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REPORT

OF

THE AUDITOR-GENERAL

ON

GREEN THINKING ACTION PARTY

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11 MAR 2026

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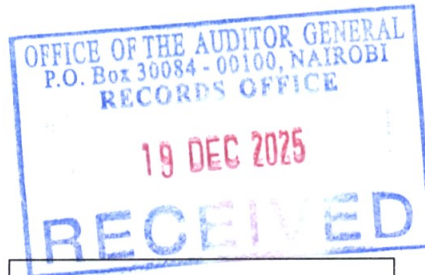
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BY:

DEPUTY MAJORITY
PARTY WHTP

CLERK-AT
THE-TABLE:

OBIERO





30th June 2025



GREEN THINKING ACTION PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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Green Thinking Action Party

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

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

B: Definition of Key Terms

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

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

Comparative Year- Means the prior period.

2. Key Political Party Information and Management

(a) Background information

Green Thinking Action Party was fully registered under the Political Parties Act, CAP. 7D on 18th October 2021. The Party is domiciled in Kenya and has 24 branches.

(b) Principal Activities

The Green Thinking Action Party is a reform-oriented political party rooted in environmentalism, leveraging green philosophy to promote inclusive, sustainable, and grassroots-based political engagement. It recruits and mobilizes members, nominates candidates, promotes inclusive representation, and sensitizes citizens on governance and electoral processes, while fostering unity, civic participation, and championing green, people-centred policies that shape and influence national development.

Vision

A Green Prosperity to every Kenyan Household.

Mission

To enhance a Society that treat each other kindly through upholding social ethics, training on life skills, promote good health, peace within communities and to create sustainable livelihood and lastly practising actual environmental conservation.

(c) Key Management

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

| No. | Designation | Responsibility |
|-----|----------------------|--------------------------|
| 1. | NEC | Decision Making |
| 2. | SG | Accounting Officer |
| 3. | NATIONAL SECRETARIAT | Daily Operations |
| 4. | EXECUTIVE DIRECTOR | Administrative functions |

(d) Fiduciary Management

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

| No. | Designation | Name |
|-----|--------------------------|-----------------|
| 1. | Secretary General | Lone Felix |
| 2. | National Chairman | James Oketch |
| 3. | Executive Director | Joseph Kithyaka |
| 4. | National Treasurer | Anthony Mbandi |
| 5. | Deputy Secretary General | Harizon Ochieng |

(e) Fiduciary Oversight Arrangements

The Party's financial management is subject to a robust oversight framework. The Registrar of Political Parties provides statutory supervision to ensure compliance with the Political Parties Act. Internally, the National Executive Council (NEC) approves budgets and strategic allocations, supported by the National Secretariat that oversees planning and expenditure controls. An independent Audit Committee ensures sound internal controls, risk management, and liaison with auditors. These mechanisms are complemented by external audits and internal reviews to safeguard transparency and accountability.

(f) Party Headquarters

P.O Box 9164-00200
G-TAP Centre, Outering Road
21 Old Donholm
Nairobi, Kenya.

(g) Party Contacts

Telephone: (254) 797111112
E-mail: info@thegtap.org
Website: thegtap.org

(h) Party Bankers

Ecobank Kenya Limited
Karen office Park, Langata Road
P.O Box 79587-00100
Nairobi, Kenya

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

3. The National Executive Council

| NO. | NAME | GENDER | DESIGNATION | DATE OF ASSUMPTION |
|-----|-----------------------|--------|--|--------------------------------|
| 1. | Dr. Isaac Kalua Green | Male | Party Leader | 22 nd February 2022 |
| 2. | James Oketch Otieno | Male | National Chairperson | 22 nd February 2022 |
| 3. | Florence Wanjiru | Female | Deputy National Chairperson | 22 nd February 2022 |
| 4. | Lone Felix | Male | Secretary General | 22 nd February 2022 |
| 5. | Harison Ochieng | Male | Deputy Secretary General | 22 nd February 2022 |
| 6. | Anthony Mbandi | Male | National Treasurer | 22 nd February 2022 |
| 7. | Ronald Kiplimo | Male | Deputy National Treasurer | 22 nd February 2022 |
| 8. | Jane Awuor | Female | National Secretary for Foreign Affairs | 22 nd February 2022 |
| 9. | Charles Ngathanya | Male | National Communication Secretary | 22 nd February 2022 |
| 10. | Lenah Kitavi | Female | National Publicity & Propaganda Secretary | 22 nd February 2022 |
| 11. | Charity Barasa | Female | Youth Secretary | 22 nd February 2022 |
| 12. | Knight Chepngetich | Female | Women Secretary | 22 nd February 2022 |
| 13. | Gabriel Ashayo | Male | Special Interest Group, Marginalized | 22 nd February 2022 |
| 14. | Ruth Wangui | Female | Education Secretary | 22 nd February 2022 |
| 15. | Benard Chepkoria | Male | Membership, Labor & Human Resources | 22 nd February 2022 |
| 16. | Jackson Nyawa | Male | Special Interest Group, Disability Affairs | 22 nd February 2022 |
| 17. | David Bwakali | Male | Special Programmes | 22 nd February 2022 |
| 18. | Joseph Kithyaka | Male | Devolution & Political Affairs | 22 nd February 2022 |
| 19. | George Odede | Male | Deputy Devolution & Political Affairs | 22 nd February 2022 |
| 20. | Hadija Bewa | Female | Deputy Devolution & Political Affairs | 22 nd February 2022 |
| 21. | Jackson Mati | Male | Security & Social Affairs | 22 nd February 2022 |
| 22. | Evans Kipkoech | Male | Environment Secretary | 22 nd February 2022 |
| 23. | Wislen Chepkemboi | Female | Legal Affairs Secretary | 22 nd February 2022 |

4. National Secretariat Team

| Name | Position | Responsibility |
|--------------------|---------------------------------------|--|
| Lone Felix | Secretary General | Accounting Officer/ Secretary to the NEC |
| Harizon Ochieng | Deputy Secretary General | Compliance Officer |
| Joseph Kithyaka | Executive Director | Head of Secretariat |
| Esther Mbula | Operations Manager | Daily Operations |
| Lenah Kitavi | Publicity & Communications Officer | Social Media & Communications Management |
| Ronald Kiplimo | Deputy Treasurer | Finance |
| David Kiseko | Head of Logistics | Logistical Operations |
| Knight Chepngetich | Programmes Officer | Programs Coordination |
| Casimir Rutere | Membership Officer | Membership Recruitment |

5. Chairman's Statement

During the year under review, the Party recorded notable milestones in advancing its reform and green-oriented agenda. Among our successes, we strengthened grassroots structures, enhanced visibility through civic education, and actively engaged in issue-based advocacy that positioned us as a credible voice on environmental conservation and governance reforms.

