

REPUBLIC OF KENYA




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# REPORT

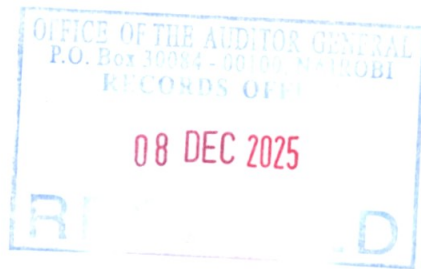
OF

## THE AUDITOR-GENERAL

 THE NATIONAL ASSEMBLY PAPERS LAID	
ON DATE:	14 APR 2026
	DAY. Tuesday
TABLED BY:	Hon. Naomi Wago, <i>MP</i> (Deputy Majority Whip)
CLERK-AT THE TABLE:	Inzofu Mwale, <i>ASC</i>

## PEOPLES DEMOCRATIC PARTY (PDP)

FOR THE YEAR ENDED  
30 JUNE, 2025



*Customized June 2025*



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*PEOPLES DEMOCRATIC PARTY (PDP)*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

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

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



(Indicate actual name of the Political Party)

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

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

### **A: Acronyms**

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

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

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

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

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

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

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

The **People's Democratic Party (PDP)** was fully registered under the **Political Parties Act, CAP 7D** on **9th May 2012**. The Party is domiciled in Kenya and has branch offices across the country to ensure grassroots representation. Peoples Democratic Party **mission** is to transform Kenya from poor governance and poverty into a democratic, prosperous, socially just, and equitable society, through progressive economic, political, social policies and programs. Peoples Democratic Party **vision** is to have a Society in which each and every Kenyan is empowered to live in dignity and enjoy abundant economic prosperity, social justice and democratic rights. The Peoples Democratic Party (PDP) is guided by the values of democracy, equity, social justice, integrity, accountability, unity in diversity, empowerment, and respect for human dignity and rights, while fostering prosperity through progressive and innovative policies.

PDP is committed to promoting democracy, good governance, justice, equality, and inclusive

### **Principal Activities**

The **People's Democratic Party (PDP)** exists to serve as a democratic platform that empowers citizens and strengthens governance in Kenya. Its principal mandate includes:

1. **Recruiting and enlisting members** to build a strong, inclusive political movement.
2. **Nominating candidates for elections** at national and county levels.
3. **Promoting representation** of women, youth, persons with disabilities, ethnic and other minorities, and marginalized communities in Parliament and County Assemblies.
4. **Sensitizing the public** on the functioning of the political and electoral system.
5. **Promoting and enhancing national unity** across all communities.
6. **Mobilizing citizens** to actively participate in political and decision-making processes.
7. **Soliciting and articulating public policy priorities** as identified by its members.
8. **Shaping and influencing public policy** in line with the Party's values and aspirations.

### Key Management

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

No.	Designation	Responsibility
1.	National Delegates Convention	Supreme decision-making organ that sets the overall direction, policies, and leadership of the Party.
2.	National Governing Council	Oversees policy implementation and provides strategic guidance between conventions.
3.	National Executive Committee	Manages day-to-day affairs and ensures execution of Party programs and decisions.
4.	National Secretariat	Provides administrative, technical, and operational support to the Party organs
5.	Parliamentary Group	Coordinates and advances the Party's legislative agenda in Parliament and County Assemblies.
6.	PDP Young Democrats	Mobilizes and empowers youth to actively participate in leadership and Party activities.
7.	PDP Women Democrats	Promotes women's participation, representation, and leadership within the Party and governance.
8.	Branches	Represent the Party at grassroots level, mobilize members, and implement Party policies locally.

(b) **Fiduciary Management**

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

No.	Designation	Name
1.	National Chairman	Jeremiah Ogeri
2.	Secretary General	Charles Oigara
3.	National Treasurer	Billiah Kebati
4.	Director of programmes and SIGs	Johnson Mauti
5.	Executive Director	Maxwel charo

(c) **Fiduciary Oversight Arrangements**

The **People's Democratic Party (PDP)** has put in place robust fiduciary oversight mechanisms to ensure transparency, accountability, and prudent management of resources in line with the **Political Parties Act, 2011**, and other applicable laws.

- **Registrar of Political Parties** – Provides external regulatory oversight by monitoring compliance with the law, reviewing audited financial statements, and ensuring adherence to governance and accountability standards.
- **Governing Body / National Executive Committee (NEC)** – Exercises overall fiduciary responsibility for the Party, including policy approval, budget oversight, and safeguarding of Party assets.
- **Finance Committee** – Manages financial planning, budgeting, revenue mobilization, and expenditure control to ensure resources are utilized efficiently.
- **Audit and Risk Committee** – Oversees internal controls, risk management, and the integrity of financial reporting, while commissioning independent audits for accountability.
- **Parliamentary Oversight Committees** – Provide external accountability by scrutinizing Party-related activities funded through public resources, where applicable.
- **Other Oversight Arrangements** – These include internal audits, external professional audits, and compliance checks by relevant state agencies to strengthen financial discipline and transparency.

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

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**(d) Party Headquarters**

P.O. Box 13941-00100  
Tetu Flats Block C1  
Milimani Lane off Rolphe Bunche Road Nairobi, KENYA

**(e) Party Contacts**

Telephone: (254)722552123, (254)780552123  
E-mail: mamlaka@pdp.or.ke  
Website: www.pdp.or.ke

**(f) Party Bankers**

1. Equity Bank  
Kisii Branch  
P.O Box 2775-40200  
**KISII, KENYA**
  
2. Co-operative Bank  
Parliament Road  
P.O Box 5772-00200  
**NAIROBI, KENYA**

**(g) Independent Auditor**

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

**(h) Principal Legal Advisor**




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

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

3. The National Executive Council/Committee

NAME	GENDER	DESIGNATION/POSITION HELD	DATE OF APPOINTMENT / ELECTION
1 James Omingo Magara	M	Party Leader	1 <sup>st</sup> December 2023
2 Eric Nguku, Mbiu	M	Deputy Party Leader	1 <sup>st</sup> December 2023
3 Jeremiah Obwogi Ongeri	M	National Chairperson	1 <sup>st</sup> December 2023
4 Robert K. Bett	M	Deputy Chairperson	1 <sup>st</sup> December 2023
5 Charles Oigara Mogere	M	Secretary General	1 <sup>st</sup> December 2023
6 Ebby Chebet	F	Deputy Secretary General	1 <sup>st</sup> December 2023
7 Rodah Billiah K. Kebati	F	National Treasurer	1 <sup>st</sup> December 2023
8 Carolyn Muchiri Njoki	F	Deputy Treasurer	1 <sup>st</sup> December 2023
9 Patrick Nthiga Njeru	M	National Organizing Secretary	1 <sup>st</sup> December 2023
10 John Mutungwa Muinde	M	Deputy National Organizing Secretary	1 <sup>st</sup> December 2023
11 Sepina Alfred Samperu	M	Secretary for Policy, Foreign Affairs, Information & Publicity	1 <sup>st</sup> December 2023
12 Job Nyasimi Momanyi	M	Secretary for Legal, Constitutional Parliamentary Affairs	1 <sup>st</sup> December 2023
13 Naomi Jebichii	F	Secretary for Youth Affairs	1 <sup>st</sup> December 2023
14 Mary Matinde Masaitte	F	Secretary for Women Affairs	1 <sup>st</sup> December 2023
15 John Onderi Kenyanya	M	Secretary for Special Interest Group	1 <sup>st</sup> December 2023
16 Charles Barongo Getabu	M	Chairperson Strategic & Planning	1 <sup>st</sup> December 2023
17 Simon Abuki Ageorge	M	Chairperson Finance & Resource Mobilization	1 <sup>st</sup> December 2023
18 Dennis Ombachi	M	Chairperson Legal Committee	1 <sup>st</sup> December 2023
19 Victoria Naanyu Maasai	F	Chairperson Disciplinary Committee	1 <sup>st</sup> December 2023
20 Caroline Mokabi Otachi	F	Chairperson National Election Board	1 <sup>st</sup> December 2023
21 Maxwel Baya Charo	M	Executive Director	1 <sup>st</sup> December 2023

