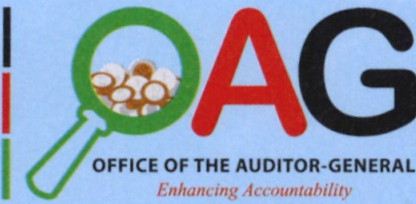


REPUBLIC OF KENYA



**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**DEMOCRATIC PARTY OF KENYA**

**FOR THE YEAR ENDED**

**30 JUNE, 2025**

NATIONAL ASSEMBLY PAPERS LAID	
DATE:	05 MAR 2026
	DAY: Thursday
TABLED BY:	Hon. Owen Boya MP Deputy leader of Majority Party
CLERK-AT-TABLE:	A. Shikuku



OFFICE OF THE AUDITOR GENERAL  
P.O. Box 30084 - 00100, NAIROBI  
RECORDS OFFICE

09 DEC 2025

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DEMOCRATIC PARTY OF KENYA



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*DEMOCRATIC PARTY OF KENYA*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

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

---

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

*Democratic Party of Kenya*  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2025.**

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*Democratic Party of Kenya*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

### **A: Acronyms**

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

### **B: Definition of Key Terms**

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

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

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

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

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

The Democratic Party of Kenya was incorporated/ established under the Political Party Act on 1991. This Party was formed as a result of the Amendment of section 2A with a purpose of unifying the county and promote Social, Economic and political development of Kenya.

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

The principal activity/mission/ mandate of the Party is to ...

**Vision:** The Democratic Party of Kenya aim for Kenya is to create, nurture and sustain the country as a land of plenty for all Kenyans.

**Mission:** The Democratic Party of Kenya Mission is to provide a democratic government to enhance social and economic welfare, and equal opportunities for all citizens of Kenya based on the principles of liberty, justice, equality and unity.

**Aims and Objects:**

- a) To educate and organize Party members so as to transform them into active members;
- b) To establish democratic and constitutional national and county governments in Kenya within the Framework of multi-Party democracy, devolved and good governance, and founded on the principles Of Unity, Justice, Liberty, Equality, Transparency and Accountability and respect for the Rule of Law;
- c) To pursue, protect, and promote basic human rights including civil, political, economic, religious, Social and cultural rights and freedoms of the individuals as set out in the Constitution of Kenya 2010, the Universal Declaration of Human Rights, the African Charter on Human and Peoples Rights, and other internationally recognized human rights instruments;
- d) To protect and promote the objects and principles of the Constitution, Rule of Law and separation of the powers between the three arms of Government, namely, the Legislature, Executive and Judiciary
- e) To pursue the provision and improvement of affordable universal health, quality and inclusive Education and social welfare services in order to raise the living standards and quality of life of all the People of Kenya
- f) To promote a free market economy with adequate social safety nets and pursue sound economic Policies in order to achieve rapid and sustainable development;
- g) To enhance the cultural life of Kenyans in all spheres of national development;
- h) To protect all public lands, utilities, natural resources, enhance sustainable management and Conservation of the environment and utilization of all-natural resources, for the betterment of the lives of present and future generations;
- i) To create awareness among Kenyans of all public issues and policies of interest to them, and to Enhance public participation, with a view to enhancing and maintaining a just, open and democratic Society;

- j) To promote regional integration with a view to achieving rapid social and economic development of Kenya;
- k) To support and promote regional integration, African unity, international co-operation, world peace and the abolition of all forms of oppression, tribalism, racism, chauvinism, sexism, bigotry, nepotism, Exploitation and discrimination
- l) To ensure not more than two-thirds of either gender shall hold elective or appointive positions in the Party and government;
- m) To pursue and promote the full participation of Women and Youth in the management of public Affairs and the development of Kenya;
- n) To nominate Party candidates in respect of the Presidential, National Assembly, Senate, Governor, And Ward Representatives to the County Assembly and appointments to various public offices;
- o) To establish Women Congresses, Young Democrats Congresses and People Living with Disability (PWD) Congresses from wards, constituencies, right up to the county and national levels;
- p) To promote a progressive legislative agenda in the National Assembly and the Senate;
- q) To promote and establish a clean and honest leadership based on the values of integrity, justice and Discipline, devoid of corruption nepotism and discrimination;
- r) To establish County Executive, constituency management, ward steering and polling station Mobilization committees in all parts of Kenya;
- s) To mobilize resources for the implementation of Party programmes and projects;
- t) To acquire land, buildings, movable and immovable properties, securities, business ventures and any other profitable enterprises and activities;
- u) To enter into any agreement, contract, arrangement, partnership, pre or post coalition with any Political Party or organization, and to do all such things as the Party shall deem necessary, Conducive or incidental to attainment of the above aims and objects

**(c) Key Management**

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

No.	Designation	Responsibility
1.	NDC/NGC;	<b>Supreme Party Organs that review, formulate and approve all party policies.</b>
2.	NEC	<b>Top leadership body that steers Democratic Party of Kenya strategies and operations</b>
3.	SG	<b>Democratic Party of Kenya Spokesperson and Accounting Officer</b>

<b>No.</b>	<b>Designation</b>	<b>Responsibility</b>
4.	Treasurer	<b>In charge of all financial responsibilities</b> <b>Guide in implementation of policies</b>
5.	National Chairman	<b>Guide in implementation of policies</b>
6.	National Organizing Secretary	<b>Spearhead recruitment of members</b>
7.	Legal Advisor	<b>Provide legal advice on matters law</b>

