

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

THE NATIONAL ASSEMBLY  
PAPERS LAID

REPORT

DATE: 03 MAR 2026

DAY.  
Tuesday

TABLED  
BY:

Hon. Naomi Wago, MP  
Deputy Majority Whip

CLERK-AT  
THE TABLE:

Mudo Atabo

OF

PARLIAMENT  
OF KENYA  
LIBRARY

THE AUDITOR-GENERAL

ON

PARTY OF NATIONAL UNITY (PNU)

FOR THE YEAR ENDED  
30 JUNE, 2025



---

**PARTY OF NATIONAL UNITY  
(PNU)  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

---

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

*Party of National Unity (PNU)*  
*Annual Report and Financial Statements for the year ended June 30, 2025.*

---

<b>Table of Contents.....</b>	
<b>Page</b>	
1. Acronyms and Definition of Key Terms .....	ii
2. Key Political Party Information and Management.....	iii
3. The National Executive Council/Committee .....	viii
4. Key Management/Secretariat Team.....	ix
5. Chairman’s Statement .....	x
6. Report of the Secretary-General .....	xii
7. Statement of Performance against Predetermined Objectives for FY 2024/2025-1 .....	ii
8. Governance Statement .....	ii
9. Management Discussion and Analysis.....	v
10. Environmental and Sustainability Reporting .....	vi
11. Report of the National Executive Council/Committee .....	viii
12. Statement of the National Executive Council Responsibilities .....	ix
13. Report of the Independent Auditor for the Financial Statements of PNU .....	xi
14. Statement of Financial Performance for the year ended 30 June 2025 .....	1
15 Statement of Financial Position as at 30 June 2025 .....	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025 .....	3
17. Statement of Cash Flows for the year ended 30 June 2025 .....	4
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025 .....	5
19. Notes to the Financial Statements.....	8
20. Appendices .....	39

## 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
PNU	Party of National Unity

### B: Definition of Key Terms

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

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

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

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

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

The Party of National Unity started as a coalition of several parties, including KANU, Narc-Kenya, Ford-Kenya, Ford-People, Democratic Party, Shirikisho, National Alliance Party of Kenya and others. President Mwai Kibaki was the only individual member of PNU, besides the corporate membership through the affiliated parties. The party was created shortly before the elections that were held in December 2007. Since its inception, the party has played a role in promoting national reconciliation, protecting human rights and freedom, inclusivity, and promoting democracy and rule of law. The Party of National Unity was incorporated/ established under **the Political parties Acts 2011**.

. The Party is domiciled in Kenya and has **32 branches**.

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

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

- a) To provide political leadership for a peaceful, just, secure, democratic and prosperous Kenya.
- b) To promote national unity and reconciliation of the people of the Republic of Kenya within the framework of pluralistic democracy and good governance, which is founded on the principles of justice, liberty, equality, transparency, accountability and respect for the rule of law.
- c) To pursue and promote human and people's rights as defined in the Universal Declaration of Human Rights, the African Charter of Peoples' and Human Rights, and the Bill of Rights in the Constitution of the Republic of Kenya.
- d) To promote the objectives and principles of the Constitution of the Republic of Kenya.
- e) To ensure mass participation by all including women, youth, minorities, people living with disabilities, marginalized groups and other interests such as professional organizations, labour unions, community organization and cooperatives who shall all collectively be known as special interest groups.

*Party of National Unity (PNU)*  
*Annual Report and Financial Statements for the year ended June 30, 2025.*

---

**Key Management**

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

<b>No.</b>	<b>Designation</b>	<b>Responsibility</b>
1.	National Executive Committee	Chair the NEC, NGC and NDC meeting in absences of Party Leader
2.	Secretary General	Accounting Officer Spokesperson of the Party
3.	National Treasurer	Manages Party funds and resources.

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	National Chairperson	Eng. David Kamau
2.	Secretary General	Frank Walukwe
3.	National Treasurer	Yuda Imunya

**(d) Fiduciary Oversight Arrangements**

The Party of National Unity (PNU) operates within a fiduciary framework that ensures accountability, transparency, and compliance with the law. At the national level, the Registrar of Political Parties provides regulatory oversight, monitoring the party's adherence to the Political Parties Act, financial reporting requirements, and governance standards. Internally, the party's National Governing Body/NEC (National Executive Council) is the apex decision-making organ responsible for policy direction, approval of budgets, and oversight of resource utilization.

To strengthen financial discipline, PNU has established a Finance Committee tasked with planning, mobilization, and prudent management of party funds. Complementing this is the Audit and Risk Committee, which provides independent assurance by reviewing financial statements, monitoring internal controls, and identifying potential risks to the party's operations. Additionally, elected leaders of the party are subject to scrutiny by Parliamentary Oversight Committees, which ensure that PNU's parliamentary wing upholds constitutional values, financial probity, and ethical conduct in legislative business. Together, these oversight mechanisms safeguard the party's integrity, protect members' contributions, and promote public trust in PNU's governance structures.

*Party of National Unity (PNU)*  
*Annual Report and Financial Statements for the year ended June 30, 2025.*

---

**(e) PNU Headquarters P.O.**

Box 13668-00800,  
Musa Gitau Road,  
Off Waiyaki Way

**(f) Party Contacts**

Telephone +254 111 814 063

E-mail: [info@pnu.co.ke](mailto:info@pnu.co.ke)

Website: <https://pnu.co.ke/#>

**(g) Party Bankers**

National Commercial Bank of Africa (NCBA)  
Karen Branch  
P.O. Box 13668-  
00100 Nairobi, Kenya