At the same time, the Party faced challenges including limited financial resources, low public awareness of our policies, and logistical constraints in reaching all regions. These challenges, however, provided learning opportunities that informed adjustments in our approach.

On the strategic plan, steady progress was made in institutional strengthening, policy development, and membership recruitment, although some targets were delayed due to resource constraints.

The Party prioritized stakeholder engagements with citizens, civil society, and partner institutions, fostering dialogue on environmental and governance issues while building stronger networks for collaboration.

Looking ahead, the Party remains committed to a clear political direction anchored on environmentalism, social justice, and grassroots participation. We continue to position ourselves as a reformist, issue-based political force.

The coming year presents future opportunities, including leveraging the Political Parties Fund to expand civic education, increasing participation of youth and women, and deepening our policy influence in both local and national debates. With continued stakeholder support, we are confident in consolidating our gains and achieving our long-term vision.



James Otieno Oketch
NATIONAL CHAIRPERSON

6. Report of the Secretary-General

In the year under review, the Party made notable progress in strengthening its structures, expanding membership, and enhancing visibility. Membership recruitment remained a priority, with significant growth among youth and women. To support grassroots coordination, the Party opened and operationalized the Marsabit County office, which now serves as a hub for recruitment, civic education, and policy advocacy. The Party also improved its digital platforms to ease access to services and communication with members.

Financially, the Party operated within the approved budget as sanctioned by the National Executive Council. Key priorities included administration, membership mobilization, representation of special interest groups, policy development, and civic education. Revenue was primarily drawn from the Political Parties Fund, complemented by membership subscriptions and contributions.

Expenditure was guided by strict financial management, with resources directed toward grassroots activities, membership services, compliance, and policy work. A significant portion supported special interest groups women, youth, and persons with disabilities demonstrating the Party's commitment to inclusivity. Administrative costs were maintained within the 30% ceiling as required by law.

In summary, the Party registered important gains in both operational and financial performance. While resource constraints continue to pose challenges, the Party has established a firm foundation for sustainable growth. Moving forward, the focus will be on expanding our membership base, enhancing grassroots capacity, mobilizing additional resources, and deepening our influence in shaping public policy.



Lone Felix
SECRETARY GENERAL

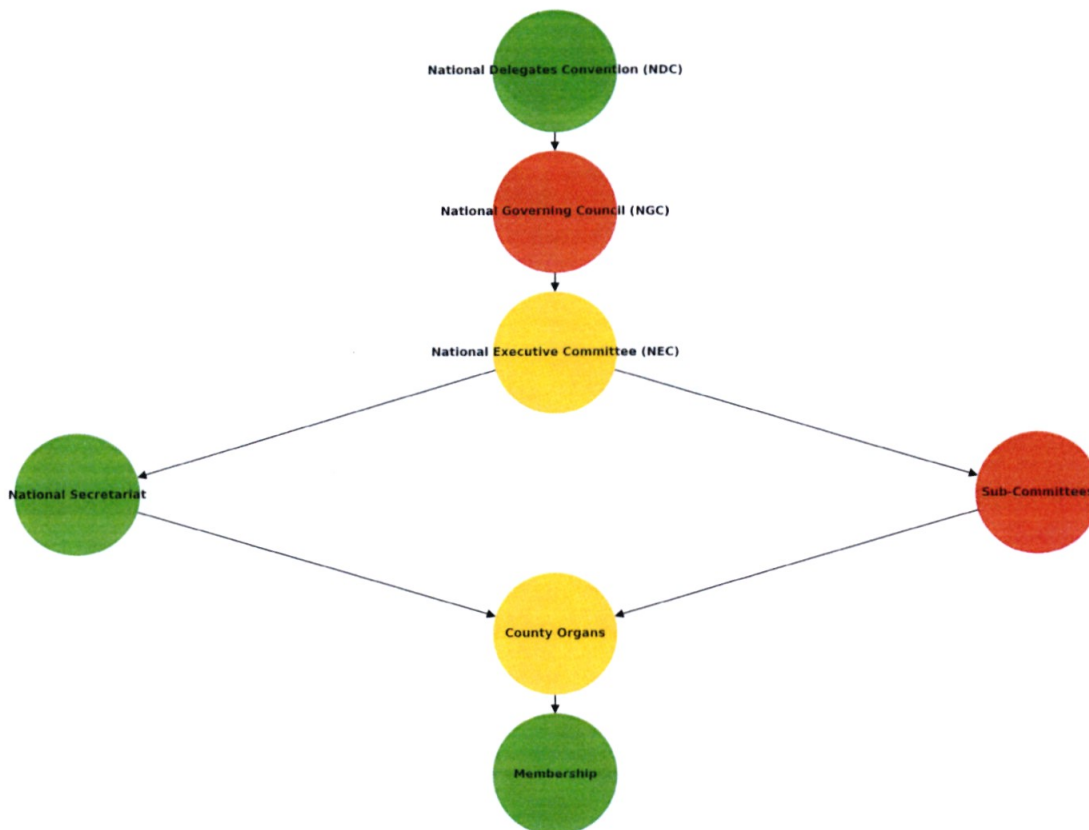
7. Statement of Performance against Predetermined Objectives for FY 2024/2025

The Political Party has a strategic plan running from Year 2022 to Year 2032. 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 | 100,000 | 40,972 | |
| | | | | | |

8. Governance Statement

The Green Thinking Action Party (GTAP) operates under a clear governance framework as provided in its Constitution, anchored on inclusivity, accountability, and internal democracy.



National Delegates Convention (NDC)

The NDC is the Party’s supreme decision-making organ. It is composed of delegates drawn from all counties, elected representatives from grassroots organs, members of the NEC, and other categories as defined in the Constitution. The NDC meets at least once every five years and provides overall direction, approves amendments to the Constitution, and elects members of the NEC.

