


REPUBLIC OF KENYA



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 APR 2026	DAY: WEDNESDAY
TABLED BY: OF	HON. DIDO RASO, MP ON BEHALF OF LOM
CLERK-AT THE-TABLE:	J. LEMBERELLE

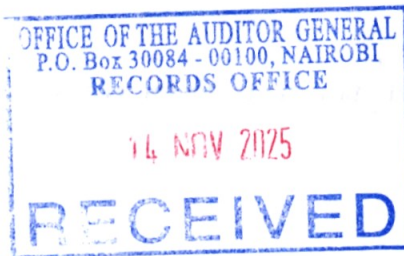
THE AUDITOR-GENERAL

ON



DEMOCRATIC ACTION PARTY-KENYA

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



DEMOCRATIC ACTION PARTY-KENYA (DAP-K)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE, 2025

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

Democratic Action Party-Kenya

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



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1. Acronyms and Definition of Key Terms

A: Acronyms

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

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

Democratic Action Party-Kenya (DAP-K) was fully registered under the Political Parties Act, CAP. 7D on 17th May 2021. It is founded on the democratic principles of unity of purpose in diversity, rule of the law, transparency, accountability, equity and equality. The ideology of the party is Social Democracy.

(b) Principal Activities

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

- (a) To enhance a social, democratic state and society in which all Kenyans will have a better life and feel at home as individuals and cultural communities as well as nurture and sustain a democratic Government and State so as to enhance the political, social and economic welfare, and equal opportunities for all citizens in Kenya based on the principles of liberty, social justice, equality and unity.
- (b) Recruit and enlist members.
- (c) Nominate candidates for elections.
- (d) Promote representation in Parliament and county assemblies of women, persons with disabilities, youth, ethnic and other minorities, and marginalized communities.
- (e) Sensitize the public on the functioning of the political and electoral system.
- (f) Mobilize citizens to participate in political decisions.
- (g) Solicit and articulate public policy priorities as identified by its members; and
- (h) Shape and influence public policy.

(c) Key Management

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

No.	Designation	Responsibility
1.	NDC/NGC;	The NDC is the highest decision-making body, responsible for setting broad policies and direction. The NGC handles governance between conventions, ensuring implementation of policies.
2.	NEC	Responsible for the day-to-day management of the organization.

No.	Designation	Responsibility
		Executes decisions of the NDC/NGC. Oversees committees and operational activities.
3.	SG	Chief administrative officer. Handles correspondence, keeps records, and issues notices of meetings. Ensures communication between the different organs of the organization.
4.	Treasurer	Manages financial records. Collects and accounts for funds. Prepares financial reports and ensures proper budgeting.

(d) Fiduciary Management

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

No.	Designation	Name
1.	Secretary General	Hon. Dr. David Eseli Simiyu
2.	National Chairman	David Muchele
3.	Treasurer	Beatrice Mbingi
4.	1 st Deputy Party Leader	Hon. Athanas Wafula Wamunyinyi
5.	Finance Director	Emmanuel Barasa

(e) Fiduciary Oversight Arrangements**1. Registrar of Political Parties (ORPP)**

- Provides external regulatory oversight of political parties under the Political Parties Act 2022
- Ensures compliance with the law on financing, governance, membership registers, and use of Political Parties Fund.
- Reviews annual returns, audited accounts, and can sanction parties for non-compliance (e.g., suspension, deregistration).

2. Governing Body / National Executive Committee (NEC)

- The principal fiduciary organ within the party.
- Approves budgets, supervises financial management, and oversees the Secretariat's operations.
- Authorizes opening of bank accounts and designation of signatories.
- Ensures funds are used for purposes compatible with democracy (e.g., civic education, election expenses, administration).

3. Finance and Resource Mobilization Committee

- A standing committee of the NEC with at least 9 members, including the Treasurer and Deputy Treasurer.
- Develops strategies for fundraising, oversees financial discipline, and ensures books are audited.
- Reports twice a year to NEC and NGC on financial status.

4. Audit and Risk Committee

- Provides independent scrutiny of financial reporting, internal controls, and risk management.
- Works with external auditors to ensure transparency and accountability.
- Reports findings to NEC/NGC for corrective action.

5. Parliamentary Oversight Committees

- The Public Accounts Committee (PAC) and Special Funds Accounts Committee in Parliament scrutinize use of the Political Parties Fund.
- Ensures funds allocated from the Exchequer are used strictly for lawful political purposes.
- May summon party officials for clarifications.

6. Other Oversight Arrangements

- Annual independent external audit by reputable firms appointed by the NGC.
- Auditor-General has authority to review party accounts since Political Parties Fund involves public resources.
- Internal controls within the Secretariat: multiple signatories for withdrawals, documented approval processes, and separation of duties between SG, Treasurer, and Finance staff.
- Transparency mechanisms: audited accounts must be filed with ORPP and made accessible to members and the public (on request).

(f) Party Headquarters

P.O. Box 10539-00100
Chui House
Kufuga Lane, Karen, Off Langata Road
Nairobi, KENYA

(g) Party Contacts

Telephone: (254) 707 662 840
E-mail: info@dap-kenya.co.ke
Website: dap-kenya.co.ke

(h) Party Bankers

1. Co-operative Bank
Parliament Road Branch
P.O. Box: 5772 – 00200
Nairobi
2. Kenya Commercial Bank
Webuye Branch
Webuye

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

Party Legal Advisor

WAMALWA AND ECHESA CO. ADVOCATES
P.O. BOX 53518-00200
NAIROBI.
wamalwaechesaadvocates@gmail.com

