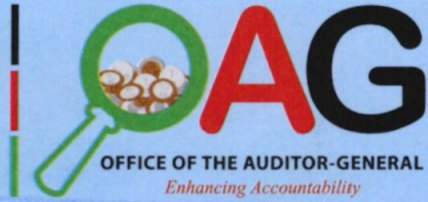


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
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KENYA AFRICAN NATIONAL UNION

**FOR THE YEAR ENDED
30 JUNE, 2025**

30th June 2025



KENYA AFRICAN NATIONAL UNION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

KANU	Kenya Africa National Union
ED	Executive Director
SG	Secretary General
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
NMC	National Management Committee
NEC	National Executive Council
NDC	National Delegates Council
NGC	National Governing Council
PPF	Political Parties Fund
FY	Financial Year

B: Definition of Key Terms

Fiduciary Management- Members of management 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.

National Management Committee - Acts as the standing committee of the NEC and supervises day to day activities of the secretariat.

2. Key Party Information and Management

(a) Background information

Kenya African National Union (KANU) was established under Section 3 of the Political Parties Act, 2011 in 1960. KANU was founded by Kenyans whose vision was to change the entrenched socio-economic inequalities, bad governance, corruption, and negative ethnicity and to tackle the growing poverty and marginalization of communities and disadvantaged groups.

(b) Principal Activities

The principal activity/mission of the KANU is to promote a united social democratic party that seeks to develop a fundamentally united Kenya through the ideals and principles of democracy that promote equality, justice, peace, freedom, and equitable distribution of resources.

(c) Key Management

KANU’S day-to-day management is under the following key organs:

No.	Designation	Responsibility
1.	National Executive Council (NEC)	Act as the executive body of the NGC and the NDC and shall ensure that all decisions and policies made by the two organs are duly carried out.
2.	National Management Committee (NMC)	Acts as the standing committee of the NEC
3.	Secretary General	The Principal Accounting Officer
4.	National Treasurer	In charge of the party’s financial affairs and supervises all party financial transactions in consultation with the Secretary General
5.	National Executive Director	In charge of the National Party Secretariat, ensures its smooth and efficient functioning, and supervises all staff

(d) Fiduciary Management

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

No.	Designation	Name
1.	Secretary General	George Wainaina, MBS, HSC
2.	National Executive Director	Arnold Otieno
3.	Director of Finance and Administration	Mercy Wanyeki
4.	Director Communications	Manass Nyainda
5.	Director of ICT	Mathews Jumba

(e) Fiduciary Oversight Arrangements

The party's National Management Committee carries out the oversight of the party's activities with directions from the National Executive Council.

(f) Party Headquarters

P.O. Box 72394 - 00200
Prudential Building, 7th floor
Wabera Street
Nairobi, KENYA

(g) Party Contacts

Telephone: (254) 799061598
E-mail: info@kanuparty.org
Website: <https://kanuparty.org/>

(h) Party Bankers

1. Co-operative Bank of Kenya
Parliament Road Branch
P.O. Box 48231
GPO 00100
NAIROBI, KENYA
2. Kenya Commercial Bank
Hurlingham Branch
P.O. Box 48400
GPO 00100
NAIROBI, KENYA

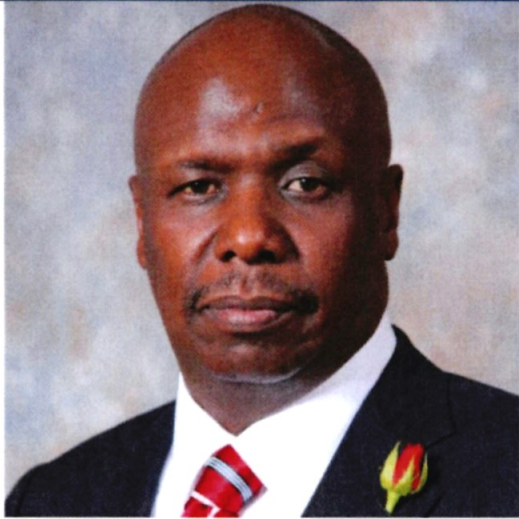

(i) Independent Auditor

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

3. The National Executive Council/Committee

Details	
	<p>Gideon K. Moi National Chairperson Date of appointment: April 2012</p> <p>The Hon. Gideon K. Moi holds a Bachelor’s Degree in Economics from Leeds University, United Kingdom. He chairs the NEC meetings and general counsel and oversees the day-to-day management of the party affairs.</p>
	<p>George Wainaina, MBS, HSC Secretary-General Date of appointment: February 2023</p> <p>He holds a Master's Degree in Business Administration from Inoorero University as well as a Bachelor’s Degree in Commerce from Inoorero University. Mr. Wainaina is the Secretary of the NEC and a member of the NMC. He is responsible for the day-to-day running of the secretariat, runs correspondence with partners and internal/external political affairs of the party branches and membership.</p>



Edward Kivuvani

National Treasurer

Date of appointment: January 2019

He holds a BSc in Business Administration from Wayne State University USA.

Mr. Kivuvani is a member of the NEC. He is responsible for the party's financial management and budget formulation.



Arnold Otieno


National Executive Director



Date of appointment: February 2025

He holds a Bachelor's Degree in Law

Mr. Otieno is the Secretary to the National Management Committee. He oversees the day-to-day running of the secretariat.

4. Key Management/Secretariat Team

Name	Position	Responsibility
 <p>George Wainaina, MBS, HSC</p>	<p>Secretary General</p>	<p>Date of appointment: February 2023 He holds a Master's Degree in Business Administration from the Inoorero University as well as a Bachelor's Degree in Commerce from Inoorero University. Mr. Wainaina is the Secretary of the NEC and a member of NMC. He is responsible for the day-to-day running of the secretariat, runs correspondence with partners and internal/external political affairs of the party branches and membership.</p>
 <p>Arnold Otieno</p>	<p>National Executive Director</p>	<p>Date of appointment: February 2025 He holds a Bachelor's Degree in Law. Mr. Otieno is the Secretary to the National Management Committee. He oversees the day-to-day running of the secretariat.</p>
 <p>Manass Nyainda</p>	<p>Communications Director</p>	<p>Date of appointment: February 2023 He holds a Bachelor's Degree in Communications from St. Paul's University. Runs social media campaigns, drafting of release letters and any other communication duties as required by the party constitution.</p>