National Governing Council (NGC)

The NGC serves as the policy organ of the Party, bridging the NDC and NEC. Its composition includes NEC members, county representatives, and other officials as provided by the Constitution. It meets at least once annually to review Party performance, approve broad policy priorities, and oversee NEC implementation of NDC resolutions.

National Executive Council (NEC)

The NEC is the Governing Body responsible for day-to-day leadership and implementation of Party policies and programs. It is composed of elected national officials, including the Party Leader, Chairperson, Secretary General, Treasurer, and other officials. The NEC meets quarterly and provides oversight on administration, finance, and political strategy.

Committees of the NEC

To strengthen governance, the NEC has established standing and ad hoc committees with specialized roles:

- Dispute Resolution Committee – Mediates and resolves intra-party conflicts in line with the Constitution and Political Parties Act.
- Disciplinary Committee – Handles breaches of Party discipline and ensures adherence to the Code of Conduct.
- Elections Board – Oversees Party primaries, grassroots elections, and nominations to ensure fairness and transparency.
- Finance Committee – Supervises budgeting, fundraising, and resource mobilization, ensuring compliance with financial regulations.
- Audit and Risk Committee – Provides independent oversight on financial integrity, risk management, and compliance with statutory reporting.
- Other Committees – May be constituted by the NEC from time to time to handle specific functions as required.

Lower-Level Organs

At the grassroots, County, Constituency, Ward, and Polling Station Committees ensure direct membership engagement, recruitment, civic education, and mobilization. These organs report upwards to the NEC through structured channels, guaranteeing representation at all levels.

This governance arrangement ensures that GTAP remains transparent, accountable, and responsive to members, while upholding its core values of green democracy, reform, and environmental stewardship.



Lone Felix
SECRETARY GENERAL

9. Management Discussion and Analysis

This section provides an overview of the Party's performance trends over the last five years (2021–2025).

1. Membership Trends

Membership has grown steadily, reflecting the Party's efforts to expand its grassroots base and strengthen inclusivity. The largest increases have been among youth and women, while participation of Special Interest Groups (SIGs) continues to improve.

Table 1: Membership Growth (2021–2025)

| Year | Total Members | Growth Rate % |
|------|---------------|---------------|
| 2021 | 37,991 | – |
| 2022 | 38,736 | 1.96% |
| 2023 | 39,481 | 1.92% |
| 2024 | 40,226 | 1.89% |
| 2025 | 40,972 | 1.85% |

2. Party Branches

Table 2: Party Branches (2021–2025)

| Year | County Branches |
|------|-----------------|
| 2021 | 24 |
| 2022 | 24 |
| 2023 | 24 |
| 2024 | 24 |
| 2025 | 25 |

Conclusion

Overall, the Party has registered steady growth in membership and institutional structures. The main challenge remains heavy reliance on the Political Parties Fund, but the Party is making progress in building sustainable, member-driven financing. Moving forward, focus will remain on strengthening grassroots structures, enhancing inclusivity, and deepening policy influence.

10. Environmental and Sustainability Reporting

i) Sustainability Strategy and Profile

The Party's sustainability strategy is rooted in its green philosophy, guided by environmental justice, social equity, and good governance. Aligned with the SDGs and Paris Climate goals, the Party prioritizes climate advocacy, institutional greening, and community action. Despite resource constraints, sustainability has been mainstreamed into Party activities.

ii) Environmental Performance

The Party is guided by a formal Environmental Policy that emphasizes biodiversity protection, climate resilience, waste reduction, and sustainable resource use. Practical efforts include: Tree-planting campaigns in collaboration with county branches and adoption of a "Green Office" initiative with digital record-keeping to reduce paper usage, and recycling bins in national and county offices.

iii) Employee Welfare

The Party depends mainly on volunteers, guided by inclusive policies that ensure gender balance, youth participation, and opportunities for PWDs. Recruitment and engagement follow constitutional and stakeholder principles. Capacity is built through training on leadership, digital tools, and policy advocacy.

(a) Responsible Supply Chain - Suppliers are treated fairly with transparent procurement and timely payments.

(b) Responsible Marketing - Communications adhere to ethical standards, promoting truthfulness, diversity, and inclusivity.

(c) Product Stewardship - Policies, manifestos, and civic education materials are developed to safeguard rights and empower citizens.

iv) Corporate Social Responsibility / Community Engagements

The Party remained active in community-based environmental and social programs, aligning CSR with its green agenda. Activities during the year included: Tree-planting drives and Civic education forums promoting youth and women participation in governance.

These initiatives reinforced the Party's role as a socially responsible institution, with measurable impact in both environmental conservation and community resilience.

11. Report of the National Executive Council

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

i) Principal activities

The principal activities of the Party are reported on page iii

ii) Results

The results of the Entity for the year ended June 30, 2025, are set out on page 1 to 8.

iii) Council Members

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

iv) Auditors

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

By Order of the Council/Committee



.....
Lone Felix
Secretary General

12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and Article 7 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 (period) ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Party; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Party; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

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

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 Party's financial statements were approved by the Board on 27th August 2025 and signed on its behalf by:



.....
James Otieno Oketch
National Chairperson



.....
Lone Felix
Secretary General

REPUBLIC OF KENYA



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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Green Thinking Action Party set out on pages 1 to 55, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net

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

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

Basis for Qualified Opinion

Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.313,420 as disclosed in Note 23 to the financial statements. However, the fixed assets register presented for audit did not include the net book values of the assets. Further, the assets were not tagged with unique identification numbers.

In the circumstances, the accuracy and completeness of the property plant and equipment balance of Kshs.313,420 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

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

| No. | Financial Year | Audit Issue |
|------------|-----------------------|---|
| 1 | 2023/2024 | Inaccuracies in the Financial Statement |
| 2 | 2023/2024 | Unsupported Cash and Cash Equivalents |
| 3 | 2023/2024 | Late Submission of Financial Statements for Audit |
| 4 | 2023/2024 | Failure to Establish Party Offices in at Least 24 Counties |
| 5 | 2023/2024 | Non-Compliance with Public Sector Accounting Standards Board Reporting Requirements |
| 6 | 2023/2024 | Lack of Internal Audit Function |

Other Information

The Management is responsible for the Other Information set out on page iii to viii which comprise of Key Political Party Information and Management, The National Executive Council, National Secretariat Team, Chairman's Statement, Report of the Secretary-General, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the National Executive Council, and the Statement of the 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 a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

The annual report and financial statements for the year ended 30 June, 2025 were submitted on 3 September, 2025, which was three (3) days after the statutory timeline of 31 August, 2025. This was contrary to The National Treasury Circular dated 4 December, 2024, which directed all public entities to prepare and submit financial statements for audit by 31 August of each year.

