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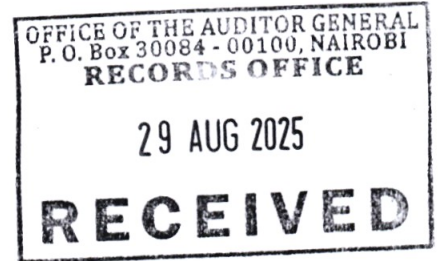
THE AUDITOR-GENERAL

ON

THE SERVICE PARTY

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WED
TABLED BY:	DEPUTY MAJORITY PARTY WITP
CLERK-AT THE-TABLE:	OBIERO



The Service Party - TSP

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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The Service Party (TSP)
Annual Report and Financial Statements for the year ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
CMD	Center for Multiparty Democracy
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
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
PPA	Political Parties Act
ORPP	Office of Registrar of Political Parties
IDRM	Internal Dispute Resolution Mechanism
NCW	National Working Committee
NEC	National Executive Council
NGC	National Governing Council
PPF	Political Parties Fund
SG	Secretary General
TSP	The Service Party

B: Definition of Key Terms

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

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

Comparative Year- Means the prior period.

2. Key Political Party Information and Management

(a) Background information

The Service Party was fully registered under the Political Parties Act, CAP. 7D on June 20th, 2020. The Party is domiciled in Kenya and has 25 branches.

The NGC is responsible for the general policy and strategic direction of the Party.

(b) Principal Activities

The principal activity of TSP is to endeavour to win Kenya's general and by-elections democratically to establish government or become a strong player in government in support of access to equitable development of the people of Kenya within a strong environment of respect for the rule of law and multipartyism.

Our Vision

A country that respects the national values and principles of governance; is food secure; industrialized and prosperous.

Mission

To progressively work towards the realization of the expectations of Kenyans on good governance, equitable devolution of resources, food security, constitutionalism and respect for the rule of law as we deliver sustainable development to all.

To progressively achieve this desired result, TSP will continuously:

- (a) Recruit and enlist members.
- (b) Nominate candidates for elections.
- (c) Engage in relevant research to support party positions.
- (d) Invest in the advocacy and strengthening of our 10 Points Plus Agenda.
- (e) Promote representation in Parliament and county assemblies of women, persons with disabilities, youth, ethnic and other minorities, and marginalized communities.
- (f) Sensitize the public on the functioning of the political and electoral system.

- (g) Promote and enhance national unity.
- (h) Mobilize citizens to participate in political decisions.
- (i) Undertake sustainable socially responsible programs that contribute to reliable household-based incomes and engage in urgent action charitable work.
- (j) Solicit and articulate public policy priorities as identified by its members; and
- (k) Shape and influence public policy.

(c) Key Management

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

1.	NGC	Approving proposed annual plans
2.	NWC	Generating proposed programs for the annual plans
3.	SG	Guiding execution of the annual plans
4.	CEO/Secretariat	Executing, managing implementation of approved activities keeping the party compliant to the relevant legal requirements

(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:

1.	Secretary General	Dr. Mwenda Makathimo
2.	Head of Finance	Edwin Wachira - Consultant
3.	Chairman (member/chair of NWC)	Brown Munyoroku Kariuki
4.	National Treasurer	Naum Tororey
5.	Director Internal Affairs/CEO	Wambui Kimathi

(e) Fiduciary Oversight Arrangements

- Management Committee

An experienced certified public accountant is contracted to support the National Working Committee as the Management with corporate governance advisory services. The management is itself an accomplished team made up of individuals with extensive management experience and practice. This team has ensured that the Party operates in a sustainable way and is cognizant of the relevant fiduciary responsibility of publicly funded body.

Matters that require broader consultation, are put the NGC and NEC.

- **Regulatory and Legal Requirements** of the relevant laws governing political parties and the Code of Conduct of the Party provide the necessary guidance for ensuring compliance at all levels of the party's operations. TSP therefore avails itself for compliance assessments to the Office of the Registrar as often as that office deems necessary and prepares diligently for the Office of the Auditor General for annual audits.

- **Risk Management Policy**

The Party has continued to emphasize the responsibility that all party members and especially those in leadership positions bear in ensuring that the operations of the party are carried out in an environment that respects sustainability and the stability of Kenya.

As a political party, TSP operates in an environment where there are risks that can affect our ability to serve our members and clients and maintain/protect our assets and property sustainably. Consequently, the Management remains conscious and vigilant in mitigating these risks to ensure that the Party remains healthy. This is a necessary imperative. Further, we endeavour to provide a working space that meets the necessary standards of order and safety to the benefit of volunteers, members, partners, and service providers as a commitment that the Management has continued to prioritize.

Further, the necessary controls including making well considered decisions that are inclusive and respectful is a practice that the Management bears and reminds its constituents to volunteer information that may be inimical to such practices that may expose the Party to operational risks.

We strive to live by our founding motto – ‘**We Care**’ by being people-centred in our decisions demanding reciprocity from volunteers, members, and partners.

Purpose

The purpose of these set of practices is to ensure that the risks to The Service Party are identified, analysed, and managed to prevent them from escalating to unmanageable risks.

- **Other oversight arrangements**

The National Executive Committee (NEC) is also available to review reports and offer the necessary oversight to the NGC and NWC.

(f) Party Headquarters

P.O. Box 776-00618
Daphton Court No. C10
Riverside Drive
Nairobi, KENYA

(g) Party Contacts

Telephone: (254) 0798 002 002 or 0700 179 179
E-mail: theserviceparty@gmail.com
Website: www.tsp.co.ke

(h) Party Bankers

1. EQUITY BANK
Corporate Branch
Fourway Towers
P.O. Box 75104-00200
NAIROBI
-

(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




(The Service Party - TSP)





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(k) Party Legal Advisor

Wambugu and Muriuki Advocates
P. O. 15470-00400
Nairobi, Kenya

3. The National Governing Council (NGC)

1.		<p>Hon Mwangi Kiunjuri, EGH, MGH Founding Member and Party Leader. Currently a Member of the National Assembly for Laikipia East serving his 4th term having served as MP from 1997-2002, 2003-2007 & 2008-2012.</p> <p>He has also been an Assistant Minister and a Cabinet Secretary. He has interest in manufacturing and real estate.</p> <p>Holds an Executive MBA (USIU) and a Bachelors Degree in Education (Maseno University). He remains the Party Leader.</p>
2.		<p>Hon Susan Ngugi Mwindu Deputy Party Leader (Strategy). Currently the County MP for Tharaka Nthi County. She has previously served as an elected Member of the County Assembly, Tharaka Nthi – 2017-2022 representing Marimanti Ward.</p> <p>Significant Expertise and Skills In Community Development, Project Management, Social Analysis and Action, and Rehabilitative Medicine.</p> <p>Holds a Master’s Degree in Sociology (Egerton University) and a Bachelors Degree in Psychology and Sociology (Kenyatta University). Has worked as Child Officer in Ministry of Gender, Children and Social Services. Assumed this office on September 20th, 2023</p>
3.		<p>Dr. Mwenda Makathimo Secretary General. He is a renowned land expert, who hails from Central Imenti, Meru County, and brings a world of experience in leadership.</p> <p>He has a wide experience on issues relating to environmental management, policy development, land management and administration, land and urban economics, governance, assets and property valuation, real estate management boundary delimitation and mapping.</p> <p>Holds a Bachelor of Arts degree in Land Economics, a Masters of Arts in Valuation and property Management and a Doctorate in Environmental Policy from the University of Nairobi. Has been in this position since</p>

