

REPUBLIC OF KENYA



**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**


**THE AUDITOR-GENERAL**

**ON**

**COMMUNIST PARTY OF KENYA**

**FOR THE YEAR ENDED**

**30 JUNE, 2025**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WED
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# **COMMUNIST PARTY OF KENYA**

**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)**

**COMMUNIST PARTY OF KENYA**  
**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
CC	Central Committee
NC	National Congress
PPF	Political Parties Fund
CPK	Communist Party of Kenya

**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.

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

### **(a) Background information**

*Communist Party of Kenya* was fully registered under the Political Parties Act of 2011, CAP. 7D on 4<sup>th</sup> June 2019 after it changed its name from Social democratic Party. The Party is domiciled in Kenya and has 24 branches.

### **(b) Principal Activities.**

The Party is a vanguard Party, as well as a mass organization, based on understanding of Marxism- Leninism, and its application to the existing conditions. It is a people's organization and its paramount interest are the interests of the broadest masses. Members of the Party must never delink themselves from the masses.

The Party operates under the principle of democratic centralism. Democratic centralism is a combination of centralism on the basis of democracy and democracy under centralized guidance. The sense of organization and discipline must be strengthened, and all members are equal before the organization's discipline. In its internal political activities, the Party conducts criticism and self-criticism in the correct way, upholding truth and rectifying mistakes. Final decisions made by the majority or by the elected bodies bind all members. To achieve this then the party participates to:-

- (a) To sensitize, educate, recruit and mobilize people to understand and practice the ideals and tenets of communism.
- (b) To work towards a classless society, by overcoming all forms of exploitation and oppression of person by person, based on Marxist-Leninist ideology.
- (c) To build a socialist state and society in Kenya, and ultimately a communist society.
- (d) To work towards people's power, by actively participating in, and identifying with the people's struggle.
- (e) To work towards successful integration and unity of the East African Community. To accelerate and work towards the unification of the African people and States.
- (f) To fight for the defeat of the relics colonialism, neo-colonialism and dictatorship in all their manifestation.
- (g) To struggle against the illegitimate debt burden imposed on the country through unequal power, trade and other relations with imperialist countries.
- (h) To struggle to defeat imperialism and its local stooges in Kenya and the World.
- (i) To participate in national elections in order to win political power in our national circumstances and to build popular, democratic and progressive spaces.
- (j) To form or enter into alliances with other political parties, organisations and other social formations in Kenya, East African Community, Africa and the World for a common purpose that is consistent with this Constitution and the Party Manifesto.
- (k) To struggle for a balanced industrial, agricultural and developmental trajectory which also takes into consideration the environmental interests.
- (l) To fight neo-liberalism and capitalism and provide alternative economic and development policies based on socialism applied creatively in the material and historical conditions of Kenya.

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**(c) Key Management.**

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

<b>No.</b>	<b>Designation</b>	<b>Responsibility</b>
1.	National Congress	This is the highest leading body of the party and is mandated with overall decisions of the party. It meets at least once every five years.
2.	Central Committee	This is the governing body of the party and carries out the decision and instruction of the national congress while supervising and directing the work of the party and all its organs.
3.	Secretary General	This is the Accounting officer of the party thus the chief administrative officer of the Party.
4.	National Chairperson	To preside over meetings of the National Congress and Central Committee and Co-sign with the Secretary General all reports, including minutes, annual reports, financial reports and other party reports.
5.	National Treasurer	Shall be in charge of party finances and supervise financial transactions at all party level. Together with the Chairperson and the Secretary General, be signatories to the Party bank account and accounts in general.
6.	National Organizing Secretary	Be in charge of the recruitment of members of the party and the establishment of branches of the Party. Organizing and supervision of party events and meetings and in consultation with the Central Committee, be responsible for Presidential, Governor, Senatorial, Parliamentary and County assembly elections.
7.	Secretary of Ideology	Chairs the political Bureau of the party, who are mandated to review party documents, approve policy documents of the party, give ideological directions of the party, and run the party's ideology school and any other role that may be given to it by the Central Committee.
8.	Party Administrator	Managing office operations to ensure smooth work flow in the party and also provide clerical support.

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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.	Secretary General	<b>Benedict Wachira</b>
2.	Party Administrator	<b>Esther Lyinder Mkawuughanga</b>

**(e) Fiduciary Oversight Arrangements.**

**- Registrar of Political Parties.**

ORPP is the registration body of all political parties which makes sure compliance is achieved under all requirements prescribed in the relevant laws and regulations governing political parties.

**- Governing Body/Central Committee.**

This is the governing body of the party and carries out the decision and instruction of the national congress while supervising and directing the work of the party and all its organ.

**- Political Bureau.**

This is chaired by the secretary of ideology formed with a mandate to review party documents, approve policy documents of the party, give ideological directions of the party, and run the party's ideology school and any other role that may be given to it by the Central Committee.

**- Disciplinary Committee**

This committee is appointed of not less than two and not more than five to hear disputes and disciplinary matters at respective levels depending with the offense and where it occurs. The deputy chairperson is in charge of discipline in the organisation.

**(f) Party Headquarters**

P.O. Box 4403-00100, NRB.  
Communist Party of Kenya House  
Plot off Wundanyi Town.  
Wundanyi, Taita Taveta.

**(g) Party Contacts**

Telephone: (254) 0721 158 008  
E-mail: [communistpartyofkenya@gmail.com](mailto:communistpartyofkenya@gmail.com)  
Website: [www.cpk.ke](http://www.cpk.ke)

**(h) Party Bankers**

Consolidated Bank of Kenya Limited  
Koinange Branch  
P.O. Box 51133  
City Square 00200  
**Nairobi, Kenya.**

**(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

**Party Legal Advisor**

Kevin Arende Oiri  
P. O. Box .4403-00100 NRB

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**3. The Central Committee.**

Ref	Officials	Details
1.	Mwandawiro Mghanga	Position: National Chairperson. Profession: Political science
2.	Gitahi Ngunyi	Position: Deputy Chairperson Profession: Journalist
3.	Benedict Wachira	Position: Secretary General Profession: Lawyer
4.	Jacintah Kamau	Position: National Treasurer Profession: Accountant
5.	Nicholas Mutemi	Position: National Organising Secretary Profession: Lawyer
6.	Esther Lyinder Mkawuughanga	Position: Party Administrator Profession: Administration and Management

**4. Key Management/Secretariat Team**

Ref	Name	Position	Responsibility
1.	Mwandawiro Mghanga	National Chairperson	Co-sign with the Secretary General all reports, including minutes, annual reports, financial reports and other party reports.
2.	Benedict Wachira	Secretary General	Accounting Officer/ Secretary to the CC
3.	Jacintah Kamau	National Treasurer	Shall be in charge of party finances and supervise financial transactions at all party level. Together with the Chairperson and the Secretary General, be signatories to the Party bank account and accounts in general.
4.	Nicholas Mutemi	National Organising Secretary	Be in charge of recruitment of members and establishment of branches of the Party. Organizing and supervision of party events and meetings and in consultation with the Central Committee, be responsible for Presidential, Governor, Senatorial, Parliamentary and County assembly elections.
5.	Esther Lyinder Mkawuughanga	Party Administrator	Managing office operations to ensure smooth work flow in the party and also provide clerical support.