 <p>Mercy Wanyeki</p>	<p>Director of Finance and Administration</p>	<p>Date of appointment: February 2025</p> <p>She holds a Bachelor of Science degree in Actuarial Science from Kabarak University.</p> <p>She oversees the financial and administrative functions of the party, ensuring sound fiscal management, compliance, and operational efficiency across departments.</p>
 <p>Mathews Jumba</p>	<p>Director of ICT</p>	<p>Date of appointment: February 2023</p> <p>He holds a Bachelor’s Degree in ICT & Mathematics from the University of Nairobi. He is responsible for developing and maintaining the ICT systems of the party.</p>

5. Chairman’s Statement

Introduction

The Kenya African National Union (KANU) is pleased to present its Annual Financial Report for the financial year ended June 30, 2025. This report provides a comprehensive overview of the party’s financial position for the 2024–2025 financial year, including its sources of revenue, expenditure trends, and the institutional measures adopted to enhance accountability and transparency in the utilization of public funds. This report is prepared in compliance with the provisions of the Political Parties Act, 2011, the Public Finance Management Act, and other applicable legal frameworks that govern political party financing. It underscores KANU’s commitment to financial integrity, responsible resource stewardship, and alignment with the constitutional imperative of public accountability.

Achievements

During the year under review, KANU recorded significant milestones across its political, organizational, and administrative functions. Key achievements include:

- The revitalization of the secretariat was attained through infusing new energy into the party’s administrative ranks by recruiting young, dynamic, and professional staff. Notably, the appointment of a 31-year-old Chief Executive Officer, who the youngest in the party’s history, reflects KANU’s commitment to generational renewal and youthful leadership.
- The party successfully concluded the drafting and development of its Strategic Plan for 2025–2028, which will be launched in September 2025. This strategic plan, solidified by data collected across different counties, articulates the party’s renewed vision, alternative policy proposals, and a roadmap to engage Kenyans meaningfully in national issue-based discourse.
- The party expanded its outreach to tertiary institutions through the reactivation of the KANU Campus League. This initiative has sparked enthusiasm among university and college students, increasing youth membership and political participation under the KANU banner.
- Following an adverse audit opinion on the 2023–2024 Financial Report, the party instituted a comprehensive internal review and adopted appropriate accounting standards. These reforms have significantly enhanced the credibility and reliability of its financial reporting mechanisms, culminating in a more favorable audit outcome in the current financial year.
- In line with Article 22 of the Party Constitution, KANU fully operationalized its Persons with Disabilities (PWD) Caucus. This milestone ensured inclusive representation and policy advocacy for PWDs within party structures and decision-making forums.

- The party undertook structural reorganization of its national and grassroots organs to reflect the principles of generational change, gender equality, and inclusive representation. The Women and Youth Congresses were also rejuvenated to bring in fresh ideas and broaden the party's national appeal.
- KANU leveraged both traditional and digital media platforms to position itself as a thought leader in Kenya's political arena through robust policy advocacy. Through consistent public policy engagements, the party presented alternative proposals to national priorities, including the 2025–2026 Budget, thereby influencing national conversations on governance and development.
- The party has successfully reclaimed and recovered some of its assets, including parcels of land, which will now supplement its income base and strengthen financial self-reliance. This asset recovery initiative underscores the party's focus on prudent resource management and sustainability.

Challenges

Despite the progress made, the party encountered several challenges during the financial year, largely arising from political, legal, and financial constraints. These included:

- The undermining of multiparty democracy through coercion and inducement of elected leaders to defect, particularly to the ruling party, without seeking a fresh mandate from the electorate, has impeded the party's stability, growth, and representation.
- Ongoing protracted legal disputes and litigations, especially regarding party assets, have delayed the full operationalization of some grassroots structures and diverted both financial and administrative resources from core political engagements.
- The party operated under tight fiscal conditions due to reduced financial allocations from the Political Parties Fund, which was short of the originally set amount. This resource gap hindered the full implementation of strategic initiatives and limited the scope of outreach, mobilization, and advocacy activities envisioned in departmental work plans.

Acknowledgements

Despite these challenges, I extend my sincere gratitude to our officials, secretariat staff, dedicated members, supporters, and statutory bodies for their unwavering support. Special recognition goes to the Office of the Registrar of Political Parties and the entire staff for their exceptional attention, devotion, and guidance. Their support has been instrumental in ensuring the party's compliance with the Political Parties Act, 2011, Public Finance Management Act, and other applicable laws.

Kenya African National Union
Annual Report and Financial Statements for the year ended June 30, 2025.

KANU remains committed to its vision of a free, secure, and prosperous nation founded on the rule of law and equitable development. We look forward to overcoming challenges and continuing our transformative journey, and I am confident that with the ongoing support, KANU will emerge as a robust political institution.



HON. GIDEON MOI
NATIONAL CHAIRMAN

DATE...13/11/2025.....

6. Report of the Secretary-General

Introduction

The year under review has witnessed significant strides in strengthening the operational capacity and grassroots footprint of the Party. As the custodian of the Party's daily administrative and programmatic functions, the Office of the Secretary-General is pleased to report notable progress in key performance areas, including membership recruitment, grassroots structures, institutional expansion, and technological integration.

Operational Performance of the Party

The Party has intensified its membership recruitment drive with a sharp focus on expanding its base among young people. This success has been largely attributed to aggressive social media engagement that has transformed the Party's digital presence into an influential mobilization platform. Additionally, a refreshed brand identity that resonates with youthful aspirations and reflects modern political dynamism, and tailored messaging and digital campaigns that have projected the Party as a home for progressive voices and emerging leadership. As a result, the Party has recorded a significant increase in new membership registration, particularly among the youth demographic, marking a generational shift in our support base and laying a strong foundation for future leadership.

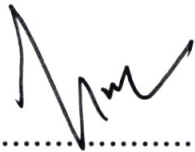
To deepen our roots and bring the Party closer to the people, we are in the process of expanding our presence through the ongoing establishment of regional offices. These offices continue to serve as strategic nerve centers for advancing the visibility of the Party's programs and agenda, coordinating local outreach and issue-based dialogues, and promoting civic education and community engagement in our political processes. This infrastructure will be critical in facilitating two-way communication between the national secretariat and the grassroots, ensuring that our philosophies and values permeate local contexts.