4. Key Management/Secretariat Team

Name	Position	Responsibility
Charles Mogere 	Secretary General	Accounting Officer/ Secretary to the NEC
Maxwel Charo 	Executive Director	Head of Secretariat
Billiah Kebati 	National Treasurer	Heads Finance & Accounts

## 5. Chairman's Statement



During the year under review, the Peoples Democratic Party (PDP) made significant strides in advancing its mission of promoting democracy, good governance, and inclusive participation in national development. The Party recorded notable successes, including strengthening its grassroots structures, enhancing member recruitment, and actively engaging in issue-based political discourse.

However, the year was not without challenges, ranging from resource limitations to the highly competitive political environment, which at times slowed down the pace of implementing our programs. Despite these hurdles, the Party demonstrated resilience and unity of purpose.

The National Executive Committee (NEC) underwent important changes aimed at reinforcing leadership capacity and aligning with the Party's long-term vision. Progress was also made in the implementation of the Party's Strategic Plan, with key milestones achieved in policy advocacy, youth and women empowerment, and digital transformation of Party operations.

Throughout the year, PDP engaged a wide range of stakeholders, including development partners, civil society organizations, and grassroots members, thereby strengthening our networks and partnerships. These engagements continue to enrich the Party's agenda and expand its influence across the political spectrum.

Looking ahead, the political direction of the Party remains firmly anchored on the principles of justice, accountability, and inclusivity. The Party is committed to positioning itself as a strong alternative political force that champions the aspirations of ordinary Kenyans.

In terms of future opportunities, PDP will continue to leverage technology, youth energy, and strategic alliances to expand its presence nationwide, influence policy, and prepare for effective participation in upcoming electoral contests.

A handwritten signature in blue ink, appearing to be 'J. Ogeri', positioned above a horizontal line.

Jeremiah Ogeri

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

In the year under review, the Peoples Democratic Party (PDP) recorded important progress in strengthening its organizational and operational capacity. On operational performance, the Party expanded its membership base through targeted recruitment drives, conducted grassroots elections to enhance internal democracy, and successfully opened/strengthened several branch offices to improve its grassroots presence and service to members.



On financial performance, the Party operated within an approved budget that provided for key activities, including administration, civic education, and membership services. The Party received revenue from various sources in compliance with the Political Parties Act, including membership subscriptions, contributions from well-wishers, and allocations from the Political Parties Fund where applicable. These funds were prudently utilized to support Party operations, capacity building, and strategic engagements, while maintaining transparency and accountability through proper financial controls and reporting mechanisms.

Overall, the year reflected steady growth and consolidation of the Party's foundation, setting a strong platform for future expansion, effective representation, and continued service to the people of Kenya.

A handwritten signature in blue ink, which appears to read "Charles Mogere". The signature is written in a cursive style and is positioned above a horizontal line.

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Charles Mogere

(Indicate actual name of the Political Party)  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**7. Statement of Performance against Predetermined Objectives for FY 2024/2025-1**

*The Political Party has a strategic plan running from Year 2024 to Year 2025. The Strategic Plan is implemented in annual work plans. The performance of the Party during the year is presented in the table below:*

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Establish and train Branch Disability League	Number of County Disability leagues established.	1,000	221	Training ongoing; more branches to be covered next FY.
2.	Train PDP Branch Women and youth league	Number of women and youth trained	1500	546	Strong turnout; additional sessions planned.
3.	Membership Recruitment	Number of Members Registered	5000	4412	Recruitment ongoing; target nearly achieved.
4.					

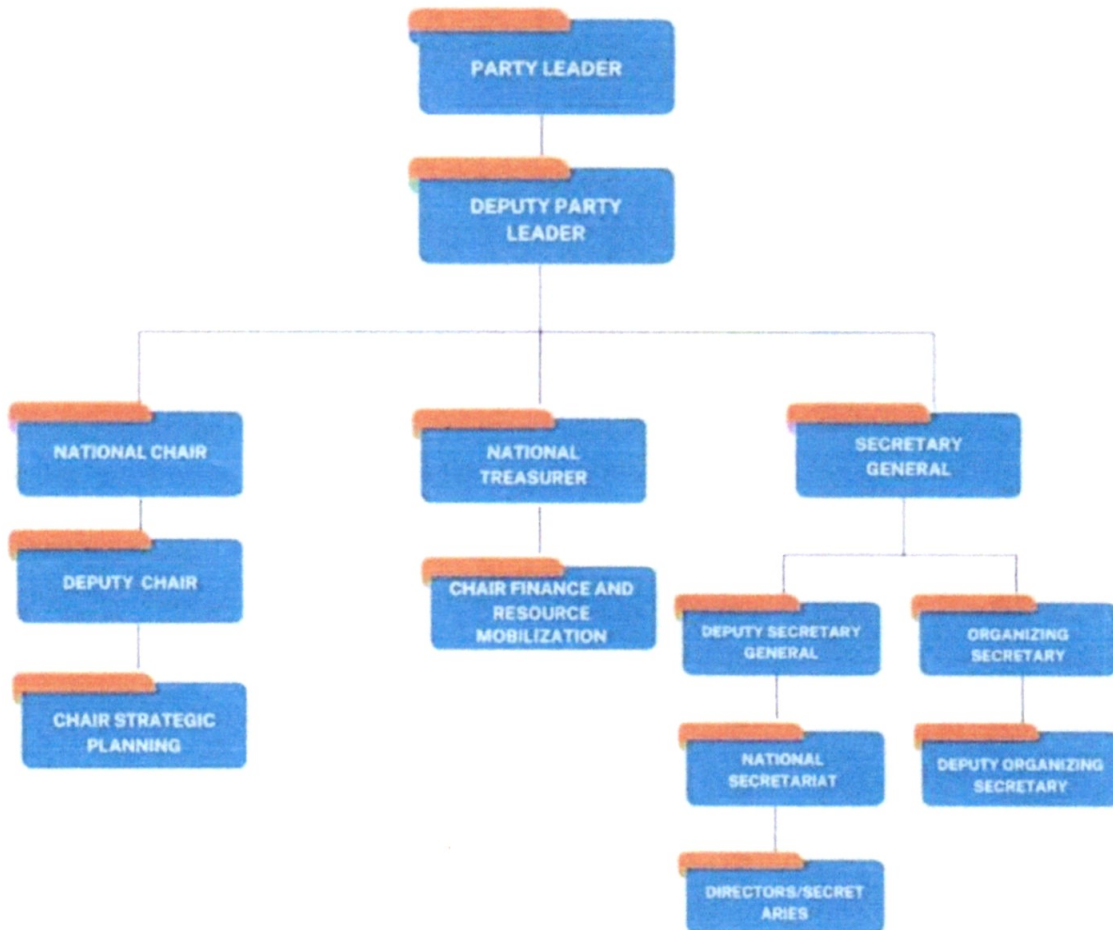
(Indicate actual name of the Political Party)