Leadership		
		before the 2022 General Elections.
4.		<p>Mr. Brown Munyoroku Kariuki National Chairman and Founding member</p> <p>As an entrepreneur, Brown has a wealth of experience in leadership with investments Events Management, General supplies, and Transport.</p> <p>He plays an active role in support of children's homes, persons with disability, and the elderly. His vision is to develop a talent academy that will nurture young talent into paying careers.</p> <p>Has been Chairman since the establishment of the Party in 2020</p>
5.		<p>Ms.Emma Mwihaki Kibiro Deputy Chairperson (Operations)</p> <p>She is a Research Scientist with vast experience in the field. Holds a Master of Science Degree in Mycology (Univ of Eldoret), a Bachelor of Science Degree in Microbiology (Moi Univ) and a Bachelor of Laws from Mount Kenya University. Currently pursuing a PhD in Plant Pathology.</p> <p>Has previously worked as Research Officer at Nyandarua County Assembly, and Expert Reviewer at Vick Agricare and as a Research Scientist at eh National Museums of Kenya.</p> <p>Assumed this position in September 20th, 2023</p>
6.		<p>Mr. Shadrack Saibulu Wenger National Deputy Chairperson (Programs)</p> <p>Holds a Bachelor's Degree in Education (Kenyatta University). Has over seven years of working experience.</p> <p>Assumed this position on September 20th, 2023. Previously served in NGC.</p>
7.		<p>Ms. Fatuma Rashid National Women's League Leader</p> <p>She has extensive experience in community work. She has previously been a Nominated MCA in Kwale County (2013-2017). She is currently in private business.</p>

		<p>She holds a Diploma in County Governance and Management from KCA University.</p> <p>Assumed this position on September 20th, 2023, is a founder member and has served as NGC member since the party's formation.</p>
8.		<p>Mr. John Gitonga Director of Elections</p> <p>He has extensive experience at leadership and directorship levels of public and corporate bodies. He has been a Marketing Director in various companies including Skylark Africa Insurance Brokers, General Manager, TaTa Division, Marshalls East Africa and is currently Chair and CEO Global Destination Tours and Travel.</p> <p>He holds a Bachelor of Science in International Business Administration (USIU). Has served in this position since its establishment.</p>
9.		<p>Ms. Naum Tororei National Treasurer</p> <p>She holds CPA II and ACCA I certifications from Kabete and Jeffrey College respectively.</p> <p>Over the last 16 years, Naum has acquired vast knowledge and experience in the marine business becoming a notable authority in an industry few women have dared to venture into. She been in this position since the party's establishment.</p>
10.		<p>Ms. Wambui Kimathi CEO/Director, Internal Affairs</p> <p>Has over 33 years of experience in busy, top leadership-level, high-pressure job offices including an advisor at a Cabinet Secretary's Office, a County Secretary, a Commissioner at a National Human Rights Institution, a Consultant Advisor in Business & Human Rights, a Senior Programs Coordinator and Deputy Director in busy Non-Governmental Organizations handling national level assignments.</p> <p>Strong public policy experience, organizational and tasks prioritizing abilities invaluable while working in multi-institutional, multi-disciplinary and multi-stakeholder environments.</p>

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		<p>Post Graduate Fellowship in Public Policy – Hubert Humphrey Fellow – American University, Washington, DC - School of International Service ACCA Diploma in Financial Management - June 2002 Postgraduate Diploma in Mass Communication – University of Nairobi, School of Journalism, and a Bachelor of Art – University of Nairobi.</p> <p>She has undertaken extensive executive skills development including in Development Evaluation, Programs Management and Leadership and is an Executive Coach.</p> <p>Has been in this position since the establishment of the party.</p>
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4. Key Management/Secretariat Team

Dr. Mwenda Makathimo	Secretary General	Accounting Officer/ Secretary to the NEC
Brown Munyoroku Kariuki	National Chairman/Chairman NWC	Chairing NWC that makes the key operational decisions
Wambui Wamucii Kimathi	Chief Executive Officer/Director Internal Affairs	Head of Secretariat
Edwin Wachira (Consultant) – CPA (K)	Finance Manager	Heads Finance & Account

5. Chairman's Statement



Background

On our 5th anniversary since we were fully registered as a party, (June 5th, 2020) we remain as focused, strong and engaged as we were when we began.

The year under review began against the backdrop of unprecedented disruption of the country's political tranquillity following the rejection of the Finance Bill 2024 with protests led by Gen-Z. With their attention-grabbing mantle of being 'leaderless, partyless and formless,' it is not an exaggeration to say that the accompanying disruption engendered discussions of the possible onset of decline of Kenya's political parties as we have known them. Political protests have historically been led through the infrastructure of political parties, Non-Governmental Organizations (NGOs) and other social groups. The Gen Z protests were uniquely different – young people, organizing on smartphones through social media and street protests against taxation and a host of other issues, set off the political genesis of the irrevocable powerful digital and physical activism that dimmed the hitherto gatekeepers of activism in Kenya.

This unique activism appears to have taken root. During the year under review, similar but less intense protests have taken place firmly staking youth activism at the centre Kenya's politics.

Status on the Implementation of the Party's Annual Plan

The Service Party quickly sought to understand this moment and commissioned desk research on the implications of youth activism on the vote and political parties and what needed to be done. On the basis of this, the annual plan was tweaked to include what became our flagship program – The Future Leaders Program under which all the activities during the year were implemented - Issue Localizing Strategies for More Effective Grassroots Policies including SDGs, TSP Online Ambassadors training on digital communication and exposure to Peoples Dialogue Platform (PDF) to youth in secondary schools.

These initiatives were implemented successfully (see Report on Pg xvii-xx) and we expect to widen their reach in the coming year.

Challenges Faced by the Party During the Year

Like any dynamic institution, we faced our fair share of challenges including internal funding limitations both from the Exchequer and our members, political environment shifts that called for more deliberate engagement with the public and a bit of 'wait and see' situation. Despite these obstacles, we remained steadfast in keeping the party compliant with the law and maintaining the unity of the party.

Changes in the Governing Body of the Party

During the year in review, the NGC remained unchanged and provided the much needed party stability.

Political Direction of the Party

Our party remains committed to service delivery to the people in the believe that empowered house-holds drive economies and contribute to the wider economic development of a country. **Using our 10 Plus Points Agenda tsp.co.ke.** Moving forward, we will continue to champion policies that reflect this believe and focus more on our Smart Agenda to reach out to the youthful voters as we position ourselves as a credible political force in forthcoming electoral cycles.