**(h) Independent Auditor**




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

**(i) 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  
Frank Walukwe  
P. O. Box .. 13668-00100  
Nairobi, Kenya

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

Ref	Directors	Details
	<p>National Chairperson</p>  <p><b>Eng. David Kamau</b></p>	<p>He is the National Party Chairperson as from 24th February 2022 to date and through his guidance steers and leads National Executive Council</p>
	<p>Secretary General</p>  <p><b>Frank Walukwe</b></p>	<p>He is professional Advocate of High-Court currently running is Law firm by the name Currently Acting National Party Secretary General as from 24th February 2022 to date.</p>
	<p>National Treasurer</p>  <p><b>Yuda Imunya</b></p>	<p>Businessman and Political Consultant, a party supporter since his youth and now the National Party Treasurer from 24th February 2022 to date.</p>

*Party of National Unity (PNU)*  
*Annual Report and Financial Statements for the year ended June 30, 2025.*

---

**4. Key Management/Secretariat Team**

<b>Name</b>	<b>Position</b>	<b>Responsibility</b>
Eng. David Kamau	National Chairperson	Chair the NEC, NGC and NDC meeting in absences of Party Leader
Frank Walukwe	Secretary General	Accounting Officer Spokesperson of the Party
Yuda Imunya	National Treasurer	Manages Party funds and resources.

## **5. Chairperson's Statement**

National Chairperson



**Eng. David Kamau**

On behalf of the National Executive Council (NEC), I am pleased to present the Chairman's Statement for the financial year 2024/2025.

### **Successes**

During the year under review, the Party of National Unity (PNU) recorded notable achievements, including the strengthening of grassroots structures, enhanced membership recruitment, and the continued implementation of our strategic plan. We also made progress in improving internal governance and financial accountability.

### **Challenges**

The Party, however, faced challenges in resource mobilization, compliance demands, and intense political competition, which impacted the pace of program implementation. Notwithstanding these constraints, the NEC remained committed to delivering on its mandate.

### **Changes in NEC**

No changes in NEC IN FY 2024/2025. Top of NEC plan was Stakeholder engagement which remained a key focus, with the Party deepening its collaboration with members, partners, and civil society actors.

### **Implementation of Party Strategic Plan**

Looking ahead, PNU is strategically positioning itself for future political opportunities by consolidating grassroots support, expanding inclusivity, and pursuing issue-based politics. The Party remains dedicated to implementing its strategic plan and strengthening its role in Kenya's democratic space.

### **Stakeholders' Engagements**

Throughout the year, PNU actively engaged with diverse stakeholders, including grassroots members, county party officials, civil society actors, and development partners. These engagements not only enriched our policy outlook but also reinforced our partnerships with like-minded organizations committed to strengthening democracy and governance in Kenya.

*Party of National Unity (PNU)*  
*Annual Report and Financial Statements for the year ended June 30, 2025.*

---

**Political Direction**

Looking ahead, PNU remains steadfast in positioning itself as a credible and people-centered party. Our political direction is anchored on inclusivity, integrity, and issue-based politics.

**Future Opportunities**

With upcoming elections on the horizon, our focus will be on consolidating our grassroots support, deepening youth and women's participation, and building strong alliances that resonate with the aspirations of Kenyans.

I extend appreciation to all members, partners, and supporters for their continued confidence and commitment to the Party.

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

### *Secretary General*



Frank Walukwe

On behalf of the Secretariat, I am pleased to present the Secretary General's Statement for the financial year 2024/2025. This statement highlights the Party's operational and financial performance during the year under review.

#### **Operational Performance**

The Party of National Unity (PNU) continued to strengthen its operations across the country.

Key achievements during the year included:

- **Membership Recruitment:** The Party registered approximately 3700 new members across different counties, bringing total active membership to over 36,000. This growth reflects the confidence Kenyans continue to place in PNU's vision and leadership.
- **Opening of Offices:** To reinforce our presence, the Party opened seven constituency-level offices, bringing our total number of functional offices to 32 nationwide. This expansion has improved accessibility for members and enhanced our capacity to coordinate party activities at the grassroots level.

Collectively, these operational milestones have reinforced PNU's institutional framework and positioned the Party for sustainable growth.

#### **Financial Performance**

The financial year 2024/2025 was guided by an approved budget of Kshs. 6,879,224.00 which prioritized grassroots activities, membership services, stakeholder engagement, and institutional strengthening.

- **Revenue Performance:**
  - Political Parties Fund (PPF): Kshs. 3,712,267
  - Membership Contributions: Kshs. 836,920
  - Fundraising Activities: Kshs. 5,438,100

Total Revenue Realized: Kshs. 9,990,367, representing 194% of the approved budget.

- **Expenditure Highlights:**
  - Party Administration and Operations: Kshs. 3,965,954

*Party of National Unity (PNU)*  
*Annual Report and Financial Statements for the year ended June 30, 2025.*

---

- SIGs (Women and Youth functions): Kshs. 92,500
- Advocacy and Electoral expenses: ksh 2,264,670

Total Expenditure: Kshs. 6,323,124

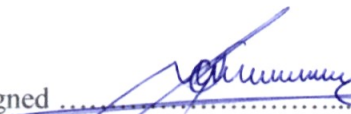
Despite resource mobilization challenges, the Party was able to meet nearly all of its financial commitments while maintaining prudent financial management practices.

#### Conclusion

The Party of National Unity continues to make steady progress in strengthening its structures, expanding its membership, and maintaining financial accountability. As we look to the year ahead, the Secretariat will remain focused on enhancing efficiency, mobilizing additional resources, and supporting the NEC in implementing the Party's strategic plan.