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

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**8. Governance Statement**

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



**Governance Arrangements**

**1. National Delegates Convention (NDC)**

- **Role:** Supreme decision-making organ responsible for setting Party policy, amending the constitution, and electing top Party officials.
- **Composition:** Delegates drawn from counties, constituencies, and branches across the country.
- **Nomination:** Members are nominated by grassroots branches and accredited in accordance with the Party constitution.
- **Meetings:** Held at least once every year, with special sessions convened when necessary.

**2. National Executive Committee (NEC) / Governing Body**

- **Role:** Provides overall leadership, policy direction, and oversight of Party affairs between NDC meetings.
  - **Composition:** Party Leader, Deputy Party Leader(s), Secretary General, National Chairperson, Treasurer, Organizing Secretary, and other elected/appointed officials.
  - **Meetings:** Convened quarterly or as deemed necessary.
3. **Committees under the NEC**
- The NEC establishes specialized committees to enhance efficiency and governance:
- **Dispute Resolution Committee:** Handles internal disputes and ensures peaceful resolution of conflicts. *Meets as required.*
  - **Disciplinary Committee:** Enforces Party discipline and addresses misconduct by members or officials. *Meets as needed.*
  - **Elections Board:** Manages internal Party elections, nominations, and compliance with electoral laws. *Meets before and during election cycles.*
  - **Finance Committee:** Oversees financial planning, budgeting, and monitoring of Party resources. *Meets quarterly or as required.*
  - **Audit and Risk Committee:** Ensures accountability, reviews audits, and manages institutional risk. *Meets at least twice annually.*
  - **Other Committees:** May be established from time to time to address emerging issues such as policy development, strategy, or special projects.

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

Over the last five years, the Party has recorded a steady trend across key performance indicators, with membership steadily increasing alongside a gradual rise in the annual budget. Revenue from the Political Parties Fund has grown consistently, supplemented by members' subscriptions and contributions/donations, which continue to provide additional support to Party activities. The number of elected representatives, including Special Interest Groups (SIGs), has expanded over time, while the network of Party branches has equally grown across the country. In terms of governance, disputes resolved through the Party's internal mechanisms have reflected improved conflict management and institutional maturity. These trends, best illustrated through tables, bar graphs, and pie charts, demonstrate consistent growth in membership, finances, representation, and organizational structures, positioning the Party on a strong trajectory for future sustainability and inclusivity.

## 10. Environmental and Sustainability Reporting

### i) *Sustainability strategy and profile*

The Party has embedded sustainability at the core of its operations by aligning with Kenya's political, social, and macroeconomic priorities. Our strategy draws from international best practices such as the UN Sustainable Development Goals (SDGs), focusing on inclusivity, transparency, and resilience. We recognize broad trends such as reduced donor dependency, the need for greener operations, and growing public demand for accountability. Achievements include consistent membership growth, increased stakeholder engagement, and improved financial accountability. However, challenges remain in donor fatigue and limited funding, which sometimes hinder long-term sustainability projects.

### ii) *Environmental performance*

The Party operates under an **Environmental Policy** adopted in 2021, emphasizing reduced ecological footprint through efficient use of resources, responsible waste management, and green campaigning. We have introduced digital platforms to reduce paper use and ensured all offices practice basic waste separation and recycling. Successes include reduced printing by 35% and transitioning to energy-efficient lighting in five county offices. Shortcomings remain in areas such as biodiversity management and full compliance with recycling standards. Efforts are underway to partner with local environmental groups for tree-planting initiatives and improved waste disposal.

### iii) *Employee welfare*

The Party adheres to a **Fair Employment Policy** that emphasizes equal opportunity, gender balance, and meritocracy. Recruitment considers diversity, with a current staff gender ratio of 55% male and 45% female. Stakeholder engagement is done quarterly, and HR policies are reviewed every two years to remain current. Capacity building is supported through training workshops, mentorship programs, and annual skills audits. Career management is guided by a structured appraisal and reward system, which includes recognition awards and performance-based incentives.

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

The Party maintains transparent procurement practices, guided by a Supplier Code of Conduct. Contracts are honoured, payments are made promptly, and suppliers are encouraged to meet ethical, environmental, and legal standards.

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

Campaigns and publicity are carried out in adherence to electoral laws and ethical communication standards. The Party avoids misleading information, hate speech, and ensures inclusivity in all marketing material.

**c) *Product stewardship***

The Party safeguards member and voter interests by upholding transparency in its manifestos, protecting personal data, and ensuring all commitments are realistic, achievable, and verifiable.

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

During the reporting period, the Party did not undertake any formal Corporate Social Responsibility (CSR) or community engagement initiatives. This was primarily due to financial and operational constraints, with resources being prioritized towards core activities such as membership recruitment, strengthening internal party structures, and capacity building of special interest groups (SIGs).

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

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

**i) Principal activities**

The principal activities of the Party are reported on page (iii)

**ii) Results**

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

**iii) Council Members**

The members of the Governing body/NEC who served during the year are shown on page (v).

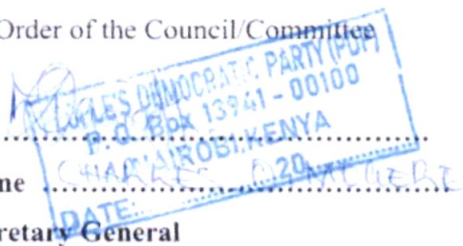
**iv) Auditors**

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

By Order of the Council/Committee

Name

Secretary General

  
CHIRAKI ROBI  
DATE: 020/06/2025

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

Section 31 of the Political Parties Act Cap 7D and Chapter 7, Section 7.4, Art. (IV)(v) requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

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

The NEC accepts responsibility for the Party's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and the Political Parties Act. The NEC is of the opinion that the Party's financial statements give a true and fair view of the state of the Party's transactions during the financial year ended June 30, 20xx, and of the Party's financial position as at that date. The NEC further confirms the completeness of the accounting records maintained for the Party, which have been relied upon in the preparation of the Party's financial statements, as well as the adequacy of the systems of internal financial control.