Future Opportunities of the Party

Looking ahead, the party is well-positioned to harness new opportunities arising from youth demographics, technology adoption, among others. We will leverage these opportunities by deepening our organizational capacity, expanding issue-based political education, and building stronger alliances. Our focus remains on providing bold leadership that delivers for our country.



Brown Munyoroku Kariuki
National Chairman

6. Report of the Secretary-General



Once again, on behalf of the leadership of our party, I am pleased that TSP has during the year under review made great progress in ensuring compliance with the constitutive Act and has significantly build its understanding in financial reporting using the International Public Sector Accounting Standards framework.

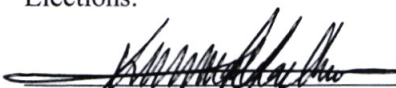
I would like to assure our members and supporters that our ambition and commitment to keep growing a party that institutionally sustainable and politically viable remains alive.

Whereas political parties' membership has been going down globally owing largely to the emergence of new of membership types that require less commitment – formal registration, membership fees and dedicated support, notably, our membership has remained steadfast with only a fistful of resignations notwithstanding the formation of multiple political parties in counties where we have presence. Our membership (see graphic on pg. xxiii) is over the required one thousand members (1,000) across 25 counties. Going forward, as the electoral period beckons, we are certain to strengthen this membership and attract greater support.

During the year ending June 30th, 2025, we held a consultative meeting with our county coordinators with a view to not only reinvigorate our presence there, but also to ensure that our party offices operate efficiently and effectively within the constraints of available resource.

Finally, we take pride that our lean National Secretariat continued to work tireless to ensure that our operational plan was fully implemented and that the expected outcomes were achieved (see pgs.xvii--xx). This was enabled by the funds received from the PPF which this year amounted to **KES 8,782, 483 only, down from what was initially communicated – KES 10,212,505 only**. It is worth noting that the statutory allocation to PPF of 0.3% of National Government revenue has remained unrealized to date.

In conclusion, I would also like to take this opportunity to thank our elected leaders, founding members and supporters that have continued supporting the party in-kind and in cash. Because of them, we are. I call on them not to tire in extending support to the party, especially as we build towards the 2027 General Elections.



Dr. Mwenda Mwakathimo
Secretary General

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

TSP has an overarching Plan is implemented in annual work plans. The performance of the Party during the year is presented in the table below:

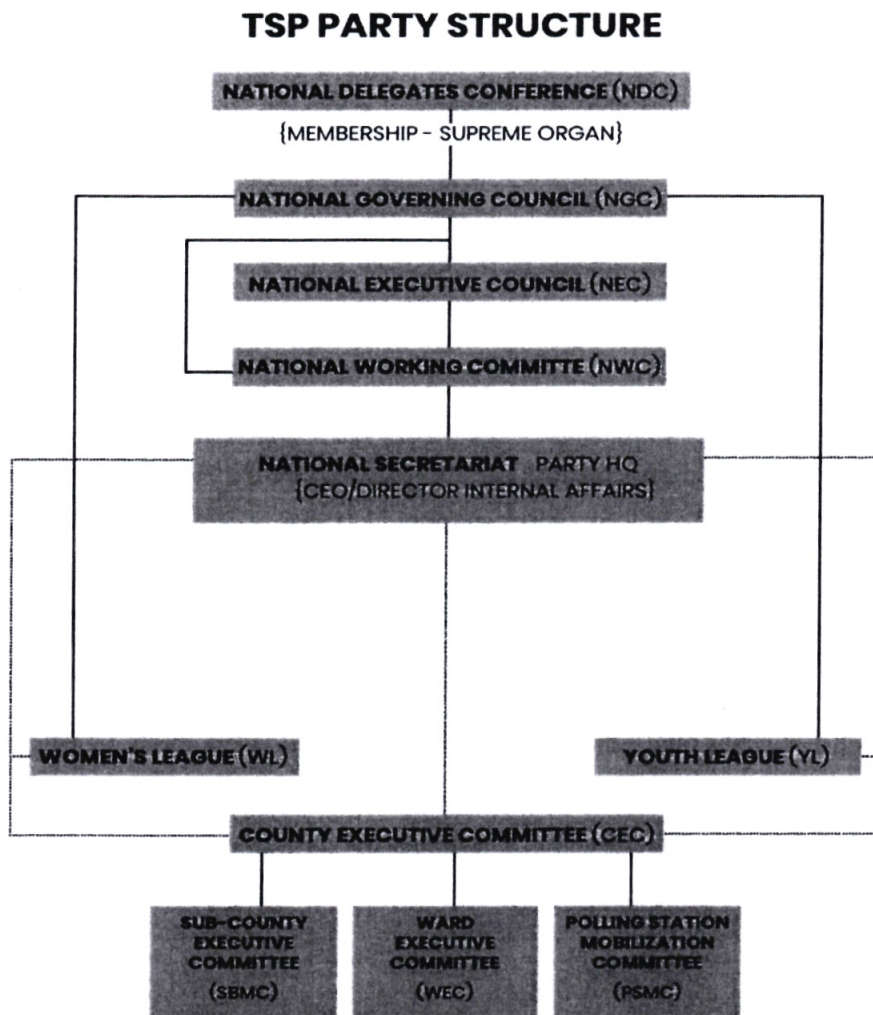
1.	Well maintained & functional HQ	<ul style="list-style-type: none"> - Accessibility to membership - All infrastructure in good working condition - No. of meetings hosted at HQ - Compliance status with legal/administrative requirements 	<ul style="list-style-type: none"> -No of operational days a week -90% - functional level -One each month -at least 90% 	<ul style="list-style-type: none"> -3 days/week -website, membership database, internet utilities worked well throughout the year. -Over 12 meetings held with partners, party organs (NWC), individuals – Party Leader (PL), SG, consultants among others -ORPP’s compliance assessment report of TSP gave and 8/8 compliance status – May 2025. 	<p>The party HQs remained fully operational for 95% of the calendar year, hosting 12 strategic meetings (ORPP - for compliance assessments) AOG for annual audit, NWC for operational guidance of staff, and with consultants.</p>
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2.	Effective Inclusion/Engagement of Special Interest Groups	-Number of SIG Forums/consultations -Satisfaction Scores from SIG engagements	-At least 4 forums per year -70% positive feedback	During the year we held three forums – high school students’ participation at Peoples Dialogue Forum in Nairobi – exposure to policy debates -Young men and women on how to localize policies/SDGs for effective implementation of local agenda by County Assemblies	Our intentional inclusion of SIGs is both a legal obligation and strategic advantage – our electoral research shows young voters will likely determine the strength of political parties in the forthcoming elections. NB: Another inclusion forum was moved to early next financial year (PDF) Meru to take place in July, 2025
3.	Identifying and creating nodes of	-Capacity building forums for	-At least 2 capacity	-a successful 2.5-day	A vibrant