3. The National Executive Council/Committee

	NAME	GENDER	POSITION	DATE OF APPOINTMENT
1	Eugene Wamalwa	M	PARTY LEADER	20th April 2023
2	Athanas Wafula Wamunyinyi	M	1ST DEPUTY PARTY LEADER	20th April 2023
3	Ayub Savula Angatia	M	2RD DEPUTY PARTY LEADER	20th April 2023
4	George Natembeya	M	3RD DEPUTY PARTY LEADER	19th October 2023
5	David Simiyu Muchele	M	NATIONAL CHAIRPERSON	22nd April 2022
6	Luande Oneko	M	2ND DEPUTY NATIONAL CHAIRPERSON	22nd April 2022
7	Dr. David Eseli Simiyu	M	SECRETARY GENERAL	22nd April 2022
8	Benard Wanjala Masanja	M	DEPUTY SECRETARY GENERAL	20th April 2023
9	Hon. Dick Oyugi Maungu	M	NATIONAL ORGANIZING SECRETARY	20th April 2023
10	Clement Kudaka	M	2ND DEPUTY ORGANIZING SECRETARY	22nd April 2022
11	Beatrice Mbingi	F	TREASURER	22nd April 2022
12	Herman Murule Kisiangani	M	DEPUTY TREASURER	22nd April 2022
13	Mohamed Abdikadir Mohamed	M	SECRETARY COUNTY COORDINATION	20th April 2023
14	Allan Wekesa	M	DEPUTY SECRETARY COUNTY COORDINATION	22nd April 2022
15	Priscilla Iteyo	F	NATIONAL WOMEN LEADER	22nd April 2022
16	Florence Theresia Juma	F	DEPUTY NATIONAL WOMEN LEADER	22nd April 2022
17	Pauline Amoso Odegea	F	DEPUTY NATIONAL YOUTH LEADER	22nd April 2022
18	Edel Fuchaka	F	DIRECTOR OF ELECTIONS	22nd April 2022
19	Ronald Wasilwa Masindano	M	DEPUTY DIRECTOR OF ELECTIONS	22nd April 2022
21	Eunice Odhiambo	F	DEPUTY SECRETARY FOR PERSONS LIVING WITH DISABILITIES	22nd April 2022
22	Reginalda Wanyonyi	F	SECRETARY FOR ENVIRONMENT AND FORESTRY	22nd April 2022
23	Topister Nameme	F	SECRETARY FOR LABOUR AND SOCIAL SERVICES	22nd April 2022
24	John Kiboi Mwachia	M	SECRETARY FOR AGRICULTURE	22nd April 2022
25	Abel Mutimba	M	ASSISTANT SECRETARY FOR AGRICULTURE IN CHARGE OF LIVESTOCK AND FISHERIES	22nd April 2022

26	Benard Wakamala	M	ASSISTANT SECRETARY FOR AGRICULTURE AND FOOD SECURITY	22nd April 2022
27	Francis Juma	M	SECRETARY FOR EDUCATION	22nd April 2022
28	Saida Kipkirui	F	ASSISTANT SECRETARY FOR RESEARCH SCIENCE AND TECHNOLOGY	22nd April 2022
29	Kevina Loyatum	F	SECRETARY FOR PETROLEUM AND MINING	22nd April 2022
30	Judy Simiyu	F	SECRETARY FOR GENDER	22nd April 2022
31	John Wanjala	M	SECRETARY FOR HEALTH	22nd April 2022
32	Chrispinus Barasa	M	SECRETARY FOR ENERGY	22nd April 2022
33	Chrisandus Wanambisi Makokha	M	SECRETARY FOR DEFENCE	22nd April 2022
34	Kaleku Dickson Mukare	M	SECRETARY FOR INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT	22nd April 2022
35	Joab Okwema Kenyanya	M	SECRETARY FOR TOURISM AND WILDLIFE	22nd April 2022
36	Yovan Mike Nangalama	M	SECRETARY FOR WATER, SANITATION AND IRRIGATION	22nd April 2022
37	Kizito Torofu Osianju	M	SECRETARY FOR LAND AND PHYSICAL PLANNING	22nd April 2022
38	Dorcas Katiambo	F	SECRETARY FOR EAST AFRICA COMMUNITY & REGIONAL DEVELOPMENT	22nd April 2022
39	Daniel Wafula Wanyonyi	M	SECRETARY FOR SPORTS AND HERITAGE	22nd April 2022
40	Oscar Juma	M	SECRETARY FOR LEGAL AND CONSTITUTIONAL AFFAIRS	22nd April 2022
41	Ken Echesa	M	ASSISTANT SECRETARY FOR LEGAL AND CONSTITUTIONAL AFFAIRS	22nd April 2022
42	Ronald Jumbe	M	SECRETARY FOR DEVOLUTION AND ASAL AREAS	22nd April 2022
43	Eliud Wepukhulu	M	CHAIRPERSON OF PERSONS LIVING WITH DISABILITIES	22nd April 2022
44	Metrine Too	F	REPRESENTATIVE/LIASON OF THE DIASPORA	22nd April 2022
45	Abraham Wanyonyi	M	CHAIRPERSON OF PROFESSIONAL CAUCUS	22nd April 2022
46	Richard Wafula	M	CHAIRPERSON COUNCIL OF ELDERS	22nd April 2022
47	Alexander Muchai	M	PERSON REPRESENTING BUSINESS COMMUNITY	22nd April 2022
48	Mohammed Nyonyo	M	SECRETARY FOR RELIGIOUS AFFAIRS	22nd April 2022
49	Catherine Mulili	M	DEPUTY SECRETARY FOR RELIGIOUS AFFAIRS	22nd April 2022
50	John Etyang	M	PERSON REPRESENTING MINORITY COMMUNITY	22nd April 2022

51	Yussuf Noah	M	REPRESENTATIVE NAIROBI REGION	22nd April 2022
52	Farid Ahmed Swaleh	M	REPRESENTATIVE COAST REGION	22nd April 2022
53	Caleb Burudi	M	REPRESENTATIVE WESTERN REGION	22nd April 2022
54	Jane Wangari Nduru	F	REPRESENTATIVE NYANZA REGION	22nd April 2022
55	Andrew Sichangi Kutitila	M	REPRESENTATIVE RIFT VALLEY REGION	22nd April 2022
56	Sammy Mutua Kisilu	M	REPRESENTATIVE EASTERN REGION	22nd April 2022
57	Emmanuel Wafula Masungu	M	SECRETARY TREASURY AND PLANNING	22nd April 2022
58	Daniel Tresvant Odera	M	SECRETARY FOR FOREIGN AFFAIRS	22nd April 2022
59	Josephine Maungu	F	ASSISTANT SECRETARY FOR BASIC EDUCATION	22nd April 2022
60	Ngasike Philemon Ongao	M	SECRETARY FOR ICT AND INNOVATION	22nd April 2022
61	Mary Wachuka Gichuhi	F	SECRETARY TRANSPORT AND INFRASTRUCTURE	22nd April 2022
62	Gabriel Hanjari Mwamutsi	M	SECRETARY FOR PUBLIC POLICY	22nd April 2022
63	Hezekiah Karanja	M	SECRETARY DIASPORA AND INTERNATIONAL RELATIONS	22nd April 2022
64	Mohamed Timaged	M	REPRESENTATIVE NORTH EASTERN REGION	22nd April 2022
65	Noah Wekesa	M	CHAIRPERSON OF REGIONAL CAUCUSES	22nd April 2022
66	Aggrey Kihima Mugalavai	M	EXECUTIVE DIRECTOR	22nd April 2022
VACANT				
	NAME	GENDER	POSITION	RESIGNATION
1	Dr. Josephine Kulea	F	1st NATIONAL DEPUTY CHAIRPERSON	1st January 2023
2	Shuwe Gretrude Nginayi	F	DEPUTY NATIONAL ORGANIZING SECRETARY	1st January 2023
3	Olago Oluoch	M	PARTY PARLIAMENTARY CHIEF WHIP	2nd June 2022
4	Naomi Shiyonga	F	PARTY SENATE CHIEF WHIP	3rd February 2023
5	Thomas Mongare	M	SECRETARY FOR TRADE AND INDUSTRIALIZATION	20th August 2025
6	Fred Asira	M	SECRETARY FOR COMMUNICATION, MEDIA AND PUBLICITY	2nd February 2025
7	Julia Kanyi Ngeiywa	F	ASSISTANT SECRETARY FOR HIGHER EDUCATION	2nd February 2025
8	Alexander Ndolo Kilele	M	SECRETARY FOR PERSONS LIVING WITH DISABILITIES	22nd May 2025

