

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

DATE:

14 MAR 2025

DAY:

FRIDAY

TABLED

BY:

OF

DATE OF THE TABLE:

DEPUTY MAJORITY LEADER

(HON. OWEN BAYA, MP)

IRENE NDIKU

THE AUDITOR-GENERAL

ON

GRAND DREAM DEVELOPMENT PARTY

FOR THE YEAR ENDED

30 JUNE, 2024



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
31 DEC 2024
RECEIVED



GRAND DREAM DEVELOPMENT PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

GRAND DREAM DEVELOPMENT PARTY
(INDOTI KIJWAAHI)
P. O. Box 104414 - 00101, NAIROBI
Date 31/12/2024

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024**

Table of Contents		Page
1.	Acronyms and Definition of Key Terms	iii
2.	Key Entity Information and Management	iv
3.	The Board of Directors/Council	vii
4.	Key Management Team.....	viii
5.	Chairman’s Statement.....	ix
6.	Report of the Chief Executive Officer	x
7.	Statement of Performance against Predetermined Objectives for FY 2023/2024.....	xi
8.	Corporate Governance Statement.....	xiii
9.	Management Discussion and Analysis.....	xv
10.	Environmental and Sustainability Reporting.....	xvi
11.	Report of the National Executive Committee.....	xvii
12.	Statement of National Executive Committee Responsibilities.....	xviii
13.	Report of the Independent Auditor for the Financial Statements of GDDP.....	xx
14.	Statement of Financial Performance for the year ended 30 June 2024.....	1
15.	Statement of Financial Position as at 30 June 2024.....	2
16.	Statement of Changes in Net Assets for the year ended 30 June 2024.....	3
17.	Statement of Cash Flows for the year ended 30 June 2024.....	4
18.	Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024.....	5
19.	Notes to the Financial Statements.....	6-26
20.	Appendices.....	28-31

1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

GDDP	Grand Dream Development Party
NEC	National Executive Committee
ORPP	Office of the Registrar of Political Parties
SG	Secretary General
ED	Executive Director
M.P	Member of Parliament
MCA	Member of County Assembly
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board

B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

2. Key GDDP Information and Management

(a) Background information

The Grand Dream Development Party was incorporated/ established under the Political Parties Act, 2007 7th August, 2018. The Grand Dream Development Party is domiciled in Kenya and has branches in 24 counties.

(b) Principal Activities

The principle activity for Grand Dream Development Party is Governance and Leadership.

The core objective of GDDP is to be a national party which aims to form a government that will build a democratic society and provide a better and dignified life. We believe in every dream getting achieved.

Grand Dream Development Party Vision

Grand Dream Development Party is a party that is determined to see a united Kenya as its name depicts. As a party we are determined to develop the lifestyles of the ordinary Kenyan who has been undergoing rough times both economically and socially.

We will foster a Kenya that is a truly knit fabric of all the 42 tribes and the visitors within our borders.

Grand Dream Development Party Mission

Grand Dream Development Party envisions governing and executing services to Kenyans through a channel which is universally deemed to be democratic.

Our mission is to rid Kenya of all ills that affect its citizenry, namely;

- Poor leadership
- Negative ethnicity
- Corruption and,
- Poverty

Core Values

Grand Dream Development Party promises that all party activities will be based and guided by the

Commitment to democratic ideals

- Gender parity
- Commitment to patriotism
- Member appreciation
- Transparency and Accountability
- Integrity
- National Cohesion
- Zero tolerance to corruption and tribalis

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Key Entity Information and Management (continued)

Key Management

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

No.	Designation	Name
1.	Secretariat	Shem Ocharo

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Party Leader	Hon. Fabian Kyule Muli
2.	National Chairman & (Head of Corporate services)	Solomon Muthengi Mulwa
3.	Secretary General & (Head of Procurement)	Charles Makau Mutuku
4.	National Treasurer & (Head of Finance)	Elizabeth Njambi Thothoi

(d) GDDP Headquarters

P.O. Box 104414-00101
Embassy House, 1st Floor, Room 106
Harambee Avenue
Nairobi.