	party support	TSP Online Ambassadors, Sustaining and Super Delegates	building forums -strong teams supporting the party's elected leaders -active grassroots structures – 70% of our 25 counties Membership retention rate – 80%	training on digital communication was held for 27 TSP Online Ambassadors (June 2025) -Consultations and strategizing meeting were held with 25 party office coordinators (June 2025)	presence both online and physical at grassroots level is essential for electoral success including retention of party members (see graph on pg
4.	Enhanced Party branding/visibility	-sustained recognizable presence of TSP in crucial political spaces	- at least 2 media appearances nationally of in counties with party's elected leaders	- produced and distributed a variety of branded materials – Tshirts, banners, caps, signage, jackets and playing cards. -Party delegates attended meetings spotting branded items (PDF and internal party meetings -Party Leaders and other elected leaders appeared on national and local media severally	-Party representatives appeared and gave interviews including in national and regional radio shows, keeping the party visible and present. - over 500 different types of material were distributed

					and will continue doing so. We have seen the party profile become more elevated, making us more recognizable in our target areas.
6.	Targeted electoral research	Research/polling activity conducted to inform programs and interventions	At least 1 every year	80% adoption of actionable insights Two briefings with key decision makers.	Research showing youth participation across counties of interest and the projected participation was conducted and informed the choice and content of trainings undertaken during the year under review.

8. Governance Statement



- (i) In accordance with the Party’s Constitution Art. 14, the highest organ of the party is the **National Delegates Conference (NDC)** plays the roles of giving the party’s **overall strategic direction** that brings together the leadership of all the other party organs, directs the making of party policies, reviews and approves them. It also has the mandate of electing national officials in accordance with the party constitution, consider matters raised by the NGC and if it deems fit, nominates the party’s presidential candidate and approve the party manifesto. It meets every 5 years.

- (ii) The **National Governing Council (NGC)** Article 18, is the second highest organ, is chaired by the Party Leader (PL) with 11 members. It gives the medium to short-term direction. It has 11 members who meet twice a year.
- (iii) The **National Executive Committee (NEC)** is established in Art. 19 and is made up of all national officials, elected members and its key role is to ensure that the decisions of NDC and NGC are implemented for the benefit of the membership. It also meets twice a year.
- (iv) The other key management organ is the **National Working Committee (NWC)** established in Art. 20 of the party constitution. It is chaired by the National Chairman and has its members as the SG and the CEO/Director of Internal Affairs. The PL may appoint three other members drawn from NEC to join this organ. Critically, NWC acts on behalf of the NGC and NEC to execute their decisions, approve plans and budgets. This is the organ that supports the National Secretariat to perform effectively and comply with the legal and administrative requirements. They meet as often as necessary.
- (v) **National Secretariat (NA)**. Headed by the CEO/Director of Internal Affairs, the NA oversees the overall smooth functioning of the party. It keeps official party documents, runs the secretariat, reports and coordinates with the required party organs and national offices (ORPP, IEBC, AOG, Parliament etc) maintain and sustain the legal and administrative requirements. It is established in Art. 21.
- (vi) Various other *ad hoc* organs that play specific roles as and when the need arises are also provided – including the Elections Board, Internal Dispute Resolutions Committee among others.

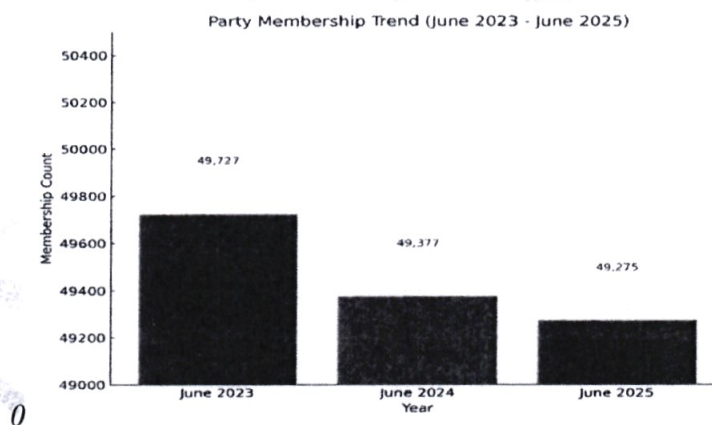
We as TSP are encouraged by the support and commitment of the individuals in these organs who continue to work tirelessly to sustain the place of the party in Kenya.

9. Management Discussion and Analysis

TSP's commitment to grow into an impactful political party remains steady. We continue to nurture ideas, practices and infrastructure that assure not only our members and supporters of this commitment but the larger nation of Kenyans.

Whereas financial constraints remained during the year, the Party's creativity ensured we remained compliant as required by law. Once again, for the third year running, the leadership took the intentional decision to maintain operating a lean but committed volunteer base to run the party Headquarters and have no pending bills or outstanding legal cases.

Membership – the Party has remained compliant on this aspect maintaining not less than 1,000 members across 25 counties



This Data is drawn from ORPP IPPMS data that is shared with political parties every month.

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

It is worth noting that that whereas the law requires that at least 0.3% of the national revenue be appropriated for PPF, this has not happened since the Fund was established with the effect of undermining the stability and growth of political parties.

Like all other sectors in the country, political parties have experienced huge budget cuts over the past three years. TSP first received PPF after the 2022 General Elections. In that

financial year, 2022-2023 the party experienced a budget cut of close to 40% (from KES 10.6M to KES 6.3M) necessitating a significant revision of the planned activities.

FY 2023-2024 the allocation dropped from KES 10.2M to KES 5.7M (56% drop) again occasioning the downsizing of the planned activities.

During the year under review, 2024-2025 TSP was allocated KES 10.2M which was reduced to KES 8.7M (14% cut).

The Party has however had to revise its workplan and ensure its implementation with the available resources.

- ***Members subscriptions & Donations***

Political parties hardly ever receive monetary contributions from its ordinary members. Founder members and elected members however make occasional and/or monthly subscriptions to the party as is reported elsewhere in this Report. We are grateful that our team of elected leaders, two members of the National Assembly, six elected MCAs and four Nominated MCAs have continued to support the part both through subscriptions and through establishing and operating branch offices in their respective electoral areas. Through this support and that of founder members, the party has branch offices in 25 counties.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

ii) Environmental Performance

Our commitment to be a socially responsible member of society is anchored on our twin campaign tenets of ‘**We Care**’ and ‘**Built to Last**’. Operationalizing these two tenets has meant that we act responsibility towards our internal and external stakeholders by acting respectfully, avoiding the pitfalls of political violence and recognizing our civic duty as a Party.

As we grow institutionally, we expect to undertake projects and activities NOT for their political correctness, but for the meaningful impact they expected to bear on the citizens of Kenya. This way, our we believe we shall deliver on our social responsibility.

On environmental and sustainable development, the Party appreciates the place of sustainable environment and identifies itself with Kenya’s commitment to climate action commitments. On its part therefore a shared understanding that its activities must never be harmful to our environment and sustainable development exists.

As stated in its founding statement on our philosophy, TSP is established as a **national grassroots party (one that organizes people in a particular ward, sector, community, or region as the basis of its political work)** to provide political leadership and harness influence that is exercised for the **common good** and attainment of **social justice** and **inclusivity**.