4. Key Management/Secretariat Team

Name	Position	Responsibility
Hon. Dr. David Eseli Simiyu	Secretary General	Accounting Officer/ Secretary to the NEC
Aggrey Mugalavai	Executive Director	Head of Secretariat
Emmanuel Barasa	Finance Manager	Heads Finance & Accounts
Kevin Simiyu	Deputy Executive Director	
Winnie Masiga	Receptionist	
Rodney Sabwa	ICT Director	

5. Chairman's Statement

As we reflect on the financial year, it is evident that this period has been one of growth, strategic planning, and overcoming challenges for DAP-K. Despite facing a series of hurdles, the Party has made significant progress, both in its internal development and in engaging with the wider political landscape.

Achievements during the Year

This financial year, the Party has recorded notable milestones, which reflect our continued commitment to strengthening the organization and expanding our reach:

- 1) **Increased Membership by 20%:** We are pleased to report that the Party's membership has grown by 20% during the year. This increase is a testament to the rising support for our political vision and the work we are doing on the ground. Our message resonates with more and more people, and this growth represents a broader base of citizens who are eager to be part of our journey towards a more just and inclusive society.
- 2) **Prepared a Five-Year Strategic Plan (2025-2030):** This year, we completed the development of our five-year strategic plan for 2025-2030. This plan outlines our vision for the Party's future, focusing on expanding our reach, strengthening our leadership, and addressing the core issues that matter most to the people of Kenya. It provides a clear roadmap for the Party's growth and the implementation of our core values.
- 3) **Conducted Grassroots Elections in Bungoma County:** In our efforts to build a strong, responsive grassroots structure, we successfully conducted grassroots elections in Bungoma County. This initiative allowed us to elect new leadership at the local level, reinforcing our commitment to democratic processes within the Party. The elections have helped us to identify and nurture new talent, ensuring the Party's continued relevance in the region.
- 4) **Opened New Offices in Butula, Malava, and Kimaeti:** Expanding our presence is key to strengthening our influence across the country. This year, we opened new Party offices in Butula, Malava, and Kimaeti. These new offices serve as vital hubs for communication, organization, and engagement with local communities. They also allow us to better coordinate our activities and provide services to our members at the grassroots level.

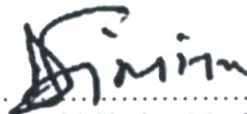
Challenges Faced

While we have made substantial progress, the Party faced several challenges this year that impacted our ability to fully execute some of our planned initiatives:

1. **Late Disbursement of Funds from PPF:** One of the key challenges was the delay in receiving funds from the Political Parties Fund (PPF). These delays created financial strain on our operations and limited our capacity to roll out some of our strategic activities, particularly in areas that required immediate funding.
2. **Failure of Elected Leaders to Submit Their Monthly Subscription:** We also encountered difficulties in ensuring that our elected leaders adhered to their monthly subscription commitments. These contributions are crucial for sustaining Party activities, and the failure to meet these financial obligations created a gap in our funding for certain programs.
3. **Failure to Establish Offices in at Least 24 Counties:** While we were able to open offices in several regions, our goal of establishing offices in at least 24 counties was not fully realized. This shortcoming is something we recognize and will prioritize in the coming year as part of our ongoing effort to expand our footprint across Kenya.

Looking ahead, DAP-K is strategically positioning itself to participate in the forthcoming by-elections in Kenya. This presents an excellent opportunity for the Party to test its strength, showcase its leadership, and further solidify its role in the political landscape. We are preparing our candidates, building alliances, and ensuring that our message resonates with the electorate.

Our involvement in these by-elections will serve as a springboard for future electoral success. It will also allow us to refine our electoral strategies, engage directly with the electorate, and build on the momentum created by our growing membership and grassroots engagement.



.....
David Simiyu Muchele

National Chairman

6. Report of the Secretary-General

As we reflect on this financial year, DAP-K has made significant strides in strengthening its foundation, expanding its reach, and building a solid financial and operational structure. Despite some challenges, our progress has been evident in key areas that will pave the way for future success.

Operational Performance

1. **Membership Growth:** We saw a 20% increase in membership, driven by targeted outreach and engagement with youth, women, and marginalized groups. This growth reflects the growing support for our Party's vision.
2. **Grassroots Elections:** We successfully conducted grassroots elections in Bungoma County, strengthening our local structures and electing leaders who will drive the Party's work at the community level.
3. **Office Expansions:** New offices were opened in Butula, Malava, and Kimaeti, bringing us closer to our members and enhancing our ability to organize and communicate effectively at the regional level.
4. **Strategic Planning:** We completed a five-year strategic plan (2025-2030) that outlines our vision for growth and development, focusing on expanding our national reach and strengthening leadership at all levels.

Financial Performance

1. **Approved Budget:** The Party approved a budget of Ksh 30,621,843 allocating resources to essential activities such as membership recruitment, grassroots elections, office expansions, and public outreach.
2. **Revenue Generation:** Key sources of revenue included the Political Parties Fund (PPF), membership subscriptions, and fundraising events. Despite delays in PPF disbursements, other funds helped support our initiatives.
3. **Expenditures:** Most of the funds were directed toward office expansion, grassroots elections, and public relations campaigns. These investments were critical to ensuring our continued growth and visibility.