(e) GDDP Contacts

Telephone: (+254) 701000908

(+254) 723308839

E-mail: contactus@gddp.co.ke

Website: www.gddp.co.ke

Key Entity Information and Management (continued)

(f) GDDP Bankers

1. Co-operative Bank (**Account for the Political Parties Fund**)
Parliament Road Branch
A/c No.01120747382500

2. Equity Bank
Parliament Road Branch
P.O Box 75104 – 00200
Nairobi.
A/c Number: 1770282326207

(g) Independent Auditor





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

(h) Principal Legal Adviser




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

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

3. The Board of Directors/Council

Ref	NEC members	Details
1.		<p>Hon. Fabian Kyule Muli Party Leader</p> <p><i>Hon. Fabian Muli was born in 1980 and is the current member of Parliament for Kangundo Constituency. He holds an LLB</i></p>
2.		<p>Solomon Muthengi Mulwa National Chairman</p> <p>Solomon Mulwa has a vast knowledge and experience on governance matters. He has worked in the public sector for some many years.</p>
3.		<p>Charles Makau Mutuku Secretary General</p> <p>An ICT technocrat, Charles has impeccable leadership qualities that will benefit in growing the Party.</p>
4.		<p>Shem Ocharo Executive Director</p> <p>Shem is an experienced administrator and has risen the ranks in politics and has a lot of experience on good governance. He is a current office holder of the Steering committee of the National Political Parties Liaison Committee (PPLC)</p>

4. Key Management Team

	Management	Details
1.		<p>Hon. Fabian Kyule Muli Party Leader</p> <p><i>Hon. Fabian Muli was born in 1980 and is the current member of Parliament for Kangundo Constituency. He holds an LLB</i></p>
2.		<p>Solomon Muthengi Mulwa National Chairperson</p> <p>Solomon Mulwa has a vast knowledge and experience on governance matters. He has worked in the public sector for some many years.</p>
3.		<p>Charles Makau Mutuku Secretary General</p> <p>He is a reknown community mobilizer who has an eye in delivering the promise.</p>

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

5. Chairman's Statement

It is with great pleasure that I present the annual report and the financial statement of our Grand Dream Development Party (GDDP), for the year ended 30th June 2024. The office of the Chairman notes the following developments:

Financial Performance

Grand Dream Development Party was allocated Kes 255,551. We received Kes 238,515 for the financial year ending 30th June 2023/2024, which includes Kes 46,196 which was receivable from the previous reporting period. Political Parties Receivable carried forward to financial year ending 30th June 2025 is Kes. 63,232.

We would also like to thank our members who donated funds amounting to Kes. 240,002.

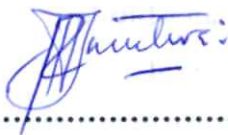
Grand Dream Development party (GDDP) Party's Strength

Grand Dream Development Party performance in the last General Elections, is a testament that with dedicated leaders on board, the Party will continue to become a strong pillar in Kenyan Politics.

Appreciation

On behalf of the Grand Dream Development Party NEC, and on my own behalf i would like to thank all who chose to make GDDP Party, the party to actualize their Dreams as our name depicts.

Thank you and God bless you.



.....
Solomon Muthengi Mulwa

National Chairman

6. Report of The Chief Executive Officer/ Secretary General

As a Party, we are pleased to say that we are glad to have qualified to get a share of the coveted Political Parties Fund. This fund enables the party to supplement with the other funds that we collect from other legal sources such as Donations, Contributions from members and the membership subscription fees that we collect from new members who join the party.

The party is in a serious membership recruitment drive that will culminate to the party getting a clear support base and be in the pole position to wrestle power to govern this great motherland of Kenya.

Grand Dream Development Party thanks all bonafide party members who are able to give generously to launch a serious campaign machinery come the next General Elections in the year 2027.

The party is targeting women youth and PWD to actively participate in democracy and shape the country's destiny going into the future.