**5. Chairman's Statement**

I am delighted to present the financial report for **COMMUNIST PARTY OF KENYA** for the year ended 30 June 2025. I would like to congratulate the members of **COMMUNIST PARTY OF KENYA** without whom it would not have been possible for us to achieve the results for the year under view.

As the Chairman, I appreciate the support accorded to me by my fellow party officials and I thank them for their invaluable advice and support. In the year under review we managed to hold several meetings which helped us to run the party efficiently and effectively.

I would also like to take this opportunity to thank the Government of Kenya, specifically the Registrar of Political Parties for their invaluable support in ensuring that Political Parties operate in a level playing field that guarantees fairness for all electorates.

The biggest challenge we still face as a party is lack of enough funds to run our operations. The funds from the exchequer are minimal, far from the legal amounts that we deserve. Therefore the party devises ways of survival for sustainability including deploying volunteers.

As a party we continue to consult widely on putting together our strategic plan as well as other party documents which we would require extensive training on as we progress to enable us write them to serve the purpose.

Going forward, we have embarked on very aggressive membership recruitment drive to help educate the masses by establishing cells all over therefore party cadres all across the Country. Our aim is to have as many people conform to the party ideology and therefore make informed decisions as we make inroads in areas where we do not have a presence, as we spread the message of socialism to all the oppressed and exploited. Currently, CPK is compliant in 24 Counties across the Country.

Thank you.

  
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**MR. MWANDAWIRO MGHANGA**

**NATIONAL CHAIRPERSON**

**DATE**...*28<sup>th</sup> December 2025.*.....

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

We are delighted to present the financial report for **COMMUNIST PARTY OF KENYA** for the year ended 30 June 2025.

Collective responsibility has made it possible for us to achieve the results posted for the Financial Year under review and I appreciate the support accorded to me by my fellow party members and thank them for their invaluable support.

We would also like to thank the Government and ORPP for their support, however the biggest challenge that we still face as a party is lack of enough funds to run our operations. Therefore we appeal that they should allocate enough resources from the Political Parties Fund (PPF) to enable Political Parties manage their affairs better.

The biggest challenge we face because of the above is that hiring of experienced staff to enable handle our operations effectively becomes impossible and we end up relying on volunteers most of the times.

Delays in transferring Political parties fund in our banks became inevitable which caused delays in planned activities making it impossible to do our quarterly activities as appropriate.

We experienced slight decrease in Revenue and a considerable reduction in Expenditure because there was a major PPF budget cut during the year which made us review our activities accordingly. Our first budget in expenditure was Ksh 1,013,437 visa vie the current one of ksh 871,529

We continue to experience major reduction in membership collections due to hard economic time's experiences in the country and throughout the world. However we continue to put in resources to recruit members as much as possible as we sensitize them on the importance of voting responsible leaders.



**BENEDICT WACHIRA**

**SECRETARY GENERAL**

**DATE** .....08<sup>th</sup> Dec. 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 2022 to Year 2027. The Strategic Plan is implemented in annual work plans.*

*The performance of the Party during the year is presented in the table below which shows extracts of CC approved work plans and budget.*

COMMUNIST PARTY OF KENYA  
 REVISED WORKPLAN A FOR 12 MONTHS BEGINNING JULY 2024 - JUNE 2025

STRATEGIC OBJECTIVE	ACTIVITIES	OUTPUT	BUDGETARY ESTIMATES	QTRLY TIME FRAME JULY 24-JUNE 25			PERFORMANCE INDICATORS	MEANS OF VERIFICATION	
				Q1	Q2	Q3			
1. Not more than 30% of the political party funding to cover administration cost of the party. i.e 30% of Ksh 871,529	<b>1. HQ &amp; Administration Expenses</b>	NOTE 1					1. Effective and responsive human resource policy in place. 2. Effective and responsive finance policies in place 3. Effective asset management policy in place	1. Branch/registrar records 2. Compliance with the law 3. Effective running of the party and safety of party assets 4. Auditor general and Kra	
	Office supplies								
	Security expenses								
	Electricity and water		9,100	√	√	√			
	Internet and telephone								
	Postage and delivery		9,500	√	√	√			
	Printing and stationery		45,328	√	√	√			
	Rent & rates & deposits		120,000	√	√	√			
	Financial Cost & banking expenses		11,531	√	√	√			
	Cleaning & sanitation								
	Staff welfare & medical cover								
	Wages & salaries								
	Newspapers & Publications								
	Repairs & maintenance								
	Clubs & Memberships								
Staff Developments									
Travel & accomodation		66,000	√	√	√				
Admin legal and professional fees									
<b>Capital Expenditure/Assets.</b>									
Depreciation & Amortisation									
	<b>TOTAL ADMINISTRATION EXPENSES</b>		<b>261,459</b>						
1. ensure continuous link between the people and party organs. 2. To grow membership base to achieve credible party membership	<b>2. Promoting Active Participation by citizen in political life</b>						1. Increased community understanding of electoral processes and party officials understanding of the requirement of political party Act	1. Branch records/Registrar records 2. Compliance with the law 3. Available party membership records	
	<b>a.) Membership Recruitment &amp; Branch Coordination and support</b>	NOTE 2							
	Branch support & Disbursements								
	Branch audits & coordination								
	Membership recruitment & retention		65,000	√	√	√			
	General membership expenses								
	Resource mobilization expenses								
		<b>TOTAL BRANCH COORDINATION &amp; SUPPORT EXPENSES</b>		<b>65,000</b>					
		<b>b.) Conferences and meetings</b>	NOTE 2						
	Central C/NFC Quarterly meetings		88,000	√	√	√			
National officials meetings & forum									
NGC Meeting									
Party conferences									
1. Maintaining party's relevance amongst the membership. 2. Approval & ratification of party policy document, party constitution, voters						1. Increase community understanding of electoral processes and party officials 2. Understanding of the requirement of the political & elections parties Act	1. HQ and branch records/Registrar records 2. Compliance with the law- ILBC 3. Effective running of the party 4. Party manifesto and strategic plan		