In line with our commitment to issue-based politics, the Party has maintained a visible and principled presence in multiparty dialogues and democratic forums. At the recent People's Dialogue Festival, the Party was widely recognized as the most active, engaged, and policy-oriented participant. This strong showing was anchored by consistent digital mobilization and

content generation, including X Space engagements, thematic dialogues, and civic education campaigns.

Conclusion

As a party, we have ensured that the books of accounts for the year ended 30 June 2025 have been prepared in time and presented to the Auditor General and that the relevant income section of the same is extracted and published in the local daily newspaper, The Standard and Daily Nation. It is critical to note that we continue to develop principles of stewardship, financial discipline, ethics, and best practices to guide the party in fiscal planning and management as stipulated under Section 35 of the Public Audit Act 2015 requirement and the Political Parties Act 2011.



.....
Mr. George Wainaina – MBS, HSC
National Secretary General

DATE.....

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

The Kenya African National Union (KANU) set forth key strategic and operational objectives for the Financial Year 2024/2025 in line with its mission to strengthen grassroots mobilization, enhance membership engagement, and promote democratic governance. This statement outlines the party's performance in relation to these predetermined objectives.

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members	Register 2,000 new members	600 new members registered	Decline attributed to limited post-election mobilization and grassroots activities.
2.	Membership Subscriptions	Amount generated from subscriptions	Generate KES 200,000 from subscriptions	KES 150,000 realized	Uptick from previous year due to improved collection strategies.
3.	Digital Transformation	Fully functional website and portal.	Launch an updated party website and member portal	Party website and members portal upgraded.	The digital upgrade will increase registration in the future.
4.	Youth & Women Engagement Forums	Strengthened youth and women in the party	Conduct several engagement forums	Over 25 forums were conducted	Resource constraints limited implementation however, we have partners who are willing to assist.
5.	Training & Capacity Building	Have several trained members	50 members trained	30 members trained	Training conducted and moderately achieved.

8. Governance Statement

The governance architecture of the Party is anchored on democratic principles, transparency, accountability, and inclusivity. It is structured to ensure effective policy-making, smooth operational management, responsive leadership, and meaningful participation of members at all levels. Below is a detailed presentation of the Party’s governance framework.



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

National Delegates Conference (NDC)

The National Delegates Conference (NDC) is the supreme organ of the Party. It plays a pivotal role in shaping the strategic direction and governance of the Party. The NDC is mandated to adopt and amend the Party Constitution and policies, receive and approve audited financial reports and other accountability documents, endorse presidential candidates and adopt electoral strategies, ratify key decisions by the National Executive Council (NEC), and provide a platform for national consensus-building on policy matters.

It is composed of all members of the National Executive Council (NEC) and National Management Committee, delegates from party branches, parliamentary groups, and other elected leaders' caucuses. Under their leadership roles within the Party structure, these officials automatically qualify as members of the NDC. The Conference is convened at least once every calendar year, with provision for a Special National Delegates Conference where urgent or exceptional matters arise, such as the endorsement of a presidential candidate or adoption of constitutional amendments.

National Executive Council

NEC is the executive body of the party, ensuring that all decisions and policies made by the supreme organ are duly executed, supervising the administrative machinery of the party, and enforcing its decisions and programs. It is composed of all the National Officials, the Leader of the Parliamentary Group, its Chief Whip, the Policy Advisory Council, the Director of Elections, the Chairperson, the Secretary, and Treasurer of the National Women and Youth Congress, Chairperson of PWD and MCAs Caucus, as well as the National Executive Director as the Ex Officio.

The NEC meets biannually but may convene special meetings as circumstances demand. In the last year, NEC held one meeting virtually, primarily to deliberate on party reorganization, policy alignment, and election preparedness.

Committees Under the NEC

To ensure effective governance and execution of its mandate, NEC operates through several specialized committees. These committees are established under the Party Constitution and are governed by clear terms of reference. Below is a summary:

National Management Committee (NMC)

Its mandate is to act on behalf of the NEC, supervise the day-to-day management of the secretariat, approve budgets and workplans, formulate policies for consideration by the NEC, recruit and appoint staff, propagate the Party's ideology and policies, and mediate internal disputes. The Committee meets monthly and may convene special meetings as circumstances demand.

Dispute Resolution Committee (DRC)

Its mandate includes resolving and mediating all intra-party conflicts and disputes arising from nominations, leadership wrangles, and disciplinary matters. It is chaired by a senior party member from the advocate's roll and three to five other members. Held two sittings over the last year, resolving disputes from three counties.

Disciplinary Committee

Its mandate is to investigate allegations of misconduct or breach of Party rules and recommend disciplinary measures, including warnings, suspensions, or expulsion. It is composed of not less than three (3) and not more than seven (7) members, including the chairperson who is qualified to be a judge of the High Court of Kenya. Due to the high level of discipline within the rank and file of the party, the disciplinary committee has not yet convened its meeting.

National Elections Board (NEB)

Its mandate is to formulate nomination rules following the applicable electoral laws, organize and supervise grassroots elections and nominations. Its members shall be appointed by the National Chairperson in consultation with the National Executive Council and shall consist of not more than five members.

Finance Committee

Its mandate is to oversee financial planning, resource mobilization, and allocation. It is headed by the National Treasurer of the party and composed of members from different fields such as finance and fundraising experts. The committee met three times.

Audit and Risk Committee

Its role is to review internal and external audit reports, assess risk exposure and mitigation strategies, and ensure adherence to transparency and accountability standards. It is made up of autonomous experts from the accounting and auditing fields. It has so far held four meetings.

Other Committees

Policy Advisory Committee as a think tank that offers strategic political guidance at the macro-level, as well as the Research and Data Committee, which leverages empirical data to help the party make impactful and effective decisions, and the Gender Committee that promotes the mainstreaming and participation of women in politics. marginalized groups. Each of these committees submits periodic reports to the NEC and contributes to the overall vision and mission of the Party.

9. Management Discussion and Analysis

Over the past three financial years, KANU has experienced notable fluctuations across key operational and financial indicators. This analysis highlights the trends in party membership, subscription income, government funding, and organizational structure, providing insights into the party's current trajectory and laying the groundwork for future strategic decisions.