The first meeting of Youth and Women leaders last year, culminated in the presence of Grand Dream Development Party's presence being felt in the grassroots. The party got very encouraging contribution from the leaders.

It is my sincere prayer that this coming financial year 2024/2025 will see a robust engagement on how we will shore up more finances to make a successful campaign to popularise the Party.

On behalf of the National Executive Committee, I thank all who participated in actualizing our dreams as a party.



.....
CHARLES MAKAU MUTUKU

Secretary General

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

**7. Statement of Performance against Predetermined Objectives for Financial Year
2023/2024**

Grand Dream Development Party has three strategic pillars within the current Strategic Plan for the FY 2023/2024. These strategic pillars are as follows:

1. Special Interests Group active participation in Democracy
2. National Growth and Development
3. Education and Scientific progression

Grand Dream Development Party develops its annual work plans based on the above three pillars. Assessment of the NEC's performance against its annual work plan is done on a quarterly basis. The Grand Dream Development Party achieved its performance targets set for the FY 2023/2024 period for its three strategic pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Special Interest Group active participation in Democracy:	Active political party members in multi-party democracy	Proactive Women, Youth and persons living with disabilities	1. Workshops 2. Seminars	Women and youth have been shying away from active participation in democracy. This workshops have gone a long way in motivating these members of the special interests group.
National Growth and Development	Contributing in shaping the	Parliamentary and County assemblies	Active participation by our elected leaders	Our party has achieved recognition as

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

	national agenda	representatives participation in policy formulation.	in National Assembly and County Assembly.	captured by hansard of the legislative houses where its elected members have done the party proud by articulating issues that affect Kenyans.
Education and Scientific progression	Educated and technological savvy Kenyans	Education policy documents and debate.	Town hall meetings and schools support.	Identified needy but intelligent students who require support to advance and actualize their dreams.

8. Corporate Governance Statement

Governance by the GDDP National Executive Committee

The Grand Dream Development Party is led by a powerful committee known as the National Executive Committee (NEC). Meetings are held quarterly but can be called in special circumstances to execute important and very urgent party matters as need may be. This financial year we have had three (3) NEC meetings and the attendance averages 80%.

Gender Equality and Succession

The National Executive Committee is committed to achieving its gender diversity target and is also actively prioritising the appointment of qualified female politicians in its ongoing renewal to complement the NEC's mix of skills and experience as part of its current ongoing Party growth and succession process.

Under the NEC Charter, there's no maximum tenure for a NEC member to stand for an additional term but we take into consideration factors such as new and fresh young minds joining the leadership in the Committee to facilitate smooth succession planning.

Roles and functions of National Executive Committee

The GDDP NEC's principal role is to govern and oversee the Party by ensuring that there is a proper governance framework in place to promote, champion and protect the Party's interests for the benefit of the entire membership of the Party and the country at large. NEC collectively oversees and appraises the strategies, performance, culture and policies of GDDP, having due regard to its purpose, its responsibilities to its ordinary party members and life members alike, the interests of its stakeholders and its role in the promotion of good governance and democracy.

Induction, training and career development

To ensure NEC officials receive ongoing professional development, NEC officials are provided a comprehensive program of ongoing education and training. The NEC Education Program (Program) is structured to align with the Party's strategic pillars. The Program comprises formal Political education sessions, electorate and party member's connection sessions, ground visits in the grassroots and other Party and supporter's engagement opportunities. As part of this Program, we also periodically assess the need for NEC members to undertake professional development to maintain the skills and knowledge required to perform their roles effectively.

National Executive Committee performance

The way we measure and reward performance is designed to promote our purpose-led culture. Formal performance appraisals are conducted at the end of every year.

Performance assessments were undertaken for the Secretary General and NEC Leadership Team during FY 2023-2024.

Areas of Conflict of interest

The National Executive Committee considers a NEC member to be independent if they are free from any interest, position or relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their independent judgement.