WORKPLAN

**COMMUNIST PARTY OF KENYA**  
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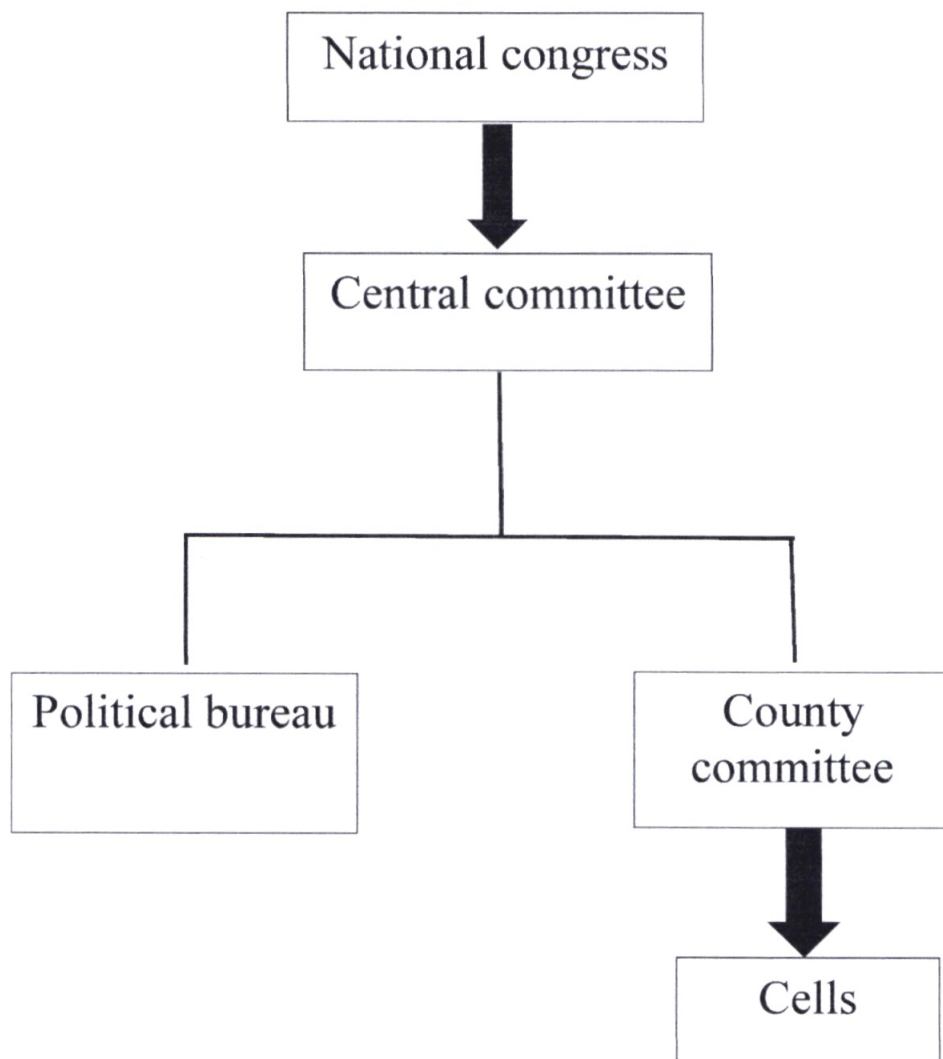
COMMUNIST PARTY OF KENYA  
 REVISED WORKPLAN A FOR 12 MONTHS BEGINNING JULY 2024 - JUNE 2025

STRATEGIC OBJECTIVE	ACTIVITIES	OUTPUT	BUDGETARY ESTIMATES	QTRLY TIME FRAME JULY 24-JUNE 25				PERFORMANCE INDICATORS	MEANS OF VERIFICATION
				Q1	Q2	Q3	Q4		
register. 3. To audit branch leadership and management.	Party leaders meetings County and Branch forums International conferences Ad hoc & standing committees PG Meetings Party secretariat meetings Party special NDC Meeting <b>TOTAL CONFERENCES &amp; MEETINGS EXPENSES</b>		<b>88,000</b>					3. Successful party elections and nomination exercise 4. Membership growth and service delivery	
	<b>c.) Civic Education</b>	<b>NOTE 2</b>							
1. Bringing our party to bear on the shaping public opinion on election matters	Seminar & Workshops Civic Education & Retreats Voters sensitization forums Party to party co-operation Other secretariat/ Governance forums <b>TOTAL CIVIC EDUCATION EXPENSES</b>		39,970	√	√	√		1. Mainly covering the party legislative agenda and the development government, ToTS, Youth, PWDs and Women leagues	1. Branch records/Registrar records 2. Compliance with the law 3. Available party membership records
	<b>3. To Promote representation of SIGs</b>	<b>NOTE 3</b>							
1. Not less than 30% to promote activities of Special Interest Groups, included but not limited to meetings and conferences	PWD league conferences & meetings. Marginalised group meetings and conferences Women & youth league conferences & meetings <b>TOTAL SIGS EXPENSES</b>		100,000 100,000 150,000 <b>350,000</b>	√	√	√	√	1. To cover extensively activities of SIGs 2. To Promote representation of special interest groups, including PWD, youth & women League and marginalised groups	1. Branch Records/ Registrar Records 2. Compliance with the law 3. Available party membership records
	<b>4. Party policies and advocacy</b>	<b>NOTES 4</b>							
1. Bringing our party to bear on the shaping public opinion 2. Partys strategic plan development 3. Broadcasting party policies	Advocacy articles Intelligence & media monitoring Radio, Tv & newspaper - publicity & advertising General advocacy/campaigns/Smmedia/Website Policy dialogue/Manifesto development <b>TOTAL PARTY POLICY &amp; ADVOCACY EXPENSES</b>		50,000 17,100 <b>67,100</b>	√	√	√	√	1. Mainly covering the party legislative agenda and the development government, ToTS, Youth, PWDs and Women leagues and the party members as a whole	1. Branch records/Registrar records 2. Compliance with the law 3. Available party membership records
	<b>5. Electoral Expenses.</b>	<b>NOTE 5</b>							
1. Covering election & nomination expenses of the party. 2. Campaigning and broadcasting of party policies. 3. Achieve credible party nominations via an informed party electoral process. 4. Conducting By elections of the party where needful. 5. Covering grassroot party officials elections	Opinion polls, research & strategy Personal expenses - Ros, Pos, Agents Election materials - Ballot boxes and papers Campaign promotional materials All media notices and advertisements Transportation and logistics Vetting expenses Rally & security expenses Campaign Launch Legal fees Grassroot expenses <b>TOTAL ELECTORAL EXPENSES</b>							1. Increase community understanding of electoral processes and party officials 2. Understanding of the requirement of the political & elections parties Act. 3. Successful party elections and nomination exercise 4. Membership growth and service delivery	1. HQ and branch records/Registrar records 2. Compliance with the law- ILBC 3. Effective running of the party 4. Party manifesto and strategic plan
	<b>TOTAL AMOUNTS</b>		<b>871,529</b>						