Membership Trends

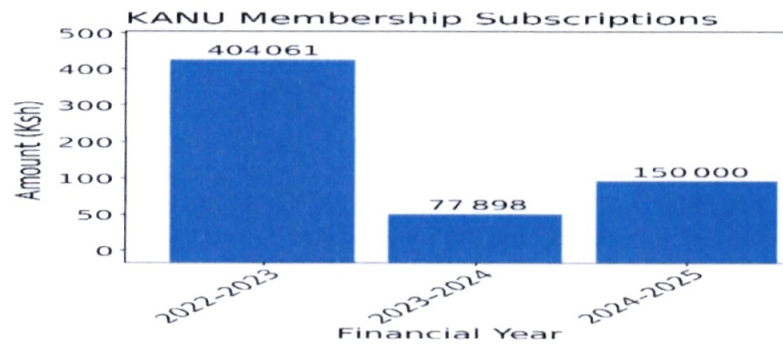
KANU's membership registration has witnessed a dramatic decline over the past three financial years. In 2022–2023, the party registered 30,000 new members, a peak likely influenced by pre-election mobilization efforts. However, registrations dropped significantly to 1,000 in 2023–2024, and further declined to 600 in 2024–2025. This pattern illustrates a recurring challenge faced by many political parties: sustaining member engagement and recruitment momentum during non-election periods.



While election seasons naturally draw in new members through heightened political activity and grassroots mobilization, the party must adopt robust post-election strategies, including civic education, digital outreach, and policy engagement to reverse the declining trend in membership.

Members' Subscriptions and Contributions

Subscription income has closely mirrored membership trends. During the 2022–2023 period, the party generated KES 404,061 from member subscriptions. This figure dropped sharply to KES 77,898 in 2023–2024, reflecting reduced membership and engagement. Interestingly, 2024–2025 saw a partial recovery, with subscription revenues rising to KES 150,000, suggesting improved efforts in subscription collection or retention of existing members.



Similarly, members' contributions and donations have historically spiked during election years, driven by heightened political interest and fundraising campaigns. These contributions typically support campaign logistics, voter outreach, and administrative operations. In non-election years, however, the party has seen minimal inflows in this category, underlining the need for more diversified and sustainable funding strategies.

Budget Variability

The party's annual budget has varied significantly in alignment with the electoral cycle. During election years (every five years), the budget is considerably higher to support candidate nominations, campaign activities, polling station monitoring, and media engagement. In contrast, the inter-election years tend to have lower budgets focused on administrative costs, membership drives, and party restructuring.

Revenue from Political Parties Fund

KANU has relied on the Political Parties Fund (PPF) as a source of revenue. However, in the most recent financial year, there was a significant decline in this revenue stream. This was attributed to reduced government disbursements to the Office of the Registrar of Political Parties (ORPP), which affected all eligible parties, including KANU.

Elected Representatives

Over the past three years, the number of elected representatives, including Special Interest Groups (SIGs), has remained constant. The next anticipated change in representation will follow the upcoming general elections.

Organizational Structure

KANU continues to operate through its established 24 party branches, a number that has remained unchanged for several years. These branches are instrumental in grassroots mobilization, policy dissemination, and community engagement. While stability is commendable, the party recognizes the potential for expansion into underrepresented regions and is considering a re-evaluation of branch coverage and performance.

10. Environmental and Sustainability Reporting

Introduction

The Kenya African National Union (KANU) upholds environmental sustainability as a core strategic pillar of its political philosophy, policy priorities, and operational agenda. As climate change emerges as both a humanitarian crisis and a political challenge, the Party has embraced a holistic sustainability strategy—linking governance, economic development, social equity, and ecological resilience.

Sustainability Strategy and Profile

KANU's sustainability efforts are informed by global, regional, and national frameworks, including the United Nations Sustainable Development Goals (SDGs), particularly SDG 13 (Climate Action), SDG 15 (Life on Land), and SDG 12 (Responsible Consumption and Production); the Paris Agreement on climate change; the Constitution of Kenya, 2010, notably Articles 42 and 69; as well as Kenya's National Climate Change Action Plan (NCCAP) and the Green Economy Strategy and Implementation Plan (GESIP). In the 2022–2027 Party Manifesto – *"Back to Business: Our Commitment to a Transformative Agenda"*, under Priority 4 – *Greening Kenya*, KANU outlines a clear sustainability pathway anchored on climate justice, green investment, sustainable natural resource management, and ecological equity.

Environmental Performance

KANU's sustainability priorities have evolved in response to various political and macroeconomic dynamics. Politically, heightened civic awareness, Gen Z-led climate advocacy, and inter-party competition on progressive agendas have pressured political parties to embed sustainability into their platforms. Macroeconomically, the increasing frequency of climate-induced disasters—such as droughts and floods—has strained national resources and public service delivery, pushing sustainability to the forefront of fiscal and policy debates. Furthermore, public demand has played a significant role, with citizens, particularly the youth, increasingly calling for accountability and innovation from political institutions on climate and environmental governance.

KANU's strategy draws lessons from international best practices, notably from Germany's Green Party, Norway's Center Party, and South Africa's Democratic Alliance, all of which have integrated sustainability into party governance, electoral messaging, and legislative performance. Inspired by such models, KANU has institutionalized a Climate Action Committee within the party, partnered with the Konrad Adenauer Stiftung (KAS) to implement political education and climate diplomacy

programs, and prioritized digital transformation of internal systems to cut paper waste and improve operational efficiency

Key Achievements

- KANU elected leaders at the parliamentary and county levels have proposed motions and bills and issued statements advocating targeting green energy, forest conservation, and water resource management.
- Through KANU Youth Congress (KYC), KANU Women Congress (KWC), and the PWD League, the Party has mobilized local chapters for tree planting and environmental education campaigns, integrated in its political initiatives.
- The Party has launched internal efforts to go paperless, beginning with digitized correspondences, record-keeping, and circulars to reduce environmental degradation.
- A section of the KANU members has been trained in climate policy, adaptation and mitigation strategies, and environmental conservation advocacy to ensure that they spearhead climate action individual level.