I wish to sincerely thank all members, supporters, and partners whose commitment and contributions sustained our operations during the year. Signed,

Frank Walukwe  
Secretary General  
Party of National Unity (PNU)

Signed  and dated .....01.....day of December 2025  
National Secretary General.  
PNU Party



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

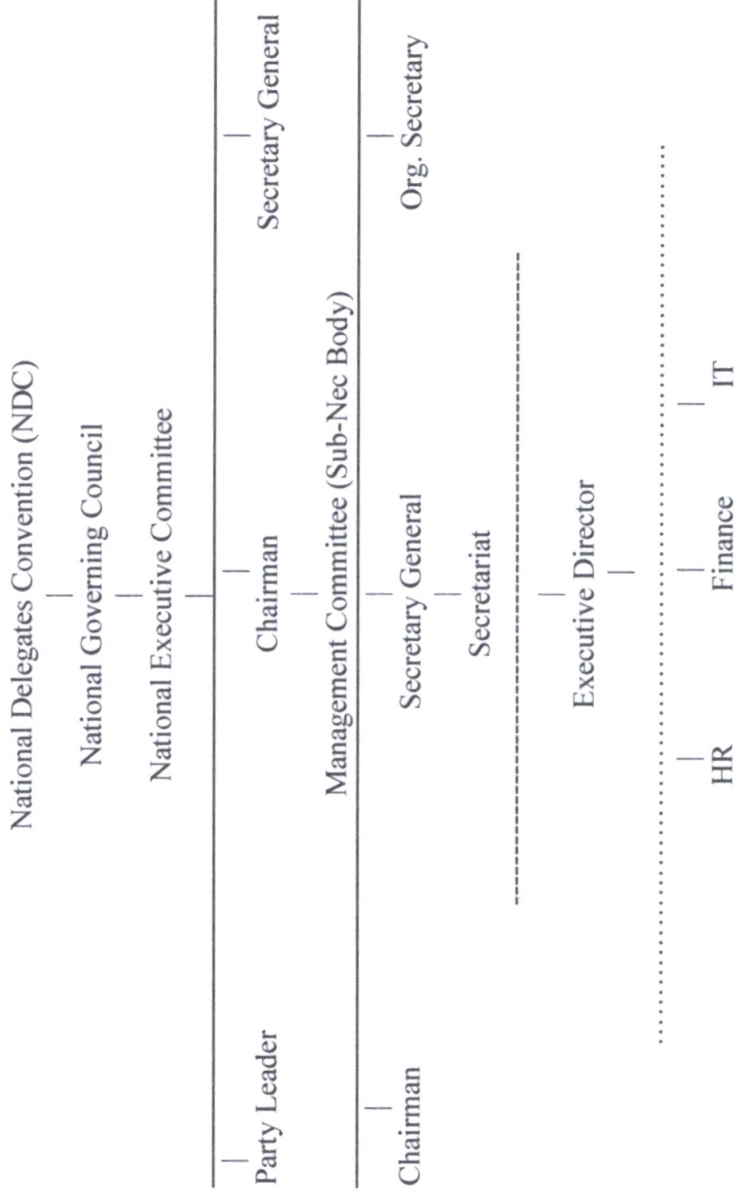
*The Political Party has a strategic plan running from Year 2024 to Year 2025. The Strategic Plan is implemented in annual work plans. The performance of the Party during the year is presented in the table below:*

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members	1,000	900	

**8. Governance Statement**

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

**Organization Chart**



**DUTIES OF PARTY OFFICIALS**

**(a) Party Leader**

The Party Leader shall:

- i) Be the overall Leader of the Party;
- ii) Promote political harmony and unity and overall authority over the other officials;
- iii) Promote political consultation and cooperation with other political parties;
- iv) Chair the National Delegates Convention and the National Governing Council;

**(b) The National Chairperson (NC)**

- i) The NC shall chair the meetings of NEC and in the absence of the Party Leader, shall also chair the NGC and NDC.
- ii) The NC shall ensure discipline and proper order in the party in accordance with this Constitution;
- iii) The NC shall, in all respects, promote unity in the Party and shall represent the party and articulate the Party policy at all fora,
- iv) The NC shall ensure adherence to party policy by officials, members, and all other organs, operation parts and/or subsidiary organs of the Party.

**(c) The Secretary General (SG)**

- i) The Secretary General (SG) shall be responsible for all the Party's affairs at the National Secretariat, the organs or bodies which relate to the National Secretariat and the Party's management from the grassroots to the National level, under the direction of the National Chairperson and the National Executive Committee.
- ii) The Secretary General shall ensure that meetings of the National Executive Committee, the National Governing Council, and the National Delegates Convention take place as provided for in the Constitution and at such other times as may be decided by the National Executive Committee.
- iii) The SG shall maintain or cause to be maintained in the manner prescribed by the law at the head office and at the Branch offices, proper, authentic and accurate records of the following:
  - A register of members,
  - A copy of the Party Constitution,
  - A copy of the Party policies and plans,
  - Particulars of any contributions or pledges of contribution in cash or kind made by the Party founding members,
  - Estimates of expenditure of the Party,
  - Particulars of any Party property including the time and mode of acquisition,
  - The latest audited accounts of the Party.
- iv) The SG shall ensure compliance in the making of all returns, declarations, and submission of documents to the Registrar of Political Parties as required by the law.
- v) The SG shall keep or ensure to be kept a proper record of the minutes and resolutions of all meetings of the National Executive Committee, the National Governing Council, and the National Delegates Convention, and ensure the distribution of such minutes to persons or bodies concerned.
- vi) The Secretary General (SG) shall be the Party's official spokesperson and as such, the only person authorized to institute legal proceedings on behalf of the Party

unless someone else is mandated thereto by a resolution of at least Two-Thirds of the members of NEC

**(d) The National Organizing Secretary (NOS)**

The NOS shall supervise the organization of the Party and in particular the organization of public meetings, functions and meet-the-people tours and recruitment of members. The NOS shall supervise the organization of the National Governing Council meeting and the National Delegates Convention in liaison with the Chairperson, SG and NEC.

