **12. Statement of the National Executive Council Responsibilities**

Section 31 of the Political Parties Act Cap 7D requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

The NEC is responsible for the preparation and presentation of the Party's financial statements, which give a true and fair view of the state of affairs of the Party for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Party;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Party;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

**United Party of Independent Alliance**  
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The NEC accepts 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 the Political Parties Act. The NEC is of the opinion that the Party's financial statements give a true and fair view of the state of the Party's transactions during the financial year ended June 30, 2025, and of the Party's financial position as at that date. The NEC further confirms the completeness of the accounting records maintained for the Party, which have been relied upon in the preparation of the Party's financial statements, as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the NEC assessed the Party's ability to continue as a going concern (Nothing has come to the attention of the Directors to indicate that the *Entity* will not remain a going concern for at least the next twelve months from the date of this statement).

**Approval of the financial statements**

The Party's financial statements were approved by the Board on 14<sup>th</sup> July 2025 and signed on its behalf by:



.....  
**Mjr Rtd Iltasayon Neepe**  
**Chairperson**



.....  
**Hon. Dr Mohamed Dahir Duale**  
**Secretary General**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON UNITED PARTY OF INDEPENDENT ALLIANCE FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 United Party of Independent Alliance set out on pages 1 to 53, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 United Party of Independence Alliance as at 30 June, 2025, 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 (Revised, 2022) 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 Party of Independent Alliance Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.12,122,844 and Kshs.10,136,411, respectively, resulting to an underfunding of Kshs.1,986,433 or 16% of the budget. However, the Party spent an amount of Kshs.10,433,894 against the actual receipts of Kshs.10,136,411 resulting to an overutilization by Kshs.297,483 or 3% of actual receipts.

The under-funding and underutilization may have affected the planned activities of the Party and negatively impacted the service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the previous year's audit report, several issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Party in the financial year 2024/2025 revealed that the following four (4) issues remain unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Property, Plant and Equipment
2	2023/2024	Budgetary Control and Performance-Underfunding
3	2023/2024	Late Submission of Financial Statements
4	2023/2024	Failure to Establish Adequate Party Offices

### Other Information

Management is responsible for the Other Information set out on pages iii to xxvi which comprise of Key Party Information and Management, National Executive Committee, Key Management/Secretariat Team, Chairman's Statement, Report of the National Secretary General, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the National Executive Committee and Statement of National Executive Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

### REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

#### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

##### 1. Non-Compliance with Climate Change Requirements

Review of the 2024/2025 annual work plans revealed that the Party did not integrate Climate Change considerations into its operational activities. Further, there was no evidence of climate-related allocations in the administrative expenditure budget or in the environmental and sustainability reporting sections of the annual report. This was contrary to Regulation 6(1)(d) of the Climate Change (Duties and Incentives) Regulations, 2021, which requires each public entity at both the National and County Governments to dedicate an amount in their annual budget towards Climate Change activities.

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

## **2. Non-Compliance with the Law on the Establishment of Party Offices**

As previously reported, the Party operated only one (1) Office located in Nairobi. This was contrary to Section 7(2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered 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 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of a Procurement Function**

Review of internal controls revealed that the Party had no procurement function. This was contrary to Section 47(1) and (2) of the Public Procurement and Asset Disposal Act, 2015, which states that a procurement function shall be handled by procurement professionals whose qualifications are recognized in Kenya and shall, among other functions, be responsible for rendering procurement professional advice to the Accounting Officer.

In the circumstances, the existence of effective internal controls on procurement processes could not be confirmed.

#### **2. Lack of an Internal Audit Function and Audit Committee**

Review of internal controls and governance structures revealed that during the year under review, the Party had not established an Internal Audit Function. This was contrary to Section 73(3)(b) of the Public Finance Management Act, 2012, which requires every National Government entity to have arrangements for conducting internal audits in accordance with the guidelines issued by the Public Sector Accounting Standards Board.