Key Challenges

- Inability to articulate climate action policies in easily understandable messages for the common citizen to invoke climate action.
- Lack of internal performance indicators to measure progress on climate and sustainability targets.
- Limited financial resources have slowed the implementation of green office infrastructure and broader sustainability programs.
- Inconsistent grassroots uptake of climate-focused activities, due in part to limited awareness and competing socio-economic priorities.

ii) Environmental Performance

Environmental Policy Framework

KANU's environmental engagement is guided by its Internal Environmental Sustainability Policy (IESP), adopted in 2023 by the National Executive Council (NEC). The policy outlines a commitment to reduce ecological footprints in party operations, mainstreaming environmental awareness in all Party programs, promoting climate-responsive policymaking in legislative forums, and supporting community-led environmental restoration and afforestation. As evidentiary proof, there is an internal

memo committing to go fully transition to a paperless party by 2026 and Terms of Reference for the Climate Action Committee explicitly outlining green standards for internal operations;

Successes

- Enhanced biodiversity restoration, supported by the planting of over 500 tree seedlings in 2 counties over the past year through KANU's local structures and partnerships with youth and women's groups.
- Significant transition to digital filing and correspondence system within the secretariat Digital Transition has reduced paper usage significantly.
- Through awareness drives, platformed by social media and the People's Dialogue Festival 2025, the party has intensified awareness drives and campaigns to sensitize the people about climate action.

Shortcomings and Mitigation Measures

- The Party has yet to develop a formal waste segregation and recycling policy across its offices to plug the waste management gap. This is now a 2025 priority under review by the Climate Action Committee.
- The absence of a structured environmental performance reporting system has hindered impact tracking. However, a quarterly sustainability report format is being developed to enhance transparency and learning.

Indeed, KANU remains firmly committed to advancing a just, inclusive, and resilient environmental future. By strengthening internal systems, supporting grassroots efforts, leveraging international partnerships, and aligning with constitutional and global frameworks, the Party positions itself as a credible and capable political champion of environmental and climate action in Kenya.

iii.) Employee Welfare

KANU Party adheres strictly to the guidelines outlined in its Human Resource (HR) Manual, which governs recruitment, onboarding, and staff development. The hiring process is anchored on the principles of fairness, inclusivity, and meritocracy. A critical component of the hiring policy is the consideration of gender balance, ensuring that opportunities are equitably accessible to all genders. Regular stakeholder engagements, including consultations with grassroots leadership and community representatives, are incorporated to ensure alignment with evolving societal needs. The HR Manual

is reviewed annually, allowing continuous improvement of recruitment practices to reflect modern workplace standards and national diversity goals.

a.) Responsible Supply chain and supplier relations

KANU Party upholds a strict code of ethics in all supplier dealings, maintaining transparent and accountable procurement procedures. Suppliers are selected through competitive bidding processes in compliance with established procurement laws and party policies. Contracts are honoured diligently, and timely payments are prioritized to sustain healthy supplier relations. The Party's procurement framework includes vetting for ethical compliance, environmental responsibility, and local content inclusion, thereby promoting integrity and local economic empowerment across the supply chain.

b.) Responsible marketing and advertising

With a strict ethical standard, respect for public interests, particularly social cohesion and shared prosperity, KANU has ensured responsible marketing and advertising by aligning its communication strategies with these principles. The communication department, supported by the research and the legal unit, carefully crafts its messages and is vetted for quality control to avoid the intentional spread of wrong information, general misinformation, incitement, inflammatory content, or exploitative appeals. The party emphasizes issue-based politics, policy-driven discourses, and narratives that are responsive to the needs of diverse demographics, especially youth and marginalized groups. KANU has also adopted digital platforms to promote transparency and broaden public engagement while guarding the privacy of the data of its followers across social media. Through adherence to the internal guidelines developed by its Communications Directorate, the Party ensures that all promotional content reflects its values of integrity, respect for the rule of law, and progressiveness.

c.) Product stewardship

KANU is committed to safeguarding the interests and rights of its members and supporters. All party materials, public communications, and services are designed with clarity, accuracy, and responsibility to prevent misinformation. The Party emphasizes transparency in messaging, protects members' personal data, and ensures all platforms for communication are accessible and respectful. Feedback mechanisms such as hotlines, forums, and digital platforms are in place to address concerns promptly and inclusively.

iv.) Corporate Social Responsibility / Community Engagements

As per provisions in the HR Manual, KANU implements a robust Corporate Social Responsibility strategy, with annual reporting on activities and impact. In the past year, the Party undertook several CSR initiatives, including:

- Education support: Distribution of over 200 sanitary pads in Kajiado County through the KANU Women Congress.
- Environmental stewardship: Tree planting campaigns in Nairobi, Baringo and Kericho, targeting restoration of degraded landscapes.

KANU's CSR approach is embedded in its belief in uplifting communities, promoting inclusive development, and demonstrating social leadership beyond politics.

11. Report of the National Executive Council

The Council submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Kenya African National Union's affairs.

i) Principal activities

The principal activity of Kenya's African National Union set out in 2 (b) above is to strive to establish a Government of Kenya based on democratic and good governance and constitutional principles of pluralistic democracy whilst promoting the rule of Law.

ii) Results

The results of Kenya African National Union for the year ended June 30, 2025, are set out on page 1-5

iii) National Executive Council

The members of the NEC who served during the year are shown on page vi-vii.

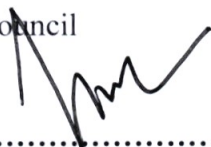
iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The regulation is not applicable to Kenya African National Union.

v) Auditors

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

By Order of the Council



.....

George Wainaina, MBS, HSC
Secretary General

12. Statement of National Executive Council Responsibilities

Section 31 of the Political Parties Act 2011 and the Party's 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 Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

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

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

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

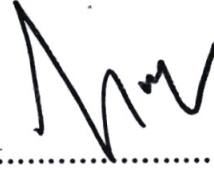
Kenya African National Union
Annual Report and Financial Statements for the year ended June 30, 2025.

Approval of the financial statements

Kenya African National Union financial statements were approved by the Council on 13th November 2025 and signed on its behalf by:

.....

Hon. Gideon Moi,
National Chairman



.....

George Wainaina, MBS, HSC
Secretary General

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA AFRICAN NATIONAL UNION FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya African National Union set out on pages 1 to 26, which comprise of the statement of financial position as at 30 June, 2025, and, the statement of financial performance, statement of changes net assets,

statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of matters described in the Basis for Qualified Opinion Section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya African National Union as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011, (Revised 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.2,912,275, as disclosed in Note 15 to the financial statements. However, the balance was not supported by a detailed schedule of the debtors.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.2,912,275 could not be confirmed.