Conflicts of interest, including related party transactions, are a standing agenda item and are considered by the NEC and other NEC sub-committees at each Meeting and in each paper presented to the NEC or Sub-Committee. If a potential conflict is identified, the relevant official or the NEC may determine that they should not receive documents related to or take part in discussions or decisions in respect of that matter.

National Executive Committee remuneration, ethics and conduct

It suffices to say that NEC members or in that case any member holding a party position, except the Executive Director who heads the secretariat, is not entitled to a remuneration package but may be subject to receive an allowance in the service of the party from time to time.

Our Code of Ethics & Conduct (Code) sets out the behaviours expected of everyone at Grand Dream Development Party. The Code provides our people with principles and a framework to make informed party decisions. It also provides specific guidance on how to make the right decision and do the right thing. When our party supporters and other stakeholders interact with us, we want them to feel assured that we will act in a responsible and ethical way.

Governance Audit

The GDDP NEC continuously reviews its performance and the performance of its Committees and individual NEC officials, and recognises the importance of this to NEC effectiveness. The annual NEC performance reviews are conducted either internally or with the assistance of an independent external consultant when resources are available.

The next audit is to take place in September 2025.

9. Management Discussion and Analysis

The accompanying financial statements of Grand Dream Development Party were presented by management in accordance with the IPSAS and generally accepted accounting principles.

Only changes in accounting policies have been disclosed in these financial statements.

Management acknowledges responsibility for the preparation and presentation of the financial statements; including responsibility for the significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the company's circumstances.

Management has established processes which are in place to provide then sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements, which is as of 30th June 2024.

The National Executive Committee (NEC) is responsible for reviewing and approving the financial statements together with other financial information of the company and for ensuring that management fulfils its financial reporting responsibilities. The Party shall institute an audit committee which will assist NEC in fulfilling this responsibility. The Audit committee shall meet with the management to review the financial statements together with other financial information of the company.

Management recognizes its responsibility for conducting the company's affairs in compliance with established financial standards, and applicable laws and regulations and for maintaining proper standards of conduct for its activities.

10. Environmental and Sustainability Reporting

Grand Dream Development Party exists to transform lives and aspire higher dreams and good quality of life. This is our driving force behind everything we do. It is what guides us to deliver our strategy to Kenyans. Below is a brief highlight of our activities that drive towards sustainability.

Sustainability strategy and profile

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the people and prosperity. Four out of the seventeen goals are pertinent to management of activities being undertaken by the party.

- a) No poverty (SDG 1): The Party's logo is a "sack full of dreams" and to this effect, the Party has strived to undertake an awareness exercise nationally to rally all in influential positions to advocate for job creation and better pay for all workers of this beautiful country. Poverty should be a thing of the past.
- b) Quality education (SDG 4): the party believes that for the country to achieve its dream of being a developed country status, education has to be key in attaining this attainable dream.
- c) Gender equality (SDG 5): the party encourages mainstreaming of gender equality in project and programmes by incorporating compliance to one third gender rule in procurement and all party engagements.
- d) Reduced inequalities (SDG 10): As a party, we endeavour that all communities of Kenya will be accommodated in all activities the party undertaken.

Environmental performance

Grand Dream Development Party is working towards ensuring environmental sustainability in activities by undertaking tree planting exercise as the President advised and led by example in announcing a tree planting holiday.

The Party will seriously embark on using the youth in large numbers to sensitize people against littering in places which are not specially designated for litter.

Party officials and Employee welfare

In all of its appointments, Grand Dream Development Party takes deliberate actions to embrace Equal Employment Opportunity policies, gender mainstreaming, addresses concern around Persons Living with Disabilities (PWDs) and takes affirmative action in line with prevailing Government Policy guidelines. The Party priorities training to develop technical capacity of staff in the fields of governance in politics.