4. Financial Challenges

Several challenges affected the Party's financial performance this year:

- **Delayed PPF Disbursements:** The late disbursement of funds impacted our ability to execute planned activities on time.
- **Non-compliance with Membership Payments:** Some elected leaders did not submit their monthly subscriptions, which led to a shortfall in expected revenue.
- **Change in PPF Allocation:** The passing of a supplementary budget mid-cycle resulted in a **reduction in PPF allocation**, which further strained our financial resources. This shift in funding posed an additional challenge, as we had to adjust our financial planning accordingly.
- **Limited Office Expansion:** While we opened new offices, our goal of establishing offices in 24 counties was not fully achieved due to financial constraints.

As we look forward, our focus will remain on expanding our presence in more counties, improving financial management, and implementing the strategic plan. We also aim to strengthen leadership and ensure that the Party's message reaches every corner of the nation.

This year, DAP-K has made strong progress despite the challenges. With a growing membership base, successful grassroots engagement, and a clear strategic direction, we are well-positioned for the future. With your support, we will continue building a Party that serves the people and drives positive change for Kenya.



.....
Hon. Dr. David Eseli Simiyu

Secretary General

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

The Political Party has a strategic plan running from Year 2025 to Year 2026. The Strategic Plan is implemented in annual work plans.

The performance of the Party during the year is presented in the table below:

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members	5,000	4070	The organization registered a notable membership growth of 4,070 during the year, representing 81% of the annual target. This demonstrates strong progress towards our objectives and reflects continued

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					positive member confidence and engagement
2	Broadcast in Policies and Shaping Public Opinion	Number of interviews on mainstream media. Growth of engagement on social media	Over 10 interviews done in mainstream media both TV and Radio by leaders within the party. Growth in social media following and engagement	Our leaders conducted over 20 media interviews across major TV and radio stations, including Spice FM, Citizen TV, Sulwe FM, and TV47, enhancing the visibility of the organization. In addition, both our Facebook and X platforms recorded significant growth in followers and engagement, with the X account surpassing the 54,000 follower's milestone.	These milestones demonstrate the organization's growing public presence, strengthened media relations, and enhanced capacity to engage with members and the wider public through both traditional and digital platforms.
3	Promoting Representation of	Involve more PWDs,	Conduct workshops	We conducted meetings	This reflects the

	Special Interest Groups	Women and Youth in Party activities and Political Processes	and invite Youth, Women and PWDs for a sensitization seminar	with the SIGs in over 10 counties within the financial year.	organization's commitment to inclusivity and enhanced stakeholder engagement across the counties.
4	Promoting Active Participation by Citizen in Political Live and Civic Education	Engagement levels on civic education content shared through media and digital platforms	Reach and engage at least 10,000 citizens through civic education forums, media programs, and digital platforms annually	The organization surpassed expectations by reaching over 100,000 citizens through social media platforms and an additional 300,000 through interviews conducted by our leaders on major media stations.	This performance reflects outstanding success in promoting civic education and citizen participation, far exceeding the set targets and demonstrating the organization's strong public

					engagement capacity.
5	Grassroot Elections	Number of branches where grassroots elections were conducted	To strengthen internal democracy and leadership renewal by conducting grassroots elections across branches.	Grassroots elections were successfully conducted in Bungoma, enabling members to actively participate in electing their leaders at ward and constituency levels. The process promoted transparency, accountability, and inclusivity, with notable participation from youth and women.	This exercise reinforced the party's commitment to democratic governance, enhanced member ownership, and ensured a refreshed leadership structure at the grassroots level.

8. Governance Statement

Party Organogram

The Party's structure is organized to ensure efficiency, accountability, and democratic participation. Below is the organogram showing the core leadership hierarchy:



National Delegates Congress (NDC)

Role: Supreme organ of the Party, responsible for policy direction, approving constitutional amendments, and endorsing major political strategies.

Composition: Delegates from all county branches, Members of Parliament, MCAs, county officials, and representatives of Special Interest Groups (SIGs).

Nomination of Members: Branches nominate delegates proportionally to membership strength, while SIGs elect their own representatives.

Meetings: Convenes once every five years or during special circumstances. The last NDC was held before the 2022 elections.

National Executive Council (NEC)

Role: Day-to-day governing body responsible for implementing NDC decisions, running party operations, and providing leadership on political and financial matters.

Composition: Party Leader, Deputy Party Leaders, National Chairman, Secretary General, Treasurer, Organizing Secretary, their deputies, and heads of wings (Youth, Women, SIGs).

Meetings: Meets quarterly, and may convene emergency sessions. Over the last 3 years, NEC has held more than 10 meetings.

Committees under NEC

Dispute Resolution Committee

Role: Mediates disputes, nomination complaints, and internal conflicts.

Composition: Senior party officials and legal experts.

Meetings: Met multiple times in the 2022–2023 cycle to handle nomination-related disputes.

Disciplinary Committee

Role: Enforces discipline within the Party by addressing misconduct and non-compliance.

Composition: Drawn from NEC members and SIG representatives.

Meetings: Meets when disciplinary matters arise; has handled several cases since 2022.

Election Board

Role: Manages internal party elections and oversees nomination of candidates for general elections.

Composition: Appointed by NEC and ratified by NDC.

Meetings: Actively engaged in the 2022 nominations and is currently preparing for grassroots elections.

Finance Committee

Role: Oversees Party budget, revenue mobilization, and expenditure monitoring.

Composition: Chaired by the National Treasurer with representation from NEC and branches.

Meetings: Meets regularly; submitted quarterly reports in 2023.

Audit and Risk Committee

Role: Reviews Party financial management, ensures compliance with regulations, and manages institutional risk.

Composition: Independent members alongside NEC appointees.

Meetings: Met at least four times in 2023 to review accounts.

Other Committees

Other committees may be established by NEC to deal with specific thematic issues such as Strategy & Policy, Communication, or Outreach.

Sub-national Structures

County Branches: Led by County Executive Committees to coordinate membership, civic education, and mobilization.

Constituency & Ward Committees: Ensure grassroots engagement, recruitment, and linkages to the county branches.