Further, the Party did not have an Audit Committee contrary to Section 73(5) of the Public Finance Management Act, 2012, which states that every National Government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the effectiveness of the Party's internal controls and risk management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective 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 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

15 December, 2025

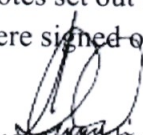
*United Party of Independent Alliance*


**Annual Report and Financial Statements for the year ended June 30, 2025.**


**14. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	FY 2024/25	FY 2023/24
		Kshs	Kshs
<b>Revenue</b>			
Transfers from Political Parties Fund (PPF)	6	7,587,411	5,971,746
Membership Fees	7	2,400,000	1,999,600
Public contributions and donations	8	149,000	-
Investment Income	9		-
Miscellaneous Revenue	10		-
<b>Total Revenue</b>		<b>10,136,411</b>	<b>7,971,346</b>
<b>Expenses</b>			
Administrative Expenses	11	5,618,337	-
Special Interest Groups expenses	12	2,378,902	-
Advocacy and Electoral expenses	13	3,249,474	-
Finance Costs	14	-	29,322
Use of goods and service			5,125,066
Employee costs			2,320,981
Depreciation expense			304,767
Repairs and maintenance			75,000
<b>Total expenses</b>		<b>11,246,713</b>	<b>7,855,136</b>
Other gains/(losses)			
Gain/Loss on sale of assets	15	-	-
Gain /Loss on fair value of investments	17	-	-
Impairment loss	18	-	-
<b>Surplus/Deficit</b>		<b>(1,110,302)</b>	<b>116,210</b>

The notes set out form an integral part of these Financial Statements. The Financial Statements set out were signed on behalf of the NEC by:

  
.....  
**Dr. Mohamed Dahir Duale**  
Secretary General

  
.....  
**Alexander Too**  
Head of Finance  
ICPAK M/No:22131

  
.....  
**Mjr. Rtd Iltasayon Neepe**  
Chairman of the Party

Date 28/08/2025

Date 28/08/2025

Date 28/08/2025

**15 Statement of Financial Position as at 30 June 2025**

	Notes	FY 2024/25	FY 2023/24
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	19	552,211	519,261
Receivables and advances	20	2,645,000	1,435,433
Inventories	21		-
Investments (current)	22		-
<b>Total Current Assets</b>		<b>3,197,211</b>	<b>1,954,694</b>
<b>Non-Current Assets</b>			
Investments	22		-
Property Plant and Equipment	23	1,559,662	1,828,451
Intangible Assets	24		-
Investment Property	25		-
<b>Total Non- Current Assets</b>		<b>1,559,662</b>	<b>1,828,451</b>
<b>Total Assets (A)</b>		<b>4,756,873</b>	<b>3,783,145</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	799,030	155,000
Refundable Deposits from Customers	27	-	-
Current Provision	28	-	-
Finance Lease Obligation	29	-	-
Deferred Income	30	-	-
Current Portion of Borrowings	31	-	-
<b>Total Current Liabilities</b>		<b>799,030</b>	<b>155,000</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	28		-
Borrowings	31		-
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>799,030</b>	<b>155,000</b>

*United Party of Independent Alliance*

**Annual Report and Financial Statements for the year ended June 30, 2025.**

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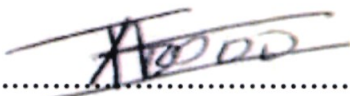
	Notes	FY 2024/25	FY 2023/24
		Kshs	Kshs
<b>Net Assets (A-B)</b>		<b>3,957,843</b>	<b>3,628,145</b>
<b>Represented by:</b>			
Revaluation Reserves			
Accumulated Surplus/deficits		3,957,8443	3,628,145
<b>Net Assets</b>		<b>3,957,843</b>	<b>3,628,145</b>

The financial statements set out were signed on behalf of the NEC by:



