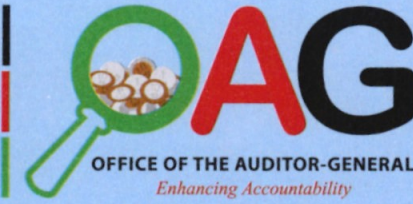


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

SHIRIKISHO PARTY OF KENYA

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11 MAR 2026

DAY.

WED

TABLED
BY:

DEPUTY MAJORITY
PARTY WITH

CLERK-AT
THE-TABLE:

OBIERO



SHIRIKISHO PARTY OF KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

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

B: Definition of Key Terms

Fiduciary Management- Members of the party 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

The Shirikisho Party of Kenya was fully registered under the Political Parties Act, CAP 7D on 10th May 2012. The party is domiciled in Kenya has offices in 16 Counties. Shirikisho means federation or union.

(b) Principal Activities

The main objective of the party is to campaign, agitate, and advocate for the establishment of a Federal System of Political Governance within the Republic that ensures, decision making whether policy or legislative is devolved to the Regional Assemblies and District Councils or any equivalent Institutions.

Vision

A nation governed by a federal arrangement where the people enjoy freedom, justice, and prosperity.

Mission

To enable Kenyans through self-governance in a federal system, honesty, and hard work to utilize resources, generate wealth, and distribute it equitably so that all can live in perpetual prosperity.

Core objectives

- (a) Promoting internal democracy and social-ecological democratic ideals
- (b) Recognizing and respecting Kenya's ethnic, cultural, and religious diversity.
- (c) Protecting the national environment for present and future generations.
- (d) Nurturing the well-being of individuals, families, and communities.
- (e) Advocating gender mainstreaming and addressing the needs of politically marginalized groups.
- (f) Integrating positive cultural values into community and national development.
- (g) Ensuring freedom of worship and promoting talents in cultural and sporting activities.

(c) Key Management

The Shirikisho Party of Kenya day-to-day management is under the following key organs:

No.	Designation	Responsibility
1.	NDC/NGC;	Highest decision-making body
2.	NEC	Implement the resolutions made by the NDC. Prepares the agenda to be tabled at the NDC
3.	Management council	Run the party's program on behalf of NEC
4.	SG/Secretariat	Implement programs on day to day on behalf of the management council.

(d) Fiduciary Management

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

No.	Designation	Name
1.	National chairman	Abdulkadir Khamis Mwinyi
2.	Secretary General	Adam Mohamed Mbeto
3.	National Treasurer	Wakio Mzozo

(e) Fiduciary Oversight Arrangements

Office of the Registrar of Political Parties, ORPP, is established under the Political Parties Act, 2011, is the primary external regulator overseeing political parties' financial and operational activities.

The NEC is the party's primary executive organ, responsible for day-to-day management, including financial oversight.

Parliamentary committees, such as the Public Accounts Committee (PAC) and the Committee on Implementation, provide external oversight, particularly for parties receiving public funds.

Other Oversight Arrangements

The National Executive Council (NEC) reviews financial reports and proposals from the management council, ensuring alignment with party objectives.

The NEC as the supreme organ, has the final say on major financial decisions, such as approving budgets or addressing mismanagement.

Independent Auditors: Parties are required to engage external auditors to review their financial statements annually, ensuring compliance with the Political Parties Act and transparency to members and the ORPP.

Party Members and Grassroots Structures: Members and lower-level organs (e.g., county or constituency committees) can raise concerns about financial mismanagement, fostering grassroots accountability.

Judiciary and Anti-Corruption Agencies: The Ethics and Anti-Corruption Commission (EACC) and courts may investigate financial misconduct in political parties, especially involving public funds or illegal financing.

Media and Civil Society: Independent media and civil society organizations monitor party finances, exposing irregularities and pressuring parties to maintain transparency.

(f) Party Headquarters

P.O. Box 84648-80100

Express House

Moi Avenue, Mombasa

(g) Party Contacts

Telephone: (254) 726 603 528

E-mail: shirikisho97@gmail.com

Shirikisho97@shirikishopartykenya.org

Website: <http://www.shirikishopartykenya.org>

(h) Party Bankers

Premier Bank

Mombasa Branch

P.O. Box 80859 - 80100

Mombasa, 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

Said Mgupu & Company Advocates
Commissioners of Oath & Notaries Public
Wakf Commissioner of Kenya Building
P.O. Box 41689-80100
Mombasa, Kenya