WORKPLAN

**8. Governance Statement.**

The Party structure is presented in the diagram below:



The governance arrangement of the party is as explained below:-

- National Congress is the highest leading body of the party and is mandated with overall decisions of the party. It shall be constituted of the Chairperson, the Secretary and a member from each County Committee where the member shall be nominated by his/her County. The National Congress shall meet at least once every five years.
- Central Committee is the governing body of the party and carries out the decision and instruction of the national congress while supervising and directing the work of the party and all its organs. Members of the Central Committee shall be elected by the National Congress, whose membership is not more than 21 persons, which will include the National Chairperson, the Deputy Chairperson, the Secretary-General, the National Organising Secretary and the National Treasurer. The Central Committee meet at least once every two months.
- Political Bureau is chaired by the secretary of ideology formed with a mandate to review party documents, approve policy documents of the party, give ideological directions of the party, and run the party's ideology school and any other role that may be given to it by the Central committee. Central Committee assign specific roles to its members who shall include the Secretary for Ideology, Publicity Secretary, and other designations that may be necessary, up to a maximum of thirteen persons, including the Chairperson and the Secretary General who forms the political Bureau.
- County Committee is tasked to discuss, coordinate and oversee activities at the county level. It is elected by all the chairpersons, Secretaries and a member, from all the cells in the County from whom they shall elect a chairperson, a secretary, an organising secretary, a treasurer and eleven other members, ensuring that at least one-third of this committee is of opposite sex. It shall meet at least once every two months.
- Cells are the basic organs of the Party. They shall be formed in enterprises, industries, estates, villages, rural areas, government departments, schools, scientific research institutes, art institutes, communities, mass organizations and in diaspora. The cells will have a Chairperson, Secretary, Organizing Secretary, Treasurer and any other official they may deem necessary. They are responsible for recruitment, ideological trainings and local organization in the party.

## **9. Management Discussion and Analysis**

As a party, our ambition is to establish a country where there is reduced inequality, and to work towards a classless society in Kenya and beyond.

Our party was established by Kenyans whose vision was to change the entrenched socio-economic inequalities, bad governance, corruption, negative ethnicity and to tackle the growing poverty and marginalization of communities and disadvantaged groups. We intend to guard these virtues jealously in order to create a just society.

One aspect we want to focus on is to ensure that our activities as a Political Party impact positively on the livelihoods of Kenyans. Social responsibility if well managed can be used to improve living standards in our communities.

Below are some of the highlights:

### **INCOME ANALYSIS.**

- ***Membership and member's subscription.***

Due to the hard economic times in the country and beyond we have waived for our member's contribution subscriptions, which has resulted in a reduction in funds generated from members. Also when representatives are elected there become reluctant to pay party dues making it harder for the party. However we have continued to invest in members' recruitment and civic education to prepare the party for the next general elections.

- ***Budget per year.***

We have presented our budget for approvals from the year ending June 2023 to the year ending June 2025. Where in the year **2023** we presented a budget of Ksh 627,485 and in the year **2024** we presented a budget of Ksh 573,522 and finally for this financial year of **2025** we presented a budget of Ksh 871,529.

- ***Revenue from Political Parties Fund (Funded Parties)***

During the year the party was allocated ksh 871,529 which was after a budget cut from Ksh 1,013,437 which was first allocated. The party also received Ksh 141,908 related to last financial year during this year.

- ***Number of elected representatives, including SIGs.***

CPK has 2 elected representatives including SIGs and nominated members.

- **No of Party Branches**

During this year ORPP, compliance department carried out an inspection of our offices, however we agreed to work together to be helped more on compliance challenges faced mostly caused by lack of enough finances to sustain the offices. Currently we have 24 party branches operating in different counties.

**EXPENDITURE NOTES.**

The following provide brief expenses explanations

- ***HQ & Administration Expenses.***

During the year the party utilized admin expense of Ksh 166,119 including depreciation of Ksh 5,046. However the budgeted amount was Ksh 261,459 where Ksh 173,203, which included Ksh 70,000 accrued rent among others was accrued to next financial year of 2026 also Ksh 72,817 was an administration amount accrued from last year which went towards clearing Rent and 2,817 to printing as both had been allocated in last financial year's budget.

- ***Promoting Active Participation by citizen.***

***Members' recruitment and Branch Coordination and support.***

During the year the party budgeted Ksh 65,000 towards this activity, however the party accrued this event to next year ending June 2026.

***Conferences and meetings.***

During the year the party budgeted Ksh 88,000 for CC meeting, where a meeting was held to deliberate on party issues with ksh 24,000 leaving Ksh 64,000 to accrue to next financial year ending June 2026. However an international meeting was done during the year of Ksh 66,033 which had accrued from last year since ppf amounts delayed and ended up being transferred in the beginning of this year.

***Civic Education.***

During the year the party utilised Ksh 20,970 towards the activity, however the party accrued Ksh 19,000 to next financial year. The party held voters sensitization forums to educate members on the party ideologies and how they relate to current situations.

- ***Party Promotion and advocacy.***

During the year the party budgeted for Ksh 67,100 and managed to utilise Ksh 26,629 towards the activity, which included Ksh 9,529 a reallocation from last year administration expense not utilised then due to late transfer of ppf to this year, to publicity and advertising expense. However the party accrued Ksh 50,000 of publicity and advertising expense to next financial year.

- ***Promote Representation of SIGs.***

During the year the party utilised ksh 350,000 towards the special groups as budgeted.