.....  
**Dr. Mohamed Dahir Duale**  
**Secretary General**

**Date 28/08/2025**



.....  
**Alexander Too**  
**Head of Finance**  
**ICPAK M/No:22131**

**Date 28/08/2025**



.....  
**Mjr. Rtd Iltasayon Neepe**  
**Chairman of the Party**

**Date 28/08/2025**

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
<b>As at July 1, 2023</b>	-	<b>3,511,935</b>	<b>3,511,935</b>
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Surplus/ deficit for the year	-	116,210	<b>116,210</b>
<b>As at June 30, 2024</b>	-	<b>3,628,145</b>	<b>3,628,145</b>
<b>As at July 1, 2024</b>	-	<b>3,628,145</b>	<b>3,628,145</b>
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Surplus/ (deficit) for the year	-	(1,110,302)	<b>(1,110,301)</b>
Prior Year adjustment	-	1,440,000	<b>1,440,000</b>
<b>As at June 30, 2025</b>	-	<b>3,957,843</b>	<b>3,957,844</b>

**Note:**

1. A prior year adjustment of Kshs. 1,440,000 relates to revenue that had not been accrued in previous financial years. Consequently, the receivable amount of Kshs. 1,440,000 was not reflected in the Statement of Financial Position for the financial year 2023/2024. It was therefore necessary to process the prior year adjustment to capture the opening accounts receivable.

*United Party of Independent Alliance*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**17. Statement of Cash Flows for the year ended 30 June 2025**

		<b>FY 2024/25</b>	<b>FY 2023/24</b>
		<b>Kshs</b>	<b>Kshs</b>
	<b>Notes</b>		
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Political Parties Fund (PPF)		8,822,844	5,971,746
Membership Fees		1,495,000	1,999,600
Public contributions and donations		149,000	-
Investment Income		-	-
Miscellaneous Revenue		-	-
<b>Total receipts</b>		<b>10,466,844</b>	<b>7,971,346</b>
<b>Payments</b>			
Administrative Expenses		4,650,517	
Special Interest Groups expenses		2,378,902	
Advocacy and Electoral expenses		3,404,475	
Finance Costs		-	29,322
Use of goods and service			5,125,066
Employee costs			2,320,981
Repairs and maintenance			75,000
<b>Total payments</b>		<b>10,433,894</b>	<b>7,550,369</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>32</b>	<b>32,950</b>	<b>420,977</b>
Cash flows from investing activities			
Purchase of PPE and Intangible assets		-	(339,428)
Proceeds from sale of PPE		-	-
Purchase of investments		-	-
Sale of investments		-	-
<b>Net cash flows from/(used in) investing activities</b>		<b>-</b>	<b>(339,428)</b>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows from financing Activities</b>		<b>-</b>	<b>-</b>

		<b>FY 2024/25</b>	<b>FY 2023/24</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Net increase/(decrease) in cash &amp;</b>		<b>32,950</b>	<b>(1,138,884)</b>
Cash equivalents			
Cash and cash equivalents at 1 July 2024	19	519,261	1,658,145
<b>Cash and cash equivalents at 30 June 2025</b>	<b>19</b>	<b>552,211</b>	<b>519,261</b>

*(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).*

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Carry Overs from the Previous Period		-	-	-	-	
<b>Receipts</b>						
Transfers from Political Parties Fund (PPF)	8,822,844	-	8,822,844	7,587,411	1,235,433	86
Membership Fees	2,340,000	(540,000)	1,800,000	2,400,000	(600,000)	133
Public contributions and donations	5,000,000	(3,500,000)	1,500,000	149,000	1,351,000	10
Investment Income	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
<b>Total</b>	<b>16,162,844</b>	<b>(4,040,000)</b>	<b>12,122,844</b>	<b>10,136,411</b>	<b>1,986,433</b>	<b>83.61</b>
<b>Payments</b>						
Administrative Expenses	6,859,384	95,688	6,955,072	4,650,517	2,304,555	67
Special Interest Groups expenses	2,690,967	-	2,690,967	2,378,902	312,065	88
Advocacy and Electoral expenses	4,594,138	(95,688)	4,498,450	3,404,475	1,093,975	76
Finance Costs	-	-	-	-	-	-
Purchase of Assets	520,000	-	520,000	-	520,000	-
Purchase of Intangible Assets	-	-	-	-	-	-
Others specify	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>14,664,489</b>	<b>-</b>	<b>14,664,489</b>	<b>10,433,894</b>	<b>4,230,595</b>	<b>71</b>
<b>Surplus for the period</b>	<b>1,498,355</b>	<b>(4,040,000)</b>	<b>(2,541,645)</b>	<b>(297,483)</b>	<b>(2,244,162)</b>	<b>12</b>