3. The National Executive Council/Committee

Ref	NEC members	Details
1.		<p>Abdulkadir Khamis Mwinyi – National Chairman</p> <p>Abdulqadir K.Mwinyi a male resident of Mombasa County is currently National Chairman of Shirikisho Party of Kenya. He joined Shirikisho Party during its inception in 1997 as the Secretary for Publicity and later on became Deputy Secretary General in 2007.</p> <p>He is an Engineer by profession and was elected Secretary General in 2012 and became the National Chairman in the year 2017.</p>
2.		<p>Adam Mohamed Mbeto - Secretary General</p> <p>Adam M.Mbeto is a male resident of Kwale county who joined Shirikisho Party of Kenya in 1998 as official at the Sub Branch, He later became the Coast Regional coordinator of the Party in 2007.</p> <p>He is a social worker by profession and became the Organizing Secretary in 2012 and was elected as the Secretary General of the Shirikisho Party in 2017.</p>
3.		<p>Wakio Mzozo - Treasurer</p> <p>Wakio Mzozo is a female resident of Taita Taveta County is currently the National Treasurer of Shirikisho Party of Kenya. She joined the Party in 2002 as a Branch Youth Congress committee.</p> <p>She is a community development specialist and was elected in the National Youth Congress, in 2007 and subsequently elected as the National Treasurer of the Party in 2017.</p>

4. Key Management/Secretariat Team

Name	Position	Responsibility
 Adam Mbeto	Secretary General	Accounting Officer/ Secretary to the NEC
 Wakio Mzozo	Treasurer	Head Finance & Accounts

5. Chairman's Statement

During the National Delegates Conference, the Shirikisho Party of Kenya resolved to create awareness among the public, increase party membership, and promote peace and cohesion. The delegates mandated the National Executive Council to develop a Resource Mobilization strategy to secure resources for implementing party activities.

In the 2024/25 fiscal year, we made limited progress in realizing the resolutions passed by the National Delegates Conference. However, the National Executive Council successfully passed resolutions empowering the Management Council to craft a strategy for mobilizing human and financial resources to implement party programs.

Consequently, the Management Council embarked on an outreach program, visiting various parts of the county to create awareness about the party's ideology, foster cohesion, and spearhead the peace agenda among different communities in Kenya.

Moving forward, we remain committed to our core values and look forward to continued engagement with our members and the public."



.....
Abdulkadir Khamis Mwinyi

Chairman, Shirikisho Party of Kenya

Date..... 02/12/2025

6. Report of the Secretary-General

Shirikisho Party of Kenya believe in Federal System of Government, where power, resources and decisions making process is vested to the people in each region. The party agitated for empowering of the natives to create wealth for themselves and the generations to come. The system is aimed at creating good governance which provides quality services to the people.

The party had planned several programs to be implemented during the FY 2024/25 with the aim of creating awareness to the members of the public and increase the party membership. In addition, the party had intended to review its operational documents to be in line with the current situation. The documents include the party strategic plan, the constitution and manifesto.

The National Executive Council (NEC) in its resolution, directed the management council to initiate the process of reviewing the documents and carry out other programs, however due to inadequate resources most of the programs were not implemented.

The Party was expecting to receive 664,730 from the political parties fund (PPF) allocation for the FY 2024/25. During the supplementary estimates No.2 of FY 2024/25 which revised the political party fund (PPF) and the allocation was reduced to 571,650.

As the party had embarked on implementation of the programs for the FY 2024/25, the allocation from political party fund (PPF) was put on hold by the Office of Registrar of Political Parties due to compliance issues. As a result of this action by the registrar most of the party programs were not implemented.

Although the FY 2024/25 the party experienced a lot of challenges, we managed to undertake several program including outreach activities which targeted special Interest groups and the public at large. In addition, the party managed to recruit new members into the party. As we have managed to fill the gaps in the compliance status, the party now will be embarking on its program as planned

Shirikisho Party of Kenya

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



Adam Mohamed Mbeto

Secretary General, Shirikisho Party of Kenya

Date..... 02/12/2025.....

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

The Strategic Plan is implemented through the annual work plans. The performance of the Party during the year is presented in the table below:

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Promoting active participation by the citizens in political life and civic education.	Reports, attendance lists, and presence of youth leaders, women leaders and opinion leaders at the county.	Youth, women and opinion leaders at the county.	600	<i>Recruited to the party</i>
2.	Political education to PWDs in active elective positions.	Reports, attendance lists, and active participation of PWDs members in issues of governance.	PWD leaders at the county	100	Sensitized on matters of governance
3.	Promoting representation of women in active elective positions.	Reports, attendance lists, and active participation of women in issues of governance.	Women leaders at the county	800	<i>Recruited to the party</i>
4.	Promoting representation of youth in active elective positions.	Reports, attendance lists, and active participation of youth in issues of governance.	Youth and opinion leaders	200	<i>Grassroot party ambassadors</i>
5.	Civic education and promotion of the citizen participation in political life & outreach.	Reports, attendance lists, and active participation of citizen in issues of governance	Opinion leaders and the general public	1300	<i>Recruited to the party</i>

8. Governance Statement

National Delegate Conference (NDC) is the Supreme Decision Body of the Party with power to elect National Executive Council, endorse Presidential candidates vying on Party ticket, endorse party program and policy for the five-year, review and amend Party Constitution, endorse dissolution of the Party and donate its power to NEC to run and overseeing Party Programs.