*Democratic Party of Kenya*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Secretary General	<b>Dr. Jacob Haji (PhD)</b>
2.	National Chairman	<b>Esau K.Kioni</b>
3.	National Treasurer	<b>Moses O. Loontansati</b>
4.	National Organising Secretary	<b>Dr. Peter Njagi Kumantha</b>
5.	Legal Advisor	<b>Charles N. Kihara</b>

**(e) Fiduciary Oversight Arrangements**

- National Executive Committee*
- Resource Mobilisation committee*
- National Election Board*
- National Governing Council*
- National Delegates Convention*
- Office of the Registrar of Political Parties*
- Auditor General*

**(f) Democratic Party of Kenya Headquarters**

P.O. Box 56395-00200  
Muhu Holding Building, 3<sup>rd</sup> Floor,  
Mtongwe Road, off Raila Odinga Way,  
Nairobi, KENYA

**(g) Democratic Party of Kenya Contacts**

Telephone: (+254) 798740778 / (+254) 731699344  
E-mail: [democraticpartyofkenya@gmail.com](mailto:democraticpartyofkenya@gmail.com)  
Website: [www.democraticpartyofkenya.co.ke](http://www.democraticpartyofkenya.co.ke)

**(h) Party Bankers**

1. Co-operative Bank of Kenya  
Branch; NBC  
P.O Box 48231-00100  
Nairobi, Kenya

*Democratic Party of Kenya*

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

2. **Equity Bank of Kenya**  
**Branch: Kenyatta Market**  
**P.O Box 75104-00200**  
Nairobi, Kenya

**(i) Independent Auditor**

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

**(j) Principal Legal Adviser**

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

**Party Legal Advisor**

C.N Kihara & Company  
P. O. Box .50854-City Square  
Nairobi, Kenya

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

<b>Ref</b>	<b>Name</b>	<b>Details</b>
1.	Esau K.Kioni	National Chairman
2.	Peter Ndubai	National Vice Chairman
3.	Dr. Jacob Haji (PhD)	Secretary General
4.	Moses O.Loontasati	National Treasurer
5.	Abdulatif Juma Wagemu	Deputy National Treasurer
6.	Dr. Peter Njagi Kumantha	National Organising Secretary
7.	Angelina Mboke	Chairperson Women Congress
8.	Charles N.Kihara	Legal Advisor

**RESIGNATION**

9.	Wambugu Nyamu	Deputy Secretary General
----	---------------	--------------------------

#### 4. Key Management/Secretariat Team

Name	Position	Responsibility
Dr. Jacob Haji	Secretary General	Accounting Officer and Secretary to National Executive Committee
Grace Munyua	Administrator	In charge of Administration and Party operation
Beatrice Njeri	Accountant	In charge of Finance - Accounting

#### 5. Chairman's Statement

During the financial year July 2024 to June 2025, the Democratic Party of Kenya recorded key achievements in strengthening its national presence and organizational structure. Notably, the party held successful grassroots elections in 12 counties, opened 10 new county offices, and expanded its membership by over 60%, with a strong focus on youth, women, and inclusivity. Despite limited financial resources and a competitive political environment, the Party remained resilient, achieving nearly half of the goals set out in its 2023–2027 Strategic Plan. Changes in the National Executive Council (NEC) were managed swiftly to maintain leadership continuity and compliance with internal regulations.

The Party also engaged various stakeholders, including civil society organizations and political forums, reinforcing its commitment to dialogue, transparency, and issue-based politics. As it prepares for the upcoming November by-elections and ultimately

to the 2027 General Elections. The Democratic Party is positioning itself for strategic growth through digital transformation, youth leadership development, and building stronger policy platforms that reflect the needs of Kenyans. The Democratic Party of Kenya political direction remains centered on centrist and people-focused principles, with future opportunities anchored in building inclusive alliances and deepening its grassroots presence nationwide.

Signed



National Chairman

Date: 5/12/2025

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

During the period from July 2024 to June 2025, the Democratic Party of Kenya made notable progress in strengthening its organizational capacity and expanding its national presence. The party grew its membership by 64%, rising to over 354,000 registered members, thanks to targeted recruitment campaigns. Grassroots elections were successfully conducted in 12 counties, leading to the formation of new county leadership teams. Additionally, 10 new county offices were opened, increasing the total to 25 and enhancing the Democratic Party of Kenya accessibility and visibility at the grassroots level.

On the financial front, the party operated under an approved budget of KES 6 million but managed to raise KES 5 million through membership contributions, donor support, and the Political Parties Fund. Despite the shortfall, the party maintained critical operations by applying prudent cost management measures. Financial records were independently audited and submitted to the Registrar of Political Parties, reflecting the Democratic Party of Kenya commitment to transparency. Moving forward, the Democratic Party plans to focus on digitalizing operations, enhancing policy development, and preparing strategically for the upcoming by-elections and subsequent 2027 General Elections.