**(e) The National Treasurer (NT)**

- i) The NT shall co-ordinate all the fund-raising activities of the Party. The NT shall be in charge of the Party's Financial Affairs and responsible for the National Secretariat's financial transactions under the direction of the National Chairperson and the National Executive Committee,
- ii) The NT shall prepare or cause to be prepared, and submit to the National Executive Committee and the National Governing Council, financial statements every quarter of the year.
- iii) The NT shall ensure a statement of the Party's Sources of Funds is prepared and published in at least two newspapers with nationwide circulation within 90 days of the end of the Party's financial year. The statement shall state:
  - Amount of money received from the Political Parties Fund,
  - Amount of money received from members and supporters,
  - Amount and sources of donations received by the Party,
  - The income and expenditure of the Party, and
  - The assets and liabilities of the Party.
- iv) The NT shall ensure that duly audited Annual Statement of Accounts are circulated to the Branches and to all delegates at the time the notice convening the National Delegates Convention is sent out. The audit of the Annual Statement of Accounts having regard to the purpose of the Political Parties Act shall show the following:
  - Sources of the funds of the Party and prescribed details of contributors;
  - Membership dues;
  - Donations in kind or cash;
  - Indirect contributions to the party and all receipts and disbursements including income and expenditure transactions;
  - All financial transactions and records of assets and liabilities;
  - Such other details as may be prescribed by the law.

**9. Management Discussion and Analysis**

• *Three-year overview of growth in Receipts of the Party*

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Transfers from political parties' fund</i>	3,712,267	5,115,676	-
<i>Public Contributions and Donations in kind</i>	5,438,100	-	-
<i>Members subscriptions</i>	840,000	840,000	-
<b>Total</b>	<b>9,990,367</b>	<b>5,955,676</b>	-
			-

• *Three-year overview of growth in Budget of the Party*

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Revenue	9,990,367	5,955,676	
Expenditures	6,323,124	6,151,050	
<b>Surplus for the period</b>	<b>3,667,243</b>	<b>(195,374)</b>	-

• *Three-year overview of growth in Number of elected representatives and No of Party Branches*

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Number of elected representatives, including SIGs</i>	8	8	
<i>No of Party Branches</i>	32	25	
<i>Membership</i>	36,000	32,300	

## **10. Environmental and Sustainability Reporting**

PNU is committed to reducing environmental impact in its operations. The party is cognizant of adverse environmental effects on sustainability practices. Sustainability is the ability to maintain or continue offering services to the country's citizens over the long term. It is using resources in a way that allows them to replenish and continue supporting life both now and in the future.

### **1. Sustainability Strategy and Profile**

To ensure the sustainability of PNU, the party funds the following key thematic areas/programmes as part of its sustainable priorities:

- a. **Training and Advocacy:** PICK focuses on political education for party members through conducting sensitization forums and customized training. The intention is to empower the party members such that in years to come, the training beneficiaries at all levels will be informed party members creating loyalty to the party, thereby contributing positively to democracy and strengthening the party. This strategy takes care of marginalized groups, women, youth, and people living with disabilities.
- b. **Representation and Participation:** Among its key pillars, PICK aims to achieve representation at County and National Assembly of Special Interest Groups (SIGs) as a priority area with the intention to enhance their participation in political discourse. The strategy is to have a long-term collaborative working approach that enhances community engagement in political participation. This is aimed at increasing the number of SIGs both at County and National Assembly electoral processes. The Party directly engages stakeholders in decision-making and fully considers members.
- c. **Climate Change Mitigation:** PICK acknowledges that all its operations have an impact on the environment. Cognizant of the Sustainable Development Goals, the Party has allocated part of its budget to climate change mitigation activities such as afforestation, re-afforestation, grassroots sensitization, and tree seedling production.
- d. **Environmental Performance:** PICK is cognizant of the Environmental Management and Coordination Act Cap 387 and aspires to comply with all the requirements thereon of a public entity. The party focuses on the following key areas in environmental performance:
  - ✓ **Water Management:** Minimization of water wastage through installation of smart taps, increased monitoring of water use, and ensuring clean water availability in the party offices.
  - ✓ **Waste Management:** The party segregates its waste for reusability and recycling processes. All waste is collected on a timely basis in labelled waste bags and dropped off at collection points.
  - ✓ **Lights:** The party has put in place measures to use clean energy in the office. The party uses energy-saving bulbs and ensures that lights are switched off when not in use.

- ✓ Recycling: The party segregates waste for recycling purposes.
- ✓ Transportation: The party aspires to use low carbon emission modes of transport; pool transport is used during party activities.
- ✓ Digital Documentation: Through digital transformation, the party has reduced the use of paper in printing.
- ✓ Green Energy: The party has explored the use of solar and wind energy in its operations across its activities.

## **2. Employee Welfare**

We invest in providing the best working environment for our employees. PICK recruitment is guided by the Employment Act CAP 226D, Political Parties Act CAP 7D, PICK Human Resource Policy and other regulations as issued from time to time. In line with the laws and regulations, the Party offers equal opportunity to all while adhering to the one-third gender rule and special interest groups. We also recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal and the internal Human Resource Manual.

The Party promotes a healthy lifestyle by encouraging work-life balance and by ensuring all employees are registered with the national health insurance provider (e.g., SHA). Employees are encouraged and supported to build on their skills and knowledge continually. PICK invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The Party has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs.

## **4. Marketplace Practices**

PNU is committed to fair and ethical market practices. The procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants as per the party's finance and procurement manual. We support local vendors to lift them economically. Our ethical market practices ensure the party gets value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers, which are enhanced through organized sensitization forums on the procurement legal framework and ethical subject matters. We are dedicated to honoring all contracts and settling payments promptly.

## **4. Community Engagements**

PNU has endeavored to sustain community engagement through Corporate Social Responsibility (CSR) as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community on the *party mandate through civic education, public barazas, women leagues, youth leagues, and PWDs leagues.*

### **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 PNU's affairs.

#### **i) Principal activities**

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

#### **ii) Results**

The results of the PNU Party for the year ended June 30, 2025 are set out on page ...1 to 5.