TSP believes that good, committed and vision-led leadership can make a difference in and for our communities. At the heart of our commitment to Kenyans is the pursuit of social justice and human dignity for all.

This commitment to the wellness of communities is in our view a strong anchor in the pursuit of good environmental and sustainable development practices.

iii) Employee welfare

As stated elsewhere in this Report, TSP operates a lean team of volunteers to deliver its remit. During the year under review, we had a 100% retention of the National Secretariat regular volunteers. Our commitment to this critical internal constituency is the enduring promise to support, train and engage them in all our activities.

The Party supported its key volunteers' part-time off to undertake study (self-paid) and prolonged maternity leave. Volunteers are also invited to all capacity building forums that the party organizes for their own continuous skills development. During the year, they participated in forums on policy formation and localization strategies, effective digital communication and other forums organized by the ORPP.

(a) Responsible Supply chain and supplier relations

TSP is proud that it has built and maintained a circle of reliable service providers who have had no complaints. Contracts are managed effectively and respected. All payments are made on time, and the Party operates on the principle of meeting all its contractual obligations as and when they fall due. We therefore have no pending bills.

(b) Responsible marketing and advertising

In 2022, when the Party chose the campaign theme '**Built to Last**' it considered a long term and sustainable view of its conduct. In this regard, in its effort to promote the party, and its agenda it strives to be truthful, respectful, and responsible and continuously seeks to uphold democratic principles, legal standards, and public trust.

(c) Product stewardship

In matters of good product stewardship TSP takes cognizance that it is a young political party with a growing presence in Kenya's politics. It therefore remains focused on its reputation avoiding the pitfalls of failure to keep promises to the people by encouraging its elected leaders to remain **citizen-centred in developing and implementing their promises.**

iv) Corporate Social Responsibility / Community Engagements

Through its leaders, especially those that hold elective positions, the party has continued to support citizens in need, women groups and the youth. Unfortunately, the party has not

intentionally collected reportable data on these initiatives. We therefore commit to do so in the coming year and report appropriately.

11. Report of the National Executive Council

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

i) Principal activities

The principal activities of the Party are reported on page **(iii-iv)**.

ii) Results

The results of the party for the year ended June 30, 2025, are set out on pages **1 to 3**.

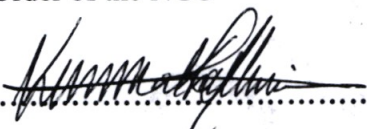
iii) Council Members

The members of the NGC who served during the year are shown on pages **ix-xii**. During the year none of the members retired/ resigned.

iv) Auditors

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

By Order of the NGC


.....

Name Dr. Mwenda Makathimo
Secretary General

12. Statement of the National Governing Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and Art. 18 of the Party's Constitution requires the NGC 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 NGC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. It is also responsible for safeguarding the assets of the Party.

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

The NGC 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 NGC 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 Council 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.

(The Service Party - TSP)

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

In preparing the financial statements, the NGC assessed the Party's ability to continue as a going concern nothing has come to the attention of the Directors to indicate that TSP will remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Party's financial statements were approved by the Board on 28th Aug 2025 and signed on its behalf by:



.....
Name: Brown M. Kariuki

National Chairperson

On Behalf of: NGC Chairperson



.....
Name: MWENDA MAKATHIMO

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 THE SERVICE PARTY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of The Service Party set out on pages 1 to 52, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets,

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Service Party as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011, (Revised 2022) and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, two (2) issues were raised under the Report on Lawfulness and Effectiveness in the Use of Public Resources. These include failure to prepare monthly Bank Reconciliation statements and failure to establish adequate Party offices. Review of the status during audit of the Party in the financial year 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xxx which comprise of Key Political Party Information and Management, The National Governing Council, Key Management Team, Chairman's Statement, Report of the Secretary-General, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability

Reporting, Report of the National Executive Council, and The Statement of the National Governing Council Responsibilities,. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Climate Change Financing Requirements

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

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

2. Non-Compliance with the Capacity Building Levy Requirements

Review of procurement records revealed that during the period under review, the Party made payments to suppliers without withholding the mandatory 0.03% Public

Procurement Capacity Building Levy. This was contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023, which requires payment of a levy at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

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 else 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 an Internal Audit Function

The Party did not have an Internal Audit Function during the year under review. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, which requires every National Government entity to maintain an internal auditing arrangement that adheres to the guidelines issued by the Public Sector Accounting Standards Board.

In the circumstances, the adequacy and effectiveness of the Party's internal controls and risk management framework 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, Management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

THE SERVICE PARTY (TSP)
Annual Report and Financial Statements for the year ended June 30, 2025

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

Statement of Financial Performance			
Revenue			
Transfers from Political Parties Fund (PPF)	6	8,782,483.00	5,779,436.00
Membership Fees	7	-	-
Public contributions and donations	8	1,004,760.00	1,038,381.00
Investment Income	9	-	-
Miscellaneous Revenue	10	-	-
Total Revenue		9,787,243.00	6,817,817.00
Expenses			
Administrative Expenses	11	5,419,851.81	4,419,075.75
Special Interest Groups expenses	12	429,500.00	1,155,500.00
Advocacy and Electoral expenses	13	188,750.00	-
Finance Costs	14	-	-
Total expenses		6,038,101.81	5,574,575.75
Other gains/(losses)			
Gain/Loss on sale of assets	15	-	-
Gain/Loss on foreign exchange transactions	16	-	-
Gain /Loss on fair value of investments	17	-	-
Impairment loss	18	(-)	(-)
Surplus/Deficit		3,749,141.19	1,243,241.25

The notes set out on pages 29 to 56 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the NEC by:

.....
Name: Dr. Mwenda Makathimo
Secretary General

Date 28/08/2025

.....
Name: Edwin Wachira
Head of Finance

ICPAK M/No: 11303

Date 28/08/2025

.....
Name: Brown M. Kariuki
Chairman of the Party

Date 28/08/2025

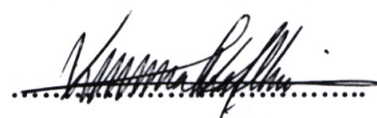
15 Statement of Financial Position as at 30 June 2025

Assets			
Current Assets			
Cash and Cash equivalents	19	8,136,791.50	4,185,864.00
Receivables and advances	20	89,500.00	89,500.00
Inventories	21	-	-
Investments (current)	22	-	-
Total Current Assets		8,226,291.50	4,275,364.00
Non-Current Assets			
Investments	22	-	-
Property Plant and Equipment	23	1,419,519.94	1,566,961.25
Intangible Assets	24	-	54,344.00
Investment Property	25	-	-
Total Non- Current Assets		1,419,519.94	1,621,305.25
Total Assets (A)		9,645,811.44	5,896,669.25
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Refundable Deposits from Customers	27	-	-
Current Provision	28	-	-
Finance Lease Obligation	29	-	-
Deferred Income	30	-	-
Current Portion of Borrowings	31	-	-
Total Current Liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	28	-	-
Borrowings	31	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		xxx	xxx