Yours Faithfully,



***DR. Jacob Haji (Phd)***

Date: 5/12/2025

**7. Statement of Performance against Predetermined Objectives for FY 2025/2025-1**

*(At least one page)*

*The Political Party has a strategic plan running from Year xx to Year xxx. The Strategic Plan is implemented in annual work plans. The performance of the Party during the year is presented in the table below:*

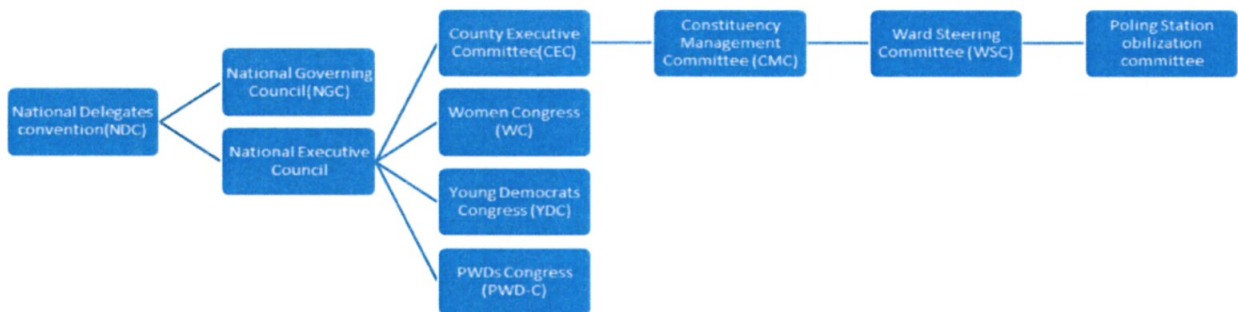
No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members	500000	350000	More members
2.	<i>SIGS Trainings</i>	<i>Women workshop</i>	3	2	<i>empowerment</i>
3.	<i>SIGS Trainings</i>	<i>Youth empowerment</i>	2	2	<i>empowerment</i>
4.	<i>SIGS Trainings</i>	<i>PWDS</i>	2	1	<i>awarness</i>
5.	<i>Key leadership trainings</i>	<i>NEC &amp; Management</i>	2	2	<i>Defined roles</i>
6	<i>County Leadership trainings</i>	<i>Chairpersons &amp; cec</i>	47	35	<i>recruitment</i>

## 8. Governance Statement

Democratic Party of Kenya is committed to operating in best practice in accordance with political integrity and ethics and maintaining the highest standards of financial reporting and cooperate governance.

The National Executive Committee is delighted that the party has throughout the year complied with the provision set in the code on cooperate governance and equally applied the main principles in the code. Cooperate governance for Democratic Party of Kenya has gone a long way to define how the party conduct its affairs in line with the founder's objectives. Also, it has ensured the best interest of the party members and the public are highly protected. Responsibilities of Cooperate governance in Democratic Party of Kenya are vested in the National Executive Committee.

The Party structure of the party is presented in the diagram below:



Further to the organogram, the party is to present the governance arrangement of the party that may include the following:

- The role of the NDC, the composition of the NDC, how the members are nominated, and the number of meetings held.

- The establishment and Role of the Governing Body/NEC, Composition of members, no of meetings held,
- The committees under the Governing body/NEC, their role, the Composition of members, and meetings held
  - Establishment of the Dispute resolution committee and meetings held
  - Establishment of the Disciplinary Committee
  - Establishment of the election board
  - Finance Committee
  - Audit and Risk Committee
  - Others

## 9. Management Discussion and Analysis

- Membership -354,000
- Budget per year – 6,000,000
- Revenue from Political Parties Fund (Funded Parties)- 4,564,992.00
- Member's subscriptions-540,000.00
- Members' Contributions/Donations-302,000.00
- Number of elected representatives, including SIGs-6
- No of Party Branches-35

## 10. Environmental and Sustainability Reporting

### i) *Sustainability strategy and profile*

The Democratic Party of Kenya's sustainability strategy focuses on promoting environmentally responsible development, social equity, and economic resilience. The party aligns its efforts with global best practices such as the UN Sustainable Development Goals (SDGs), prioritizing clean energy, climate action, and sustainable agriculture. Broader political and macroeconomic trends—such as climate change, food insecurity, and shifting global trade dynamics—have increasingly influenced the Democratic Party of Kenya focus on sustainability. Key achievements include advocating for renewable energy policies, supporting conservation initiatives, and encouraging community-driven development. However, challenges remain in implementation due to limited funding, policy inconsistency, and infrastructural constraints. Moving forward, the party aims to strengthen partnerships, enhance transparency, and build capacity for long-term, inclusive sustainability outcomes. *Environmental performance*

### ii) *Employee welfare*

The Democratic Party of Kenya emphasizes employee welfare as a key pillar in promoting fair labour practices, productivity, and social justice. The party advocates for safe and healthy working conditions, fair wages, equal opportunities, and access to social protection such as healthcare, pension, and paid leave. It supports policies that strengthen workers' rights, encourage skill development, and ensure gender equality in the workplace. Additionally, the

party promotes dialogue between employers, employees, and trade unions to address grievances and improve workplace relations. Through these efforts, the Democratic Party of Kenya aims to build a motivated, secure, and empowered workforce that contributes meaningfully to national development.

**a) *Responsible Supply chain and supplier relations***

We expect our suppliers to be accountable for managing risk in their operations and to hold their own suppliers accountable to the same high standards. We want to ensure safe and fair working conditions, along with responsible management of environmental and social issues across our supply chains, through a commitment to continuous improvement shared by all our suppliers. Our critical standards in our Code of Ethical Purchasing Policy cover clear expectations on topics such as ensuring the safety of people working with us, no child labour, no forced labour, fair payment and working hours, fair disciplinary practices, no discrimination, anti-bribery, responsible sourcing of minerals and the protection of the environment.