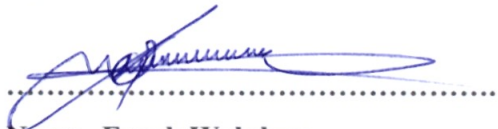
#### **iii) Council Members**

The members of the Governing body/NEC who served during the year are shown on page viii.  
During the year 2024/2025

#### **iv) Auditors**

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

By Order of the Council/Committee



Name **Frank Walukwe**

Secretary General



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

Section 31 of the Political Parties Act Cap 7D and Article 8 of the Party's Constitution, requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

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

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

*Party of National Unity (PNU)*  
*Annual Report and Financial Statements for the year ended June 30, 2025.*

---

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

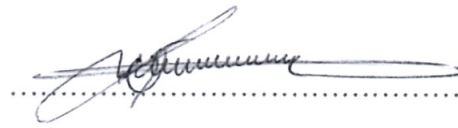
**Approval of the financial statements**

The PNU Party's financial statements were approved by the Board on 28<sup>th</sup> August 2025 and signed on its behalf by:



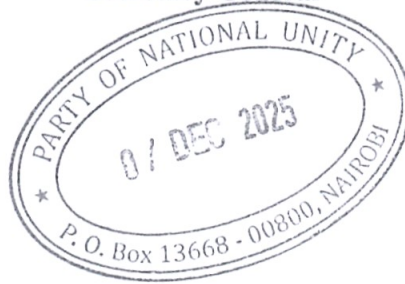
A handwritten signature in black ink, appearing to read 'B. N. N. N.', written over a horizontal dotted line.

**NEC Chairperson**



A handwritten signature in black ink, written over a horizontal dotted line.

**Secretary General**



# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON PARTY OF NATIONAL UNITY (PNU) FOR THE YEAR ENDED 30 JUNE, 2025**

---

### **PREAMBLE**

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

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

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

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

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

#### **Opinion**

I have audited the accompanying financial statements of the Party of National Unity (PNU) set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net

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

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

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget versus and amounts reflects final receipts budget and actual on a comparable basis of Kshs.4,552,267 and Kshs.9,990,367, respectively, resulting to an over-funding of Kshs.5,438,100 or 219 % of the budget. However, the Party spent Kshs.6,323,124 against actual receipts of Kshs.9,990,367 resulting to an under-utilization of Kshs.3,667,243 or 37% of actual receipts.

The under-utilization affected the planned activities and may have impacted negatively service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the prior year's audit report, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the

Party in financial year 2024/2025 revealed that the following six (6) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Under-Collection of Public Contributions and Donations in Kind
2	2023/2024	Failure to Establish Party Offices in at Least 24 Counties
3	2023/2024	Non-compliance with the Administrative Expenses Allocation Set Limit of 30%
4	2023/2024	Lack of an Approved Risk Management Policies and Disaster Recovery Plan
5	2023/2024	Lack of Approved Management Policies and Procedure Manuals
6	2023/2024	Failure to Tag Assets

### Other Information

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

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

#### Conclusion

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

## **Basis for Conclusion**

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

Review of the annual report and financial statements submitted for audit revealed that Appendix I on prior year issues under the status of implementation of Auditor's recommendations has only one (1) issue, instead of nine (9) raised in the previous year's audit report.

In the circumstances, the financial statements did not comply with the Public Sector Accounting Standards Board reporting template.

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

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

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

### **3. Irregular Administrative Expenses**

The statement of financial performance reflects administrative expenses of Kshs.3,965,954 as disclosed in Note 9 to the financial statements. However, the expenditure represents 62% of the total receipts from the Fund, exceeding the limit set by Section 26(1) (f) of the Political Parties Act, 2011. The Act stipulates that administrative and staff expenses should not exceed 30% of the funds allocated to the Political Party, from the Political Parties Fund.

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

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

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

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

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

As previously reported, the Party did not have County Offices. Further, Management did not provide supporting evidence such as lease agreements, staff list, or reports of Party activities to confirm the establishment of offices in at least twenty-four (24) Counties. This was contrary to Section 7(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 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. Lack of a Fixed Asset Register**

The statement of financial position reflects property, plant and equipment balance of Kshs.49,646,594 as disclosed in Note 14 to the financial statements. However, the assets were not supported an updated fixed asset register, contrary to The National Treasury Guidelines on Asset and Liability Management in the Public Sector of March 2020.

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

##### **2. Lack of Internal Audit Function and Audit Committee**

During the year under review, the Party did not have an Internal Audit Unit, contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012, which requires every National Government entity to maintain an internal auditing arrangement that adheres to the guidelines issued by the Public Sector Accounting Standards Board. Further, the Party did not establish an audit committee contrary to Section 73(5) of the Public Finance Management Act, 2012, which states that every National Government public entity shall

establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the Party may not benefit from the oversight role and advice of the Internal Audit Function and Audit Committee.

### **3. Lack of Valid Contracts for Employees**

The statement of financial performance reflects administrative fees amount of Kshs.3,965,954, which includes an of amount Kshs.1,320,000 for employee salaries as disclosed in Note 9 to the financial statements. However, review of documents revealed that the employment contracts for four (4) staff members expired on 3 January, 2024, yet they continue to work for the Party without valid contracts. Further, the employees are not contributing to the National Social Security Fund (NSSF) and the Social Health Insurance Fund (SHIF).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

**11 December, 2025**

**Party of National Unity (PNU)**

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

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue</b>			
Transfers from Political Parties Fund (PPF)	6	3,712,267	5,115,676
Membership Fees	7	840,000	840,000
Public contributions and donations	8	5,438,100	-
<b>Total Revenue</b>		<b>9,990,367</b>	<b>5,955,676</b>
<b>Expenses</b>			
Administrative Expenses	9	3,965,954	5,752,385
Special Interest Groups expenses	10	92,500	398,665
Advocacy and Electoral expenses	11	2,264,670	-
<b>Total expenses</b>		<b>6,323,124</b>	<b>6,151,050</b>
<b>Other gains/(losses)</b>			
<b>Surplus/Deficit</b>		<b>3,667,243</b>	<b>(195,374)</b>