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

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

**Approval of the financial statements**

The Party's financial statements were approved by the Board on 20/08 2025 and signed on its behalf by:

  
.....  
Name  
NEC Chairperson

  
Name CHARLES O. MOKHELE  
Secretary General

# REPUBLIC OF KENYA



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

## **REPORT OF THE AUDITOR-GENERAL ON PEOPLES DEMOCRATIC PARTY (PDP) FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of the Peoples Democratic Party (PDP) set out on pages 1 to 55, 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 statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

## **Basis for Qualified Opinion**

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

Review of the financial statements submitted for audit revealed the following inaccuracies:

#### **1.1 Variance in Property, Plant, and Equipment**

The statement of financial position reflects property, plant, and equipment balance of Kshs.765,539 as disclosed in note 23 to the financial statements. However, the supporting schedules reflect a balance of only Kshs.540,000, resulting in an unexplained variance of Kshs.225,539.

#### **1.2 Discrepancy in Special Interest Groups' Expenses**

The statement of financial performance reflects special interest groups' expenses of Kshs.696,000, which differs from the amount of Kshs.448,000 disclosed in Note 12 to the financial statements, resulting in an unexplained variance of Kshs.248,000.

#### **1.3 Undisclosed Receivables and Advances**

The statement of financial position reflects a nil balance for receivables and advances. However, the records indicate that the Party had a rent deposit of Kshs.300,000, for leased premises, resulting to an understatement of receivables and advances by the same amount.

#### **1.4 Overstatement of Bank Charges**

The financial statements reflect bank charges amounting to Kshs.5,601, which have been classified both under administrative expenses and finance costs, as disclosed in Notes 11 and 14 to the financial statements. This duplication results in an overstatement of the deficit for the year by Kshs.5,601.

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

## **2.0 Unsupported Membership Fees**

The statement of financial performance reflects membership fees of Kshs.70,000 as disclosed in Note 7 to the financial statements. However, the amount was not supported by schedules or membership register detailing the number of members, applicable fees per member and any outstanding amounts.

In the circumstances, the accuracy and completeness of the membership fees of Kshs.70,000 could not be confirmed.

## **3.0 Unsupported Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.27,588 held in two bank accounts as disclosed in Note 19 to the financial statements. However, transactions for each bank account were not recorded in separate cashbooks, and monthly bank reconciliations were not prepared.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.27,588 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.2,661,435 and Kshs.2,278,435, respectively, resulting to an under-funding of Kshs.383,000 or 14% of the budget. The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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

## Other Matter

### Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Party in the financial year 2024/2025 revealed that the following eleven (11) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2022/2023 and 2023/2024	Inaccuracies in the Financial Statements and Variance in Use of Goods and Services
2	2023/2024	Variance in Accounts Receivable Balance
3	2023/2024	Overstatement of the Trade and Other Payables Balance
4	2022/2023 and 2023/2024	Late Submission of Financial Statements
5	2023/2024	Use of Cash to Procure Goods, Works and Services
6	2022/2023 and 2023/2024	Failure to Establish Party Offices in at Least 24 Counties
7	2023/2024	Overdrawn (Negative) Cashbook Balance
8	2023/2024	Lack of a Disaster Recovery Plan and Business Continuity Plan
9	2022/2023 and 2023/2024	Incomplete Fixed Asset Register and Failure to Tag Assets
10	2023/2024	Weak Internal Controls on the Procurement of Goods and Services
11	2023/2024	Failure to Maintain an Imprest Register

### Other Information

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

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed,

I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. Non-compliance with the Public Sector Accounting Standards Board Reporting Template

Review of the Party's annual report and financial statements submitted for audit revealed the following errors:

- i. The Header on pages 1 to 8 does not disclose the name of the Party;
- ii. Numbering of items under Key Political Party Information and Management, that is, Principal Activities and Key management, Fiduciary Management, Fiduciary oversight arrangements, Party Headquarters, Party contacts, Party bankers, independent auditor general, and principal legal advisor, is inconsistent with the template;
- iii. Note 26 on trade and other payables does not reflect the prior year balance of Kshs.179,500 as indicated in the statement of financial position; and
- iv. The summary of issues raised in the previous years' audits was not disclosed in Appendix I on the Implementation Status of the Auditor-General's Recommendations.

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

#### 2. Non-Compliance with Climate Change Financing Requirements

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

coordinate the integration of the Climate Change action plan and other statutory Climate Change functions into sectoral strategies.

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

### **3. Failure to Bank Public Contributions and Donations**

The statement of financial performance reflects public contributions and donations amounting to Kshs.1,547,000 as disclosed in Note 8 to the financial statements. However, the schedules and bank statements provided did not indicate that the funds were deposited into any of the bank accounts maintained by the Party. This was contrary to Paragraphs 5.0 and 5.1 of the People's Democratic Party Finance Policy, which states that all monetary donations and Political Parties' Fund allocations must be deposited into a designated Party bank account.

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

### **4. Failure to Establish Party Offices in at Least 24 Counties**

As previously reported, a nationwide review revealed that the Party operated only one (1) Office. This was contrary to Section 7(2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered Political Party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the Political Party, which shall be in more than half of the Counties.

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

### **5. Failure to Prequalify and Register Suppliers**

During the year under review, the Party did not prequalify or maintain an updated list of registered suppliers for various categories of goods and services. This was contrary to Section 57 of the Public Procurement and Asset Disposal Act, 2015, which requires procuring entities to regularly maintain and utilize a list of registered suppliers, contractors, and service providers for all procurement activities.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing 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 and Audit Committee**

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

In the circumstances, the effectiveness of internal controls and risk management measures put in place by Management could not be confirmed.

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

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

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

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

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**15 December, 2025**

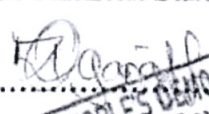
(Indicate actual name of the entity)

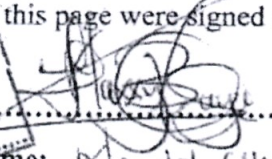
**Annual Report and Financial Statements for the year ended June 30, 2025.**


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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue</b>			
Transfers from Political Parties Fund (PPF)	6	661,435	435,265
Membership Fees	7	70,000	0
Public contributions and donations	8	1,547,000	1,900,000
Investment Income	9	0	0
Miscellaneous Revenue	10	0	0
<b>Total Revenue</b>		<b>2,278,435</b>	<b>2,335,265</b>
<b>Expenses</b>			
Administrative Expenses	11	1,072,435	835,486
Special Interest Groups expenses	12	696,000	672,000
Advocacy and Electoral expenses	13	510,000	1,030,000
Finance Costs (Bank charges)	14	5,601.60	5,457
<b>Total expenses</b>		<b>2,284,036.60</b>	<b>2,542,943</b>
<b>Other gains/(losses)</b>			
Gain/Loss on sale of assets	15	0	0
Gain/Loss on foreign exchange transactions	16	0	0
Gain /Loss on fair value of investments	17	0	0
Impairment loss	18	0	0
<b>Surplus/Deficit</b>		<b>(5,601.60)</b>	<b>(207,678)</b>