**b) *Responsible marketing and advertising***

The Democratic Party of Kenya promotes responsible marketing and advertising by upholding ethical standards such as honesty, transparency, and fairness in all communications. The party is committed to avoiding misleading information, respecting all audiences, and ensuring that promotional content reflects integrity, inclusivity, and respect for public trust.

***Product stewardship***

The Party stewardship process, which in certain aspects exceeds regulatory requirements, engages stakeholders/members across the 47 counties in Kenya.

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

Democratic Party of Kenya organized the 2<sup>nd</sup> Mwai Kibaki Memorial Lecture to celebrate the legacy of the Third President

of the Republic of Kenya, His Excellency, The Late Emilio Mwai Kibaki, CGH, who was a founder member of Democratic Party of Kenya.

The Luncheon Event whose theme was “A resilient nation “The Mwai Kibaki Legacy “ was held at the Nairobi Serena Hotel, on 11th April, 2025.

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

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

**i) Principal activities**

The principal activities of the Party are reported on page iii

**ii) Results**

The results of the Democratic Party of Kenya for the year ended June 30, 2025, are set out on page 1 to 50.

**iii) Council Members**

The members of the Governing body/NEC who served during the year are shown on page viii. During the year 1 member resigned with effect from 10<sup>th</sup> June 2025.

**iv) Auditors**

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

By Order of the Council/Committee



**Name Dr. Jacob Haji**  
**Secretary General**

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

Section 31 of the Political Parties Act Cap 7D and Article 36 of the *Democratic Party of Kenya Constitution* requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Democratic Party of Kenya financial position. NEC is also responsible for safeguarding the assets of the Party.

The NEC is responsible for the preparation and presentation of the Democratic Party of Kenya financial statements, which give a true and fair view of the state of affairs of the Party for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Party; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Party; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The NEC accepts responsibility for the Democratic Party of Kenya 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 Democratic Party of Kenya financial statements give a true and fair view of the state of the Democratic Party of Kenya transactions during the financial year ended June 30, 2025, and of the Democratic Party of Kenya 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 Democratic Party of Kenya financial statements, as well as the adequacy of the systems of internal financial control.

*Democratic Party of Kenya*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

In preparing the financial statements, the NEC assessed the Democratic Party of Kenya ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the *Democratic Party of Kenya* 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 Democratic Party of Kenya financial statements were approved by the Board on 26/08/2025 and signed on its behalf by:



**Name Esau K.Kioni**  
**National Chairperson**



**Name: Dr. Jacob Haji**  
**Secretary General**

# REPUBLIC OF KENYA

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

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

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### **PREAMBLE**

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

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

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 the Democratic Party of Kenya set out on pages 1 to 46, 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 Democratic 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 Democratic Party of Kenya Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Lawfulness and Effectiveness in Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management, and Governance. Review of the status during the audit of the Party in the 2024/2025 financial year revealed that the following four (4) issues remained unresolved:

<b>No.</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Unsupported Public Contributions and Donations
2	2023/2024	Unsupported Trade and Other Payables
3	2023/2024	Unsupported Cash and Cash Equivalents
4	2022/2023	Failure to Establish Adequate Party Offices
5	2022/2023	Lack of Updated and Approved Management Policies and Procedure Manuals
6	2022/2023 and 2023/2024	Lack of a Fixed Assets Register

## **Other Information**

Management is responsible for the Other Information set out on pages iii to viii, 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's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no 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 and Financing Requirements**

A review of records showed that the Party did not allocate resources in its annual budget for Climate Change activities. This was contrary to Regulations 6(1)(d) and 15(2)(a) of the Climate Change Regulations, 2021, which require all public entities at both the National and County levels to allocate funds for Climate Change initiatives. The regulations also require each entity to establish a dedicated unit with sufficient staff and financial resources, and to appoint a senior officer as head of the unit to oversee the integration of the Climate Change action plan and related statutory duties into sectoral strategies for implementation.

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

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

As previously reported, the Party had not 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.

## **3. Lack of an Approved Budget**

The Party presented a budget for audit review that had not been approved by the National Executive Council. This was contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015, which requires the Accounting Officer to ensure that the estimates relating to his or her department are prepared in accordance with the Constitution, the Act and the Regulations.

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

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

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

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

## **5. Irregular Administrative Expenses**

The statement of financial performance reflects total payments of Kshs.7,176,828 as disclosed in Note 9 to the financial statements. Included in this amount are administrative expenses of Kshs.4,673,041, representing 102 % of the total receipts from the Political Party's Fund. The administrative expenses exceeded the 30% threshold permitted for expenditure from funds under the Political Parties Fund. This was contrary to Section 26(1)(f) of the Political Parties Act, 2011, which stipulates that funds allocated to a registered political party from the Fund shall be used for purposes compatible with democracy, including administrative and staff expenses, and such expenses shall not exceed thirty per cent (30%) of the funds allocated to the Party.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Internal Audit Review and Audit Committee**

During the period under review, the Party had not established an Internal Audit Function. This is contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, which requires every National Government entity to maintain an internal auditing arrangement that adheres to the guidelines issued by the Public Sector Accounting Standards Board. Further, no evidence was provided to confirm that the Party had an operational Audit Committee. This was also contrary to Section 73(5) of the Public Finance Management Act, 2012, which states that every National Government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

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

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

As disclosed in the statement of financial position, the Party had property, plant and equipment valued at Kshs.298,125. However, the assets were not supported by a duly completed and updated fixed asset register, as required by The National Treasury's policy on asset and liability management. Failure to maintain the assets register exposes the Party's assets to potential loss.