The notes set out on pages 8 to 38 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:



Name:

Frank Walukwe

Date 01 December 2025

Name:

Head of Finance

ICPAK M/No:

Date 01 December 2025



Name:

Eng. David Kamau

Date 01 December 2025

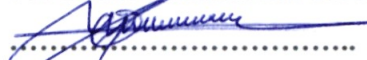
*Party of National Unity (PNU)*

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

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	12	5,821,864	1,337,152
Receivables and advances	13	573,620	1,130,096
<b>Total Current Assets</b>		<b>6,395,484</b>	<b>2,467,248</b>
<b>Non-Current Assets</b>			
Property Plant and Equipment	14	49,646,594	49,725,431
<b>Total Non- Current Assets</b>		<b>49,646,594</b>	<b>49,725,431</b>
<b>Total Assets (A)</b>		<b>56,042,078</b>	<b>52,192,679</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	15	321,473	139,317
<b>Total Current Liabilities</b>		<b>321,473</b>	<b>139,317</b>
<b>Non-Current Liabilities</b>			
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>321,473</b>	<b>139,317</b>
<b>Net Assets (A-B)</b>		<b>55,720,605</b>	<b>52,053,362</b>
<b>Represented by:</b>			
Revaluation Reserves		51,963,079	52,096,436
Accumulated Surplus/deficits		3,757,526	(43,074)
<b>Net Assets</b>		<b>55,720,605</b>	<b>52,053,362</b>

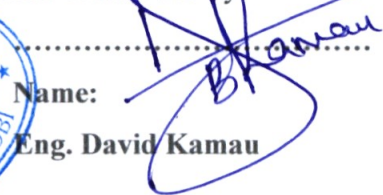
The financial statements set out on pages 1 to 5 were signed on behalf of the NEC by



Name:  
Frank Walukwe

Date 01 December 2025

  
Name:  
Head of Finance  
ICPAK M/No:  
Date 01 December 2025



Name:  
Eng. David Kamau

Date 01 December 2025

*Party of National Unity (PNU)*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

---

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

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at July 1,2024	52,248,736	-	52,248,736
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	(152,300)	152,300	-
Surplus/ deficit for the year	-	(195,374)	(195,374)
As at June 30, 2024	<b>52,096,436</b>	<b>(43,074)</b>	<b>52,053,362</b>
			-
As at July 1, 2025	52,096,436	(43,074)	52,053,362
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	(133,357)	133,357	-
Surplus/ (deficit) for the year	-	<b>3,667,243</b>	<b>3,667,243</b>
As at June 30, 2025	51,963,079	3,757,526	55,720,605

*Party of National Unity (PNU)*

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

---

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

		2024/2025	2023/2024
	Notes	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Political Parties Fund (PPF)	6	4,316,723	4,511,220
Membership Fees	7	792,020	314,360
Public contributions and donations	8	5,438,100	-
<b>Total receipts</b>		<b>10,546,843</b>	<b>4,825,580</b>
<b>Payments</b>			
Administrative Expenses	9	3,650,441	5,460,768
Special Interest Groups expenses	10	92,500	398,665
Advocacy and Electoral expenses	11	2,264,670	-
<b>Total payments</b>		<b>6,007,611</b>	<b>5,859,433</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>4,539,232</b>	<b>(1,033,853)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets		(54,520)	(1,156,400)
<b>Net cash flows from/(used in) investing activities</b>		<b>(54,520)</b>	<b>(1,156,400)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows from financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>4,484,712</b>	<b>(2,190,253)</b>
Cash and cash equivalents at 1 July	12	1,337,152	3,527,405
<b>Cash and cash equivalents at 30 June</b>		<b>5,821,864</b>	<b>1,337,152</b>

*Party of National Unity (PNU)*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

---

**Notes**

<b>Transfers from Political Parties Fund (PPF) Reconciliation</b>	<b>Amount</b>
Actual PPF as per the statement of Performance	3,712,267
PPF Receivables for the FY 2023/2024	604,456
Actual PPF Amounts as per the statement of Cashflow	4,316,723

<b>Membership Fees Reconciliation</b>	<b>Amount</b>
Actual Membership Fees as per the statement of Performance	840,000
Change in Receivable -Member contribution	(47,980)
Actual Membership Fees Amounts as per the statement of Cashflow	792,020

<b>Actual Administrative Expenses Reconciliation</b>	<b>Amount</b>
Actual Administrative Expenses as per the statement of Performance	3,965,954
Depreciation	(133,357)
Change in trade Payables	(182,156)
Actual Administrative Expenses Amounts as per the statement of Cashflow	3,650,441

*Party of National Unity (PNU)*

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

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Carry Overs from the Previous Period</b>					-	
<b>Receipts</b>						
Transfers from Political Parties Fund (PPF)	4,316,723	(604,456)	3,712,267	3,712,267	-	100%
Membership Fees	840,000	-	840,000	840,000	-	100%
Public contributions and donations	-	-	-	5,438,100	(5,438,100)	0%
Investment Income	-	-	-	-	-	0%
Miscellaneous Revenue	-	-	-	-	-	0%
<b>Total</b>	<b>5,156,723</b>	<b>(604,456)</b>	<b>4,552,267</b>	<b>9,990,367</b>	<b>(5,438,100)</b>	<b>219%</b>
<b>Payments</b>						
Administrative Expenses	2,015,016	428,664	2,443,680	3,965,954	(1,522,274)	162%
Special Interest Groups expenses	1,726,689	(241,782)	1,484,907	92,500	1,392,407	6%
Advocacy and Electoral expenses	647,509	966,171	1,613,680	2,264,670	(650,990)	140%
Finance Costs	-	-	-	-	-	0%
Purchase of Assets	-	-	-	-	-	0%
Purchase of Intangible Assets	-	-	-	-	-	0%
Others specify	-	-	-	-	-	0%
<b>Total Expenditure</b>	<b>4,389,214</b>	<b>1,153,053</b>	<b>5,542,267</b>	<b>6,323,124</b>	<b>(780,857)</b>	<b>114%</b>
<b>Surplus for the period</b>	<b>767,509</b>	<b>(1,757,509)</b>	<b>(990,000)</b>	<b>3,667,243</b>		<b>-370%</b>