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

Communist party of Kenya is committed to reduce environmental impact in its operations. The party is cognizant of adverse environmental effects on sustainability practices where sustainability is the ability to maintain or continue offering services to the country's citizens over the long term. It is using resources in a way that allows them to replenish and continue supporting life both now and in the future.

### **i. Sustainability strategy and profile.**

To ensure the sustainability, party funds the following key thematic areas/programmes as part of its sustainable priorities.

- a. **Training and advocacy:** The party focus on political education for party members through conducting sensitization forums and customized training. The intention is to empower the party members such that in years to come, they will be informed with party ideologies and therefore creating loyalty to the party, who will contribute positively to democracy and strengthening of the party. This strategy also takes care of marginalized groups, women, youth and people living with disabilities.
- b. **Representation and Participation:** Among its key pillars, the party aims to achieve representation at County and National Assembly of Special Interest Groups (SIGs) as a priority area with the intention to enhance their participation in political discourse. This is aimed at increasing the number of SIGs both at County and National Assembly electoral processes. The Party directly engages stakeholders in decision-making and fully considers members.
- c. **Climate change and mitigation:** The party acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, and aspires to comply with all the requirements thereon.

### **ii. Environmental performance.**

The party is cognizant of environmental management and coordination Act Cap 387 and aspires to comply with the requirements. The party focuses on the following key areas in environmental performance.

- a. Lights – The party has put in place measures to use clean energy in the office where it uses energy savings bulbs and ensures that lights are switched off when not in use.
- b. Recycling – The party segregates waste for recycling purposes.

- c. Transportation – The party aspires to use low carbon emission modes of transport; pool transport is used during party activities.
- d. Digital documentation – Through digital transformation the party has reduced the use of papers in printing.

**iii. Market place practices.**

Communist party of Kenya is committed to fair and ethical market practices. The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors to lift them economically. Our ethical market practices ensure the party gets value for money on all goods and services procured. We are also committed to healthy relations with our suppliers and are dedicated to honouring all contracts and settling payments promptly.

**iv. Community Engagements-**

The Party has endeavoured to sustain community as well as appreciating our existence through engaging local suppliers when necessary. We have also engaged the community on the party mandate through civic education, public barazas, women leagues, youth leagues and PWDs leagues.



**Name: Benedict Wachira**  
**Secretary General.**

**11. Report of the Central 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 Party for the year ended June 30, 2025, are set out on page 1 to 6

**iii) Central Committee Members**

The members of the Governing body/CC who served during the year are shown on page vii during the year 2025 no member retired/ resigned or was appointed.

**iv) Auditors**

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

By Order of the Council/Committee



\_\_\_\_\_  
**Name: Benedict Wachira**

**Secretary General**

## **12. Statement of the Central Committees Responsibilities**

Section 31 of the Political Parties Act 2011 Cap 7D requires the CC 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 CC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. CC is also responsible for safeguarding the assets of the Party.

The CC 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.

The CC 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 CC 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 CC 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 CC assessed the Party's ability to continue as a going concern nothing has come to the attention of the Members to indicate that the *Party* will not remain a going concern for at least the next twelve months from the date of this statement.

**COMMUNIST PARTY OF KENYA**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2025**

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**Approval of the financial statements**

The Party's financial statements were approved by the Central Committee on 08<sup>th</sup> December 2025 and signed on its behalf by:



**Name: Mwandawiro Mghanga**  
**National Chairperson**



**Name: Benedict Wachira**  
**Secretary General**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON COMMUNIST PARTY OF KENYA 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of the Communist Party of Kenya set out on pages 1 to 34, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Communist Party of Kenya 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 Qualified Opinion**

### **Inaccuracies in the Financial Statements**

The statement of financial performance reflects total expenditure of Kshs.654,067. However, the recalculated amount was Kshs.653,751, resulting to an unexplained variance of Kshs.316. Further, Note 14 to the financial statements reflects trade and other payables of Kshs.70,000. However, the prior year payable was Kshs.421,900, resulting in an unexplained variance of Kshs.391,500. The statement of cash flows also reflects a nil increase in payables. However, the statement of financial position reflects Kshs.70,000, resulting to an unexplained variance of Kshs.70,000.

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

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that, there are no other key audit matters to communicate in my report.

### **Other Matter**

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

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Party in the 2024/2025 financial year revealed that the following five (5) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccurate Annual Report and Financial Statements
2	2023/2024	Undisclosed Income from Membership Fees
3	2023/2024	Unsupported Expenditure
4	2023/2024	Unsupported Cash and Cash Equivalent Balance
5	2023/2024	Unsupported and Long Outstanding Trade and Other Payables Balance

### Other Information

Management is responsible for the Other Information set out on page iii to xx which comprise of Key Political Party Information and Management, The Central Committee, Key Management Team, Chairman's Statement, Report of the Secretary-General, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Central Committee, and the Statement of the Central Committee's 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. Based on the audit procedures performed and the matters described in my basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an 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 the Public Sector Accounting Standards Board Reporting Template

The annual report and financial statements, as prepared and presented for audit, revealed the following anomalies:

- i. Depreciation rates for property, plant and equipment have not been provided;
- ii. The management did not use the direct method of cash flow presentation as guided by the template; and
- iii. No movement schedule was provided for accounts payable and receivables during the year under review.

In the circumstances, the annual report and financial statements do not comply with the Public Sector Accounting Standards Board (PSASB) prescribed template.

## **2. Non-Compliance with Climate Change and Financing Regulations**

Review of records revealed that the Party did not allocate resources in its annual budget towards Climate Change activities. This was contrary to Regulations 6(1)(d) and 15(2)(a) of the Climate Change Regulations, 2021, which require each public entity at both the National and County Governments to dedicate an amount in its annual budget towards Climate Change activities. The regulations also require each entity to designate a unit with adequate staff and financial resources and appoint a senior officer as head of the unit to coordinate the integration of the Climate Change action plan and other statutory Climate Change functions into sectoral strategies.

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

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

As previously reported, it was observed that the Party operated only one (1) Office in the County of Taita Taveta. No records were provided to verify that the Party had established Offices in at least twenty-four (24) Counties. 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.

## **4. Failure to Prepare and Submit Quarterly Reports and Bank Reconciliation Statements**

During the year under review, the Party Management did not prepare monthly bank reconciliation statements and quarterly reports as required by Regulations 90(1) and 65 of the Public Finance Management (National Government) Regulations, 2015. The regulations require accounting officers to prepare monthly bank reconciliation statements by the 10th of the subsequent month and quarterly reports by the 15<sup>th</sup> day of each quarter and submit a copy to The National Treasury, with a copy to the Auditor-General.