In the circumstances, the effectiveness of the internal controls over asset management could not be confirmed.

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

## **Responsibilities of the Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Party's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## **Auditor-General's Responsibilities for the Audit**


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not, in all material respects, the activities, financial transactions

and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

16 November, 2025

*Democratic Party of Kenya*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

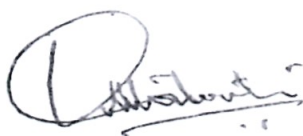
**14. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue</b>			
Transfers from Political Parties Fund (PPF)	6	4,564,992	3,004,057
Membership Fees	7	540,000	1,878,780
Public contributions and donations	8	905,987	-
<b>Total Revenue</b>		<b>6,010,979</b>	<b>4,882,837</b>
<b>Expenses</b>			
Administrative Expenses	9	4,673,041	2,377,873
Special Interest Groups expenses	10	1,605,360	3,150,040
Advocacy and Electoral expenses	11	898,425	-
<b>Total expenses</b>		<b>7,176,828</b>	<b>5,527,913</b>
<b>Surplus/Deficit</b>		<b>(1,165,849)</b>	<b>(645,076)</b>

The notes set out on pages i to viii form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 47 were signed on behalf of the NEC by:



**Name: Dr. Jacob Haji**  
**Secretary General**  
**Date 05/12/2025**



**Name: Moses Loontasati**  
**National Treasurer**  
**Date 05/12/2025**



**Name: Esau K. Kioni**  
**National Chairman**  
**Date 05/12/2025**

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	12	497,466	35,280
Receivables and advances	13	120,000	743,303
<b>Total Current Assets</b>		<b>617,466</b>	<b>778,583</b>
<b>Non-Current Assets</b>			
Property Plant and Equipment	14	298,125	106,085
<b>Total Non- Current Assets</b>		<b>298,125</b>	<b>106,085</b>
<b>Total Assets (A)</b>		<b>915,591</b>	<b>884,668</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	15	2,687,652	2,491,235
<b>Total Current Liabilities</b>		<b>2,687,652</b>	<b>2,491,235</b>
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>2,687,652</b>	<b>2,491,235</b>
<b>Net Assets (A-B)</b>		<b>(1,772,061)</b>	<b>(1,606,567)</b>
<b>Represented by:</b>			
Revaluation Reserves		-	-
Accumulated Surplus/deficits		(1,772,061)	(1,606,567)
<b>Net Assets</b>		<b>(1,772,061)</b>	<b>(1,606,567)</b>

The financial statements set out on pages 1 to 50 were signed on behalf of the NEC by:



**Name: Dr. Jacob Haji**

**Secretary General**

**Date 05/12/2025**



**Name: Moses Loontasati**

**National Treasurer**

**Date 05/12/2025**



**Name: Esau K.Kioni**

**Chairman of the Party**

**Date 05/12/2025**

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

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
	Kshs	Kshs	Kshs
As at July 1, 2024	1,283,500		1,283,500
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	(328,458)	328,458	-
Surplus/ deficit for the year	-	645,076	645,076
As at June 30, 2024	955,042	973,534	1,928,534
As at July 1, 2025	955,042	973,534	1,928,534
Revaluation gain	□		
Transfer of excess depreciation on revaluation	(328,458)	328,458	-
Surplus/ (deficit) for the year		(1,252,013)	(1,252,013)
As at June 30, 2025	626,584	923,555	1,550,139

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Political Parties Fund (PPF)	6	4,564,992	3,004,057
Membership Fees	7	540,000	1,878,780
Public contributions and donations	8	905,987	-
<b>Total receipts</b>		<b>6,430,755</b>	<b>4,882,837</b>
<b>Payments</b>			
Administrative Expenses	9	3,464,785	1,959,214
Special Interest Groups expenses	10	1,605,360	3,150,040
Advocacy and Electoral expenses	11	898,425	-
<b>Total payments</b>		<b>5,968,569</b>	<b>5,109,254</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>462,186</b>	<b>-</b>
<b>Net cash flows from financing Activities</b>		<b>1,208,258</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>462,186</b>	<b>-</b>
Cash and cash equivalents at 1 July	19	35,280	260,885
<b>Cash and cash equivalents at 30 June</b>	19	<b>497,466</b>	<b>35,280</b>

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

*Democratic Party of Kenya*  
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**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
<b>Carry Overs from the Previous Period</b>		0	(1,095,943)	(247,976)	100,246	23%
<b>Receipts</b>						
Transfers from Political Parties Fund (PPF)	5,308,294	(743,302)	4,564,992	4,564,992	0	100%
Membership Fees	540,000	(60,000)	480,000	480,000	0	100%
Public contributions and donations	905,987	00	905,985	905,987	0	100%
Investment Income	0	-	0	0	0	0
Miscellaneous Revenue	0	-	0	0	0	0
<b>Total</b>	<b>6,754,281</b>	<b>((803,302)</b>	<b>5,950,979</b>	<b>5,950,979</b>	<b>0</b>	<b>100%</b>
<b>Payments</b>						
Administrative Expenses	4,432,910	(71,703)	4,361,785	4,361,207	0	100%
Special Interest Groups expenses	1,804,820	(199,460)	1,605,360	1,605,360	0	100%
Advocacy and Electoral expenses	1,643,397	(744,972)	898,425	898,425	0	100%
<b>Total Expenditure</b>	<b>7,881,127</b>	<b>(1,016,135)</b>	<b>5,968,570</b>	<b>5,968,570</b>	<b>0</b>	<b>100%</b>
<b>Surplus for the period</b>	<b>(1,126,846)</b>	<b>(1,819,437)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100%</b>