9. Management Discussion and Analysis

Membership Trends

The Party's membership has grown from approximately 34,000 in 2019 to 54,000 in 2024, representing a 59% increase in five years. Growth has been largely driven by the 2022 general election, online membership drives, and the growing popularity of Party leaders.

Year	Members	% Growth
2020	38,000	12%
2021	42,000	11%
2022	48,000	14%
2023	51,000	6%
2024	54,000	6%
2025	55,000	1.9%

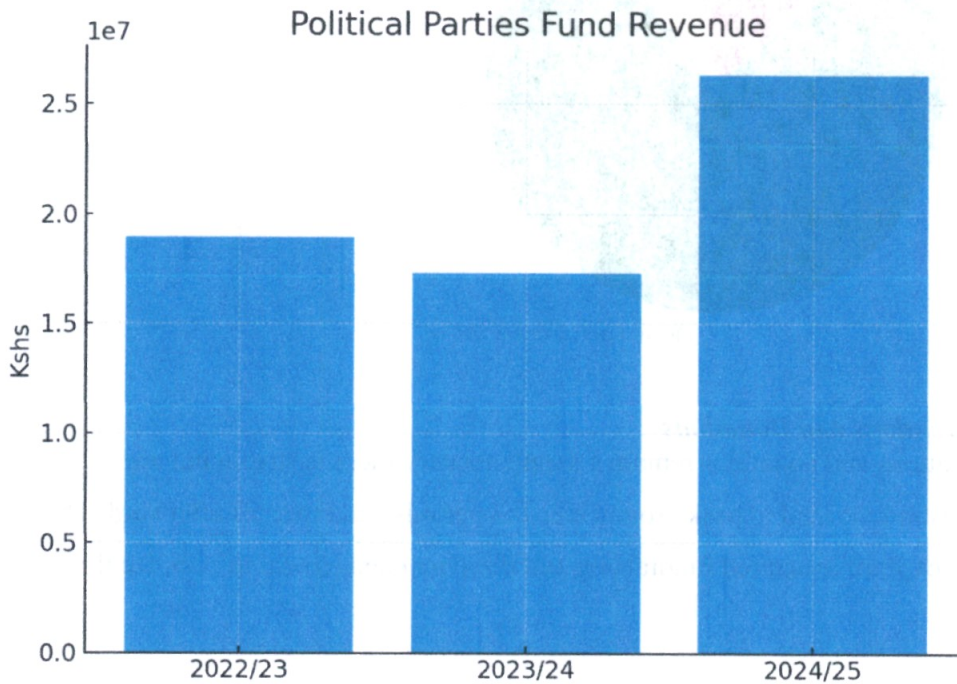


Budget Per Year

The Party's budget is mainly based on expected allocations from the Political Parties Fund (PPF) and members' contributions. However, PPF allocations are often revised downward through supplementary budgets in Parliament, leading to actual revenues being reduced by over 25%. Additionally, not all elected members remit their monthly contributions, further straining financial stability.

Revenue from Political Parties Fund

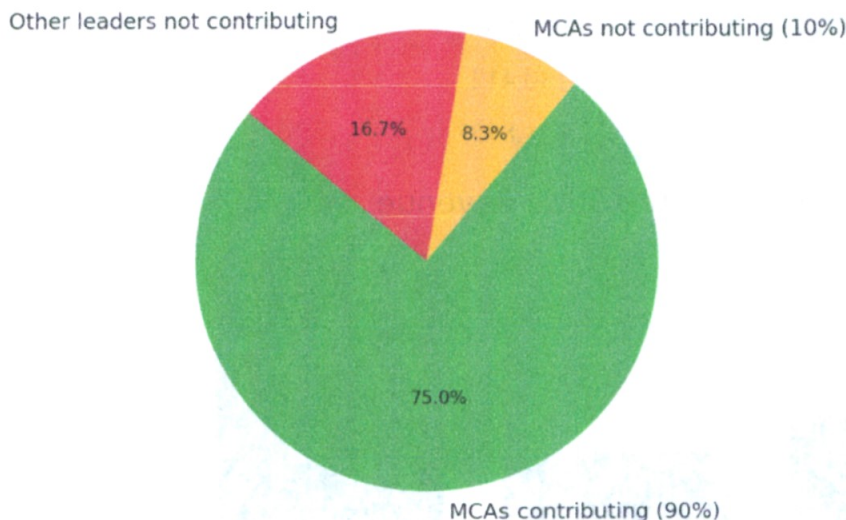
Financial Year	Allocation (Kshs)
2022/23	18,939,987
2023/24	16,180,412
2024/25	30,621,845



Members' Subscriptions

The Party has one Governor, two Deputy Governors, five Members of Parliament, and 40 MCAs who are expected to contribute monthly. However, only 90% of MCAs remit their contributions regularly, while the rest of the elected leaders have not contributed since the general elections. This irregularity creates gaps in sustainable financing.

Contribution Compliance



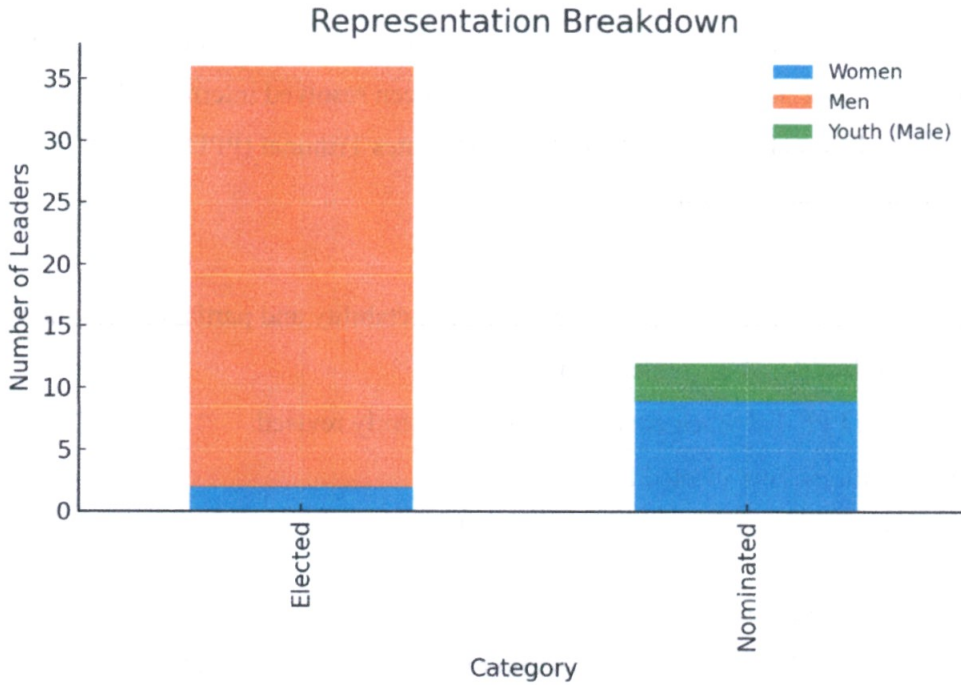
Members' Contributions and Donations

Voluntary contributions and donations remain a supplementary income stream but are inconsistent. Contributions tend to peak around election periods and taper off afterward. The Party continues to explore structured fundraising and diaspora engagement to stabilize this revenue stream.