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

### **1. General Information**

UPIA is established by and derives its authority and accountability from Political Parties Act.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

**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 2025.*

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, 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: 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.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the

Standard	Effective date and impact:
	<p>scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

Standard	Effective date and impact:
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

Standard	Effective date and impact:
<p>IPSAS 43: Leases</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46:</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p>

Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>ii. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>iii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iv. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector</p>

	employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>v. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>vi. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

***iii. Early adoption of standards***

UPIA did not early – adopt any new or amended standards in the financial year

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from The Political Parties Fund**

Revenues transfers from the Political Parties Fund are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Party and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance upon meeting the set conditions.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Entity 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.

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for the Current FY was approved by the National Executive Council on **28/6/2024**. Subsequent revisions appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

**Budget information (continued)**

The *Entity'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 actual cash and cash equivalents from the statement of cash flows.

**c) Investment property**

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

**d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity 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.

**e) Leases**

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

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

**f) 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.

**g) Research and development costs**

The *Entity* expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the *Entity* 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.

**h) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* 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, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

The entity 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 the entity'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.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity 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.

**Fair value through surplus or deficit**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity 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**

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

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

**j) Provisions**

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* 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.

**k) Contingent liabilities**

The *Entity* 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**

The *Entity* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Entity* 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.

**m) Nature and purpose of reserves**

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

**Changes in accounting policies and estimates**

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

**n) Employee benefits**

**Retirement benefit plans**

The *Entity* 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.

**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)**

**o) 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.

**p) Related parties**

The *Entity* 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 the *Entity*, or vice versa. Members of key management are regarded as related parties and comprise NEC Members and other officials as per the Party's constitution and the Political Parties Act.

**q) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**r) Comparative figures**

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

**s) 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, 2025.

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

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

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

#### **Estimates and assumptions.**

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

#### **Useful lives and residual value**

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- 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.

Notes to the Financial Statements (Continued)

**6. Transfers from Political Parties Fund (PPF)**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Operational Grant	7,587,411	5,971,746
Other Grants	-	-
<b>Total</b>	<b>7,587,411</b>	<b>5,971,746</b>

*For Special Interest groups and Electoral activities*

**7. Membership Fees**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Nomination fees	-	-
Subscription fees	2,400,000	1,999,600
Penalties and fines	-	-
Others (specify)	-	-
<b>Total</b>	<b>2,400,000</b>	<b>1,999,600</b>

*Support Party activities and administrative expenses*

**8. Public Contributions and Donations**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Party Fundraising events	-	-
Founder Members contributions	149,000	-
Others (specify)	-	-
<b>Total</b>	<b>149,000</b>	<b>-</b>

**9. Investment Income**

Description	FY 2024/25	FY 2023/24
	KShs	KShs
Interest income	-	-
Rental Income	-	-
Dividends Income	-	-
Others specify	-	-
<b>Total Investment Income</b>	<b>-</b>	<b>-</b>

**10. Miscellaneous Revenue**

Description	FY 2024/25	FY 2023/24
	KShs	KShs
Sale of Merchandise	-	-
Hire of Grounds/Halls	-	-
Hire of Vehicles	-	-
Rendering of services	-	-
Others specify	-	-
<b>Total Miscellaneous Revenue</b>	-	-

**11. Administrative Expenses**

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Salaries and Wages	11(a)	2,444,139	-
Office Rent		2,049,030	-
Transport & Fuel		32,773	-
Stationaries & printing		3,500	-
Media & publications		-	-
Consumables		69,827	-
Travel and accommodations		-	-
Utilities	11(b)	26,298	-
Professional Fees	11(c)	434,200	-
Security		-	-
Communication Charges		57,100	-
Courier and Postage		-	-
Insurance		-	-
Depreciation		268,789	-
Subscriptions to Professional bodies		-	-
Bank charges		52,681	-
National Executive Committee		180,000	-
<b>Total Administrative Expenses</b>		<b>5,618,337</b>	-

**11(a) Salaries and Wages**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Salaries and wages	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Volunteer allowances	2,444,139	2,320,981
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Other employee related costs *	-	-
<b>Total Salaries and Wages</b>	<b>2,444,139</b>	<b>2,320,981</b>

\* Other employee-related costs- please specify and provide a brief explanation for these costs.