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, 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 Internal Audit Function and Audit Committee**

During the financial year under review, the Party had not established an Internal Audit Function. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, which requires every National Government entity to maintain an internal auditing arrangement that adheres to the guidelines issued by the Public Sector Accounting Standards Board. Further, the Party had not established an Audit Committee contrary to Section 73(5) of the Public Finance Management Act, 2012, which requires every National Government public entity to establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

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

### **2. Lack of a Fixed Assets Register**

The statement of financial position reflects property, plant and equipment balance of Kshs.31,801 as disclosed in Note 13 to the financial statements. However, the assets were not supported by a duly filled and updated fixed asset register as per the policy on asset and liability management issued by The National Treasury. Failure to maintain the assets register exposes the assets to losses.

In the circumstances, the effectiveness of internal controls over asset 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 the Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Party's ability to continue 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


17 December, 2025


*COMMUNIST PARTY OF KENYA*  
**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	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue</b>			
Transfers from Political Parties Fund (PPF)	6	871,529	573,522
<b>Total Revenue</b>		<b>871,529</b>	<b>573,522</b>
<b>Expenses</b>			
Administrative Expenses	7	166,119	150,155
Special Interest Groups expenses	8	350,000	172,093
Advocacy and Electoral expenses	9	137,632	181,696
<b>Total expenses</b>		<b>654,067</b>	<b>503,944</b>
<b>Surplus/Deficit</b>		<b>217,778</b>	<b>69,578</b>

The notes set out on pages 7 to 33 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the CC by:

  
**Name: Benedict Wachira**  
**Secretary General**

  
**Name: Jacintah Kamau**  
**National Treasurer**

  
**Name: Mwandawiro Mghang**  
**National Chairperson**

**Date** 08<sup>th</sup>.12.2025.

**Date** 08<sup>th</sup>.12.2025.


**Date** 08<sup>th</sup>.12.2025.


**COMMUNIST PARTY OF KENYA**  
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**15 Statement of Financial Position as at 30 June 2025**

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	10	259,752	6,471
Receivables and advances	12	20,000	20,000
Accrued Receivable from Government	12	111,451	141,908
<b>Total Current Assets</b>		<b>391,203</b>	<b>168,379</b>
<b>Non-Current Assets</b>			
Property Plant and Equipment	13	31,801	36,847
<b>Total Non- Current Assets</b>		<b>31,801</b>	<b>36,847</b>
<b>Total Assets (A)</b>		<b>423,004</b>	<b>205,226</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	14	70,000	421,900
<b>Total Current Liabilities</b>		<b>70,000</b>	<b>421,900</b>
<b>Non-Current Liabilities</b>			
Borrowings		-	-
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>70,000</b>	<b>421,900</b>
<b>Net Assets (A-B)</b>		<b>353,004</b>	<b>(216,674)</b>
<b>Represented by:</b>			
Reserves		135,226	69,578
Accumulated Surplus/deficits		217,778	(286,252)
<b>Net Assets</b>		<b>353,004</b>	<b>(216,674)</b>

The financial statements set out on pages 1 to 6 were signed on behalf of the CC by:

  
**Name: Benedict Wachira**  
**Secretary General**  
**Date 08<sup>th</sup>. 12. 2025.**

  
**Name: Jacintah Kamau**  
**National Treasurer**  
**Date 08<sup>th</sup>. 12. 2025.**

  
**Name: Mwandawiro Mghang**  
**Chairman of the Party**  
**Date 08<sup>th</sup>. 12. 2025.**

**COMMUNIST PARTY OF KENYA**  
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**16. Statement of Changes in Net Assets for the year ended 30 June 2025**

Description	Reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
<b>As at July 1 2023</b>	<b>(81,947)</b>	<b>(204,305)</b>	<b>(286,252)</b>
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Surplus/ deficit for the year	69,578	-	69,578
<b>As at June 30, 2024</b>	<b>(12,369)</b>	<b>(204,305)</b>	<b>(216,674)</b>
<b>As at July 1, 2024</b>	<b>(12,369)</b>	<b>(204,305)</b>	<b>(216,674)</b>
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Write off of Current Liability using party's reserve (Members acc. Fund)	351,900	-	351,900
Surplus/ (deficit) for the year	217,778	-	217,778
<b>As at June 30, (Current FY)</b>	<b>557,309</b>	<b>(204,305)</b>	<b>353,004</b>

*Benedict Wachira*

**Name: Benedict Wachira**  
**Secretary General**

**Date** 08<sup>th</sup>.12.2025.

*Jacintah Kamau*

**Name: Jacintah Kamau**  
**National Treasurer**

**Date** 08<sup>th</sup>.12.2025.

*Mwandawiro Mghang*

**Name: Mwandawiro Mghang**  
**Chairman of the Party**

**Date** 08<sup>th</sup>.12.2025.

**Note:**

1. During the year there was a write off against accumulated member's funds/Reserves of Taita Taveta house-Rent liability of Ksh 351,900 which has been accruing over a period of time.

*COMMUNIST PARTY OF KENYA*  
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**Budget notes**

1. In **Administration**, there was an underutilization as stated above of 161,073 from a budget of Ksh 261,459, 62%. The difference was due to; Ksh 173,203 which accrued to year 2026, an administration amount of Ksh **72,817 which** accrued from last year and was towards clearing Rent and ksh 2,817 to printing as both had been allocated in last financial year's budget. Also an amount of Ksh 5,046 was depreciation for the year.

**Advocacy and electoral expenses** was also underutilised as stated above 53%. This is because during the year the party budgeted towards **conferences and meetings** Ksh 88,000 in specific for CC meeting, where a meeting was held to deliberate on party issues with ksh 24,000 **leaving Ksh 64,000 to accrue to next financial year**. However an international meeting was done during the year of **Ksh 66,033 which had accrued from last year** since the money was not transferred on time and was transferred in the beginning of this year. Also during the year the party budgeted 39,970 towards **Civic education** and utilised Ksh 20,970 towards the activity, **however ksh 19,000 was accrued to next financial year**. Also during the year the party budgeted for Ksh 67,100 towards **policy and advocacy** and utilised Ksh 26,629 towards the activity, which included **Ksh 9,529 a reallocation from last year** administration expense not utilised then due to late transfer of ppf , to publicity and advertising expense, however the party accrued **Ksh 50,000 of the expense to next financial year. (IPSAS 24.14)**

2. The difference between the original and final budget was due to budget cuts during the year.

**(IPSAS 24.29)**

3. Where the total of actual on a comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis- budget is cash basis, statement of financial performance is accrual, provide a reconciliation.