Number of Elected Representatives (Including SIGs)

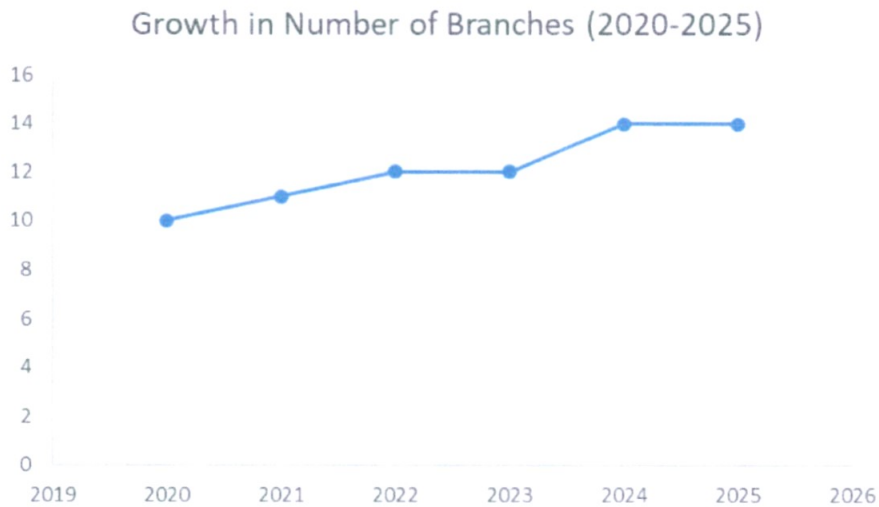
Currently, the Party has 36 elected leaders and 12 nominated representatives across county assemblies, making a total of 48 representatives. Of the elected leaders, only 2 are women while 34 are men. Among the nominated, 9 are women and 3 are youths (male), reflecting ongoing efforts to enhance representation of women and youth through nominations.

Category	Number	Breakdown
Elected Leaders	36	2 Women, 34 Men
Nominated Leaders	12	9 Women, 3 Youth (Male)
Total	48	-



Number of Party Branches

The Party has over 10 active branches, with two new branches opened in the past year to expand grassroots reach. Branches remain critical in mobilization, civic education, and strengthening the Party's grassroots presence.



Dispute Resolution

The Party has developed internal mechanisms to manage disputes, especially around nominations and leadership wrangles. Over the years, most disputes have been resolved internally, limiting escalation to external bodies such as the Political Parties Disputes Tribunal (PPDT). This strengthens institutional trust and stability.

Overall Outlook

The Party has demonstrated resilience despite revenue unpredictability and partial contribution compliance from elected leaders. Key challenges include:

- Heavy reliance on PPF disbursements, which are frequently revised.
- Irregular contributions from elected leaders.
- Underrepresentation of women among elected leaders.

Looking ahead, the Party will focus on:

1. Strengthening digital platforms for membership recruitment and subscriptions.
2. Enhancing compliance in leader contributions.
3. Expanding grassroots branches to new counties.
4. Promoting more women and youth candidates for elected positions.
5. Institutionalizing sustainable fundraising and diaspora contributions.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

The Party's sustainability strategy is guided by international best practices such as the UN Sustainable Development Goals and the Paris Climate Agreement. Our priorities are shaped by global and local trends, including climate change, economic pressures, and citizen demand for greener policies. Key achievements include digitization of records to reduce paper use and active promotion of renewable energy adoption. A major challenge remains limited resources for large-scale environmental programs.

ii) *Environmental performance*

Our Environmental Policy emphasizes minimizing environmental impact, supporting biodiversity, and promoting sustainable practices. Successes include waste segregation at offices and events, tree planting campaigns, and local clean-up drives. Shortcomings remain in adopting renewable energy due to cost barriers.

iii) *Employee welfare*

The Party maintains a fair and inclusive Human Resource Policy with deliberate gender balance in recruitment (minimum 1/3 representation). Policies are reviewed biannually, with training workshops, career mentorship, and transparent appraisals to enhance staff growth.

- Supply Chain: Suppliers are engaged transparently, with timely honouring of contracts.
- Marketing: Communications follow ethical standards—truthful, non-discriminatory, and free of misinformation.
- Product Stewardship: All publications and manifestos are clear, accessible, and citizen-centred.

iv) *Corporate Social Responsibility / Community Engagements*

Through tree planting drives across several counties, the Party supported environmental conservation, promoted biodiversity, and encouraged community participation in climate action. These efforts not only enhanced green cover but also fostered public awareness on sustainable practices.

In addition, the Party conducted extensive civic education sessions, reaching diverse groups through community forums, schools, and media platforms. The programs focused on citizen rights, governance, and the importance of public participation in democratic processes.

Together, these initiatives strengthened the Party's visibility as a socially responsible institution, built trust with local communities, and contributed both to environmental sustainability and democratic empowerment.

11. Report of the National Executive Council/Committee

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

i) Principal activities

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

ii) Results

The results of the Democratic Action Party-Kenya for the year ended June 30, 2025, are set out on pages 1 to 5.


iii) Council Members

The members of the Governing body/NEC who served during the year are shown on page vii to ix During the year 0 members retired/ resigned and no one was appointed.

iv) Auditors

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

By Order of the Council/Committee



.....

Hon Dr. David Eseli Simiyu

Secretary General

12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and Article 10 of the DAP-K Constitution requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

The NEC is responsible for the preparation and presentation of the Party's financial statements, which give a true and fair view of the state of affairs of the Party for and as at the end of the financial year (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.