**11(b) Utilities**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Water & Sewerage	1,300	-
Electricity	19,998	-
Garbage Collections	-	-
Internet	5,000	-
<b>Total Utilities</b>	<b>26,298</b>	<b>-</b>

**11(c) Professional Fees**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Legal	2,000	-
Accountancy	25,000	-
Cleaning services	340,000	-
Movers	40,000	-
<b>Total Professional Fees</b>	<b>407,000</b>	<b>-</b>

**12. Special Interest Groups**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transport	715,668	-
Conference Facility	55,000	-
Food and Refreshment	119,384	-
Stationery	152,450	-
Accommodation	-	-
Caps/ T-shirts	1,035,100	-
Venue Hire	240,860	-
Public Address Equipment	50,000	-
Televising	10,440	-
Other Costs	-	-
<b>Total</b>	<b>2,378,902</b>	<b>-</b>

**13. Advocacy and Electoral Expenses**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Media and Publicity	337,879	-
Grassroot Election	275,000	-
Advertisement	80,990	-
Barazas	-	-
Printing Cost	1,926,651	-
Other Costs	628,954	-
<b>Total</b>	<b>3,249,474</b>	<b>-</b>

**14. Finance Costs**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount on lease liabilities	-	-
Interest on bank overdrafts	-	29,322
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>29,322</b>

**15. Gain on Sale of Assets**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

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

**16. Gain/Loss on foreign exchange transactions**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
specify	-	-
	-	-
<b>Total</b>	-	-

*(Provide brief explanation of gain/loss on foreign exchange transactions)*

**17. Gain/ (loss) on Fair Value Investments**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
specify	-	-
	-	-
<b>Total</b>	-	-

*(Provide brief explanation of fair value valuation on investment assets)*

**18. Impairment Loss**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
PPE	-	-
Intangible Assets	-	-
Others specify	-	-
<b>Total</b>	-	-

**19. Cash and Cash Equivalents**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Account	383,014	509,261
Savings Account	-	-
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Workpay	169,197	10,000
<b>Total Cash and Cash Equivalents</b>	<b>552,211</b>	<b>519,261</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	FY 2024/25	FY 2023/24
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1310212384	8,988	331,652
Equity Bank,	1010272135531	374,026	177,609
<b>Sub- Total</b>		<b>383,014</b>	<b>509,261</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>d) Others (Specify)</b>			
Workpay		169,197	10,000
Cash In Hand		-	-
Mobile Money Accounts		-	-
<b>Sub- Total</b>		<b>169,197</b>	<b>10,000</b>
<b>Grand Total</b>		<b>552,211</b>	<b>519,261</b>

**20. Receivables and advances**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
<b>Receivables</b>		
Rent deposit	300,000	200,000
Receivable from PPF	-	1,235,433
Membership Fees	2,345,000	-
<b>Total Current Receivables</b>	<b>2,645,000</b>	<b>1,435,433</b>

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

**21. Inventories**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Consumable stores	-	-
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Less: allowance for impairment	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	-	-

*(Provide brief explanation on inventories)*

**Detailed disclosure on inventories**

	FY 2024/25	FY 2023/24
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

Notes to the Financial Statements (Continued)

22. Investments

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b) Investment with Financial Institutions</b>		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
<b>c) Equity investments (specify)</b>		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
<b>Grand Total</b>	-	-
<b>Categorization of Investments</b>		
Current Investments	-	-
Longterm Investments	-	-
<b>Grand total</b>	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

**d) Movement of Equity Investments**

Impairment allowance/ provision	FY 2024/25	FY 2023/24
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

**e) Shareholding in other entities**

For investments in equity share listed under note 33 above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Comparative year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**23. Property, Plant and Equipment**