2. Lack of Ownership Documents for Land and Buildings

The statement of financial position reflects property, plant and equipment balance of Kshs.10,158,002,056 as disclosed in Note 17 to the financial statements, comprising Kshs.1,953,000,000 and Kshs.8,203,500,000 for land and buildings, respectively. However, no ownership documents and valuation reports for the land and buildings were provided for audit review. Further, the buildings were not depreciated in the financial statements.

In the circumstances, the accuracy, completeness and ownership of the land and buildings totalling Kshs.10,156,500,000 could not be confirmed.

3. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.32,857,946 as disclosed in Note 18 to the financial statements. However, the balance was not supported with a detailed analysis.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.32,857,946 could not be confirmed.

4. Overdrawn (Negative) Cash Book Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.546,524 as disclosed in Note 14 to the financial statements. The balance is net of credit (negative) balances of Kshs.177,289 and Kshs.143,690 in two commercial bank

accounts, which were offset against positive cashbook balances. However, Management did not disclose the banking arrangements for managing these accounts, nor did they provide clarification whether the negative balances are repayable on demand and thus form an integral part of the Party's cash management as required by IPSAS 2.

In the circumstances, the accuracy and fair disclosure of the cash and cash equivalents could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matter

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on the Effectiveness of Internal Controls, Risk Management and Governance. Although Management indicated that all the issues had been resolved as at 30 June, 2025, review of the status during the audit of the Party in the financial year 2024/2025 revealed that numerous matters remained unresolved, as detailed in **Appendix 1**.

Other Information

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

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required

to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an 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 Capacity Building Levy Requirements

The statement of financial performance reflects an expenditure of Kshs.11,621,372 in respect of administrative expenses and as disclosed in Note 10 to the financial statements. Included in this amount are payments totaling Kshs.1,625,500, which the Party did not withhold nor submit the capacity building levy due on the office rent paid. This was contrary to Order 3(1) of the Public Procurement Capacity Building Levy Order, 2023, which requires procuring entities to withhold a levy at the rate of 0.03% of the contract value (exclusive of applicable taxes) on procurement contracts.

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

2. Failure to Establish a Procurement Function

During the year under review, it was noted that the Party did not have a procurement function to provide procurement oversight and advice. This was contrary to Regulation 33(1) of the Public Procurement and Assets Disposal Regulations, 2020, which requires a procuring entity to establish a Procurement Function in accordance with Section 47 of the Public Procurement and Asset Disposal Act, 2015

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

3. Non-Compliance with Climate Change Financing Requirements

Review of the Party annual work plans for the financial year 2024/2025 revealed that the Party did not integrate climate change considerations into its operational activities. Further, this could not be traced to the administrative expenditure, budget, and environment and sustainability reporting in the annual report, contrary to National

Treasury's Circular 13/2020 which requires the identification and reporting of climate change and environment-related allocations within government entities' budgets.

In the circumstances, Management was in breach of the National Treasury's Circular.

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

As reported in the previous year, the Party had established only five (5) County offices. Although the Party submitted a list indicating branch offices in twenty-four (24) Counties, no supporting documentary evidence was provided to verify the existence of the offices. This was contrary to Section 7(2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered political party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the political party, which shall be in more than half of the Counties.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

Lack of Internal Audit Function

The Party did not have an internal audit unit to conduct internal auditing. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, which requires every National Government entity to have appropriate arrangements for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, the Party had not established an Audit Committee contrary to Section 73(5) of the Public Finance Management Act, 2012, which states that every National Government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the effectiveness of internal controls and risk management

measures put in place by Management could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015, and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not, in all material respects, the activities, financial transactions, and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management, and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

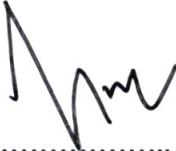
Nairobi

15 December, 2025

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other government entities	6	20,005,804	13,165,099
Membership	7	150,000	77,898
Investment Income	8	1,457,700	1,372,600
Public Contributions and donations	9	7,420,000	6,629,000
Total revenue		29,033,504	21,244,597
Expenses			
Administrative Expenses	10	11,621,372	9,661,242
Special Interest Groups	11	5,585,970	153,000
Program Expenses	12	7,371,263	12,495,743
Depreciation and amortization expense	13	266,496	308,095
Total expenses		24,845,102	22,618,080
Surplus/(Deficit)		4,188,402	(1,373,483)

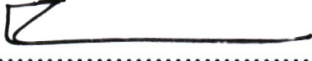
The notes set out on pages 17 to 27 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the National Executive Council by:


.....
George Wainaina, MBS, HSC
Secretary General

Date: 13/11/2025


.....
Booker Omondi
Finance Officer

ICPAK M/No: 3637228
Date: 13/11/2025



.....
Edward Kivuvani
National Treasurer

Date: 13/11/2025


15. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	14	546,524	444,018
Receivables from Exchange Transactions	15	2,912,275	1,325,000
Receivables from Non-Exchange Transactions	16	2,558,343	3,257,478
Total Current Assets		6,017,142	5,026,496
Non-Current Assets			
Property, Plant and Equipment	17	10,158,002,056	10,158,180,552
Total Non-Current Assets		10,158,002,056	10,158,180,552
Total Assets (A)		10,164,019,198	10,163,207,048
Liabilities			
Current Liabilities			
Trade Payables	18	32,857,946	37,352,734
Total Current Liabilities		32,857,946	37,352,734
None - Current Liabilities			
Founder's Payable Account	19	-	175,390,297
Total Non-current Liabilities		-	175,390,297
Total Liabilities (B)		32,857,946	212,743,031
Net Assets (A-B)		10,131,161,252	9,950,464,017
Represented by:			
Revaluation Reserves		10,115,592,445	9,940,202,148
Accumulated Surplus		15,568,807	10,261,869
Total Net Assets and Liabilities		10,131,161,252	9,950,464,017


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


.....
George Wainaina, MBS, HSC
Secretary General

Date: 13/11/2025


.....
Booker Omondi
Finance Officer

ICPAK M/No. 3637208
Date: 13/11/2025


.....
Edward Kivuvani
National Treasurer

Date: 13/11/2025

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

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As of July 1, (2023)	9,942,832,683	11,635,352	9,966,103,387
Adjustments for the year	(2,630,535)	-	(2,630,535)
Deficit for the year	-	(1,373,483)	(1,373,483)
As of June 30, (2024)	9,940,202,148	10,261,869	9,950,464,017
As of July 1, (2024)	9,940,202,148	10,261,869	9,950,464,017
Prior year adjustments	-	1,118,536	1,118,536
Transfer of founders' contribution to revaluation	175,390,297	-	175,390,297
Surplus for the year	-	4,188,402	4,188,402
As of June 30, 2025	10,115,592,445	15,568,807	10,131,161,252