**Budget Reconciliation**

No	Description	Kshs
	Surplus/Deficit Amounts as per the statement of Financial performance.	217,778
1.	Administration Expense accrued from last year	72,817
2.	Depreciation for the year	5,046
3.	Advocacy, conference & meeting and electoral expenses 66,033+9,529	75,562
4.	Amounts FTY 2025 Transferred to our Bank Account in the year 2026	(111,451)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	259,751

**19. Notes to the Financial Statements**

**1. General Information**

Communist party of Kenya 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 *Party's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

*COMMUNIST PARTY OF KENYA*  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2025**

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**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*

<b>Standard</b>	<b>Effective date and impact:</b>
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 Party.  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 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.

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Standard	Effective date and impact:
	valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<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>
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 Party 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>

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Standard	Effective date and impact:
	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> <ol 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 Party'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> </ol>
IPSAS 43: Leases	<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 Party.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>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.</p>

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<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 45: Property Plant and Equipment	<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>

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 46: Measurement	<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>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 Party 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>

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<p>IPSAS 48: Transfer Expenses</p>	<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 or accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<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>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<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 Party'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***

Communist Party of Kenya has adopted the new standards in the financial year for the year 2025 where applicable.

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for the Current FY was approved by the National Assembly on 27<sup>th</sup> September 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The reductions appropriations are reduced in the original budget by CPK upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *Party* recorded reduction appropriations of Ksh **141,908** on 24<sup>th</sup> June 2025 budget following the governing body's approval.

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

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 Party recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

**e) Leases**

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

**Leases (continued)**

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

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

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

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

**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 Party does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Party and a financial liability or equity instrument of another Party. At initial recognition, the Party measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

The Party assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Party recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are to be set out, however in the current financial year there is no expected credit loss calculated.

**b) Financial liabilities**

**Classification**

The Party 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 *Party*.

**j) Provisions**

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

**k) Contingent liabilities**

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

**l) Contingent assets**

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

**m) Nature and purpose of reserves**

The Party does not create and maintain reserves in terms of specific requirements.

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

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

**o) Employee benefits**

**Retirement benefit plans**

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

**p) Foreign currency transactions**

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

**q) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**r) Related parties**

The *Party* regards a related party as a person or an *Party* with the ability to exert control individually or jointly, or to exercise significant influence over the *Party*, or vice versa. Members of key management are regarded as related parties and comprise NEC Members and other officials as per the *Party's* constitution and the Political Parties Act.

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

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

**s) 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.

**t) Comparative figures**

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

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal: The condition of the asset based on the assessment of experts employed by the Party.

- a) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- b) The nature of the processes in which the asset is deployed.  
Availability of funding to replace the asset.  
Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Government Political Fund	760,078	431,614
Accrued Transfers owing from Government	111,451	141,908
<b>Total</b>	<b>871,529</b>	<b>573,522</b>

**7. Administrative Expenses**

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Office Rent		120,000	120,000
Printing and stationery		12,145	-
Travel and accommodations		4,440	-
Utilities	11(b)	9,100	9,100
Courier and Postage		9,500	9,500
Depreciation		5,046	5,984
Bank charges		5,888	5,571
<b>Total Administrative Expenses</b>		<b>166,119</b>	<b>150,155</b>

**7(b) Utilities**

Description	2024-2025	2023-2024
	Kshs	Kshs
Water	3,000	3,000
Electricity	6,100	6,100
<b>Total Utilities</b>	<b>9,100</b>	<b>9,100</b>

**8. Special Interest Groups**

Description	2024-2025	2023-2024
	Kshs	Kshs
PWD Meetings	100,000	40,000
Women Meetings	75,000	46,046
Youth Meetings	75,000	46,046
Marginalised Meetings	100,000	40,000
<b>Total</b>	<b>350,000</b>	<b>172,093</b>

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**9. Advocacy and Electoral Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Branches-Coordination & Support	-	-
Conferences and Meeting	90,033	133,600
Civic Education expenses	20,970	-
Party Policy and advocacy	26,629	48,096
Elections and campaign expenses	-	-
<b>Total</b>	<b>137,632</b>	<b>181,696</b>

**10. Cash and Cash Equivalents**

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	259,751.25	3,654.25
Cash on hand and in Transit	-	2,817
<b>Total Cash and Cash Equivalents</b>	<b>259,751</b>	<b>6,471.25</b>

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
<b>a) Current Account</b>			
Consolidated Bank CPK	10011202001040	0.25	0.25
Consolidated Bank GOK	10011202002280	259,751.25	3,654
<b>Sub- Total</b>		<b>259,751</b>	<b>3,654.25</b>
<b>b) Cash-on-Hand and in Transit</b>			
Cash In hand CPK		-	2,817
Cash In hand GOK		-	-
<b>Sub- Total</b>		<b>-</b>	<b>2,817</b>
<b>Grand Total</b>		<b>259,751</b>	<b>6,471.25</b>

**12. Receivables and advances**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Other deposits- Rent deposit Wundanyi house	20,000	20,000
Accrued transfers owing from Government	111,451	141,908
<b>Total Current Receivables</b>	<b>131,451</b>	<b>161,908</b>

**Notes.**

For the year ending 2025 the amount was late to be received by the party otherwise treasury had already released the amounts in the ORPP bank accounts.

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**13. Property, Plant and Equipment**

<b>Cost</b>	<b>Land</b>	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Office Equipment</b>	<b>Computers</b>	<b>Total</b>
<b>Depreciation Rate</b>		<b>2.5%</b>	<b>25%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>30%</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As At 1 July 2023</b>	-	-	-	<b>436,400</b>	-	<b>354,000</b>	<b>790,400</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	-	-	-	<b>436,400</b>	-	<b>354,000</b>	790,400
1 <sup>st</sup> July current 2024	-	-	-	436,400	-	354,000	<b>790,400</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	-	<b>436,400</b>	-	<b>354,000</b>	790,400
<b>Depreciation And Impairment</b>							
<b>At 1 July 2023</b>	-	-	-	<b>397,170</b>	-	<b>350,399</b>	<b>747,569</b>
Depreciation	-	-	-	4,904	-	1,080	<b>5,984</b>
<b>As At 30<sup>th</sup> 2024</b>	-	-	-	<b>402,074</b>	-	<b>351,479</b>	<b>753,553</b>
1 <sup>st</sup> July 2024	-	-	-	402,074	-	351,479	753,553
Depreciation	-	-	-	4,290	-	756	<b>5,046</b>
Disposals	-	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	-	<b>406,364</b>	-	<b>352,235</b>	<b>758,599</b>
<b>Net Book Values</b>							
As at 30 <sup>th</sup> June 2024	-	-	-	<b>34,326</b>	-	<b>2,521</b>	<b>36,847</b>
As at 30 <sup>th</sup> June 2025	-	-	-	<b>30,036</b>	-	<b>1,765</b>	<b>31,801</b>

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**13 (a) Valuation**

There was no valuation of Property, Plant and Equipment in the year ending June 30<sup>th</sup> 2025.