11. Report of The National Executive Committee

The National Executive Committee submit their report together with the statements for the year ended June 30, 2024, which show the state of the Grand Dream Development Party's affairs.

i) Principal activities

The principal activities of the Grand Dream Development Party are public governance and advocating for multi-party democracy and just government of the people and for the people of Kenya.

ii) Results

The results of the GDDP for the year ended June 30, 2024, are set out on page 1 to 5

iii) Governing Committee

The members of the governing committee who served during the year are shown on page vii and viii. During the year the Director of persons living with disabilities, Mr. James Kilonzo Kivondo died.

iv) Surplus remission


In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

The GDDP did not make any surplus during the year FY 2023/2024 and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Grand Dream Development Party in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Section 31 (2) of the Political Parties Act, 2011.

By Order of the National Executive Committee


.....
Charles Makau Mutuku
Secretary General

12. Statement of National Executive Committee Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Section 31 of the Political Parties Act, 2011, require the Party to prepare financial statements in respect of Grand Dream Development Party, which give a true and fair view of the state of affairs of the Grand Dream Development Party at the end of the financial year/period and the operating results of the Grand Dream Development Party for that year/period. The National Executive Committee members are also required to ensure that the Grand Dream Development Party keeps proper accounting records which disclose with reasonable accuracy the financial position of the Grand Dream Development Party. The NEC members are also responsible for safeguarding the assets of the Grand Dream Development Party.

The NEC Members are responsible for the preparation and presentation of the Grand Dream Development Party's financial statements, which give a true and fair view of the state of affairs of the Grand Dream Development Party for and as at the end of the financial year (period) ended on June 30, 2024. 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 Grand Dream Development 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 Grand Dream Development Party; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The NEC Members accept responsibility for the Grand Dream Development 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 in the manner required by the PFM Act, 2012 and Section 31 of the Political Parties Act, 2011. The NEC Members are of the opinion that the Grand Dream Development Party's financial statements give a true and fair view of the state of Grand Dream Development Party's transactions during the financial year ended June 30, 2024, and of the Grand Dream Development

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Statement of National Executive Committee Responsibilities (continued)

Party's financial position as at that date. The NEC Members further confirms the completeness of the accounting records maintained for the Grand Dream Development Party, which have been relied upon in the preparation of the Grand Dream Development Party's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the NEC members have assessed Grand Dream Development Party's ability to continue as a going concern and nothing has come to the attention of the NEC members to indicate that Grand Dream Development 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 Grand Dream Development Party's financial statements were approved by the NEC on 18th September 2024 and signed on its behalf by:



.....
Solomon Muthengi Mulwa
National Chairman



.....
Charles Makau Mutuku
Secretary General/Accounting Officer

REPUBLIC OF KENYA

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



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON GRAND DREAM DEVELOPMENT PARTY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Grand Dream Development Party set out on pages 1 to 28, which comprise the statement of financial position as at

Report of the Auditor-General on Grand Dream Development Party for the year ended 30 June, 2024

30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Grand Dream Development Party as at 30 June, 2024, 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

The statement of financial position reflects total balance of reserves and liabilities of Kshs.129,852. However, recasting of the items revealed a balance of Kshs.122,734, resulting in an unreconciled variance of Kshs.7,118. Further, the statement of comparison of budget and actual amounts reflects total expenditure performance difference of Kshs.52,855, instead of the correct amount of Kshs.6,659, resulting to unexplained variance of Kshs.46,196.

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

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Grand Dream Development Party Management in accordance with ISSAI 130 on 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 matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the other information set out on page iv to xix which comprise of Key Information and Management, The Board of Directors/Council, Key

Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the National Executive Committee and the Statement of National Executive Committee'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. I have nothing to report in this regard.

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 effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

Failure to Open Party Branch Offices in at Least 24 Counties

As previously reported, the Party had only three (3) offices in the Counties of Kangundo, Nyamira and Mombasa. This was contrary to Section 7(f)2(iii) of the Political Parties Act, 2011 which requires a political party to be fully registered if it has submitted to the Registrar, the locations and addresses of its head office and its branches in more than half of the Counties.

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

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

REPORT ON 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 effect of the matters 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

1. Lack of Internal Audit Function

As previously reported, the Party did not have an Internal Audit Unit to conduct internal auditing. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which requires every National Government entity to have appropriate arrangements for conducting internal audit according to the guidelines of the Accounting Standards Board.