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

		2024-2025	2023-2024
	Notes	Kshs	Kshs
Cash flows from (used in) operating activities			
Receipts			
Office of the Registrar of Political Parties	6	20,005,804	13,165,099
Public contributions and donations	9	7,420,000	6,629,000
Membership Fees	7	150,000	77,898
Rental revenue from facilities	8	1,457,700	1,372,600
Total receipts		29,033,504	21,244,597
Payments			
Administrative Expenses	10	11,621,372	9,661,242
Special Interest Groups	11	5,585,970	153,000
Program Expenses	12	7,371,263	12,495,743
Total payments		24,578,605	22,309,985
Cash flows from (used in) operating activities		4,454,899	(1,065,388)
Working capital Adjustments			
(Increase) Decrease in receivables		(888,140)	7,605,682
(Decrease) in trade and other payables		(4,494,788)	(4,369,540)
Prior year adjustments		1,118,536	(2,626,930)
Net cash flows from (used in) operating activities		190,507	(456,176)
Cash flows (used in) from investing activities			
Purchase of Property, Plant & Equipment	17	(88,000)	(130,000)
Net cash flows (used in)/ from investing activities		(88,000)	(130,000)
Net cash flows (used in) financing Activities			
(Repayment of) borrowings		-	-
Net cash flows (used in) financing activities		-	-
Net Increase/ (decrease) in cash & cash equivalents		102,506	(586,176)
Cash and cash equivalents at 1 July	14	444,018	1,030,194
Cash and cash equivalents on 30 June	14	546,524	444,018

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Government entities	20,005,804	-	20,005,804	20,005,804	-	100%
Public Contributions and Donations	6,706,898	-	6,706,898	7,570,000	(863,102)	112%
Rental Revenue from Facilities and Equipment	1,372,600	-	1,372,600	1,457,700	(85,100)	106%
Total Income	28,085,302	-	28,085,302	29,033,504	(948,202)	103%
Payments						
Administrative	21,378,984	-	21,378,984	11,621,372	9,757,612	54.4%
Special Interest Groups	17,378,986	-	17,378,986	5,585,970	11,793,016	32.1%
Program Expenses	21,101,772	-	21,101,772	7,371,263	13,730,509	34.9 %
Total Expenditure	59,859,742	-	59,859,742	24,578,605	35,281,137	41%
(Deficit)/Surplus for the period	(31,774,440)	-	(31,774,440)	4,454,899	(27,319,541)	14%
Capital Expenditure	130,000	-	130,000	88,000	42,000	67%

During The year under audit the party realized gain on income from prior year due to increase in PP fund from ORPP for the year, Members of parliament and MCA's collection went higher during the year due to increased mobilization and sending of letters to the county clacks each month. The increment realized on the rental revenue was attributed to appointment of agent during the year who over saw rental collections.

With the increased income the party increased the number of programs, workshops and trainings for the party and SIGs. Thus, the realised total expenditure in the year under audit increased from the prior year.

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Party's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Party. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Political Parties Act, 2011, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></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"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The Party adopted the newly updated audit template as per the IPSAS standards in the financial year.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a.) Revenue recognition

i.) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

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

ii.) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b.) Budget information

The original budget for the Current FY was approved by the NEC. 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 Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Party recorded additional appropriations on the 2025 budget following the governing body's approval.

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

c.) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment 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.

- **Property, plant and equipment**

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

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

- **Leases**

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

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

- **Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

b) Financial liabilities

Classification

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

- **Provisions**

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

- **Contingent liabilities**

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

- **Contingent assets**

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

- **Changes in accounting policies and estimates**

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

- **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.

- **Related parties**

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

- **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.

- **Comparative figures**

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

- **Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. (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
Transfers from ORPP		
Transfers from ORPP	20,005,804	13,165,099
Total Government Grants	20,005,804	13,165,099

Income from Office of Registrar of Political Parties (ORPP)

7 Membership Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Subscription fees	150,000	77,898
Total	150,000	77,898

Revenue from Members' contributions to the party

8 Investment Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Rental Income	1,457,700	1,372,600
Total Rentals	1,457,700	1,372,600

Revenue earned from the organisation facilities

9 Public Contributions and domain

Description	2024-2025	2023-2024
	Kshs	Kshs
Other Public Donations:	1,900,000	1,569,000
Parliamentary Group	2,160,000	2,160,000
Members of the county assembly	3,360,000	2,900,000
Total Transfers and Sponsorships	7,420,000	6,629,000

Notes to the Financial Statements (Continued)

10 Administrative Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and Wages	7,941,882	7,831,955
Compliance check fees	-	250,000
Professional fees	976,000	100,000
Office Supplies	213,967	318,000
Office Stationery	170,500	60,000
Repairs and maintenance	142,870	157,300
Cleaning Services	40,000	30,000
KANU party title deed processing and valuations	533,000	789,000
Bank charges and M-Pesa charges	91,154	124,987
Office Rent	1,512,000	-
Total	11,621,372	9,661,242

10 (a) Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	5,550,000	5,716,960
Employee contribution to health insurance schemes (NHIF)	214,458	162,600
PAYE	1,139,465	1,160,865
Housing Levy	107,522	117,588
Housing Levy- employer contribution	107,522	117,588
Staff welfare expenses	181,000	-
NSSF	245,926	278,177
NSSF- Employer contribution	245,926	278,177
NITA	6,050	-
Tax penalties	144,014	-
Total Employee costs	7,941,882	7,831,955

Notes to the Financial Statements (Continued)

10 (b) Professional Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Legal	136,000	100,000
Accountancy and compliance fees	840,000	-
Total Professional Fees	976,000	100,000

11 Special Interest Groups

Description	2024-2025	2023-2024
	Kshs	Kshs
Special Interest Groups	5,194,970	-
Party merchandizes expenses	391,000	153,000
Total	5,585,970	153,000