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

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

As previously reported, the records indicate that the Party has established offices in only eight (8) Counties. This was contrary to Section 7(2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered Political Party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the Political Party, which shall be in more than half of the Counties.

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

3. Non-Compliance with Law on Affirmative Action

Review of the Party's employee records revealed that out of the eight (8) volunteers, none is a person with disability. This was contrary to Article 54(2) of the Constitution of Kenya, 2010, which requires the progressive attainment of at least 5% representation of Persons with Disabilities in elective and appointive public entities.

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

4. Non-Compliance with Climate Change Financing Requirements

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

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain

assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

Lack of Internal Audit Function and Audit Committee

During the period under review, the Party had not established an Audit Committee and Internal Audit Unit as required by Section 73(1)(a) of the Public Finance Management Act, 2012, which states that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, the Party did not establish an Audit Committee as required by Section 73(5), which states that every national government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the effectiveness of the Party's internal controls, risk management and governance could not be effectively assessed.

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

Responsibilities of Management and those Charged with Governance

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

Green Thinking Action Party
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 |
| Revenue | | | |
| Transfers from Political Parties Fund (PPF) | 6 | 484,831.00 | 319,051.00 |
| Membership Fees | 7 | 0 | 0 |
| Public contributions and donations | 8 | 1,923,700.00 | 1,349,996.00 |
| Investment Income | 9 | 0 | 0 |
| Miscellaneous Revenue | 10 | 0 | 0 |
| Total Revenue | | 2,408,531.00 | 1,669,047.00 |
| Expenses | | | |
| Administrative Expenses | 11 | 2,115,398.00 | 1,997,503.00 |
| Special Interest Groups expenses | 12 | 0 | 0 |
| Advocacy and Electoral expenses | 13 | 280,920.00 | 0 |
| Finance Cost | 14 | 0 | 0 |
| Total expenses | | 2,396,318.00 | 1,997,503.00 |
| Other gains/(losses) | | | |
| Gain/Loss on sale of assets | 15 | 0 | 0 |
| Gain/Loss on foreign exchange transactions | 16 | 0 | 0 |
| Gain /Loss on fair value of investments | 17 | 0 | 0 |
| Impairment loss | 18 | 0 | 0 |
| Surplus/Deficit | | 12,213.00 | (328,456.00) |

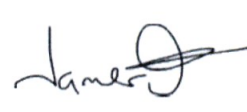
The notes set out on pages form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 8 were signed on behalf of the NEC by:



.....
Name: Lone Felix
Secretary General



.....
Name: Anthony Mbandi
Treasurer



.....
Name: James Otieno Oketch
National Chairperson

Date: 27th August 2025

15 Statement of Financial Position as at 30 June 2025

| | Notes | 2024-2025 | 2023-2024 |
|---------------------------------------|-------|-------------------|-------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash equivalents | 19 | 245,722.00 | 100,908.00 |
| Receivables and advances | 20 | 0 | 78,944.00 |
| Inventories | 21 | 0 | 0 |
| Investments (current) | 22 | 0 | 0 |
| Total Current Assets | | 245,722.00 | 179,852.00 |
| | | | |
| Non-Current Assets | | | |
| Investments | 22 | 0 | 0 |
| Property Plant and Equipment | 23 | 313,420.00 | 363,878.00 |
| Intangible Assets | 24 | 0 | 0 |
| Investment Property | 25 | 0 | 0 |
| Total Non- Current Assets | | 313,420.00 | 363,878.00 |
| Total Assets (A) | | 559,142.00 | 543,730.00 |
| | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 26 | 410,600.00 | 407,400.00 |
| Refundable Deposits from Customers | 27 | 0 | 0 |
| Current Provision | 28 | 0 | 0 |
| Finance Lease Obligation | 29 | 0 | 0 |
| Deferred Income | 30 | 0 | 0 |
| Current Portion of Borrowings | 31 | 0 | 0 |
| Total Current Liabilities | | 410,600.00 | 407,400.00 |
| | | | |
| Non-Current Liabilities | | | |
| Non-Current Provisions | 28 | 0 | 0 |
| Borrowings | 31 | 0 | 0 |
| Total Non- Current Liabilities | | 0 | 0 |
| Total Liabilities (B) | | 410,600.00 | 407,400.00 |
| | | | |

Green Thinking Action Party
Annual Report and Financial Statements for the year ended June 30, 2025.

| | Notes | 2024-2025 | 2023-2024 |
|------------------------------|-------|-------------------|-------------------|
| | | Kshs | Kshs |
| Net Assets (A-B) | | 559,142.00 | 136,330.00 |
| Represented by: | | | |
| Revaluation Reserves | | 0 | 0 |
| Accumulated Surplus/deficits | | (558,543.00) | (570,756.00) |
| Capital Fund | | 707,086.00 | 707,086.00 |
| Net Assets | | 148,543.00 | 136,330.00 |

The financial statements set out on pages 16 to 55 were signed on behalf of the NEC by:



.....
Name: Lone Felix
Secretary General

Date: 27th August 2025



.....
Name: Anthony Mbandi
Treasurer



.....
Name: James Otieno Oketch
National Chairperson

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

| Description | Revaluation reserve | Accumulated Surplus | Capital Fund | Total |
|--|----------------------------|----------------------------|---------------------|-------------------|
| | Kshs | Kshs | Kshs | Kshs |
| As at July 1, 2023 | 0 | (242,300.00) | 790,070.00 | 547,770.00 |
| Revaluation gain | 0 | 0 | 0 | 0 |
| Founder Member Contributions | 0 | 0 | (82,984.00) | (82,984.00) |
| Surplus/ deficit for the year | 0 | (328,456.00) | 0 | (328,456.00) |
| As at June 30, 2024 | 0 | (570,756.00) | 707,086.00 | 136,330.00 |
| | | | | |
| As at July 1, 2024 | 0 | (570,756.00) | 707,086.00 | 136,330.00 |
| Revaluation gain | 0 | 0 | 0 | 0 |
| Transfer of excess depreciation on revaluation | 0 | 0 | 0 | 0 |
| Surplus/ (deficit) for the year | 0 | 12,213.00 | 0 | 170,097.00 |
| As at June 30, 2025 | 0 | (558,543.00) | 707,086.00 | 306,428.00 |