The Financial Statements set out on this page were signed on behalf of the NEC by:

  
 Name: **PEOPLE'S DEMOCRATIC PARTY (PDP)**  
 P.O. Box 13741 - 00100  
 NAIROBI, KENYA  
 DATE: 20/08/25  
 Secretary General

  
 Name: **Maxwell CHAHO**  
 Head of Finance  
 ICPAK M/No:  
 Date 20/08/25

  
 Name: **Jeremiah Onckki**  
 Chairman of the Party  
 Date 20/08/25

(Indicate actual name of the entity)

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

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


	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	19	27,587.55	2,318
Receivables and advances	20	0	0
Inventories	21	0	0
Investments (current)	22	0	0
<b>Total Current Assets</b>		<b>27,587.55</b>	<b>2,318</b>
<b>Non-Current Assets</b>			
Receivables from exchange transactions	22	0	510,449
Property Plant and Equipment	23	765,539.1	850,598
Intangible Assets	24	0	0
Investment Property	25	0	0
<b>Total Non- Current Assets</b>		<b>765,539.1</b>	<b>1,361,047</b>
<b>Total Assets (A)</b>		<b>793,126.65</b>	<b>1,363,365</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	0	179,500
Refundable Deposits from Customers	27	0	0
Current Provision	28	0	0
Finance Lease Obligation	29	0	0
Deferred Income	30	0	0
Bank Overdraft	31	0	3,249
<b>Total Current Liabilities</b>		<b>0</b>	<b>182,749</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	28	0	0
Borrowings	31	0	0
<b>Total Non- Current Liabilities</b>		<b>0</b>	<b>0</b>
<b>Total Liabilities (B)</b>		<b>0</b>	<b>182,749</b>


(Indicate actual name of the entity)


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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Net Assets (A-B)		793,126.65	1,180,616
Represented by:			
Revaluation Reserves		793,126.65	1,180,616
Accumulated Surplus/deficits		(5,601.60)	(207,678)
Net Assets		793,126.65	1,180,616

The financial statements set out on pages 1 to 4 were signed on behalf of the NEC by:

  
Name: CHARLES OCHIENG  
Secretary General  
PEOPLES DEMOCRATIC PARTY (PDP)  
P.O. BOX 8941 - DOWRY  
NAIROBI, KENYA  
DATE: 20/07/25

  
Name: MAXWEL CHORO  
Head of Finance (CO)  
ICPAK M/No: /  
Date 20/07/25

  
Name: JEREMIAH ODUOR  
Chairman of the Party  
Date 20/07/25

(Indicate actual name of the entity)

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

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

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at July 1, (2024)	0	1,180,616	1,180,616
Revaluation gain		-	0
Transfer of excess depreciation on revaluation	(0)	-	
Surplus/ deficit for the year	-	(207,678)	(207,678)
As at June 30, (2024)	0	1,180,616	1,180,616
As at July 1, (2025)	0	793,126.65	793,126.65
Revaluation gain	0	-	0
Transfer of excess depreciation on revaluation	(0)	0	-
Surplus/ (deficit) for the year	-	(5,601.6)	(5,601.6)
As at June 30, (2025)	0	793,126.65	793,126.65

**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.

(Indicate actual name of the entity)

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

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Political Parties Fund (PPF)		661,435	435,265
Membership Fees		70,000	0
Public contributions and donations		1,547,000	1,900,000
Investment Income		0	0
Miscellaneous Revenue		0	0
<b>Total receipts</b>		<b>2,278,435</b>	<b>2,335,265</b>
<b>Payments</b>			
Administrative Expenses		1,072,435	835,486
Special Interest Groups expenses		696,000	672,000
Advocacy and Electoral expenses		510,000	1,030,000
Finance Costs		5,601.60	5,457
<b>Total payments</b>		<b>2,284,036.60</b>	<b>2,542,943</b>
<b>Net cash flows from/(used in) operating activities</b>	32	<b>(5,601.60)</b>	<b>(207,678)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets		(0)	(0)
Proceeds from sale of PPE		0	0
Purchase of investments		(0)	(0)
Sale of investments		0	0
<b>Net cash flows from/(used in) investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		0	3,249
Increase/Decrease in Payables	17		(290,010)
Increase/Decrease in receivables	15		177,271
Repayment of borrowings		(0)	(0)
<b>Net cash flows from financing Activities</b>		<b>0</b>	<b>(109,490)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>0</b>	<b>(99,697)</b>

(Indicate actual name of the entity)

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

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Political Parties Fund (PPF)		661,435	435,265
Membership Fees		70,000	0
Public contributions and donations		1,547,000	1,900,000
Investment Income		0	0
Miscellaneous Revenue		0	0
<b>Total receipts</b>		<b>2,278,435</b>	<b>2,335,265</b>
<b>Payments</b>			
Administrative Expenses		1,072,435	835,486
Special Interest Groups expenses		696,000	672,000
Advocacy and Electoral expenses		510,000	1,030,000
Finance Costs		5,601.60	5,457
<b>Total payments</b>		<b>2,284,036.60</b>	<b>2,542,943</b>
<b>Net cash flows from/(used in) operating activities</b>	32	<b>(5,601.60)</b>	<b>(207,678)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets		(0)	(0)
Proceeds from sale of PPE		0	0
Purchase of investments		(0)	(0)
Sale of investments		0	0
<b>Net cash flows from/(used in) investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		0	3,249
Increase/Decrease in Payables	17		(290,010)
Increase/Decrease in receivables	15		177,271
Repayment of borrowings		(0)	(0)
<b>Net cash flows from financing Activities</b>		<b>0</b>	<b>(109,490)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>0</b>	<b>(99,697)</b>

*(Indicate actual name of the entity)*

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

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		2024-2025	2023-2024
	Notes	Kshs	Kshs
Cash and cash equivalents at 1 July	19	27,587.55	102,015
<b>Cash and cash equivalents at 30 June</b>	19	<b>27,587.55</b>	<b>2,318</b>

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

(Indicate actual name of the entity)  
Annual Report and Financial Statements for the year ended June 30, 2025.