National Delegate Conference is done once after every five years unless call for a special NDC.

The composition to the National Delegate Conference includes Party Leader and his deputy all National executive Council Members, Party Members of National Assembly and Representative from Women and Youth Congress, representative from Branch and Subbranch Council.

National Executive Council (NEC) is the top Management organ of the Party elected at National Delegate Conference (NDC) after every five years. During the year, it held four (4) meetings to deliberate on party matters including the budget and financial statements.

The role of NEC includes planning and approving of all Party Programs. They plan for NDC and present Program and policy for deliberation and adopted at NDC. They donate its power to run affair of the Party to Management Council who are the technical arm of the NEC.

Management Council (MC) are elected at NDC alongside other NEC Members. They are the technical arm of the NEC with the responsibility of running party activities on day to day. They prepare program, mobilise resources and run party program, hire staffs' technical persons and the volunteer for the party. They Manage party resources and keep record of activities and expense. Management Council have Secretariat headed by Secretary General which conduct day to day activities of the party. They held three meetings during the year.

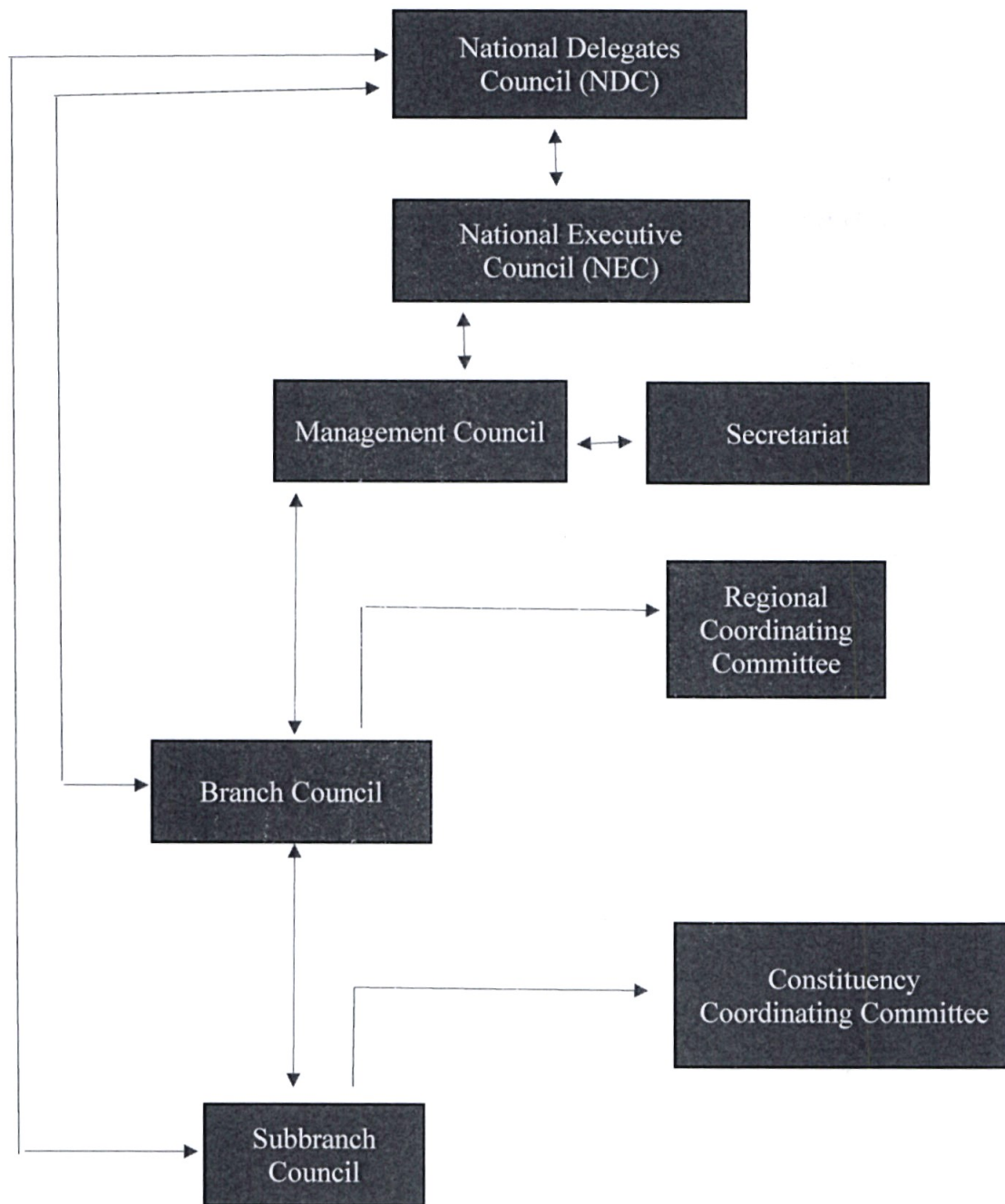
Branch Council (BC) Members are elected at the County by delegates from Subbranch Council after every five year at Branch delegates Conference.