Budget notes

1. Provide a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Explain changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on a comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

**Budget Reconciliation**

No	Description	Kshs
	Actual Surplus Amounts as per the statement of Budget	0
1	Reason for differences	0
2	Reason for differences	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>497,466</b>

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

### **1. General Information**

*Democratic Party of Kenya* is established by and derives its authority and accountability from Political Parties Act.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Democratic Party of Kenya'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 *Democratic Party of Kenya*. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Democratic Party of Kenya. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously

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

Standard	Effective date and impact:
	statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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	<b><i>Applicable 1<sup>st</sup> January 2027</i></b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li data-bbox="507 875 1393 958">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="507 981 1393 1115">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li data-bbox="507 1137 1393 1361">iii. Disclosures that identify and explain the amounts in the Democratic Party of Kenya's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

Standard	Effective date and impact:
<p>IPSAS 43: Leases</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Democratic Party of Kenya.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>ii. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>iii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iv. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Democratic Party of Kenya 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><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial</p>

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

**iii. Early adoption of standards**

The Democratic Party of Kenya did not early – adopt any new or amended standards in the financial year or *the Democratic Party of Kenya adopted the following standards early (state the standards, reason for early adoption and impact on Democratic Party of Kenya’s financial statements.)*

**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 Democratic Party of Kenya 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 Democratic Party of Kenya's right to receive payments is established.

**Rental income**

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

**b) Budget information**

The original budget for the Current FY was approved by the National Assembly on xxx. 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 *Democratic Party of Kenya* upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *Democratic Party of Kenya* recorded additional appropriations of xxx on the 2025 budget following the governing body's approval.

**Budget information (continued)**

The *Democratic Party of Kenya'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. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an -year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* ***(Democratic Party of Kenya to amend appropriately based on the model adopted)*** 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 Democratic Party of Kenya 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 *Democratic Party of Kenya*. 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 *Democratic Party of Kenya* 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 *Democratic Party of Kenya* 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 *Democratic Party of Kenya*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**f) Intangible assets**

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

**g) Research and development costs**

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

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

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

**h) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Democratic Party of Kenya does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one Democratic Party of Kenya and a financial liability or equity instrument of another Democratic Party of Kenya. At initial recognition, the Democratic Party of Kenya 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 Democratic Party of Kenya 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 Democratic Party of Kenya'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 Democratic Party of Kenya has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Democratic Party of Kenya 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 Democratic Party of Kenya 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 Democratic Party of Kenya recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

**b) Financial liabilities**

**Classification**

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

**i) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Democratic Party of Kenya*.

**j) Provisions**

Provisions are recognized when the *Democratic Party of Kenya* 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 *Democratic Party of Kenya* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**k) Contingent liabilities**

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

**l) Contingent assets**

The Democratic Party of Kenya 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 Democratic Party of Kenya in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**m) Nature and purpose of reserves**

The Democratic Party of Kenya creates and maintains reserves in terms of specific requirements

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

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

**o) Employee benefits**

**Retirement benefit plans**

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

**Foreign currency transactions**

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

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

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

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

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

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

The preparation of the *Democratic Party of Kenya'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 Democratic Party of Kenya 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 Democratic Party of Kenya. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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

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

The condition of the asset based on the assessment of experts employed by the Democratic Party of Kenya.

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. *(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Description	2024/2025	2023/2024
	Kshs	Kshs
Operational Grant		
1 <sup>st</sup> Quarter	1,327,073.50	1,370,742.50
2 <sup>nd</sup> Quarter	1,327,073.50	-
3 <sup>rd</sup> Quarter	1,327,073.50	890,011.50
4 <sup>th</sup> Quarter	583,771.50	743,303
Other Grants		
<b>Total</b>	<b>4,564,992</b>	<b>3,004,057</b>

7. Membership Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Membership fees	540,000	1,878,780
<b>Total</b>	<b>540,000</b>	<b>1,878,780</b>

(This are fees collected from our elected and nominated members of senate (Embu), National Assembly (Mbeere North) and County assembly i.e. Meru and Tana River County)

8. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Public Contribution and Donations	905,987	1,878,780
<b>Total</b>	<b>905,987</b>	<b>1,878,780</b>

9. Administrative Expenses

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Office Rent		1,307,200.00	608,000.00
Transport		36,600.00	-
Stationaries & printing		20,710.00	79,930.00
Media & publications		16,500.00	336,388.00
Consumables		93,965.00	-
Security Cost		-	10,000.00

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Description		2024/2025	2023/2024
	Note	Kshs	Kshs
Communication Charges		32,500.00	95,200.00
Courier and Postage		1,000.00	2,600.00
Internet		57,400.00	
Parking		25,800.00	-
Repairs and maintenance		15,000.00	9,500.00
Depreciation		328,458.3	328,458.3
Subscriptions to Professional bodies		-	70,000.00
Bank charges		19,205.50	10,966.00
Others Specify		23,904.00	147,030.00
<b>Total Administrative Expenses</b>		<b>1,978,242.80</b>	<b>1,698,072.3</b>

*Democratic Party of Kenya*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**9.(a) Salaries and Wages**