Note:

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

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

| | Notes | 2024-2025 | 2023-2024 |
|---|-------|---------------------|---------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from Political Parties Fund (PPF) | | 563,775.00 | 319,051.00 |
| Membership Fees | | 0 | 0 |
| Public contributions and donations | | 1,923,700.00 | 1,349,996.00 |
| Investment Income | | 0 | 0 |
| Miscellaneous Revenue | | 0 | 0 |
| Total receipts | | 2,487,475.00 | 1,669,047.00 |
| Payments | | | |
| Administrative Expenses | | 2,011,740.00 | 1,997,503.00 |
| Special Interest Groups expenses | | 0 | 0 |
| Advocacy and Electoral expenses | | 280,920.00 | 0 |
| Finance Costs | | 0 | 0 |
| Total payments | | 2,111,740.00 | 1,997,503.00 |
| Net cash flows from/ (used in) operating activities | 32 | 375,735.00 | 59,902.00 |
| Cash flows from investing activities | | | |
| Purchase of PPE and Intangible assets | | 0 | 0 |
| Proceeds from sale of PPE | | 0 | 0 |
| Purchase of investments | | 0 | 0 |
| Sale of investments | | 0 | 0 |
| Member contributions in Kind | | 0 | (82,984.00) |
| Net cash flows from/(used in) investing activities | | 0 | (82,984.00) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 0 | 0 |
| Repayment of borrowings | | 0 | 0 |
| Net cash flows from financing Activities | | 0 | (82,984.00) |
| Net increase/(decrease) in cash & Cash equivalents | | 144,815.00 | (23,082.00) |
| Cash and cash equivalents at 1 July 2025 | 19 | 245,722.00 | 123,990.00 |



.....
Name: Lone Felix
Secretary General

Date: 27th August 2025



.....
Name: Anthony Mbandi
Treasurer



.....
Name: James Otieno Oketch
National Chairperson

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 20

| | 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 |
| | 2024-2025 | 2024-2025 | 2024-2025 | 2024-2025 | 2024-2025 | 2024-2025 |
| Carry Overs from the Previous Period | | | | | | |
| Receipts | | | | | | |
| Transfers from Political Parties Fund (PPF) | 0 | 0 | 0 | 1,160,831.00 | 1,160,831.00 | 0 |
| Membership Fees | 0 | 0 | 0 | 0 | 0 | 0 |
| Public contributions and donations | 0 | 0 | 0 | 1,247,700.00 | 1,247,700.00 | 0 |
| Investment Income | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | | | 2,408,531.00 | 2,408,531.00 | 0 |
| Payments | | | | | | |
| Administrative Expenses | 0 | 0 | 0 | 2,115,398.00 | 2,115,398.00 | 0 |
| Special Interest Groups expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Advocacy and Electoral expenses | 0 | 0 | 0 | 280,920.00 | 280,920.00 | 0 |
| Finance Costs | 0 | 0 | 0 | 0 | 0 | 0 |
| Purchase of Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Purchase of Intangible Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Others specify | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditure | 0 | 0 | 0 | 2,396,318.00 | 2,396,315.00 | 0 |
| Surplus for the period | 0 | 0 | 0 | 12,213.00 | 12,213.00 | 0 |

Green Thinking Action Party
Annual Report and Financial Statements for the year ended June 30, 2025.

(Budget carryovers should not include third-party funds such as contractors' retention.)*

Budget notes

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

Budget Reconciliation

| No | Description | Kshs |
|----|---|------------|
| | Actual Surplus Amounts as per the statement of Budget | 12,213.00 |
| | | |
| | | |
| | | |
| | Closing Cash and Cash Equivalent as per the statement of Cash flows | 245,722.00 |

19. Notes to the Financial Statements

1. General Information

Green Thinking Action Party is established by and derives its authority and accountability from Political Parties Act.

2. Statement of Compliance and Basis of Preparation

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

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

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

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

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

| | |
|---|--|
| Exploration For & Evaluation of Mineral Resources | <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">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 Entity did not early – adopt any new or amended standards in the financial year.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

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

c) Investment property

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

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

f) Intangible assets

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

g) Research and development costs

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

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

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

h) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 18.

b) Financial liabilities

Classification

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

i) Inventories

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

j) Provisions

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

k) Contingent liabilities

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

l) Contingent assets

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

m) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The 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 Party regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Party, or vice versa. Members of key management are regarded as related parties and comprise 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 Party's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

| Description | 2024-2025 | 2023-2024 |
|-------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Operational Grant | 484,831.00 | 349,069.00 |
| Other Grants | 0 | 0 |
| Total | 484,831.00 | 349,069.00 |

Funding to support operations and activities of the party.

7. Membership Fees

| Description | 2024-2025 | 2023-2024 |
|---------------------|-----------|-----------|
| | Kshs | Kshs |
| Nomination fees | 0 | 0 |
| Subscription fees | 0 | 0 |
| Penalties and fines | 0 | 0 |
| Others (specify) | 0 | 0 |
| Total | 0 | 0 |

(Provide brief explanation for this revenue)

8. Public Contributions and Donations

| Description | 2024-2025 | 2023-2024 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Party Fundraising events | 0 | 0 |
| Founder Members contributions | 1,195,700.00 | 1,349,996.00 |
| Donations | 52,000.00 | 0 |
| Others (Annual Subscription Fees NEC and National Secretariat Members) | 676,000.00 | 0 |
| Total | 1,923,700.00 | 1,349,996.00 |

9. Investment Income

| Description | 2024-2025 | 2023-2024 |
|--------------------------------|-----------|-----------|
| | KShs | KShs |
| Interest income | 0 | 0 |
| Rental Income | 0 | 0 |
| Dividends Income | 0 | 0 |
| Others specify | 0 | 0 |
| Total Investment Income | 0 | 0 |