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	f=d/c*100
	a	b	e=(a+b)	d	e=(c-d)	
Carry Overs from the Previous Period		0	0	0	-	
<b>Receipts</b>						
Transfers from Political Parties Fund (PPF)	769,134	(107,699)	661,435	661,435	0	100
Membership Fees	0	(0)	100,000	70,000	30,000	70
Public contributions and donations	1,900,000	(0)	1,900,000	1,547,000	353,000	82
Investment Income	0	-	0	0	0	0
Miscellaneous Revenue	0	-	0	0	0	0
<b>Total</b>	<b>2,669,134</b>	<b>(0)</b>	<b>2,661,435</b>	<b>2,278,435</b>	<b>383,000</b>	<b>87</b>
<b>Payments</b>						
Administrative Expenses	869,134	-	1,200,000	1,072,435	127,565	89
Special Interest Groups expenses	1,200,000	(0)	881,435	696,000	185,435	79
Advocacy and Electoral expenses	570,000	(0)	570,000	510,000	(60,000)	89
Finance Costs	30,000	0	8,000	5,601.6	2,398.4	70
Purchase of Assets	0	-	0	0	(0)	0
Purchase of Intangible Assets	0	-	0	0	-	0
Others specify						
<b>Total Expenditure</b>	<b>2,667,134</b>	<b>(0)</b>	<b>2,659,435</b>	<b>2,284,036.60</b>	<b>375,398.4</b>	<b>86</b>
<b>Surplus for the period</b>	<b>30,000</b>	<b>0</b>	<b>8,000</b>	<b>(5,601.60)</b>	<b>(7,601.6)</b>	<b>70</b>

(Indicate actual name of the entity)  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Budget Reconciliation**

No	Description	Kshs
	Actual Surplus Amounts as per the statement of Budget	Actual
1	<b>Public Contributions &amp; Donations:</b> Utilization stood at <b>85%</b> (Kshs 1,617,000 vs. Kshs 1,900,000 final budget). This significant underperformance is attributed to lower-than-expected donor inflows, possibly due to timing differences or unfulfilled pledges.	1,617,000
2	<b>Administrative Expenses:</b> Only <b>89% utilization</b> (Kshs 1,072,435 vs. Kshs 1,200,000). This reflects deliberate cost containment measures and deferment of some administrative activities.	1,072,435
3	<b>Special Interest Group Expenses:</b> <b>79% utilization</b> (Kshs 696,000 vs. Kshs 881,435), due to lower activity implementation than planned within the period.	696,000
4	<b>Finance Costs:</b> Only <b>70% utilization</b> (Kshs 5,601.6 vs. Kshs 8,000), as the entity incurred minimal borrowing or bank charges.	5,601.6
5	<b>Advocacy &amp; Electoral Expenses:</b> At <b>89%</b> utilization, very close to budget, showing realistic planning.	510,000
6	<b>Transfers from PPF:</b> Reduced from Kshs 769,134 (original) to Kshs 661,435 (final), reflecting downward adjustments due to budget cuts by ORPP	661,435
7		
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>27,587.55</b>

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

### **1. General Information**

Peoples Democratic Party is established by, and derives its authority and accountability from, the **Political Parties Act**. In line with the provisions of the Act and the Party's internal governance framework, the budget has been prepared to provide a comprehensive outline of the Party's projected revenues and planned expenditures for the financial year. The budget reflects the Party's commitment to prudent financial management, accountability, and transparency in the utilization of resources to advance its political, civic, and administrative functions.

This budget serves as a guiding instrument for resource mobilization, allocation, and expenditure control, ensuring alignment with the Party's strategic objectives, operational priorities, and legal obligations. It further provides the basis for financial reporting, monitoring, and evaluation, thereby reinforcing compliance with the Political Parties Act and other applicable statutory requirements.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Entity*. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS).

The accounting policies adopted have been consistently applied to all the years presented.

## Notes to the Financial Statements (Continued)

## 3. Adoption of New and Revised Standards

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

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

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

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

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

Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> 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> <ol style="list-style-type: none"> <li data-bbox="443 824 1351 907">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="443 929 1351 1064">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li data-bbox="443 1086 1351 1321">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.</li> </ol>

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><i>Applicable 1<sup>st</sup> January 2025</i></p>

	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>ii. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>iii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iv. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an 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>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50:	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p>

<p>Exploration For &amp; Evaluation of Mineral Resources</p>	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>v. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>vi. Disclosures that identify and explain the amounts in the 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.</li> </ul>
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**iii. Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from The Political Parties Fund**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for the Current FY was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the *Entity* upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *Entity* recorded additional appropriations of 0 on the 2025 budget following the governing body's approval.

**Budget information (continued)**

The *Entity'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 xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.***(entity to amend appropriately based on the model adopted)** Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**d) Property, plant and equipment**

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

**e) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. 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 *Entity* 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 *Entity* 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 *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**f) Intangible assets**

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

**g) Research and development costs**

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

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

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

**h) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

**b) Financial liabilities**

**Classification**

The entity 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 *Entity*.

**j) Provisions**

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

**m) Nature and purpose of reserves**

The Peoples Democratic Party (PDP) creates and maintains reserves in line with the Political Parties Act and its internal financial management policies. These reserves are established to promote financial stability, safeguard resources for future party programs, and ensure continuity of operations. Reserves may include administrative reserves, civic education and advocacy reserves, and contingency reserves to cater for unforeseen obligations.

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

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

**o) Employee benefits**

**Retirement benefit plans**

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

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

**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, 20xx.

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

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

The preparation of the *Entity'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 judgments, estimates and assumptions made:

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

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

Provisions were raised, and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at 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.

For the Peoples Democratic Party (PDP), applicable provisions include:

- **Provision for Bad Debts:** Raised where there is objective evidence that receivables (such as membership subscriptions, contributions, or partner advances) may not be fully collectible. Management estimates these provisions based on historical recovery patterns, ageing analysis of receivables, and specific assessments of doubtful accounts.
- **Provision for Obsolete Stocks:** Where civic education materials, publications, or party merchandise are deemed obsolete or unusable, management makes provisions based on periodic reviews of stock movement, expiry, or redundancy.
- **Other Provisions:** Management may also provide for potential legal claims, staff gratuity, or contractual obligations where it is probable that an outflow of resources will be required.

## Notes to the Financial Statements (Continued)

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Political Party Fund	661,435	435,265
Other Grants	0	0
<b>Total</b>	<b>661,435</b>	<b>435,265</b>

(Explain the purpose of funding)

## 7. Membership Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Nomination fees	0	0
Subscription fees	70,000	0
Penalties and fines	0	0
Others (specify)	0	0
<b>Total</b>	<b>70,000</b>	<b>0</b>

(Provide brief explanation for this revenue)

## 8. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Party Fundraising events	0	0
Founder Members contributions	1,547,000	1,900,000
Others (specify)	0	0
<b>Total</b>	<b>1,547,000</b>	<b>1,900,000</b>

## 9. Investment Income

Description	2024-2025	2023-2024
	KShs	KShs
Interest income	0	0
Rental Income	0	0
Dividends Income	0	0
Others specify	0	0
<b>Total Investment Income</b>	<b>0</b>	<b>0</b>

10. Miscellaneous Revenue

Description	2024-2025	2023-2024
	KShs	KShs
Sale of Merchandise	0	0
Hire of Grounds/Halls	0	0
Hire of Vehicles	0	0
Rendering of services	0	0
Others specify	0	0
<b>Total Miscellaneous Revenue</b>	<b>0</b>	<b>0</b>

11. Administrative Expenses

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Salaries and Wages	11(a)	0	0
Office Rent		900,000	508,515
Transport & Fuel		0	0
Stationaries & printing		0	0
Media & publications		0	0
Consumables		0	0
Travel and accommodations		0	342,800
Utilities & Maintenance	11(b)	172,435	0
Professional Fees	11(c)	0	0
Security		0	0
Communication Charges		0	0
Courier and Postage		0	0
Insurance		0	0
Depreciation		0	0
Subscriptions to Professional bodies		0	0
Bank charges		5,601.6	5,457
Others Specify		0	0
<b>Total Administrative Expenses</b>		<b>1,078,036.6</b>	<b>835,486</b>