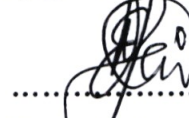
(THE SERVICE PARTY (TSP))
Annual Report and Financial Statements for the year ended June 30, 2025

Represented by:			
Capital Fund		2,900,353.00	2,900,353.00
Accumulated Surplus		6,745,458.44	2,996,316.25
Net Assets		9,645,811.44	5,896,669.25

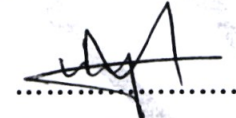
The financial statements set out on pages 1 to 7 were signed on behalf of the NGC by:


 Name: **Dr. Mwenda Makathimo**
 Secretary General

Date 28/08/2025


 Name: **Edwin Wachira**
 Head of Finance

ICPAK M/No: 11303
 Date 28/08/2025


 Name: **Brown M. Kariuki**
 Chairman of the Party

Date 28/08/25

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

	Kshs	Kshs	Kshs
As at July 1, 2023	2,900,353.00	1,753,075.00	4,653,428.00
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Surplus/ deficit for the year	-	1,243,241.25	1,243,241.25
As at June 30, 2024	2,900,353.00	2,996,316.25	5,896,669.25
As at July 1, 2024	2,900,353.00	2,996,316.25	5,896,669.25
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	(-)	-	-
Surplus/ (deficit) for the year	-	3,749,142.19	3,749,142.00
As at June 30, 2025	2,900,353.00	6,745,458.44	9,645,811.25

Note:

1. For items not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. A prior-year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances is needed.

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

Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)		8,782,483.00	5,779,436.00
Membership Fees		-	-
Public contributions and donations		1,004,760.00	1,038,381.00
Investment Income		-	-
Miscellaneous Revenue		-	-
Total receipts		9,787,243.00	6,817,817.00
Payments			
Administrative Expenses		5,048,065.50	4,025,678.00
Special Interest Groups expenses		429,500.00	1,155,500.00
Advocacy and Electoral expenses		188,750.00	-
Finance Costs		-	-
Total payments		5,666,315.50	5,181,178.00
Net cash flows from/(used in) operating activities	32	4,120,927.50	1,636,639.00
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(170,000.00)	(-)
Proceeds from sale of PPE		-	-
Purchase of investments		(-)	(-)
Sale of investments		-	-
Net cash flows from/(used in) investing activities		(170,000.00)	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(-)	(-)
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		3,950,928.00	1,636,639.00
Cash and cash equivalents at 1 July	19	4,185,864.00	2,549,225.00
Cash and cash equivalents at 30 June	19	8,136,792.00	4,185,864.00

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

	a	b	c=(a+b)	d	e=(c-d)	f=d/c* 100
Carry Overs from the Previous Period						
Receipts						
Transfers from Political Parties Fund (PPF)	8,782,483 .00	-	8,782,483 .00	8,782,483 .00	-	100
Membership Fees	-	(-)	-	-	-	-
Public contributions and donations	1,004,760 .00	(-)	1,004,760 .00	1,004,760 .00	-	100
Investment Income	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total	9,787,243 .00	(-)	9,77,243. 00	9,77,243. 00	-	100
Payments						
Administrative Expenses	5,419,851 .81	-	5,419,851 .81	5,419,851 .81	-	100
Special Interest Groups expenses	429,500.0 0	(-)	429,500.0 0	429,500.0 0	-	100
Advocacy and Electoral expenses	188,750.0 0	(-)	188,750.0 0	188,750.0 0	-	100
Finance Costs	-	-	-	-	-	-
Purchase of Assets	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-
Others specify						
Total Expenditure	6,038,101 .81	(-)	6,038,101 .81	6,038,101 .81	-	100
Surplus for the period	3,749,142 .19	-	3,749,142 .19	3,749,142 .19	-	100

(THE SERVICE PARTY (TSP))

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

Budget notes

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

Budget Reconciliation

	Actual Surplus Amounts as per the statement of Budget	3,749,142.19
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	

19. Notes to the Financial Statements

1. General Information

TSP party is established by and derives its authority and accountability from the 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 its accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

<p>IPSAS 43: Leases</p>	<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> <p><i>This standard is not applicable to the service party.</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<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> <p><i>This standard is not applicable to the service party.</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<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.</p>

	<p>infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>This standard is not applicable to the service party.</i></p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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><i>This standard is not applicable to the service party.</i></p>
IPSAS 47: Revenue	<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><i>The service party recognizes revenue on cash basis.</i></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> <p><i>This standard is not applicable to the service party.</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<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> <p><i>This standard is not applicable to the service party.</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<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. <p><i>This standard is not applicable to the service party.</i></p>

Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

TSP recognizes revenues from fees, taxes and fines when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future benefits or service potential associated with the asset will flow to the Party and the fair value of the asset can be measured reliably.

Transfers from The Political Parties Fund

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends (Not Applicable)

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

Rental income (Not Applicable)

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 (Not Applicable)

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

Budget information (continued)

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

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (This standard is not applicable to The Service Party)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the TSP recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

e) Leases

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

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

f) Intangible assets

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

g) Research and development costs

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

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

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

h) Financial instruments

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

a) Financial assets**Classification of financial assets**

TSP 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 its 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 it has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

TSP assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. It recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note No. 18

b) Financial liabilities

Classification

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

i) Inventories

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

j) Provisions

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

k) Contingent liabilities

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

l) Contingent assets

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

m) Nature and purpose of reserves (Not Applicable to TSP)

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

n) Changes in accounting policies and estimates

As a Party we recognize the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

o) Employee benefits

Retirement benefit plans (Not Applicable to TSP)

TSP does not provide retirement benefits for its employees and directors.

p) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) Borrowing costs

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

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

r) Related parties

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

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

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

Summary of Significant Accounting Policies (Continued)**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of The Service 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. TSP 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 TSP. 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 TSP.
- 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. 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. *(This standard is not applicable to The Service Party)*

THE SERVICE PARTY (TSP)
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Operational Grant	8,782,483.00	5,779,436.00
Other Grants	-	-
Total	8,782,483.00	5,779,436.00

The Purpose of this fund is provided for in Section 26 of the Political Parties Act, 2022 and includes:

- (a) promoting the representation in Parliament and in the county assemblies of women, persons with disabilities, youth, ethnic and other minorities and marginalised communities;
- (b) promoting active participation by individual citizens in political life;
- (c) covering the election expenses of the political party and the broadcasting of the policies of the political party;
- (d) the organisation by the political party of civic education in democracy and other electoral processes;
- (e) bringing the political party's influence to bear on the shaping of public opinion; and
- (f) administrative and staff expenses of the political party which shall not be more than thirty per cent of the moneys allocated to the political party:

7. Membership Fees

Nomination fees	-	-
Subscription fees	-	-
Penalties and fines	-	-
Others (specify)	-	-
Total	-	-

(Provide brief explanation for this revenue)

8. Public Contributions and Donations

Party Fundraising events	-	-
Founder Members contributions	1,004,760.00	1,038,381.00
Others (specify)	-	-
Total	1,004,760.00	1,038,381.00