10. Miscellaneous Revenue

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

11. Administrative Expenses

| Description | Note | 2024-2025 | 2023-2024 |
|--|-------|------------------|---------------------|
| | | Kshs | Kshs |
| Salaries and Wages | 11(a) | 0 | 0 |
| Office Rent | | 1,810,200.00 | 1,736,400.00 |
| Transport & Fuel | | 40,700.00 | 0 |
| Stationeries & printing | | 25,000.00 | 0 |
| Media & publications | | 30,700.00 | 0 |
| Consumables | | 0 | 0 |
| Travel and accommodations | | 0 | 0 |
| Utilities | 11(b) | 15,000.00 | 50,000.00 |
| Professional Fees | 11(c) | 50,000.00 | 118,000.00 |
| Security | | 0 | 0 |
| Communication Charges | | 10,000.00 | 0 |
| Courier and Postage | | 0 | 0 |
| Insurance | | 0 | 0 |
| Depreciation | | 50,458.00 | 60,103.00 |
| Subscriptions to Professional bodies | | 0 | 0 |
| Bank charges | | 31,440.00 | 33,000.00 |
| Party office Inspection | | 10,000.00 | 0 |
| County Office Setup- Marsabit | \ | 15,000.00 | 0 |
| Meals & Entertainment- County Officers | | 26,900.00 | 0 |
| Total Administrative Expenses | | 2,115,398 | 1,997,503.00 |

11(a) Salaries and Wages

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

11(b) Utilities

| Description | 2024-2025 | 2023-2024 |
|------------------------|------------------|------------------|
| | Kshs | Kshs |
| Water & Sewerage | 0 | 0 |
| Electricity | 0 | 0 |
| Garbage Collections | 0 | 0 |
| Utilities | 15,000.00 | 17,505.00 |
| Total Utilities | 15,000.00 | 17,505.00 |

11(c) Professional Fees

| Description | 2024-2025 | 2023-2024 |
|--------------------------------|------------------|-------------------|
| | Kshs | Kshs |
| Audit | 0 | 58,000.00 |
| Legal | 0 | 0 |
| Accountancy | 50,000.00 | 60,000.00 |
| Consultancy | 0 | 0 |
| Total Professional Fees | 50,000.00 | 118,000.00 |

12. Special Interest Groups

| Description | 2024-2025 | 2023-2024 |
|--------------------------|-----------|-----------|
| | Kshs | Kshs |
| Transport | 0 | 0 |
| Conference Facility | 0 | 0 |
| Food and Refreshment | 0 | 0 |
| Stationery | 0 | 0 |
| Accommodation | 0 | 0 |
| Caps/ T-shirts | 0 | 0 |
| Venue Hire | 0 | 0 |
| Public Address Equipment | 0 | 0 |
| Televising | 0 | 0 |
| Other Costs | 0 | 0 |
| Total | 0 | 0 |

13. Advocacy and Electoral Expenses

| Description | 2024-2025 | 2023-2024 |
|---|-------------------|-----------|
| | Kshs | Kshs |
| Media and Publicity | 16,920.00 | 0 |
| Membership Recruitment | 100,000.00 | 0 |
| Party Donations- Support Youth Soccer (Mutha) | 20,000.00 | 0 |
| Exhibition- People Dialogue Forum | 144,000.00 | 0 |
| Printing Cost | 0 | 0 |
| Party Programs | 0 | |
| Other Costs | 0 | 0 |
| Total | 280,920.00 | 0 |

14. Finance Costs

| Description | 2024-2025 | 2023-2024 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Borrowings (amortized cost) * | 0 | 0 |
| Finance leases (amortized cost) | 0 | 0 |
| Unwinding of discount on lease liabilities | 0 | 0 |
| Interest on bank overdrafts | 0 | 0 |
| Interest on loans from commercial banks | 0 | 0 |
| Total finance costs | 0 | 0 |

15. Gain on Sale of Assets

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

Notes to the Financial Statements (Continued)

16. Gain/Loss on foreign exchange transactions

| Description | 2024-2025 | 2023-2024 |
|--------------|-----------|-----------|
| | Kshs | Kshs |
| specify | 0 | 0 |
| | 0 | 0 |
| Total | 0 | 0 |

17. Gain/ (loss) on Fair Value Investments

| Description | 2024-2025 | 2023-2024 |
|--------------|-----------|-----------|
| | Kshs | Kshs |
| specify | 0 | 0 |
| | 0 | 0 |
| Total | 0 | 0 |

18. Impairment Loss

| Description | 2024-2025 | 2023-2024 |
|-------------------|-----------|-----------|
| | Kshs | Kshs |
| PPE | 0 | 0 |
| Intangible Assets | 0 | 0 |
| Others specify | 0 | 0 |
| Total | 0 | 0 |

19. Cash and Cash Equivalentents

| Description | 2024-2025 | 2023-2024 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Current Account | 245,722.00 | 100,908.00 |
| Savings Account | 0 | 0 |
| On - Call Deposits | 0 | 0 |
| Fixed Deposits Account | 0 | 0 |
| Others (Specify) | 0 | 0 |
| Total Cash and Cash Equivalentents | 245,722.00 | 100,908.00 |

Detailed Analysis of the Cash and Cash Equivalents

| Financial Institution | Account number | 2024-2025 | 2023-2024 |
|-----------------------|----------------|----------------|----------------|
| | | Kshs | Kshs |
| a) Current Account | | | |
| Ecobank | 6670003004 | 243,170.00 | 91,355.00 |
| Ecobank | 6670002527 | 2,552.00 | 9,553.00 |
| Sub- Total | | 245,722 | 100,908 |
| Grand Total | | 245,722 | 100,908 |

20. Receivables and advances

| Description | 2024-2025 | 2023-2024 |
|----------------------------------|-----------|------------------|
| | Kshs | Kshs |
| Receivables | 0 | 78,944.00 |
| specify | 0 | 0 |
| | | |
| Total Current Receivables | 0 | 78,944.00 |

Notes to the Financial Statements (Continued)

21. Inventories

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

Detailed disclosure on inventories

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

Notes to the Financial Statements (Continued)