Cost Depreciation Rate	Furniture and fittings	Computers	Total
	12.50%	30%	
	Kshs	Kshs	Kshs
<b>Depreciation</b>			
<b>As At 1 July 2023</b>	<b>2,227,000</b>	<b>521,000</b>	<b>2,748,000</b>
Additions	250,928	88,500	339,428
Disposals	-	-	-
Transfers/Adjustments	-	-	-
<b>Revaluation Adjustments</b>	-	-	-
<b>As at 30th June 2024</b>	<b>2,477,928</b>	<b>609,500</b>	<b>3,087,428</b>
<b>1st July 2024</b>	<b>2,477,928</b>	<b>609,500</b>	<b>3,087,428</b>
Additions	-	-	-
Disposals	-	-	-
Transfer/Adjustments	-	-	-
Revaluation adjustments	-	-	-
<b>As at 30th June 2025</b>	<b>2,477,928</b>	<b>609,500</b>	<b>3,087,428</b>
<b>Depreciation And Impairment</b>			
<b>At 1 July 2023</b>	<b>651,010</b>	<b>303,200</b>	<b>954,210</b>
Depreciation	228,365	76,402	304,767
Impairment	-	-	-
Transfers/ Adjustments	-	-	-
<b>As At 30 June 2024</b>	<b>879,375</b>	<b>379,602</b>	<b>1,258,977</b>

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<b>Cost Depreciation Rate</b>	<b>Furniture and fittings</b>	<b>Computers</b>	<b>Total</b>
	<b>12.50%</b>	<b>30%</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>1st July 2024</b>	<b>879,375</b>	<b>379,602</b>	<b>1,258,977</b>
Depreciation	199,819	68,969	<b>268,789</b>
Disposals	-	-	-
Impairment	-	-	-
Transfer/Adjustment	-	-	-
<b>As at 30th June 2025</b>	<b>1,079,194</b>	<b>448,571</b>	<b>1,527,766</b>
<b>Net Book Values</b>			
<b>As at 30th June 2024</b>	<b>1,598,553</b>	<b>229,898</b>	<b>1,828,451</b>
<b>As at 30th June 2025</b>	<b>1,398,734</b>	<b>160,929</b>	<b>1,559,662</b>

*(Include a brief description of WIP as a footer.)*

### Valuation

Land and buildings/ Equipment (be specific) were valued by XXX professional valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30<sup>th</sup> June 2020). The assets were revalued by xxx professional valuers on this date xxx. These amounts were adopted by the Board on xxx with concurrence from the National Treasury.

### 25 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers And Related Equipment	609,500	448,571	160,929
Office Equipment, Furniture, And Fittings	2,477,928	1,079,194	1,398,734
<b>Total</b>	<b>3,087,428</b>	<b>1,527,766</b>	<b>1,559,662</b>

Property, plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**24. Intangible Assets**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**25. Investment Property**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

*(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.*

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Notes to the Financial Statements (Continued)

26. Trade and Other Payables

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Trade payables	799,030		155,000	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>799,030</b>		<b>155,000</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>FY 2024/25</b>	<b>% of the Total</b>	<b>FY 2023/24</b>	<b>% of the Total</b>
Under one year	799,030	100%	155,000	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	<b>799,030</b>		<b>155,000</b>	

(Provide brief explanation)

27. Refundable Deposits and Prepayments from Customers

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Customer deposits	-		-	
Prepayments	-		-	
Other deposits	-		-	
<b>Total deposits</b>	<b>-</b>		<b>-</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>FY 2024/25</b>	<b>% of the Total</b>	<b>FY 2024/25</b>	<b>% of the Total</b>
<b>Under one year</b>	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>-</b>		<b>-</b>	

(Provide brief explanation)

Notes to the Financial Statements (Continued)

28. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance b/f</b>	xxx	xxx	xxx	xxx	xxx
Additional provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Transfers from non-current provisions	-	-	-	-	-
<b>Total provisions year end</b>	-	-	-	-	-

29. Finance Lease Obligation

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
<b>At the start of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

Maturity Analysis

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 And Onwards	-
Less: Unearned Interest	-
<b>Total</b>	-