They have responsibility to run Party activities at the County including present policy proposal to the Management Council for discussion.

Subbranch Council (SBC) are the party organ at the grassroots level. They run party activities at ward level, and they were elected after every five-year during Ward consultative Forum at the ward. The regional coordinating committee is composed of branch officials and meet

once per year. The constituency committee is composed of officials from the constituencies and meet once per year.

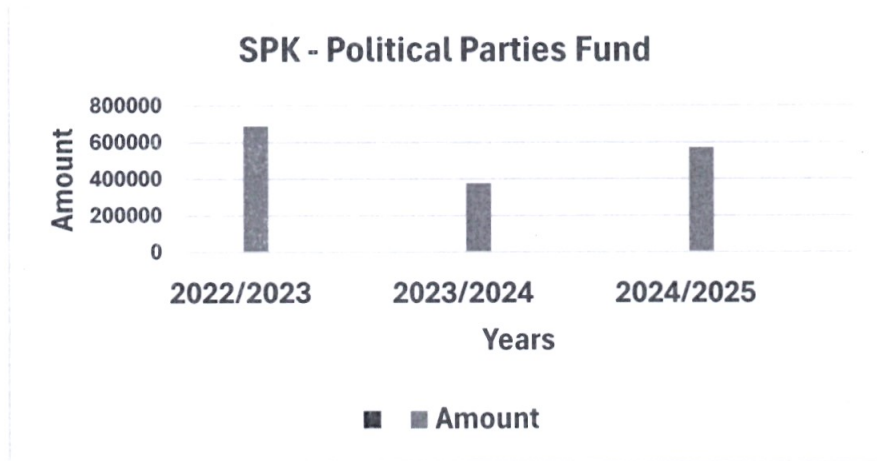
Shirikisho Party of Kenya Organisational Structure



9. Management discussion and analysis

The party’s focus on the Coast Region and its social ecological democratic ideals may limit its membership growth compared to larger parties like UDA or ODM. Without specific figures, it’s likely that membership has remained relatively stable or grown modestly, particularly around election years (e.g., 2022), due to increased political activity.

The party’s budget relies heavily on Political Parties Fund (PPF) allocations and minimal member contributions, given its small size and limited electoral success. Budgets are expected to be modest, in the range of a few thousand shillings annually, with fluctuations tied to election cycles. Revenue from Political Parties Fund (PPF) Trend Analysis: 2022/2023: Shirikisho Party received KSh 687,791 from the PPF. The allocation was reduced to KSh 571,650 due to a budget cut in the PPF, as reported by the ORPP.



The downward trend in PPF revenue (from KSh 687,791 in 2022/2023 to KSh 571,650 in 2024/2025) reflects budget cuts in the national allocation (from KSh 1.48 billion to KSh 1.14 billion). Shirikisho's small share is consistent with its minimal representation in elected positions.

Shirikisho's limited membership and regional focus, subscription revenue is minimal but stable, contributing less than KSh 1 million annually. No significant growth is inferred due to the party's modest electoral performance.

Contributions/donations likely constitute a small portion of revenue, possibly from local supporters in the Coast Region or party leaders. No significant trend changes are inferred due to lack of data.

Shirikisho's electoral representation has been consistently low, with no significant upward trend. SIG representation (e.g., youth, women, or marginalized groups) is likely minimal but sufficient to meet PPF eligibility.

The party's organizational structure includes Sub-Branch Councils, Constituency Coordinating Committees, Branch Councils (county-level), and Regional Councils. No specific count of branches is provided, but Branch Councils likely correspond to counties in the Coast Region (e.g., Mombasa, Kilifi, Kwale, etc.), suggesting 6–10 branches. No data indicates significant expansion or reduction in branches from 2020–2025.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The Shirikisho Party is committed to environmental stewardship, prioritizing employee well-being, community resilience and ecosystem preservation. In line with President Ruto's vision for a greener, climate-resilient Kenya, we exceed regulatory standards, prioritize eco-friendly products with recycled content, low toxicity and minimal packaging while safeguard vital natural resources for future generations.

ii) Environmental performance

The Shirikisho Party is at the forefront toward a greener future under President Ruto's visionary climate-resilient agenda. We champion unmatched environmental stewardship, exceeding all regulatory standards in energy and water conservation, waste reduction and recycling. Prioritizing community strength and ecosystem preservation, we choose only eco-friendly, products with recycled content and minimal packaging.

iii) Employee welfare

The Shirikisho Party champions unmatched employee welfare with comprehensive mental health programs, free counseling, stress management and work-life balance initiatives.