22. Investments

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

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

d) Movement of Equity Investments

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

e) Shareholding in other entities

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

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

Green Thinking Action Party

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23. Property, Plant and Equipment

| Cost Depreciation Rate | | | | | | | | |
|------------------------------------|---------|-----------|-------------------|------------------------------|---------------|-----------------|------|------------|
| | Land | Buildings | Motor vehicles | Furniture and fittings | Computer s | Other Assets | | |
| (specify) | Capital | | | | | | | |
| Work in progress | Total | | | | | | | |
| | | 25% | 25% | 12.5% | 30% | X% | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| As At 1 July 2023 | 0 | 0 | 0 | 438,150.00 | 58,000.00 | 0 | 0 | 496,150.00 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers/Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As at 30th June 2024 | 0 | 0 | 0 | 438,150.00 | 58,000.00 | 0 | 0 | 496,150.00 |
| | | | | | | | | |
| 1st July 2024 | 0 | 0 | 0 | 438,150.00 | 58,000.00 | 0 | 0 | 496,150.00 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer/Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As at 30th June 2025 | 0 | 0 | 0 | 438,150.00 | 58,000.00 | 0 | 0 | 496,150.00 |
| | | | | | | | | |
| Depreciation And Impairment | | | | | | | | |
| At 1 July 2023 | 0 | 0 | 0 | 54,769.00 | 17,400.00 | 0 | 0 | 72,169.00 |

Green Thinking Action Party

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

| Cost Depreciation Rate | | | | | | | | |
|---------------------------|------|-----------|-------------------|------------------------------|---------------|-----------------|---|------------|
| | Land | Buildings | Motor vehicles | Furniture and fittings | Computer s | Other Assets | | |
| Depreciation | 0 | 0 | 0 | 47,923.00 | 12,180.00 | 0 | 0 | 60,103.00 |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers/ Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As At 30th June 2024 | 0 | 0 | 0 | 102,692.00 | 29,580.00 | 0 | 0 | 132,272.00 |
| | | | | | | | | |
| 1st July 2024 | 0 | 0 | 0 | 102,292.00 | 29,580.00 | 0 | 0 | 132,272.00 |
| Depreciation | 0 | 0 | 0 | 41,932.00 | 8,526.00 | 0 | 0 | 50,458.00 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer/Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

25 (b) Property, Plant and Equipment at Cost

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

| Description | Cost | Accumulated Depreciation | NBV |
|---|-------------------|--------------------------|-------------------|
| | Kshs | Kshs | Kshs |
| Land | 0 | 0 | 0 |
| Buildings | 0 | 0 | 0 |
| Plant And Machinery | 0 | 0 | 0 |
| Motor Vehicles, Including Motorcycles | 0 | 0 | 0 |
| Computers And Related Equipment | 58,000.00 | 38,106.00 | 19,894.00 |
| Office Equipment, Furniture, And Fittings | 438,150.00 | 144,624.00 | 293,525.00 |
| Total | 496,150.00 | 182,730.00 | 313,420.00 |

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

| Description | Cost or valuation | Normal annual depreciation charge |
|--|-------------------|-----------------------------------|
| Plant and Machinery | 0 | 0 |
| Motor Vehicles including Motorcycles | 0 | 0 |
| Computers and Related Equipment | 0 | 0 |
| Office Equipment, Furniture and Fittings | 0 | 0 |
| Total | 0 | 0 |

24. Intangible Assets

| Description | 2024-2025 | 2023-2024 |
|------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Cost | 0 | 0 |
| At beginning of the year | 0 | 0 |
| Additions | 0 | 0 |
| At end of the year | 0 | 0 |
| Additions–internal development | 0 | 0 |
| At end of the year | 0 | 0 |
| Amortization and impairment | 0 | 0 |
| At beginning of the year | 0 | 0 |
| Amortization | 0 | 0 |
| At end of the year | 0 | 0 |
| Impairment loss | 0 | 0 |
| At end of the year | 0 | 0 |
| NBV | 0 | 0 |

25. Investment Property

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

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

Notes to the Financial Statements (Continued)

26. Trade and Other Payables

| Description | 2024-2025 | | 2023-2024 | |
|--|-------------------|-------------------------------|---------------------------|-------------------------------|
| | Kshs | | Kshs | |
| Trade payables | 410,600.00 | | 407,400.00 | |
| Other payables | | | | |
| Total trade and other payables | 410,600.00 | | 407,400.00 | |
| | | | | |
| Ageing analysis: (Trade and other payables) | Current FY | % of the Total | Comparative FY | % of the Total |
| Under one year | 266,890.00 | 65% | 407,400.00 | 100% |
| 1-2 years | 143,710.00 | 35% | 0 | % |
| 2-3 years | 0 | % | 0 | % |
| Over 3 years | 0 | % | 0 | % |
| Total (tie to above total) | 410,600.00 | | 407,400.00 | |

(Trade and other payables represent amounts owed to suppliers and creditors for goods and services received. The ageing analysis shows that most payables are current, with a portion extending to 1–2 years, reflecting normal business payment cycles.)

27. Refundable Deposits and Prepayments from Customers

| Description | 2024-2025 | | 2023-2024 | |
|---|------------------|---------------------------|------------------|---------------------------|
| | Kshs | | Kshs | |
| Customer deposits | 0 | | 0 | |
| Prepayments | 0 | | 0 | |
| Other deposits | 0 | | 0 | |
| Total deposits | 0 | | 0 | |
| | | | | |
| Ageing analysis: (Refundable deposits) | 2024-2025 | % of the Total | 2023-2024 | % of the Total |
| Under one year | 0 | % | 0 | % |
| 1-2 years | 0 | % | 0 | % |
| 2-3 years | 0 | % | 0 | % |
| Over 3 years | 0 | % | 0 | % |
| Total | 0 | | 0 | |

(Provide brief explanation)

Notes to the Financial Statements (Continued)

28. Current Provisions

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

29. Finance Lease Obligation

| Description | 2024-2025 | 2023-2024 |
|--------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| At the start of the year | 0 | 0 |
| Discount interest on lease liability | 0 | 0 |
| Paid during the year | 0 | 0 |
| At end of the year | 0 | 0 |

Maturity Analysis

| Period | Amount (Kshs) |
|-------------------------|---------------|
| Year 1 | 0 |
| Year 2 | 0 |
| Year 3 | 0 |
| Year 4 | 0 |
| Year 5 And onwards | 0 |
| Less: Unearned Interest | 0 |
| Total | 0 |