## 11(a) Salaries and Wages

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	0	0
Employer contribution to health insurance schemes	0	0
Employer contribution to pension schemes	0	0
Volunteer allowances	0	0
Housing benefits and allowances	0	0
Overtime payments	0	0
Performance and other bonuses	0	0
Social contributions	0	0
Gratuity	0	0
Other employee related costs *	0	0
<b>Total Salaries and Wages</b>	<b>0</b>	<b>0</b>

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

## 11(b) Utilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Water & Sewerage	0	0
Electricity	0	0
Garbage Collections	0	0
Maintenance	172,435	0
<b>Total Utilities</b>	<b>172,435</b>	<b>0</b>

11(c) Professional Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Audit	0	0
Legal	0	0
Accountancy	0	0
Others Specify	0	0
<b>Total Professional Fees</b>	<b>0</b>	<b>0</b>

12. Special Interest Groups

Description	2024-2025	2023-2024
	Kshs	Kshs
Transport	366,000	332,000
Conference Facility	35,000	35,000
Food and Refreshment	0	0
Stationery	47,200	58,400
Accommodation	0	0
Caps/ T-shirts	0	0
Venue Hire	0	0
Public Address Equipment	0	0
Televising	0	0
Other Costs	0	0
<b>Total</b>	<b>448,200</b>	<b>425,400</b>

**13. Advocacy and Electoral Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Media and Publicity	0	0
Grassroot Election	0	0
Advertisement	0	0
Barazas	0	0
Printing Cost (Merchandize)	320,000	280,000
Other Costs	0	0
<b>Total</b>	<b>320,000</b>	<b>280,000</b>

**14. Finance Costs**

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings (amortized cost) *	0	0
Finance leases (amortized cost)	0	0
Unwinding of discount on lease liabilities	0	0
Interest on bank overdrafts	0	0
Bank Charges	5,601.60	5,457
Interest on loans from commercial banks	0	0
<b>Total finance costs</b>	<b>5,601.60</b>	<b>5,457</b>

**15. Gain on Sale of Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
	0	0
Property, plant and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0
<b>Total gain on sale of assets</b>	<b>0</b>	<b>0</b>

*Provide brief explanation on gains on sale of fixed assets)*

## Notes to the Financial Statements (Continued)

## 16. Gain/Loss on foreign exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
specify	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

## 17. Gain/ (loss) on Fair Value Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
specify	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

## 18. Impairment Loss

Description	2024-2025	2023-2024
	Kshs	Kshs
PPE	0	0
Intangible Assets	0	0
Others specify	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

(Provide brief explanation on the impairment loss)

## 19. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	27,587.55	2,318
Savings Account	0	0
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Others (Specify)	0	0
<b>Total Cash and Cash Equivalents</b>	<b>27,587.55</b>	<b>2,318</b>

## Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
<b>a) Current Account</b>			
Co-operative Bank	01120198758303	26,400.55	0
Equity Bank, etc.	0510283738740	1,187	2,318
<b>Sub- Total</b>		<b>27,587.55</b>	<b>2,318</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		0	0
Equity Bank – etc.		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		0	0
Bank B		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>d) Others (Specify)</b>			
Cash In Transit		0	0
Cash In Hand		0	0
Mobile Money Accounts		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>27,587.55</b>	<b>2,318</b>

## 20. Receivables and advances

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Receivables</b>		
specify	0	0
	0	0
<b>Total Current Receivables</b>	<b>0</b>	<b>0</b>

Notes to the Financial Statements (Continued)

21. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	0	0
Medical supplies	0	0
Spare parts and meters	0	0
Water for distribution	0	0
Other goods held for resale	0	0
Catering	0	0
Less: allowance for impairment	(0)	(0)
<b>Total inventories at the lower of cost and net realizable value</b>	<b>0</b>	<b>0</b>

(Provide brief explanation on inventories)

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	0	0
Additional Inventory in the year	0	0
Inventory expensed in the year	0	0
Write-downs in the year	0	0
Others specify	0	0
Closing balance	0	0

## Notes to the Financial Statements (Continued)

## 22. Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
<b>b) Investment with Financial Institutions</b>		
Bank x	0	0
Bank y	0	0
Sub- total	0	0
<b>c) Equity investments (specify)</b>		
Equity/ shares in Entity 0	0	0
Sub- total	0	0
<b>Grand Total</b>	<b>0</b>	<b>0</b>
<b>Categorization of Investments</b>		
Current Investments	0	0
Longterm Investments	0	0
<b>Grand total</b>	<b>0</b>	<b>0</b>

(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.

**d) Movement of Equity Investments**

Impairment allowance/ provision	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	0	0
Purchase of investments in the year	0	0
Sale of investments during the year	(0)	(0)
Gain/(loss) in fair value of investments through surplus or deficit	0	0
At the end of the year	0	0

e) **Shareholding in other entities**

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Comparative year
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**23. Property, Plant and Equipment**

	Furniture and fittings		Computers	Office equipments		Total
	Kshs	Kshs		Kshs	Kshs	
<b>Cost</b>						
At 30 <sup>th</sup> June 2022	430,320	-	-	290,316	-	720,636
Additions	149,468	479,784	-	203,355	-	832,607
Disposals	-	-	-	-	-	-
At 30 <sup>th</sup> June 2023	579,788	479,784	479,784	493,671	-	1,553,243
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 30 <sup>th</sup> June 2024	579,788	479,784	479,784	493,671	-	1,553,243
Depreciation and impairment						
At 30 <sup>th</sup> June 2022	(242,050)	-	-	(209,486)	-	(451,536)
Depreciation	(23,534)	(143,935)	-	(10,104)	-	(33,638)
Disposals	-	-	-	-	-	-
At 30 <sup>th</sup> June 2023	(265,584)	(143,935)	-	(219,590)	-	(485,174)
Depreciation	(39,267)	(143,935)	-	(34,260)	-	(217,462)
Disposals	-	-	-	-	-	-
At 30 <sup>th</sup> June 2024	(304,860)	(143,935)	-	(253,850)	-	(702,645)
<b>Net book values</b>						
At 30 <sup>th</sup> June 2023	188,270	-	-	80,830	-	1,068,069
At 30 <sup>th</sup> June 2024	274,929	335,849	335,849	239,821	-	850,599
Depreciation	(27,492.9)	(33,584.9)	(33,584.9)	(23,982.1)	-	(85,059.9)
Disposals	-	-	-	-	-	-
At 30 <sup>th</sup> June 2025	(247,436.1)	(302,264.1)	(302,264.1)	(215,838.9)	-	(765,539.1)

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

### Valuation

Land and buildings/ Equipment (be specific) were valued by 0 professional valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30<sup>th</sup> June 2020). The assets were revalued by 0 professional valuers on this date 0. These amounts were adopted by the Board on 0 with concurrence from the National Treasury.