The Party is committed to providing top-tier medical cover, fair wages, continuous training, and a supportive, inclusive workplace culture.

a) Responsible Competition Practices

The Shirikisho Party upholds fair and transparent competition with other political entities. We avoid unfounded accusations or actions that unfairly target rivals' networks and alliances. Our Audit, Risk and Compliance Committee ensures strict adherence to Kenya's Competition Act No. 12 of 2010, fostering ethical conduct in all interactions.

b) Responsible Supply Chain and Supplier Relations

Committed to ethical supply chain management, the Shirikisho Party promotes sustainability among suppliers. We uphold strong business principles by honouring agreements, ensuring fair dealings and making timely payments, fostering trust and mutual growth with our partners.

c) Responsible Marketing and Advertisement

The Shirikisho Party practices ethical marketing, avoiding misleading claims and fully complying with the Competition Act No. 12 of 2010. Our communications are built on integrity, transparency, equity and respect, embedding accountability and sustainability to strengthen public trust.

iv) Corporate Social Responsibility / Community Engagements

Given the party's regional focus, it has engaged in advocacy or community programs (e.g., supporting sustainable fishing or tourism) in 2024/2025. The party's financial constraints (e.g., limited PPF funding of KSh 571,650 in 2024/2025) likely limit many environmental initiatives.

11. Report of the National Executive Council

The National Executive Council submits their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Shirikisho Party of Kenya affairs.

i) Principal activities

The principal activities of the party are reported on page iii.

ii) Results

The results of the SPK for the year ended June 30, 2025, are set out on page 1 to 5.

iii) Governing committee

The members of the national executive council who served during the year are shown on page vii and viii. During the year no member of NEC director retired/ resigned.

iv) Auditors

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

By Order of the management council



.....
Adam Mohamed Mbeto
Secretary General
Mombasa

Date..... 02/12/2025

12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and section 10.1 of the party constitution requires the National Executive Council to prepare financial statements in respect of that party, which give a true and fair view of the state of affairs of the party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the party keeps proper accounting records which disclose with reasonable accuracy the party's financial position. NEC is also responsible for safeguarding the assets of the party.

The NEC is responsible for the preparation and presentation of the party's financial statements, which give a true and fair view of the state of affairs of the Party for and as at the end of the financial year 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 NEC accepts responsibility for the Party's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and the Political Parties Act. The NEC is of the opinion that the Party's financial statements give a true and fair view of the state of the Party's transactions during the financial year ended June 30, 2025, and of the Party's financial position as at that date. The NEC further confirms the completeness of the accounting records maintained for the Party, which have been relied upon in the preparation of the Party's financial statements, as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The party's financial statements were approved by the National Executive Council on

2nd December 2025 and signed on its behalf by:



Abdulkadir K. Mwinyi
National Chairperson



Adam M. Mbeto
Secretary General



Wakio Mzozo
Treasurer

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON SHIRIKISHO PARTY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Shirikisho 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, the financial statements present fairly, in all material respects, the financial position of Shirikisho 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Shirikisho Party of Kenya Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. There were no key audit matters to report in the year under review.

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 audit of the party in the financial year 2024/2025 revealed that the following ten (10) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccurate Total Revenue
2	2023/2024	Inaccurate Expenditure on Use of Goods and Services
3	2023/2024	Inaccurate Receivables from Non-Exchange Transactions
4	2023/2024	Budgetary Control and Performance-Underfunding and Underutilization of Funds
5	2023/2024	Unsupported Cash and Cash Equivalents Balance
6	2023/2024	Unaudited Comparative Balances
7	2023/2024	Unresolved Prior Year Matters
8	2023/2024	Failure to Establish Party Offices in it Least 24 Counties
9	2023/2024	Failure to Tag Assets

No.	Financial Year	Audit Issue
10	2023/2024	Lack of an Internal Audit Function

Other Information

The Management is responsible for the Other Information set out on pages iii to xx which comprise of Key Political Party Information and Management, The National Executive Council/Committee, Key Management/Secretariat 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 National Executive Council and the Statement of National Executive Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Climate Change Financing Requirements

Review of the Party's annual work plans for the financial year 2024/2025 revealed that the Party did not integrate Climate Change considerations into its operational activities. Further, Climate Change activities were not included in the budget for the financial year 2024/2025. This was contrary to Section 15(2)(a) of the Climate Change Act, 2016, states that each State Department and National Government public entity shall designate a unit with adequate staff and financial resources and appoint a senior officer as head of the unit to coordinate the mainstreaming of the Climate Change action plan and other statutory Climate Change statutory functions and into sectoral strategies.