12 Programs

Description	2024-2025	2023-2024
	Kshs	Kshs
Programs	4,282,833	6,800,620
Meeting, Workshops and Conferences	1,640,000	4,440,835
Communication expenses	888,030	660,348
Transport Expenses	90,000	429,000
Subscriptions	470,400	164,940
Total	7,371,263	12,495,743

13 Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	266,496	308,095
Total depreciation and amortization	266,496	308,095

14 Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	546,524	444,018
Total Cash and Cash Equivalents	546,524	444,018

Notes to the Financial Statements (Continued)

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1205576142	(177,289)	95,090
Cooperative Bank (PPF)	1120011317900	783,670	50,557
Cooperative Bank	1120011317901	(143,690)	155,386
Petty cash		-	3,582
M-Pesa account		83,833	139,403
Grand Total		546,524	444,018

15 Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2024-2025	2023-2024
	Kshs	Kshs
Members of Parliament	1,261,800	510,000
Members of the County Assembly	1,650,475	815,000
Total receivables from exchange transactions	2,912,275	1,325,000

Receivables is the make-up of payment in arrears from MCAs and MPs

(b) Ageing analysis for Receivables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,912,275	100%	1,325,000	100%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	2,912,275	100%	1,325,000	100%

16 Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Office of the Registrar of Political Parties	2,558,343		3,257,478	
Total receivables from non-exchange transactions	2,558,343		3,257,478	
Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,558,343	100%	3,257,478	100%
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	2,558,343	100%	3,257,478	100%

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Notes to the Financial Statements (Continued)

17 Property, Plant and Equipment

Cost	Land and buildings Kshs	Furniture and fittings Kshs	Computers Kshs	Other Assets (specify) Kshs	Total Kshs
As at 1 st July 2023	10,156,500,000	1,057,479	1,092,251	234,457	10,158,884,187
Additions	-	-	-	130,000	130,000
As at 30th June 2024	10,156,500,000	1,057,479	1,092,251	364,457	10,159,014,187
As at 1 st July 2024	10,156,500,000	1,057,479	1,092,251	364,457	10,159,014,187
Additions	-	55,000	-	33,000	88,000
As at 30th June 2025	10,156,500,000	1,112,479	1,092,251	397,457	10,159,102,187
Depreciation And Impairment					
As at 1 st July 2023	-	132,185	364,047	29,307	525,539
Depreciation for the year	-	92,529	182,051	33,515	308,095
As at 30th June 2024	-	224,714	546,098	62,822	833,635
As at 1 st July 2024	-	224,714	546,098	62,822	833,635
Depreciation for the year	-	106,014	120,159	40,324	266,496
As At 30th June 2025	-	330,728	666,257	103,146	1,100,131
Net Book Values					
As at 30th June 2024	10,156,500,000	832,765	546,153	301,635	10,158,180,552
As at 30th June 2025	10,156,500,000	781,751	425,994	294,311	10,158,002,056

Notes to the Financial Statements (Continued)

18 Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	32,359,187		35,851,274	
Accruals	498,759		1,501,460	
Total founder's payables	32,857,946		37,352,734	
Ageing Analysis- Payables from non- exchange transactions	Current FY	% of the total	Comparative FY	Current FY
Less than 1 year	498,759	100%	1,501,460	100%
Between 1- 2 years				
Between 2-3 years				
Over 3 years	32,359,187	100%	35,851,274	100%
Total	32,857,946		37,352,734	

19 Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Domestic (Founders) borrowings		
Balance at beginning of the year	-	175,390,297
Domestic borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	-	175,390,297

The Founders agreed to forgive (write off) the loans to additional capital contribution on revaluation reserves to improve the party's Financial Position by reducing its liabilities in the books.

20 Cash Generated from Operations

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Surplus/ (deficit) for the year before tax	4,188,402		(1,373,483)	
Adjusted for:				
Depreciation	266,496		308,095	
Non-cash grants received	-		-	
Gains and losses on disposal of assets	-		-	
Working capital adjustments				
(Increase) Decrease in receivables	(888,140)		7,605,682	
(Decrease) in trade and other payables	(4,494,788)		(4,369,540)	
Prior year adjustments	1,118,536		(2,626,930)	
Net cash flow from operating activities	190,507		(456,176)	

Notes to The Financial Statements (Continued)

21 Related Party Disclosures

Nature of related party relationships

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

Related parties include:

- i) Office of the Registrar of Political Parties
- ii) NEC Members
- iii) NMC Members
- iv) Secretary General
- v) National Treasurer
- vi) Executive Director

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund	20,005,804	13,165,099
Total	20,005,804	13,165,099
b) Key management compensation		
Allowances to NEC Members	-	-
Compensation to key management	1,640,000	4,440,835
Total	1,640,000	4,440,835

22 Events after the Reporting Period

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

23 Currency

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

20. Appendices

Appendix 1: 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)
2.1.	Statement of Financial Position, highlighting issues with comparative years balances receivables	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
2.2	Statement of Cash flows having discrepancies in figures	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
2.3	Statement of changes in net assets, showing fair value net assets adjustments on reserve of 2,630,535 not supported and issues on the comparative balance for the year.	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
2.4	Discrepancies between amounts in the financial statements and the ledgers	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
3	Unsupported program expenses	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	Lack of staff records	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
5	Unsupported petty cash	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
6	Unsupported board management expenses	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
7	Unsupported workshop expenses	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
8	Incorrect depreciation rates and amortization expenses	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
9	Unsupported land and buildings	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
10	Unsupported borrowings	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
11	Unsupported trade and other payables	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
12	Unsupported cash and cash equivalents	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
1	Late Submission of the financial statements	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
2	Failure to establish party offices in at least 24 counties	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
3	Lack of an approved budget	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year
4	Failure to sign the annual reports	This was noted by management and resolved in the financial statements provided to ORPP and delivered to OAG's office	Resolved	2024/2025 Financial year



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George Wainaina MBS, HSC (Secretary General)

Date:

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Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Entity)	Amount	Date Received	Financial Year the funds relate to
1	Political Parties Fund	3,257,478	08 July 2024	FY 2023/24
2	Political Parties Fund	5,815,820.50	16 October 2024	FY 2024/25
3	Political Parties Fund	5,815,820.50	28 November 2024	FY 2024/25
4	Political Parties Fund	5,815,820.50	13 May 2025	FY 2024/25
5	Political Parties Fund	2,558,342.50	01 July 2025	FY 2024/25