9. Investment Income

Interest income	-	-
Rental Income	-	-
Dividends Income	-	-
Others specify	-	-
Total Investment Income	-	-

10. Miscellaneous Revenue

Sale of Merchandise	-	-
Hire of Grounds/Halls	-	-
Hire of Vehicles	-	-
Rendering of services	-	-
Others specify	-	-
Total Miscellaneous Revenue	-	-

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11. Administrative Expenses

Salaries and Wages	11(a)	710,000.00	535,000.00
Office Rent		930,000.00	1,280,000.00
Transport & Fuel		-	-
Stationaries & printing		-	-
Media & publications		-	-
Consumables		-	-
Travel and accommodations		-	-
Utilities	11(b)	-	-
Professional Fees	11(c)	-	-
Security		-	-
Communication Charges		-	-
Courier and Postage		-	-
Insurance		-	-
Depreciation		371,785.31	393,397.75
CMD Membership and Subscriptions		70,000.00	70,000.00
Bank charges		-	10,478.00
Office running expenses		1,324,066.50	837,700.00
Party branding and visibility		600,000.00	817,500.00
Branch office coordinators training and local peoples meetings		971,000.00	-
Online ambassadors training		443,000.00	475,000.00
Total Administrative Expenses		5,419,851.81	4,419,075.75

11(a) Salaries and Wages

Salaries and wages	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Volunteer allowances	710,000.00	535,000.00
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Other employee related costs *	-	-
Total Salaries and Wages	710,000.00	535,000.00

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

11(b) Utilities

Water & Sewerage	-	-
Electricity	-	-
Garbage Collections	-	-
Others Specify	-	-
Total Utilities	-	-

11(c) Professional Fees

Audit	-	-
Legal	-	-
Accountancy	-	-
Others Specify	-	-
Total Professional Fees	-	-

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12. Special Interest Groups

Transport	-	-
Conference Facility	-	-
Food and Refreshment	-	-
Stationery	-	-
Accommodation	-	-
Caps/ T-shirts	-	-
Venue Hire	-	-
Public Address Equipment	-	-
Televising	-	-
Future Leaders Program (PDF)	429,500.00	1,155,500.00
Total	429,500.00	1,155,500.00

13. Advocacy and Electoral Expenses

Media and Publicity	-	-
Grassroot Election	-	-
Advertisement	-	-
Barazas	-	-
Printing Cost	-	-
Electoral research	188,750.00	-
Total	188,750.00	-

14. Finance Costs

Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount on lease liabilities	-	-
Interest on bank overdrafts	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

15. Gain on Sale of Assets

	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

Provide brief explanation on gains on sale of fixed assets)

16. Gain/Loss on foreign exchange transactions

Specify	-	-
	-	-
Total	-	-

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

17. Gain/ (loss) on Fair Value Investments

Specify	-	-
	-	-
Total	-	-

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

18. Impairment Loss

PPE	-	-
Intangible Assets	-	-
Others specify	-	-
Total	-	-

Provide brief explanation on the impairment loss)

THE SERVICE PARTY (TSP)
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

19. Cash and Cash Equivalents

Current Account	8,136,791.50	4,185,864.00
Savings Account	-	-
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	8,136,791.50	4,185,864.00

Detailed Analysis of the Cash and Cash Equivalents

a) Current Account			
Equity Bank	0010283525905	6,022,572.00	2,980,627.00
Equity Bank	0010280211760	2,114,219.50	1,205,237.00
Sub- Total		8,136,791.50	4,185,864.00
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Mobile Money Accounts		-	-
Sub- Total		-	-
Grand Total		8,136,791.50	4,185,864.00

20. Receivables and advances

Receivables		
Rent deposit	89,500.00	89,500.00
	-	-
Total Current Receivables	89,500.00	89,500.00

21. Inventories

Consumable stores	-	-
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Less: allowance for impairment	(-)	(-)
Total inventories at the lower of cost and net realizable value	-	-

(Provide brief explanation on inventories)

Detailed disclosure on inventories

Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

THE SERVICE PARTY (TSP)
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Notes to the Financial Statements (Continued)

22. Investments

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

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

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d) Movement of Equity Investments

	2024	2025
	Kshs	
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	(-)	(-)
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

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

	2024			2025		
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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23. Property, Plant and Equipment

As At 1 July, 2023	-	-	-	1,755,566.00	1,402,807.00	-	-	3,158,373.00
Additions	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	-	-	(-)	(-)	(-)
Transfers/Adjustments	-	-	-	-	(-)	-	-	(-)
Revaluation Adjustments	-	-	-	-	-	-	-	-
As at 30 th June, 2024	-	-	-	1,755,566.00	1,402,807.00	-	-	3,158,373.00
1 st July, 2024	-	-	-	1,755,566.00	1,402,807.00	-	-	3,158,373.00
Additions	-	-	-	-	170,000.00	-	-	170,000.00
Disposals	(-)	(-)	(-)	-	-	(-)	(-)	(-)
Transfer/Adjustments	(-)	(-)	(-)	-	(-)	(-)	(-)	(-)
Revaluation adjustments	-	-	-	-	-	-	-	-
As at 30 th June, 2025	-	-	-	1,755,566.00	1,572,807.00	-	-	3,328,373.00
Depreciation And Impairment								
At 1 July, 2023	-	(-)	(-)	(425,624.00)	(826,717.00)	(-)	(-)	(1,252,341.00)
Depreciation	-	(-)	(-)	(166,242.75)	(172,827.00)	(-)	(-)	(339,069.75)
Impairment	-	(-)	(-)	-	-	(-)	(-)	(-)
Transfers/ Adjustments	-	(-)	(-)	-	(-)	(-)	(-)	(-)
As At 30 th June, 2024	-	-	-	591,866.75	999,544.00	-	-	1,591,411.75

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				Furniture and fittings		Capital work in progress		Total
				Rs. lacs	Rs. lacs	Rs. lacs		Rs. lacs
1 st July 2024	-	-	-	591,866.75	999,544.00	-	-	1,591,411.75
Depreciation	-	(-)	(-)	(145,462.41)	171,978.90	(-)	(-)	(317,441.31)
Disposals	-	-	-	-	-	-	-	-
Impairment	-	(-)	(-)	-	-	(-)	(-)	(-)
Transfer/Adjustment	-	-	-	(-)	-	-	-	-
As at 30 th June ,2025		-	-	737,329.16	1,171,522.90	-	-	1,908,853.06
Net Book Values								
As at 30 th June, 2024	-	-	-	1,163,699.25	403,263.00	-	-	1,566,961.25
As at 30 th June, 2025	-	-	-	1,018,236.84	401,284.10	-	-	1,419,519.94

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

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Valuation (Not Applicable to TSP)

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

(b) Property, Plant and Equipment at Cost

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

Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	1,572,807.00	1,171,522.90	401,284.10
Office Equipment, Furniture, And Fittings	1,755,566.00	737,329.16	1,018,236.84
Total	3,328,373.00	1,908,852.06	1,419,520.94