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

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

During the year under review, the Party did not provide records such as office lease agreements, County office staff list, or reports on Party activities to verify that it 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.

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 an Internal Audit Function and Audit Committee

Review of internal controls and governance structures revealed that during the year under review, the Party had not established an Internal Audit Function. This was contrary to Section 73(3)(b) of the Public Finance Management Act, 2012, which requires every National Government entity to establish appropriate arrangements for conducting internal audits that adhere to the guidelines issued by the Public Sector Accounting Standards Board. Further, the Party did not have an Audit Committee that would oversee the implementation of the audit recommendations as required by Section 73(5) which states that every national government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

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

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

10 December, 2025

2. Lack of Risk Management Policy and Disaster Recovery Plan

During the year under review, the Party had not put in place a Risk Management Policy, Strategies, and Risk Register to identify and mitigate risks. Further, there was no Disaster Recovery Plan or Business Continuity Plan in place, leaving crucial information and operations vulnerable in the event of a disaster. This was contrary to Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015, which requires the Accounting Officer to ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanisms and a system of risk management and internal control that builds robust business operations.

In the circumstances, the Party Management may be unable to identify key risks, assess the likelihood of their occurrence, or develop effective control measures.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, the 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.

2. Lack of Risk Management Policy and Disaster Recovery Plan

During the year under review, the Party had not put in place a Risk Management Policy, Strategies, and Risk Register to identify and mitigate risks. Further, there was no Disaster Recovery Plan or Business Continuity Plan in place, leaving crucial information and operations vulnerable in the event of a disaster. This was contrary to Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015, which requires the Accounting Officer to ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanisms and a system of risk management and internal control that builds robust business operations.

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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

10 December, 2025

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Transfers from Political Parties Fund (PPF)	6	571,650	376,183
Membership Fees	7	6,000	-
Public contributions and donations	8	300,000	700,000
Total Revenue		877,650	1,076,183
Expenses			
Administrative Expenses	9	312,188	617,486
Special Interest Groups expenses	10	136,000	422,500
Advocacy and Electoral expenses	11	280,000	538,000
Total expenses		728,188	1,577,986
Surplus/Deficit		149,462	(501,803)

The notes set out on pages 7 to 32 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the NEC by:



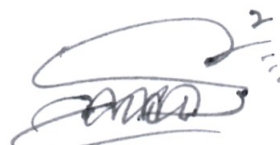
.....
Adam M. Mbeto
Secretary General

Date: 02/12/2025



.....
CPA Khamis Rizik
Accountant
ICPAK M/No: 10178

Date: 02/12/2025



.....
Abdulkadir K. Mwinyi
National Chairperson

Date: 02/12/2025

15 Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	12	41,563	6,931
Receivables and advances	13	405,467	93,080
Total Current Assets		447,030	100,011
Non-Current Assets			
Property Plant and Equipment	14	88,949	104,507
Total Non- Current Assets		88,949	104,507
Total Assets (A)		535,979	204,518
Liabilities			
Current Liabilities			
Trade and Other Payables	15	223,000	141,000
Current Provision	16	200,000	100,000
Total Current Liabilities		423,000	241,000
Total Liabilities (B)		423,000	241,000
Net Assets (A-B)		112,979	(36,483)
Represented by:			
Accumulated Surplus/deficits		112,979	(36,483)
Net Assets		112,979	(36,483)

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



.....
Adam M. Mbeto
Secretary General

Date: 02/12/2025



.....
CPA Khamis Rizik
Accountant

ICPAK M/No: 10178

Date: 02/12/2025



.....
Abdulkadir K. Mwinyi
National Chairperson

Date: 02/12/2025

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

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at July 1, 2023	-	465,320	465,320
Surplus/ deficit for the year	-	(501,803)	(501,803)
As at June 30, 2024	-	(36,483)	(36,483)
As at July 1, 2024	-	(36,483)	(36,483)
Surplus/ (deficit) for the year	-	149,462	149,462
As at June 30, 2025	-	112,979	112,979

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)	6	259,263	694,680
Membership Fees	7	6,000	-
Public contributions and donations	8	300,000	-
Total receipts		565,263	694,680
Payments			
Administrative Expenses	9	264,630	437,483
Special Interest Groups expenses	10	136,000	222,500
Advocacy and Electoral expenses	11	130,000	38,000
Finance Costs		-	-
Total payments		530,630	697,983
Net cash flows from/(used in) operating activities	17	34,633	(3,303)
Cash flows from investing activities			
Purchase of PPE and Intangible assets		-	-
Net cash flows from/(used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		34,633	(3,303)
Cash and cash equivalents at 1 July 2024	12	6,930	10,231
Cash and cash equivalents at 30 June 2025	12	41,563	6,929