Description	2024/2025	2023/2024
	Kshs	Kshs
Volunteer allowances	1,940,000.00	0
<b>Total Salaries and Wages</b>	<b>1,940,000.00</b>	<b>0</b>

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

**9.(b) Utilities**

Description	2024/2025	2023/2024
	Kshs	Kshs
Water & Sewerage	0	-
Electricity	34,800.00	29,600.00
<b>Total Utilities</b>	<b>34,800.00</b>	<b>29,600.00</b>

**9.(c) Professional Fees**

Description	2024/2025	2023/2024
	Kshs	Kshs
Audit	0	-
Legal	600,000.00	300,000.00
Accountancy	120,000.00	-
Others		260,000.00
<b>Total Professional Fees</b>	<b>720,000.00</b>	<b>560,000.00</b>

**10. Special Interest Groups**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transport	1,090,000.00	3,150,040
Conference Facility	415,360.00	0
Accommodation	100,000.00	0
<b>Total</b>	<b>1,605,360.00</b>	<b>3,150,040.00</b>

**11. Advocacy and Electoral Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
Media and Publicity	48,600.00	0
Grassroot Election	205,500.00	0
Party Activities	483,324.90	0
Printing Cost	107,000.00	0
Other Costs	54,000.00	0
<b>Total</b>	<b>898,424.90</b>	<b>0</b>

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

**12. Cash and Cash Equivalents**

<b>Financial Institution</b>	<b>Account number</b>	<b>2024/2025</b>	<b>2023/2024</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>EQUITY FUND</b>	<b>1880283495400</b>	180,128.60	9,461
EQUITY RMC	1880280788781	268,035.00	10,650
COOPERATIVE BANK	1120007870401	49,302.44	14690.44
Cash in Hand		0	479
<b>Total Cash and Cash Equivalents</b>		<b>497,466.04</b>	<b>35,280.44</b>

**13. Receivables and advances**

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Receivables</b>		
Advance	60,000	0
MCA Receivables	60,000	0
	0	743,303
<b>Total Current Receivables</b>	<b>120,000</b>	<b>743,303</b>

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**14. Property, Plant and Equipment**

Cost	Furniture & Fittings 12.5%	Computers & EDP Equipment 33.3 %	Total
	Kshs	Kshs	Kshs
As At 1 July 2023	477,000	806,500	1,283,500
Additions			
Disposals	-	-	-
As at 30 <sup>th</sup> June 2023	477,000	806,500	1,283,500
As at 1 July 2023	477,000	806,500	1,283,500
Additions	-	-	
Disposals	-	-	
As at 30 <sup>th</sup> June (2024)	477,000	806,500	1,283,500
As at 1 July 2024	477,000	806,500	1,283,500
Additions	-		-
Disposals	-		-
As at 30 <sup>th</sup> June 2025	477,000	806,500	1,283,500

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<b>Depreciation And Impairment</b>			
At 1 July 2023)	(59,625)	(268,833.3)	(328,458.3)
At 1 July 2024	(59,625)	(268,833.3)	(328,458.3)
Charge for the year	(59,625)	(268,833.4)	(328,458.4)
As At 30 June (2025)	(178,875)	(806,500)	(985,375)
<b>Net Book Values</b>			
As at 30 June (2023)	417,375	537,666.4	955,041.7
As at 30 June (2024)	357,750	268,833.3	626,583.4
As at 30 June (2025)	298,125	0	298,125

*(Depreciation method used is straight line method)*

*(Democratic Party owns pieces of land in Nanyuki (Laikipia County) and Kalawa (Makueni County), we are in the process of getting the legal documents and deeds.)*

**Valuation**

Computers, Office Equipment, Furniture, And Fittings were valued by professional valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30<sup>th</sup> June 2020). The assets were revalued by a professional valuer on this date 30/6/2025. These amounts were adopted by the Board on 26/8/2025 with concurrence from the National Treasury.

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers And Related Equipment	806,500	806,500	0
Office Equipment, Furniture, And Fittings	477,000	178,875	298,125
<b>Total</b>	<b>1,283,500</b>	<b>985,375</b>	<b>298,125</b>

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

Description	Cost or valuation	Normal annual depreciation charge
Computers and Related Equipment	806,500	268,833.3
Office Equipment, Furniture and Fittings	477,000	59,625
<b>Total</b>	<b>1,283,500</b>	<b>328,458.3</b>

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

**15. Trade and Other Payables**

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade payables	879,800	1,528,075.29
Other payables	1,807,852	963,180
<b>Total trade and other payables</b>	<b>2,687,652</b>	<b>2,491,255</b>

		% of the Total	Comparative FY	% of the Total
<b>Ageing analysis: (Trade and other payables)</b>	<b>Current FY</b>			
Under one year	879,800	33%	0	%
1-2 years	0	%	200,736	8%
2-3 years	0	%	0	%
Over 3 years	1,807,852	67%	1,670,899	92%
<b>Total (tie to above total)</b>	<b>2,687,652</b>		<b>2,491,255</b>	

(Provide brief explanation)

#### Notes To the Financial Statements (Continued)

##### iv. Cash Generated from Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Surplus for the year</b>	<b>(374,237)</b>	<b>(247,077)</b>
<b>Adjusted for:</b>		
Depreciation	328,458.3	328,458.3
<b>Working capital adjustments</b>		
Increase in receivables	623,303	0
Increase in payables	196,417	200,736
Increase in payments received in advance	0	0
<b>Net cash flow from operating activities</b>	<b>497,466</b>	<b>226,418</b>

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

##### i) Credit risk

The Democratic Party of Kenya 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 Democratic Party of Kenya's

management based on prior experience and their assessment of the current economic environment.