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

Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	1,572,807.00	1,171,522.90
Office Equipment, Furniture and Fittings	1,755,566.00	737,329.16
Total	3,328,373.00	1,908,853.06

24. Intangible Assets

Description		
Cost		
At beginning of the year	54,344.00	108,672.00
Additions	-	-
At end of the year	54,344.00	108,672.00
Additions—internal development	-	-
At end of the year	54,344.00	108,672.00
Amortization and impairment		
At beginning of the year	-	-
Amortization	54,344.00	54,328.00
At end of the year	54,344.00	54,328.00
Impairment loss	-	-
At end of the year	54,344.00	54,328.00
NBV	-	54,344.00

25. Investment Property

At beginning of the year	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

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

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Notes to the Financial Statements (Continued)

26. Trade and Other Payables

Trade payables		-		-
Other payables		-		-
Total trade and other payables		-		-
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

(Provide brief explanation)

27. Refundable Deposits and Prepayments from Customers

Customer deposits		-		-
Prepayments		-		-
Other deposits		-		-
Total deposits		-		-
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

(Provide brief explanation)

Notes to the Financial Statements (Continued)

28. Current Provisions

Balance b/f	-	-	-	-	-
Additional provisions	-	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)	(-)
Transfers from non-current provisions	-	-	-	-	-
Total provisions year end	-	-	-	-	-

29. Finance Lease Obligation

At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Maturity Analysis

Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 And Onwards	-
Less: Unearned Interest	(-)
Total	-

Analysed as:

Current	-
Non- Current	-
Total	-

(Provide brief explanation)

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Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

30. Deferred Income

National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

(Provide brief explanation)

	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions	-	-	-	-
Transfers To Capital Fund	(-)	(-)	(-)	(-)
Transfers To Income Statement	(-)	(-)	(-)	(-)
Other Transfers	(-)	(-)	(-)	(-)
Balance Carried Forward	-	-	-	-

31. Borrowings

Balance at beginning of the year	-	-
borrowings during the year	-	-
Repayments during the year	(-)	(-)
Balance at end of the year	-	-
Borrowings – Current	-	-
Borrowings – Longterm	-	-
Total Borrowings	-	-

Notes To the Financial Statements (Continued)

32. Cash Generated from Operations

Surplus for the year	3,749,142.19	1,243,241.25
Adjusted for:		
Depreciation	371,785.31	393,397.75
Non-cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	4,120,927.50	1,636,639.00

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

33. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

As at 30th June, 2025				
Receivables	89,500.00	89,500.00	-	-
Bank balances	8,136,791.50	8,136,791.50	-	-
Total	8,226,291.50	8,226,291.50	-	-
As at 30 June, 2024				
Receivables	89,500.00	89,500.00	-	-
Bank balances	4,185,864.00	4,185,864.00	-	-
Total	4,275,364.00	4,275,364.00	-	-

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

Financial Risk Management – Not Applicable to TSP

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

ii) Liquidity risk management

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

As at 30 th June, 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
As at 30 th June, 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

a) Foreign currency risk

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

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Notes to the Financial Statements (Continued)

Financial Risk Management

Financial Risk Management

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

2024/2025

As at 30 th June, 2025			
Financial Assets			
Investments	-	-	-
Cash	8,136,791.50	-	8,136,791.50
Debtors	89,500.00	-	89,500.00
Total Financial Assets	8,226,291.50	-	8,226,291.50
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	8,226,291.50	-	8,226,291.50

Foreign currency sensitivity analysis

2024/2025

As at 30 th June (Current FY)			
Financial Assets			
Investments	-	-	-
Cash	8,136,791.50	-	8,136,791.50
Debtors	89,500.00	-	89,500.00
Total Financial Assets	8,226,291.50	-	8,226,291.50
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	8,226,291.50	-	8,226,291.50

Notes To the Financial Statements (Continued)

Financial Risk Management

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

2024/2025			
Euro	10%	-	-
USD	10%	-	-
2023/2024			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

Sensitivity analysis – Not Applicable To TSP

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

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy

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

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

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observable market data when available. The Party considers relevant and observable market prices in its valuations where possible.

Financial Risk Management

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

As at 30 June, 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30 th June, 2024				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Capital Fund	2,900,353.00	2,900,353.00
Retained Earnings	6,745,458.44	2,996,316.25
Total Funds	9,645,811.44	5,896,669.25
Total Borrowings	-	-
Less: Cash and Bank Balances	(8,136,791.50)	(4,185,864.00)
Net Debt/(Excess Cash And Cash Equivalents)	(8,136,791.50)	(4,185,864.00)
Gearing	84.36%	70.99%

Notes to the Financial Statements (Continued)

34. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to TSP 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) NGC & NEC Members
- iii) Secretary General
- iv) The Treasurer
- v) Chief Executive Officer

a) Grants /transfers from the government		
Grants from Political Parties Fund	8,782,483.00	5,779,436.00
Other grants	-	-
Total	-	-
b) Key management compensation		
Allowances to NGC/NEC & NWC Members	-	-
Compensation to key management	-	-
Total	8,782,483.00	5,779,436.00

35. Contingent Assets and Contingent Liabilities

This is not applicable in the case to TSP.

36. Events after the Reporting Period

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

20. Appendices

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

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

1	Inaccuracies in Intangible Assets	The Kshs 77,659.00 is the provision of amortization of the intangible assets. This has been charged at the recommended rate of Income Statement.	Resolved	N/A
2	Unresolved Prior Year Issues	All issues raised regarding Prior Year were corrected.	Resolved	N/A
3	Non-Compliance with the Public Sector Accounting Standards Board Reporting Template	All the errors noted and communicated in the management letter were corrected.	Resolved	N/A
4	Failure to Open County Branches	The recommendation is well noted, and the necessary action will be taken.	In progress	Branch Coordinators have been trained. By the next audit.
5	Lack of Key Party Staff	The party takes note of this recommendation and is working towards improving this situation. During the year, volunteers and consultants were asked to increase in	Volunteers continue to give more hours to mitigate the risk.	

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Reference Number	Description of Issue/Observation	Management Comments	Status	Date
		the party to mitigate the stated risk. This way, the party continues meeting the planned activities and deliverables.		

Guidance Notes:

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



Secretary General

Date: 28/08/2025

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Appendix II: Transfers from Political Parties Fund

<i>1</i>	<i>Political Parties Fund</i>	<i>2,553,126.25</i>	<i>02 October, 2024</i>	<i>FY 2024/25</i>
<i>2</i>	<i>Political Parties Fund</i>	<i>2,553,126.25</i>	<i>14 November, 2024</i>	<i>FY 2024/25</i>
<i>3</i>	<i>Political Parties Fund</i>	<i>2,553,126.25</i>	<i>05 March, 2025</i>	<i>FY 2024/25</i>
<i>4</i>	<i>Political Parties Fund</i>	<i>1,123,104.25</i>	<i>28 May, 2025</i>	<i>FY 2024/25</i>
	<i>Total amount</i>	<i>8,782,483.00</i>		