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Political Parties Fund	664,730	93,080	571,650	571,650	-	100%
Membership fees	6,000	-	6,000	6,000	-	100%
Donations	300,000	-	300,000	300,000	-	100%
Total Income	970,730	93,080	877,650	877,650	-	
Expenses						
Administrative Expenses	345,730	-	345,730	312,188	33,542	90%
Special Interest Groups expenses	220,000	-	220,000	136,000	84,000	62%
Advocacy and Electoral expenses	405,000	-93,080	311,920	280,000	31,920	90%
Total Expenditure	970,730	-93,080	877,650	728,188	149,462	
Surplus for the period	-	-	-	149,462		
Capital Expenditure						

Budget notes

- 1. The changes between the original and final budget is as a result of rationalised allocation from ORPP*
- 2. Underutilization of SIGs expenses was occasioned by delayed disbursements from ORPP*

Budget Reconciliation

No	Description	Kshs
	Actual Surplus Amounts as per the statement of Budget	149,462
1	Change in accounts receivables	(312,387)
2	Change in Trade & other payables	182,000
3	Depreciation	15,558
4	Bank balance b/fwd	6,930
	Closing Cash and Cash Equivalent as per the statement of Cash flows	41,563

19. Notes to the Financial Statements

1. General Information

SPK 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 Political parties Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> 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	<i>Applicable 1st January 2025</i> 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.

Standard	Effective date and impact:
	<p>IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></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</p>

Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Summary of Significant Accounting Policies (Continued)

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 year ending June 2025, amounting Ksh. 970,730 was approved by the NEC on 11th July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the party upon receiving the respective approvals in order to conclude the final budget. Accordingly, the party did not record additional appropriations.

Budget information (continued)

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

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

e) Leases

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the party. Operating lease payments are

Summary of Significant Accounting Policies (Continued)

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.

Summary of Significant Accounting Policies (Continued)

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. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

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

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. 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.

Summary of Significant Accounting Policies (Continued)

i) 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.

j) 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.

k) Contingent assets

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

Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

o) 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.

Summary of Significant Accounting Policies (Continued)

p) 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.

q) Related parties

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

r) 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.

s) Comparative figures

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

t) 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.

Notes to the Financial Statements (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 Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 16. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Operational Grant		571,650	376,183
Total transfers Statement of Financial Performance		571,650	376,183
Adjustments:			
Changes in accounts receivables	13	(312,388)	318,497
Total transfers Statement of Financial Performance		259,263	694,680

7. Membership Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Membership Fees	6,000	-
Total	6,000	-

8. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Contributions and donations	300,000	700,000
Total	300,000	700,000

Notes to the Financial Statements (Continued)

9. Administrative Expenses

Description		2024-2025	2023-2024
	Note	Kshs	Kshs
Salaries and Wages	9(a)	-	20,000
Office Rent		108,000	133,000
Internet		24,000	78,000
Transport & Fuel		-	100,000
Stationary & printing		18,000	68,500
Telephone and postage		6,000	35,000
Repairs & maintenance		-	15,000
Professional Fees	9(b)	140,000	145,000
Depreciation		15,558	19,003
Bank charges		630	983
Hospitality		-	3,000
Total Administrative Expenses - Statement of Financial Performance		312,188	617,486
Adjustments:			
Changes in trade payables	16	(32,000)	(161,000)
Depreciation	15	(15,558)	(19,003)
Total Administrative Expenses - Statement of Cash Flows		264,630	437,483

9(a) Salaries and Wages

Description	2024-2025	2023-2024
	Kshs	Kshs
Volunteer allowances	-	20,000
Total Salaries and Wages	-	20,000

9(b) Professional Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Audit	100,000	100,000
Accountancy	40,000	45,000
Total Professional Fees	140,000	145,000

Notes to the Financial Statements (Continued)

10. Special Interest Groups

Description		2024-2025	2023-2024
		Kshs	Kshs
Mobilization, printing & facilitation		136,000	422,500
Total Special Interest Groups Expenses - Statement of Financial Performance		136,000	422,500
Adjustments:			
Donations in kind	8	-	(200,000)
Total Special Interest Groups Expenses - Statement of Cash Flows		136,000	222,500

11. Advocacy and Electoral Expenses

Description		2024-2025	2023-2024
		Kshs	Kshs
Media and Publicity		20,000	38,000
Outreach activities		260,000	500,000
Total Advocacy & Electoral Expenses - Statement of Financial Performance		280,000	538,000
Adjustments:			
Changes in trade payables	16	(150,000)	-
Donations in kind	8	-	(500,000)
Total Advocacy & Electoral Expenses - Statement of Cash Flows		130,000	38,000

12. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	41,563	6,931
Total Cash and Cash Equivalents	41,563	6,931

Notes to the Financial Statements (Continued)