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	0	0	0
Plant And Machinery	0	0	0
Motor Vehicles, Including Motorcycles	0	0	0
Computers And Related Equipment	335,849	33,584.9	302,264.1
Office Equipment, Furniture, And Fittings	514,750	51,475	463,275.9
<b>Total</b>	<b>850,599</b>	<b>85,059.9</b>	<b>765,539.1</b>

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

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	0	0
Motor Vehicles including Motorcycles	0	0
Computers and Related Equipment	335,849	10%
Office Equipment, Furniture and Fittings	514,750	10%
<b>Total</b>	<b>850,599</b>	<b>10%</b>

## 24. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	0	0
Additions	0	0
<b>At end of the year</b>	0	0
Additions—internal development	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	0	0
Amortization	0	0
<b>At end of the year</b>	0	0
Impairment loss	0	0
<b>At end of the year</b>	0	0
<b>NBV</b>	0	0

## 25. Investment Property

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>At beginning of the year</b>	<b>0</b>	<b>0</b>
Additions	0	0
Disposal during the year	(0)	(0)
Depreciation	(0)	(0)
Impairment	(0)	(0)
Gain/(loss) in fair value (if fair value is elected)	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>

*(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.*

## Notes to the Financial Statements (Continued)

## 26. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	0		0	
Other payables	0		0	
<b>Total trade and other payables</b>	<b>0</b>		<b>0</b>	
<b>Ageing analysis:</b> (Trade and other payables)	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total (tie to above total)</b>	<b>0</b>		<b>0</b>	

(Provide brief explanation)

## 27. Refundable Deposits and Prepayments from Customers

Description	2024-2025		Insert Comparative FY	
	Kshs		Kshs	
Customer deposits	0		0	
Prepayments	0		0	
Other deposits	0		0	
<b>Total deposits</b>	<b>0</b>		<b>0</b>	
<b>Ageing analysis:</b> (Refundable deposits)	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total</b>	<b>0</b>		<b>0</b>	

(Provide brief explanation)

## Notes to the Financial Statements (Continued)

## 28. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	0	0	0	0	0
Additional provisions	0	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)	(0)
Change due to discount and time value for money	(0)	(0)	(0)	(0)	(0)
Transfers from non-current provisions	0	0	0	0	0
<b>Total provisions year end</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 29. Finance Lease Obligation

Description	2024-2025	Insert Comparative FY
	Kshs	Kshs
At the start of the year	0	0
Discount interest on lease liability	0	0
Paid during the year	(0)	(0)
<b>At end of the year</b>	<b>0</b>	<b>0</b>

## Maturity Analysis

Period	Amount (Kshs)
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 And Onwards	0
Less: Unearned Interest	(0)
<b>Total</b>	<b>0</b>

## Analysed as:

Description	Amount (Kshs)
Current	0
Non-Current	0
<b>Total</b>	<b>0</b>

(Provide brief explanation)

## Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

## 30. Deferred Income

Description	2024-2025	2023-2024
	Kshs	Kshs
National Government	0	0
International Funders	0	0
Public Contributions and Donations	0	0
<b>Total Deferred Income</b>	<b>0</b>	<b>0</b>

*(Provide brief explanation)*

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0	0	0	0
Additions	0	0	0	0
Transfers To Capital Fund	(0)	(0)	(0)	(0)
Transfers To Income Statement	(0)	(0)	(0)	(0)
Other Transfers	(0)	(0)	(0)	(0)
Balance Carried Forward	0	0	0	0

## 31. Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance at beginning of the year	0	0
borrowings during the year	0	0
Repayments during the year	(0)	(0)
<b>Balance at end of the year</b>	<b>0</b>	<b>0</b>
Borrowings - Current	0	0
Borrowings - Longterm	0	0
<b>Total Borrowings</b>	<b>0</b>	<b>0</b>

## Notes To The Financial Statements (Continued)

## 32. Cash Generated from Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Surplus for the year</b>	<b>0</b>	<b>0</b>
<b>Adjusted for:</b>		
Depreciation	0	0
Non-cash grants received	(0)	(0)
Contributed assets	(0)	(0)
Impairment	0	0
Gains and losses on disposal of assets	(0)	(0)
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
<b>Working capital adjustments</b>		
Increase in inventory	(0)	(0)
Increase in receivables	(0)	(0)
Increase in deferred income	0	0
Increase in payables	0	0
Increase in payments received in advance	0	0
<b>Net cash flow from operating activities</b>	<b>0</b>	<b>0</b>

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

**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Receivables	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>As at 30 June (Previous FY)</b>				
Receivables	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*(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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 0. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

#### ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Financial Risk Management**

**iii) Market risk**

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

**a) Foreign currency risk**

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

## Notes to the Financial Statements (Continued)

## Financial Risk Management

## Financial Risk Management

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

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June (Current FY)			
<b>Financial Assets</b>	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
<b>Total Financial Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Foreign Currency Asset/(Liability)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June (Current FY)			
<b>Financial Assets</b>	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
<b>Total Financial Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Foreign Currency Asset/(Liability)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Financial Risk Management**

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

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

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Financial Risk Management**

**Sensitivity analysis**

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

increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0  
(Current FY – Kshs 0)

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

**Financial Risk Management**

**Fair value of financial assets and liabilities**

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

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

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

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

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June (Current FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	0	0	0	0
<b>Non- Financial Assets</b>				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	0	0	0	0
<b>Non- Financial Assets</b>				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Description	2024-2025	Insert Comparative FY
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
<b>Total Funds</b>	<b>0</b>	<b>0</b>
Total Borrowings	0	0
Less: Cash and Bank Balances	(0)	- (0)
Net Debt/(Excess Cash And Cash Equivalents)	0	0
<b>Gearing</b>	<b>xx%</b>	<b>xx%</b>

Notes to the Financial Statements (Continued)

**34. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Entity* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

Related parties include management personnel, their associates and close family members.

**Related parties include:**

- i) Office of the Registrar of Political Parties
- ii) NEC Members
- iii) Secretary General
- iv) The Treasurer
- v) Executive Directors

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>a) Grants /transfers from the government</b>		
Grants from Political Parties Fund	0	0
Other grants	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>b) Key management compensation</b>		
Allowances to NEC Members	0	0
Compensation to key management	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**35. Contingent Assets and Contingent Liabilities**

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

**36. Events after the Reporting Period**

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

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

**20. Appendices**

**Appendix I: Implementation Status of Auditor-General's Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**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.

PEOPLES DEMOCRATIC PARTY (PDP)  
 P. O. Box 13941, 40100  
 Secretary (Trench) FANYA  
 Date: 20/06/2024

Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Entity)	Amount	Date Received	Financial Year the funds relates to
1	Political Parties Fund	192,283.5	16/10/2024	FY 2024/25
2	Political Parties Fund	192,283.5	14/11/2024	FY 2024/25
3	Political Parties Fund	192,283.5	3/3/2024	FY 2024/25
4	Political Parties Fund	84,584.5	5/6/2025	FY 2024/25