Analysed as:

Description	Amount (Kshs)
Current	-
Non- Current	-
<b>Total</b>	-

(Provide brief explanation)

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

**30. Deferred Income**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

(Provide brief explanation)

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions	-	-	-	-
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	-	-	-

**31. Borrowings**

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Balance at beginning of the year	-	-
borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at end of the year</b>	-	-
	-	-
Borrowings - Current	-	-
Borrowings - Longterm	-	-
<b>Total Borrowings</b>	-	-

Notes To The Financial Statements (Continued)

32. Cash Generated from Operations

Description	FY 2024/25	FY 2023/24
<b>Surplus for the year</b>	<b>(1,110,301)</b>	<b>-</b>
Adjusted for:		
Depreciation	268,789	-
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		-
Increase in inventory	-	-
Increase in receivables	230,433	-
Increase in deferred income	-	-
Increase in payables	644,030	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>32,950</b>	<b>-</b>

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

33. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management 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. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

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**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Receivables	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30 June (Previous FY)</b>	-	-	-	-
Receivables	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position).*

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June (Previous FY)</b>	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

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

**Financial Risk Management**

**iii) Market risk**

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the *Entity* on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the *Entity*'s income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The *Entity*'s Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the *Entity*'s exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Notes to the Financial Statements (Continued)

Financial Risk Management

Financial Risk Management

The carrying amount of the *Entity's* foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**Current FY**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

Foreign currency sensitivity analysis

**Current FY**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Notes To The Financial Statements (Continued)**

**Financial Risk Management**

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>Current FY</b>			
Euro	10%	-	-
USD	10%	-	-
<b>Previous FY</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (Current FY: Kshs xxx). A rate

increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx  
(Current FY – Kshs xxx)

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

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

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

**Financial Risk Management**

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June (Current FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June (Previous FY)</b>	-	-	-	-
<b>Financial Assets</b>	-	-	-	-
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

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

**34. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Entity* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Related parties include:**

- i) Office of the Registrar of Political Parties
- ii) NEC Members
- iii) Secretary General
- iv) The Treasurer
- v) Executive Directors

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>a) Grants /transfers from the government</b>		
Grants from Political Parties Fund	7,587,411	5,971,746
Other grants	-	-
	-	-
<b>Total</b>	<b>7,587,411</b>	<b>5,971,746</b>
	-	-
<b>b) Key management compensation</b>	-	-
Allowances to NEC Members	-	-
Compensation to key management	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**35. Contingent Assets and Contingent Liabilities**

*There was no Contingent assets or contingent liabilities held by the party*

**36. Events after the Reporting Period**

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

**20. Appendices**

**Appendix I: Implementation Status of Auditor-General’s Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.	Unsupported Property, Plant and Equipment.	The Asset register has been provided for the audit of this year’s Financial Statement.	Resolved	
2.	Late submission of Financial Statements.	The 2024/2025 Financial statement was submitted on 28 August, 2025	Resolved	
3.	Failure to establish adequate party offices.	Work in Progress	Not Resolved	

**Guidance Notes:**

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



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*United Party of Independent Alliance*

**Annual Report and Financial Statements for the year ended June 30, 2025.**

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Dr. Muhamed Dahir Duale

National Secretary General

Date: 24/11/2025

**Appendix II: Transfers from Political Parties Fund**

<b>No</b>	<b>Source of Funds (Entity)</b>	<b>Amount</b>	<b>Date Received</b>	<b>Financial Year the funds relates to</b>
<i>1</i>	Political Parties Fund	1,235,433.00	8 <sup>th</sup> July 2024	FY 2023/24
<i>2</i>	Political Parties Fund	2,205,711.00	16 <sup>th</sup> October 2024	FY 2024/25
<i>3</i>	Political Parties Fund	2,205,711.00	6 <sup>th</sup> November 2024	FY 2024/25
<i>4</i>	Political Parties Fund	2,205,711.00	3 <sup>rd</sup> March 2025	FY 2024/25
<i>5</i>	Political Parties Fund	970,278.00	28 <sup>th</sup> May 2025	FY 2024/25