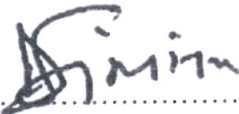
The NEC accepts responsibility for the Party's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and the Political Parties Act.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

In preparing the financial statements, the NEC assessed the Party's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Democratic Action

Party-Kenya will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Party's financial statements were approved by the Board on 4th August 2025 and signed on its behalf by:


.....

Name
NEC Chairperson


.....

Hon. Dr. Davi Eseli Simiyu
Secretary General

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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 Democratic Action Party-Kenya set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual

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

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

Basis for Qualified Opinion

Long Outstanding Accounts Receivable from Members

The statement of financial position reflects receivables balance of Kshs.6,800,856 as disclosed in Note 12 to the financial statement. The balance includes membership fees of Kshs.6,000,856, which have remained outstanding for more than three (3) years. However, no provision for bad and doubtful debts was made in the financial statements to cater for the risk of non-recovery. Further, there was no debt management policy to guide effective debt recovery.

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, 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 year audit report, three issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on the Effectiveness of Internal Controls, Risk Management and Governance, respectively. These include failure to

establish Party offices in at least twenty-four (24) Counties, failure to establish an internal audit function and lack of a strategic plan. Review of the status during the audit of the Party in the financial year 2024/2025 revealed that the matters remained unresolved.

Other Information

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

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Climate Change Financing Requirements

Review of the annual work plans and expenditure records revealed that the Party did not integrate climate change considerations into its operational activities. Further, Climate Change activities were not included in the budget for the financial year 2024/2025. This was contrary to Section 15(2)(a) of the Climate Change Act, 2016, which requires each State Department and National Government public entity to designate a unit with adequate staff and financial resources and to appoint a senior officer as head of the unit

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

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

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

During the year under review, the Party operated only one (1) Office located in Nairobi. Although the Party submitted a list indicating branch offices in twenty-four (24) Counties, no other supporting documentation, such as lease agreements, staff list or activity was provided to verify the existence of the offices. This was contrary to Section 7 (2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered Political Party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the Political Party, which shall be in more than half of the Counties.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement,

whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 December 2025

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue			
Transfers from Registrar of Political Party Fund	6	30,621,845	16,180,412
Membership Fees	7	1,770,590	1,745,445
Total revenue		32,392,435	17,925,857
Expenses			
Administration expenses	8	7,513,942	15,447,763
Special Interest Groups	9	10,916,669	3,638,238
Advocacy & Electoral Expenses	10	12,545,742	30,117
Total expenses		30,976,353	19,116,118
		-	-
Surplus/(deficit) for the period/year		1,416,082	(1,190,261)
Revenue			

The notes set out on pages 6 to 33 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the NEC by:


.....

Hon Dr. Eseli Simiyu
Secretary General

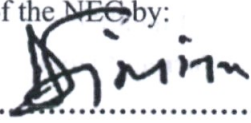
27th August 2025


.....

Emmanuel Barasa
Head of Finance

ICPAK M/No: 34381

27th August 2025


.....

David Simiyu Muchele
Chairman of the Party

27th August 2025

15 Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	11	216,597	176,898
Receivables	12	6,800,856	6,272,856
Total Current Assets		7,017,453	6,449,754
Non-Current Assets			
Property, Plant and Equipment	13	392,770	472,402
Total Non- Current Assets		392,770	472,402
Total Assets		7,410,223	6,922,156
Liabilities			
Current Liabilities			
Trade and Other Payables	14	186,028	1,114,042
Current Portion of Borrowings	15	2,000,000	2,000,000
Total Current Liabilities		2,186,028	3,114,042
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
Total Liabilities		2,186,028	3,114,042
Net Assets			
Accumulated Surplus		4,851,439	3,355,726
Capital Fund		372,756	452,388
Total Net Assets		5,224,196	3,808,114
Total Net Assets and Liabilities		7,410,224	6,922,156

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



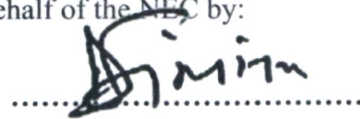
Hon Dr. Eseli Simiyu
Secretary General

27th August 2025



Emmanuel Barasa
Head of Finance
ICPAK M/No: 34381

27th August 2025



David Simiyu Muchehe
Chairman of the Party

27th August 2025

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

Description	Retained Earnings	Capital Development	Total
	Kshs	Kshs	Kshs
As at July 1, 2024	3,355,726	452,388	3,808,114
Surplus/ deficit for the year	1,416,082	-	1,416,082
Transfer to Capital Fund	(70,000)	70,000	-
Depreciation/Amortization to retained earning	149,632	(149,632)	-
As of June 30, 2025	4,851,439	372,756	5,224,196

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	30,621,845	16,180,412
Membership Fees	7	1,770,590	1,745,448
Total receipts		32,392,435	17,925,860
Payments			
Administration costs	8	7,513,942	15,242,870
Special Interests Group	9	10,916,669	3,638,238
Advocacy Costs	10	12,545,742	30,117
Total payments		30,976,353	18,911,225
Adjusted for:			
Decrease/(Increase) in accounts receivables:		(528,000)	2,478,325
(Decrease)/Increase in accounts Payable:		(928,014)	(1,068,458)
Depreciation and amortization		149,632	(289,923)
		(1,306,382)	1,119,944
Net cash flow from/(used in) operating activities		109,700	134,579
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(70,000)	(20,000)
Net cash flows from/(used in) investing activities		(70,000)	(20,000)
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		39,700	114,576
Cash and cash equivalents at 1 July 2023		176,898	62,322
Cash and cash equivalents at 30 June 2024	11	216,598	176,898

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Carry Overs from the Previous Period		-	-	-	-	
Receipts						
Transfers from Political Parties Fund (PPF)	30,621,843	(400)	30,621,843	30,621,845	(2)	100%
Membership Fees	2,500,000	(729,010)	1,770,990	1,770,590	1	100%
Total	33,121,843	(729,410)	32,392,433	32,392,435	(2)	100%
					-	
Payments					-	
Administrative Expenses	9,156,552	-	9,156,552	8,820,324	336,228	96%
Special Interest Groups expenses	10,715,836	-	10,715,836	10,916,669	(200,833)	102%
Advocacy and Electoral expenses	13,109,455	(659,410)	12,450,045	12,545,742	(95,697)	101%
Purchase of Assets	140,000	(70,000)	70,000	70,000	-	100%
Total Expenditure	33,121,843	(729,410)	32,392,433	32,352,735	39,698	100%
Surplus for the period	-	-	-	39,700	(39,700)	

Budget Reconciliation

No	Description	Kshs
	Actual Surplus Amounts as per the statement of Budget	39,700
1	Opening Cash and Cash Equivalent as per the statement of Cash flows	176,898
	Closing Cash and Cash Equivalent as per the statement of Cash flows	216,597

19. Notes to the Financial Statements

1. General Information

Democratic Action Party-Kenya (DAP-K) is established by and derives its authority and accountability from Political Parties Act.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Democratic Action Party-Kenya's. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

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

Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li data-bbox="475 824 1418 913">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. <li data-bbox="475 925 1418 1070">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 data-bbox="475 1081 1418 1339">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.