*Party of National Unity (PNU)*

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

---

**Budget notes**

**Budget Reconciliation**

No	Description	Kshs
1	Actual Surplus Amounts as per the statement of Budget	3,667,243
2	Cash and cash equivalents at the beginning of period	1,337,152
3	PPF Receivables FY 2023/2024	604,456
4	Payables for FY 2024/2025	182,156
5	Depreciation for FY 2024/2025	133,357
6	Receivables FY 2024/2025	(47,980)
7	Purchase of assets	(54,520)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	5,821,864

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

### **1. General Information**

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

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the PNU party 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 PNU party. *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	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the</p>

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

Standard	Effective date and impact:
	transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"><li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li><li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li><li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li></ul>

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

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

IPSAS 50: ***Applicable 1<sup>st</sup> January 2027***

Exploration For & Evaluation of Mineral Resources	The objective of this Standard is to specify the financial reporting for the 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.
--	--

*iii. Early adoption of standards*

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

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Party'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 FY 2024/2025 was approved by the National Assembly on *1<sup>st</sup> July 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 PNU party upon receiving the respective approvals in order to conclude the final budget.

**Budget information (continued)**

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

**c) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over the period. 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 PNU Party. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The PNU Party also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the PNU Party will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**f) Intangible assets**

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

**g) Research and development costs**

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

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

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

**h) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

The PNU Party 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 PNU Party 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) .

**b) Financial liabilities**

**Classification**

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

**i) Inventories**

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

**j) Provisions**

Provisions are recognized when the *PNU Party* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *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 *PNU Party* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**l) Contingent assets**

The *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 PNU Party does not create and maintain reserves in terms of specific requirements.

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

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

**o) Employee benefits**

**Retirement benefit plans**

The PNU Party 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 PNU Party regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the PNU Party, 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 PNU Party 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 PNU Party.
- 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	3,712,267	5,115,676
	-	-
<b>Total</b>	<b>3,712,267</b>	<b>5,115,676</b>

**7. Membership Fees**

Description	2024/2025	2023/2024
	Kshs	Kshs
Nomination fees	-	-
Subscription fees	840,000	840,000
<b>Total</b>	<b>840,000</b>	<b>840,000</b>

**8. Public Contributions and Donations**

Description	2024/2025	2023/2024
	Kshs	Kshs
Party Fundraising events	5,438,100	-
<b>Total</b>	<b>5,438,100</b>	<b>-</b>

**9. Administrative Expenses**

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Salaries and Wages	9(a)	1,320,000	1,320,000
Staff welfare		-	150,000
Repair and Maintance		-	76,880
Stationaries & printing		15,290	-
Media & publications		11,368	246,248
Honorium Expenses		724,000	1,792,000
Utilities	9(b)	96,600	103,614
Professional Fees	9(c)	144,500	116,000
Security		432,936	432,941
Internet		69,588	69,588
PNU @15 yrs		-	1,097,155
Nec Meeting Expenses		436,735	-
Depreciation		133,357	152,300

*Party of National Unity (PNU)*

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Web Hosting		114,680	-
Bank charges		14,740	24,309
Management Meeting Expenses		307,140	
office operation expenses		145,020	171,350
<b>Total Administrative Expenses</b>		<b>3,965,954</b>	<b>5,752,385</b>

**9(a) Salaries and Wages**

Description	2024/2025	2023/2024
	Kshs	Kshs
Volunteer allowances	1,320,000	1,320,000
<b>Total Salaries and Wages</b>	<b>1,320,000</b>	<b>1,320,000</b>

**9(b) Utilities**

Description	2024/2025	2023/2024
	Kshs	Kshs
Water & Sewerage	11,800	6,680
Electricity	84,800	96,934
<b>Total Utilities</b>	<b>96,600</b>	<b>103,614</b>

**9(c) Professional Fees**

Description	2024/2025	2023/2024
	Kshs	Kshs
Auditing Consultant fee	144,500	116,000
<b>Total Professional Fees</b>	<b>144,500</b>	<b>116,000</b>

**10. Special Interest Groups**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transport	92,500	-
<b>Total</b>	<b>92,500</b>	<b>398,665</b>

Notes to the Financial Statements (Continued)

11. Advocacy and Electoral Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
People dialogue festivals	207,970	-
Barazas	343,000	-
Printing and Bradding Cost	1,713,700	-
<b>Total</b>	<b>2,264,670</b>	<b>-</b>

12. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	5,821,864	1,337,152
<b>Total Cash and Cash Equivalents</b>	<b>5,821,864</b>	<b>1,337,152</b>

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
<b>a) Current Account</b>			
NCBA	3774540011	293,916	642,898
NCBA	3774540027	5,527,948	694,254
<b>Sub- Total</b>		<b>5,821,864</b>	<b>1,337,152</b>

13. Receivables and advances

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Receivables</b>		
PPF Transfers	-	604,456
Prepayments	573,620	525,640
<b>Total Current Receivables</b>	<b>573,620</b>	<b>1,130,096</b>