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution		2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Premier Bank	1988374802	41,563	6,931
Sub- Total		41,563	6,931
d) Others (Specify)			
Cash In Hand		-	-
Mobile Money Accounts		-	-
Sub- Total		-	-
Grand Total		41,563	6,931

13. Receivables and advances

Description	2024-2025	2023-2024
	Kshs	Kshs
Receivables		
Political Parties Fund	405,468	93,080
Total Current Receivables	405,468	93,080

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Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

Cost	Office Equipment	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs	Kshs
At 1 July 2024	18,304.00	116,414	41,566	176,284
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer/Adjustments	-	-	-	-
As at 30th June 2025	18,304.00	116,414	41,566	176,284
Depreciation And Impairment				
At 1 July 2024	6,042	38,426	27,309	71,777
Depreciation	1,533	9,748	4,277	15,558
As at 30th June 2025	7,575.00	48,175	31,586	87,335
Net Book Values				
As at 30th June 2024	12,262.00	77,988	14,257	104,507
As at 30th June 2025	10,729.00	68,239	9,980	88,949

Notes to the Financial Statements (Continued)

14 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers And Related Equipment	59,870	39,161	20,709
Office Equipment, Furniture, And Fittings	116,414	48,175	68,239
Total	176,284	87,335	88,949

15. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	223,000		141,000	
Other payables - provisions	200,000		100,000	
Total trade and other payables	423,000		241,000	
Ageing analysis: (Trade and other payables)		% of the Total		% of the Total
	June 2025		June 2024	
Under one year	290,000	69%	241,000	100%
1-2 years	133,000	31%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	423,000	100%	241,000	100%

Note: Provision for audit fees and accrued accounting fees

16. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	100,000	100,000
Additional provisions	-	-	-	100,000	100,000
Provision utilised	-	-	-	-	-
Total provisions year end	-	-	-	200,000	200,000

Notes to the Financial Statements (Continued)

17. Cash Generated from Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/Deficit for the year	149,462	(501,803)
Adjusted for:		
Depreciation	15,558	19,003
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		
Increase in inventory	-	-
Increase in receivables	(312,387)	318,497
Increase in deferred income	-	-
Increase in payables	182,000	161,000
Increase in payments received in advance	-	-
Net cash flow from operating activities	34,633	(3,303)

18. Financial Risk Management

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

Notes to the Financial Statements (Continued)

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables	405,467	405,467	-	-
Bank balances	41,563	41,563	-	-
Total	447,030	447,030	-	-
As at 30 June 2024				
Receivables	93,080	93,080	-	-
Bank balances	6,931	6,931	-	-
Total	100,011	100,011	-	-

Notes to the Financial Statements (Continued)

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The party has no significant concentration of credit risk. 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 council members, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the 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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	323,000	-	323,000
Provisions	-	-	100,000	100,000
Total	-	323,000	100,000	423,000
As at 30th June 2024				
Trade payables	-	141,000	-	141,000
Provisions	-	100,000	-	100,000
Total	-	241,000	-	241,000

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

a) Foreign currency risk

The 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.

Notes to the Financial Statements (Continued)

19. 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) NEC Members
- iii) Secretary General
- iv) The Treasurer
- v) Executive Directors

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund	571,650	376,183
Other grants	-	-
Total	571,650	376,183
b) Key management compensation		
Allowances to NEC Members	-	-
Compensation to key management	-	-
Total	-	-

20. Contingent Assets and Contingent Liabilities

There were no Contingent assets or liability held by the Party.

21. Events after the Reporting Period

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

20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Inaccurate total revenue amount	The party is following up with the two members so that they can make their monthly contributions.	Not resolved	2025-2026
2.	Inaccurate expenditure on use of goods and services	The issue was addressed and the accounts adjusted accordingly.	Resolved	
3.	Inaccurate receivables from non-exchange transaction balance	The issue was addressed and the accounts adjusted accordingly.	Resolved	
4.	Unsupported cash and cash equivalents balance	The bank does not issue certificates of balances but certifies the bank statements.	Resolved	
5.	Budgetary control and performance	Underfunding of Kshs. 93,080 was due to rationalization by the ORPP. Over expenditure was as a result of providing for audit expenses.	Resolved	
6.	Unresolved prior year audit matters.	All the issues were resolved	Resolved	
7.	Failure to establish party offices in at least 24 counties.	The party is towards partnering with other parties with a view to establishing joint offices.	Not resolved	2025-2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
8.	Failure to tag assets.	All assets were tagged as evidenced in the updated asset register.	Resolved	
9.	Lack of internal audit function.	The party is not able to operationalize the internal audit office due to resource constraints.	Not resolved	2025-2026



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 Secretary General

Date: 02/12/2025

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Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Entity)	Amount	Date Received	Financial Year the funds relates to
1	Political Parties Fund	93,080	11-Sep-2024	FY 2023/24
2	Political Parties Fund	166,183	4-Feb-2025	FY 2024/25