**13 (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. The accumulated depreciation is calculated on reducing balance over years with Furniture, fitting and office equipment at 12.5% and computers at 30% as indicated above.

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers And Related Equipment	354,000	352,235	1,765
Office Equipment, Furniture, And Fittings	436,400	406,364	30,036
<b>Total</b>	<b>790,400</b>	<b>758,599</b>	<b>31,801</b>

**14. Trade and Other Payables**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Taita taveta House – Rent	-		351,900	
CPK House – Rent	70,000		70,000	
<b>Total trade and other payables</b>	<b>70,000</b>		<b>421,900</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>2023/2024</b>	<b>% of the Total</b>
Under one year	70,000	100%	70,000	100%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	351,900	100%
<b>Total (tie to above total)</b>				
	<b>70,000</b>		<b>421,900</b>	

**Notes**

Taita Taveta House has been accruing over time and has since been written off in full during this year ending June 2025.

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

**15. Cash Generated from Operations**

Description	2025	2024
	Kshs	Kshs
<b>Surplus for the year</b>	<b>217,778</b>	<b>69,578</b>
<b>Adjusted for:</b>		
Depreciation	5,046	5,984
<b>Working capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	30,456	(38,347)
Increase in deferred income	-	-
Increase in payables	-	<b>(50,200)</b>
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>253,280</b>	<b>(12,985)</b>

**16. Financial Risk Management**

The Party's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Party'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 Party 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 Party's financial risk management objectives and policies are detailed below:

**i) Credit risk**

The Party 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 Party's management based on prior experience and their assessment of the current economic environment.

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

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the Party's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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 Party has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Party has significant concentration of credit risk on amounts due from none. The board of directors sets the Party'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 Party's directors, who have built an appropriate liquidity risk management framework for the management of the Party's short, medium and long-term funding and liquidity management requirements. The Party manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Party 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.

**iii) Market risk**

The Party has put in place an internal audit function to assist it in assessing the risk faced by the Party 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 Party'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 Party'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 Party's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The *Party* 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 *Party* 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.

**Financial Risk Management**

The carrying amount of the *Party's* foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period was not affected since there was no foreign currency trading for the Current FY.

**Foreign currency sensitivity analysis**

Also the sensitivity was not carried out for the Current FY since there was no foreign currency trading.

**Financial Risk Management**

This would demonstrate the effect on the Party'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.

**b) Interest rate risk**

Interest rate risk is the risk that the Party's financial condition may be adversely affected as a result of changes in interest rate levels. The Party's interest rate risk arises from bank deposits. This exposes the Party to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Party'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 Party 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 a certain amount. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of a certain amount.

### **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 *Party'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 *Party* considers relevant and observable market prices in its valuations where possible.

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

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

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 Party's capital risk management is to safeguard the Party's ability to continue as a going concern. The Party capital structure comprises of following funds Revaluation Reserve, Retained Earnings, Borrowings.

**17. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Party* 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) CC Members
- iii) Secretary General
- iv) The Treasurer
- v) Party Administrator

**18. Contingent Assets and Contingent Liabilities**

*There was no any Contingent assets or liability held by the Party during the year.*

**19. Events after the Reporting Period**

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

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**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. A disclaimer of opinion was issued by the Auditor General for last financial year ending June 2024.

<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>
	<b>Basis for Disclaimer Opinion.</b>			
1.	Inaccurate Annual Report and financial statements	Note I to x as raised in the report has already been taken care of, we re- submitted the financial statements to the auditor General on 24 <sup>th</sup> June 2025	Resolved.	
2.	Undisclosed income from membership fees.	As stated in the financial statement, central committee waived collection of membership fees. The bank account has since remained with ksh 0.25 as disclosed in the statements of the financial position for the years.	Resolved	
3.	Unsupported expenditure	This has been taken care of since we re-submitted the financials for the year and attached all the supporting documents for the year ending June 2024	Resolved	
4	Unsupported cash and cash equivalent balance	This has been taken care of since we re-submitted the financials for the year and attached bank statements for the year ending June 2024	Resolved	

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<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>
5.	Unsupported and long outstanding trade and other payable balance.	A payable of Ksh 421,900 which included Ksh 351,900 has been written off during the year and all supporting documents will be provided during audit for the year 2025. However 70,000 was accrued current rent which has since been paid	Resolved	
	<b>Report on the lawfulness and effectiveness in the use of public resources</b>	No conclusion was raised due to Disclaimer basis of opinion raised.		
	<b>Report on the effectiveness of internal controls, risk management and governance.</b>	No conclusion was raised due to Disclaimer basis of opinion raised.		

*B.*

**Secretary General:** Benedict Wachira

**Date:** 08<sup>th</sup>. 12. 2025.

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

<b>No</b>	<b>Source of Funds (Party)</b>	<b>Amount Kshs</b>	<b>Date Received</b>	<b>Financial Year the funds relates to</b>
<b>1</b>	<b>Political Parties Fund</b>	<b>141,908</b>	<b>08 July 2024</b>	<b>FY 2023/2024</b>
<b>2</b>	<b>Political Parties Fund</b>	<b>253,359.25</b>	<b>02nd Oct 2024</b>	<b>FY 2024/2025</b>
<b>3</b>	<b>Political Parties Fund</b>	<b>253,359.25</b>	<b>07th January 2025</b>	<b>FY 2024/2025</b>
<b>4</b>	<b>Political Parties Fund</b>	<b>253,359.25</b>	<b>30th June 2025</b>	<b>FY 2024/2025</b>
<b>5</b>	<b>Political Parties Fund</b>	<b>111,451.25</b>	<b>02nd July 2025</b>	<b>FY 2024/2025</b>