*Party of National Unity (PNU)*

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

**14. Property, Plant and Equipment**

Cost	Land & Building	Furniture and fittings	Computers	Office Equipments	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
	0%	10%	25%	10%	
<b>2023/2024</b>					-
As At 1st July 2023	-	-	-	-	-
Additions	48,721,331	739,000	244,400	173,000	<b>49,877,731</b>
As at 30 <sup>th</sup> June, 2024	48,721,331	739,000	244,400	173,000	<b>49,877,731</b>
Depreciation And Impairment					-
At 1st July 2023					-
Accumulated depreciation	-	-	-	-	-
Depreciation		73,900	61,100	17,300	<b>152,300</b>
As at 30 <sup>th</sup> June, 2024	-	73,900	61,100	17,300	<b>152,300</b>
Net Book Values					-
As at 30 <sup>th</sup> June 2024	48,721,331	665,100	183,300	155,700	<b>49,725,431</b>
<b>2024/2025</b>					-
As At 1st July 2024	48,721,331	739,000	244,400	173,000	<b>49,877,731</b>
Additions	-	-	-	54,520	<b>54,520</b>
As at 30 <sup>th</sup> June, 2025	48,721,331	739,000	244,400	227,520	<b>49,932,251</b>

*Party of National Unity (PNU)*

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

Cost	Land & Building	Furniture and fittings	Computers	Office Equipments	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
	0%	10%	25%	10%	
Depreciation And Impairment					-
At 1st July 2024					-
Accumulated depreciation	-	73,900	61,100	17,300	<b>152,300</b>
Depreciation		66,510	45,825	21,022	<b>133,357</b>
As at 30th June, 2025	-	140,410	106,925	38,322	<b>285,657</b>
Net Book Values					-
As at 30th June, 2025	48,721,331	598,590	137,475	189,198	<b>49,646,594</b>

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

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land and Building	48,721,331		48,721,331
Office equipment	227,520	38,322	189,198
Computers And Related Equipment	244,400	106,925	137,475
Office Furniture, And Fittings	739,000	140,410	598,590
<b>Total</b>	<b>49,932,251</b>	<b>285,657</b>	<b>49,646,594</b>

**15. Trade and Other Payables**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Security cost		211,473		139,317
staff Salary		110,000		
<b>Total trade and other payables</b>		<b>211,473</b>		<b>139,317</b>
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>2023/2024</b>	<b>% of the Total</b>
Under one year	182,156	57%	139,317	100%
1-2 years	139,317	0%	-	0%
2-3 years				
Over 3 years				
<b>Total (tie to above total)</b>	<b>321,473</b>	<b>57%</b>	<b>139,317</b>	<b>100%</b>

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

**16. Cash Generated from Operations**

	2024/2025	2023/2024
Description	Kshs	Kshs
Surplus for the year	3,667,243	(195,374)
Adjusted for:		
Depreciation	133,357	152,300
Working capital adjustments		
Increase in receivables	556,476	(1,130,096)
Increase in payables	182,156	139,317
Net cash flow from operating activities	4,539,232	(1,033,853)

**17. Financial Risk Management**

The PNU Party's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Party'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 PNU Party has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the 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 PNU Party's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully	Past	Impaired
	Kshs	performing	due	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables	573,620	573,620	-	-
Bank balances	5,821,864	5,821,864	-	-
<b>Total</b>	<b>6,395,484</b>	<b>6,395,484</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2024</b>				
Receivables	1,130,096	1,130,096	-	-
Bank balances	1,337,152	1,337,152	-	-
<b>Total</b>	<b>2,467,248</b>	<b>2,467,248</b>	<b>-</b>	<b>-</b>

**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 Party 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 Party's directors, who have built an appropriate liquidity risk management framework for the management of the PNU Party'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 PNU Party's 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.

*Party of National Unity (PNU)*

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	-	139,317	-	139,317
<b>Total</b>	-	<b>139,317</b>	-	<b>139,317</b>
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	182,156	-	139,317	<b>321,473</b>
<b>Total</b>	<b>182,156</b>	-	<b>139,317</b>	<b>321,473</b>

**iii) Market risk**

The Party Party's has put in place an internal audit function to assist it in assessing the risk faced by the PNU Party's 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 PNU Party's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Interest rate risk**

Interest rate risk is the risk that Party'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.

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

### **Sensitivity analysis**

The Party analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

### **Financial Risk Management**

#### **Fair value of financial assets and liabilities**

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

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

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

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

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

**iv) Capital Risk Management**

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

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation Reserve	51,963,079	52,096,436
Retained Earnings	3,757,526	(43,074)
<b>Total Funds</b>	<b>55,720,605</b>	<b>52,053,362</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	(5,821,864)	(1,337,152)
Net Debt/(Excess Cash And Cash Equivalents)	49,898,741	50,716,210
<b>Gearing</b>	<b>90%</b>	<b>97%</b>

**18. Related Party Disclosures**

**Nature of related party relationships**

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

**Related parties include:**

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

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>a) Grants /transfers from the government</b>		
Grants from Political Parties Fund	3,712,267	5,115,676
<b>Total</b>	<b>3,712,267</b>	<b>5,115,676</b>

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

**19. Contingent Assets and Contingent Liabilities**

*No any Contingent assets or liability held by the Party.*

**20. Events after the Reporting Period**

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

**Party of National Unity (PNU)  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**20. Appendices**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Under collection of public contribution	Policies put in place for non-compliance members	resolved	



Secretary General

Date: 01 December 2025



*Party of National Unity (PNU)*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Appendix II: Transfers from Political Parties Fund**

No	Source of Funds (Entity)	Amount	Date Received	Financial Year the funds relates to
1	Political Parties Fund	1,079,181	14/10/2024	FY 2024/25
2	Political Parties Fund	1,079,181	7/01/2025	FY 2024/25
3	Political Parties Fund	1,079,181	303/2025	FY 2024/25
4	Political Parties Fund	474,725	28052025	FY 2024/25
5	Political Parties Fund	604,456	08072024	FY 2023/24