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

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

of Mineral Resources	exploration for and evaluation of mineral resources. The Standard requires: iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. 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.
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iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on **June 12, 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the DAP-K upon receiving the respective approvals in order to conclude the final budget.

Budget information (continued)

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

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

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. 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.

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 DAP-K

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 Entity creates and maintains reserves in terms of specific requirements.

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, 2025.

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 judgements, estimates and assumptions made:

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Description	2024/2025	2023/2024
	Kshs	Kshs
Operational Grant	30,621,845	16,180,412
Total	30,621,845	16,180,412

To support activities of political parties

7. Membership Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Subscription fees	1,770,590	1,745,445
Total	1,770,590	1,745,445

8. Administrative Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Electricity	72,400	11,000
Water	5,000	7,500
Security	87,500	30,000
Professional Services	560,000	-
Subscriptions	150,000	90,000
Advertising/Publication	307,700	120,000
Admin Fees	-	67,600
Audit Fees	-	170,000
Depreciation	149,632	204,893
Garbage disposal	4,000	-
Special Interest Groups	-	716,470
Telephone & internet	14,200	-
Travel and Accommodations		8,709,900
Legal Expenses	280,000	-
salaries and wages	3,279,863	3,638,238
Chemicals		20,100
Registration expenses	27,200	-
Printing and Stationery	216,322	386,000
Rent expenses	2,017,600	2,947,500
Finance charges	40,486	30,117
General Expenses	302,039	1,966,800
Administration Expenses	7,513,942	19,116,118

Notes to the Financial Statements (Continued)

9. Special Interest

Description	2024/2025	2023/2024
	Kshs	Kshs
Special Interest Groups	10,916,669	-
Special Interest Groups	10,916,669	

10. Advocacy

Description	2024/2025	2023/2024
	Kshs	Kshs
Advocacy & Electrol Expenses	12,545,742	0
Total Advocacy Fees	12,545,742	

11. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	210,665	176,868
Total Cash and Cash Equivalents	210,665	176,898

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1288239238	4,615	4,615
Kenya Commercial Bank	1293167959	1,327	1,327
Cooperative Bank of Kenya	01120747385001	74,814	151,920
Cooperative Bank of Kenya	01120747385000	135,841	19,036
Total		216,607	176,898

12. Receivables and advances

Description	2024/2025	2023/2024
	Kshs	Kshs
Receivables		
Licenses, Rent Deposits	400,000	272,000
Rent prepaid(HO) July and August 2025	400,000	-
Other debtors (Party – Elected/Nominated)	6,000,856	6,000,856
Total receivables from non-exchange transactions	6,800,856	6,272,856

Notes to the Financial Statements (Continued)

13. Property, Plant and Equipment

Cost	Furniture & Fittings	Computers	Total
	25%	33%	
	Kshs	Kshs	Kshs
As At 1 July 2024	434,857	842,865	1,277,722
Additions	-	70,000	70,000
As at 30th June 2025	434,857	912,865	1,347,722
Depreciation And Impairment			
At 1 July 2024	(260,349)	(544,972)	(805,320)
Depreciation	(43,627)	(106,005)	(149,632)
As At 30th June 2025	(303,976)	(650,976)	(954,952)
As at 30th June 2024	174,509	297,853	472,402
As at 30th June 2025	130,882	261,889	392,770

N/B: The policy adopted to depreciate assets is on reducing balance basis

- Furniture and fittings at 25%
- Computer and related equipment at 33%

13 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers And Related Equipment	912,865	650,976	261,889
Office Equipment, Furniture, And Fittings	434,857	303,976	130,882
Total	1,347,722	954,952	392,770

Notes to the Financial Statements (Continued)

14. Trade and other Payables

Description	2024/2025	2023/2024
	Kshs	Kshs
Employee payables	166,028	729,042
Audit fees payables	-	85,000
Rent payables	20,000	300,000
Other payables	-	-
Total trade and other payables	186,028	1,114,042

15. Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance at beginning of the year	2,000,000	2,000,000
borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	2,000,000	2,000,000
Borrowings - Current	-	-
Borrowings - Longterm	-	-
Total Borrowings	2,000,000	2,000,000

Notes To The Financial Statements (Continued)

16. 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:

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 xxx. 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.

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.

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:

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.

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.

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 xxx (Current FY: Kshs xxx). A rate

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

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:

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:

Notes to the Financial Statements (Continued)

17. 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

18. Contingent Assets and Contingent Liabilities

No contingent and assets liabilities

19. Events after the Reporting Period

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

20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/GJL/AUD/7/DAP/2023/2024 (32)	Failure to Establish Party Offices in at Least 24 Counties	The Party is trying to find resources to allow for this to met.	Not Resolved	13 th February 2025
OAG/GJL/AUD/7/DAP/2023/2024 (32)	Failure to Establish an Internal Audit Function	An internal auditor is to be appointed before the end of the next financial year	Resolved	
OAG/GJL/AUD/7/DAP/2023/2024 (32)	Lack of strategic plan	Development of a Strategic Plan be done during the current financial year	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.



Secretary General

Date: 27th August 2025

Appendix II: Transfers from Political Parties Fund

No	Source of Funds	Amount	Date Received	Financial Year the funds relates to
1	Political Parties Fund	4,287,872.00	8 th July 2024	FY 2023/24
2	Political Parties Fund	7,655,460.75	2 nd October 2024	FY 2024/25
3	Political Parties Fund	7,655,460.75	6 th November 2024	FY 2024/25
4	Political Parties Fund	7,655,460.75	3 rd March 2025	FY 2024/25
5	Political Parties Fund	3,367,587.75	28 th May 2025	FY 2024/25