### 17. Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables	120,000	120,000	0	0
Bank balances	497,466.04	496,466.04	0	0
<b>Total</b>	<b>617,466.04</b>	<b>617,466.04</b>	0	0
<b>As at 30 June 2024</b>	0	0	0	0
Receivables	743303	743303	0	0
Bank balances	35,280.44	35,280.44	0	0
<b>Total</b>	<b>778,583.44</b>	<b>778,583.44</b>	0	0

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

#### i) 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 Democratic Party of Kenya has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Democratic Party of Kenya has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Democratic Party of Kenya'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 Democratic Party of Kenya's directors, who have built an appropriate liquidity risk management framework for the management of the Democratic Party of Kenya's short, medium and long-term funding and liquidity management requirements. The Democratic Party of Kenya manages liquidity

risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Democratic Party of Kenya under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	0	0	2,687,652	2,687,652
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,687,652</b>	<b>2,687,652</b>
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	0	0	2,491,255	2,491,255
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,491,255</b>	<b>2,491,255</b>

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

**Financial Risk Management**

**iii) Market risk**

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

**a) Foreign currency risk**

The *Democratic Party of Kenya* 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 *Democratic Party of Kenya* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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

**Financial Risk Management**

**Financial Risk Management**

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

**Current 2024/2025**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>			
<b>Financial Assets</b>	0	0	0
Investments	0	0	0
Cash	497,466.04	0	0
Debtors	120,000	0	0
<b>Total Financial Assets</b>		0	0
<b>Financial Liabilities</b>	0	0	0
Trade And Other Payables	2,687,652	0	0
Borrowings	0	0	0
<b>Total Financial Liabilities</b>	0	0	0
<b>Net Foreign Currency Asset/(Liability)</b>	0	0	0

**Financial Risk Management**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>Current 2024/2025</b>			
Euro	10%	0	0
USD	10%	0	0
<b>Previous 2023/2024</b>		0	0
Euro	10%	0	0
USD	10%	0	0

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Financial Risk Management**

**Sensitivity analysis**

The Democratic Party of Kenya analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (Current FY: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (Current FY 2024/2025 – Kshs 0)

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

**Financial Risk Management**

**Fair value of financial assets and liabilities**

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

**Determination of fair value and fair values hierarchy**

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Democratic Party of Kenya* considers relevant and observable market prices in its valuations where possible.

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

**Financial Risk Management**

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

**iv) Capital Risk Management**

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	(1,980,804)	(1,606,566.5)
<b>Total Funds</b>	<b>(1,980,804)</b>	<b>(1,606,566.5)</b>
Total Borrowings	0	0
Less: Cash and Bank Balances	497,466.04	35280.44
Net Debt/(Excess Cash And Cash Equivalents)	(1,483,337.6)	(1,571286.06)
<b>Gearing</b>	<b>75%</b>	<b>98%</b>

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

**v. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Democratic Party of Kenya* 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	Insert Current FY 2024/2025	Insert Comparative FY 2023/2024
	Kshs	Kshs
<b>a) Grants /transfers from the government</b>		
Grants from Political Parties Fund	4,564,992	3,004,056.50
Other grants	0	0
	0	0
<b>Total</b>	0	0
	0	0
<b>b) Key management compensation</b>	0	0
Allowances to NEC Members	0	0
Compensation to key management	0	0
<b>Total</b>	4,564,992	3,004,056.50

**vi. Contingent Assets and Contingent Liabilities**

*Give a disclosure of any Contingent assets or liability held by the Party.*

**vii. 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)
OAG/GJL/AUD/DPK/23-24(22)	Unsupported public contribution and donations	Keep Records of receipts and update register in the subsequent audit	resolved	6/1/2025
OAG/GJL/AUD/DPK/23-24(22)	Unsupported trade and other payables	Writing off debts of 10years and above from the f/s	resolved	30/6/2025
OAG/GJL/AUD/DPK/23-24(22)	Unsupported cash and cash equivalent	Updated bank reconciliation and cashbook	resolved	30/6/2025
OAG/GJL/AUD/DPK/23-24(22)	Unresolved prior year	Other information updated	resolved	30/6/2025
OAG/GJL/AUD/DPK/23-24(22)	Lack of a fixed assets register	we now have an updated asset register	Resolved	30/6/2025



Secretary General :Dr. Jacob Haji

Date: 03/12/2025

*Democratic Party of Kenya*  
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**Appendix II: Transfers from Political Parties Fund**

No	Source of Funds (Democratic Party of Kenya)	Amount	Date Received	Financial Year the funds relates to
	<i>Political Parties Fund</i>	1,327,073.50	26/9/2024	<i>FY 2024/25</i>
	<i>Political Parties Fund</i>	1,327,073.50	6/11/2024	<i>FY 2024/25</i>
	bank	38,500.00	1/15/2024	<i>FY 2024/25</i>
	<i>Political Parties Fund</i>	1,327,073.50	1/15/2024	<i>FY 2024/25</i>
	<i>Political Parties Fund</i>	583,771.50	29/05/2025	<i>FY 2024/25</i>
	<b>Total</b>	4,564,992		<i>FY 2024/25</i>