Analysed as:

| Description | Amount (Kshs) |
|--------------|---------------|
| Current | 0 |
| Non- Current | 0 |
| Total | 0 |

(Provide brief explanation)

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Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

30. Deferred Income

| Description | 2024-2025 | 2023-2024 |
|------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| National Government | 0 | 0 |
| International Funders | 0 | 0 |
| Public Contributions and Donations | 0 | 0 |
| Total Deferred Income | 0 | 0 |

(Provide brief explanation)

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

31. Borrowings

| Description | 2024-2025 | 2023-2024 |
|-----------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Balance at beginning of the year | 0 | 0 |
| borrowings during the year | 0 | 0 |
| Repayments during the year | 0 | 0 |
| Balance at end of the year | 0 | 0 |
| | 0 | 0 |
| Borrowings - Current | 0 | 0 |
| Borrowings - Longterm | 0 | 0 |
| Total Borrowings | 0 | 0 |

Notes To The Financial Statements (Continued)

32. Cash Generated from Operations

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|---------------------|
| | Kshs | Kshs |
| Surplus for the year | 12,213.00 | (328,456.00) |
| Adjusted for: | | |
| Depreciation | 50,458.00 | 60,103.00 |
| Non-cash grants received | 0 | 0 |
| Contributed assets | 0 | 0 |
| Impairment | 0 | 0 |
| Gains and losses on disposal of assets | 0 | 0 |
| Contribution to provisions | 0 | 0 |
| Contribution to impairment allowance | 0 | 0 |
| Working capital adjustments | | |
| Increase in inventory | 78,944.00 | 0 |
| Increase in receivables | 0 | (21,145) |
| Increase in deferred income | 0 | 0 |
| Increase in payables | 3,200.00 | 349,400.00 |
| Increase in payments received in advance | 0 | 0 |
| Net cash flow from operating activities | 144,815.00 | 59,902.00 |

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

33. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

| Description | Total amount | Fully performing | Past due | Impaired |
|--|-------------------|-------------------|----------|----------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June 2025 | | | | |
| Receivables | 0 | 0 | 0 | 0 |
| Bank balances | 245,722.00 | 245,722.00 | 0 | 0 |
| Total | 245,722.00 | 245,722.00 | 0 | 0 |
| As at 30 June 2024 | | | 0 | 0 |
| Receivables | 78,944.00 | 78,944.00 | 0 | 0 |
| Bank balances | 100,908.00 | 100,908.00 | 0 | 0 |
| Total | 179,852.00 | 179,852.00 | 0 | 0 |

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

Financial Risk Management

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

ii) Liquidity risk management

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

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|--|-------------------|--------------------|-------------------|-------------------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June 2025 | | | | |
| Trade payables | 0 | 0 | 197,900.00 | 266,890.00 |
| Current portion of borrowings | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 212,700.00 | 143,710.00 |
| Deferred income | 0 | 0 | 0 | 0 |
| Employee benefit obligation | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 410,600.00 | 410,600.00 |
| As at 30th June 2024 | | | | |
| Trade payables | 0 | 0 | 289,400.00 | 289,400.00 |
| Current portion of borrowings | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 118,000.00 | 118,000.00 |
| Deferred income | 0 | 0 | 0 | 0 |
| Employee benefit obligation | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 407,400.00 | 407,400.00 |

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

a) Foreign currency risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

Financial Risk Management

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

Current FY

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

(The Entity had no foreign currency denominated assets or liabilities as at 30th June 2025. Accordingly, no foreign currency risk arises)

Foreign currency sensitivity analysis

Current FY

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

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

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management**Sensitivity analysis**

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

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

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

iv) Capital Risk Management

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

| Description | 2024-2025 | 2023-2024 |
|--|--------------------|-------------------|
| | Kshs | Kshs |
| Revaluation Reserve | 0 | 0 |
| Retained Earnings | (558,543.00) | (507,756.00) |
| Capital Fund (Founder Members) | 707,086.00 | 707,086.00 |
| Total Funds | 306,4278.00 | 136,330.00 |
| Total Borrowings | 0 | 0 |
| Less: Cash and Bank Balances | 245,722.00 | 100,908.00 |
| Net Debt/ (Excess Cash and Cash Equivalents) | (245,722.00) | (100,908.00) |
| Gearing | 0% | 0% |

Notes to the Financial Statements (Continued)

34. 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

| Description | 2024-2025 | 2023-2024 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| a) Grants /transfers from the government | | |
| Grants from Political Parties Fund | 484,831.00 | 319,051.00 |
| Other grants | 0 | 0 |
| Total | 484,831.00 | 319,051.00 |
| b) Key management compensation | | |
| Allowances to NEC Members | 0 | 0 |
| Compensation to key management | 0 | 0 |
| Total | 484,831.00 | 319,051.00 |

35. Contingent Assets and Contingent Liabilities

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

36. Events after the Reporting Period

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

20. Appendices

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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|----------------------------|--|---|
| OAG/GJL/AUD/7/12/GTAP//2023-2024(28) | Lack of Internal Audit Function | | Resolved | |
| | Failure to Establish Party Offices in at least 24 Counties | | Resolved | |

Guidance Notes:

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



.....

Secretary General

Date: 27TH AUGUST 2025

Appendix II: Transfers from Political Parties Fund

| No | Source of Funds (Entity) | Amount | Date Received | Financial Year the funds relates to |
|-----------|---------------------------------|-------------------|----------------------|--|
| <i>1</i> | <i>Political Parties Fund</i> | <i>78,944.00</i> | <i>8 Jul 2024</i> | <i>FY 2023/24</i> |
| <i>2</i> | <i>Political Parties Fund</i> | <i>140,943.50</i> | <i>25 Nov 2024</i> | <i>FY 2024/25</i> |
| <i>3</i> | <i>Political Parties Fund</i> | <i>140,943.50</i> | <i>22 Jan 2025</i> | <i>FY 2024/25</i> |
| <i>4</i> | <i>Political Parties Fund</i> | <i>62,000.50</i> | <i>11 Jun 2025</i> | <i>FY 2024/25</i> |
| <i>5</i> | <i>Political Parties Fund</i> | <i>140,943.50</i> | <i>27 Jun 2025</i> | <i>FY 2024/25</i> |
| | | | | |