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

2. Failure to Tag Assets

As disclosed in Note 13 to the financial statements, the Party had property, plant and equipment amounting Kshs.36,869 as at 30 June, 2024 comprised of furniture, fittings and office equipment. However, physical verification revealed that the assets were not tagged with unique identifiers contrary to Part IV(i) C Section 77(7) of The National Treasury Guidelines on Asset and Liability Management in the Public Sector issued in March 2020.

In the circumstances, the existence of effective internal controls over assets management could not be confirmed.

3. Lack of Human Resource Instruments

As reported in the previous year, the Party did not have an approved Human Resource Policy and Procedures Manual, Organizational Structure, Staff Establishment and Scheme of Service. Further, records provided for audit revealed that there was only one (1) staff member handling all the duties and responsibilities in the office which included accounting, administration, procurement and human resources functions. In addition, review of the financial statements revealed that no employee costs were reported and it is not clear how the staff member was compensated for the services rendered to the Party.

In the circumstances, the existence of effective Human Resource Management mechanisms could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 overall 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAs 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

3 January, 2025

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024**

14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Political Parties Fund	6(a)	255,551	233,400
Revenue from exchange transactions			
Membership Fees	6(b)	0	360
Member contributions	6(b)	240,002	300,000
Total revenue		495,553	533,760
Expenses			
Use of goods and services	7	247,892	402,884
Special Interests Groups (SIGs)	8	301,000	145,000
Employee costs	9	0	25,000
Depreciation and Amortization	10	9,102	12045
Total expenses		557,994	584,929
Other gains/(losses)			
Surplus for the year		(62,441)	(51,169)

The notes set out on pages 6 to 26 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the NEC members by:

.....
Hon. Fabian Kyule Muli
Party Leader

.....
Charles Makau Mutuku
Secretary
General/Accounting Officer

.....
Solomon Muthengi Mulwa
National Chairman

Date 31/12/2024

Date 31/12/2024


Date 31/12/2024

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Statement of Financial Position as at 30 June 2024

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
ASSETS			
Current assets			
Cash and bank balances	11	29,751	100,126
Account Receivables	12	63,232	0
Non-current assets		0	
Property, plant, and equipment	13	36,869	45,971
Total assets		<u>129,852</u>	<u>146,097</u>
Current liabilities			-
Non-Current Liabilities		-	
CAPITAL EMPLOYED			
Capital and Reserves		92,983	45,971
Accumulated Fund	14	29,751	100,126
Total reserves and liabilities		<u>129,852</u>	<u>146,097</u>

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


.....


Hon. Fabian Kyule Muli
Party Leader

Date... 31/12/2024


.....

Charles Makau Mutuku
SG/Accounting Officer

Date... 31/12/2024


.....

Solomon Muthengi Mulwa
National Chairman

Date... 31/12/2024

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

15. Statement of Changes in Net Assets for the year ended 30 June 2024

	Note	Capital Reserves	Accumulated Fund	Total
		Kshs	Kshs	Kshs
Balance at 01-07-2023		45,971	100,126	146,097
Surplus/Deficit		-	(62,441)	(62,441)
Add: Receivables			46,196	46,196
Less: Depreciation		(9,102)	9,102	0
Balance at 30-06-2024		36,869	92,983	129,852

F. Kyule Muli

Hon. Fabian Kyule Muli
Party Leader
 Date *31/12/2024*

Charles Makau Mutuku

Charles Makau Mutuku
SG/Accounting Officer
 Date *31/12/2024*

Solomon Muthengi Mulwa

Solomon Muthengi Mulwa
National Chairman
 Date *31/12/2024*

**Grand Dream Development Party
Annual Report and Financial Statements
for the year ended June 30, 2024.**

17. Statement of Cash Flows for the year ended 30 June 2024

	Notes	FY 2023- 2024	FY 2022- 2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Political Parties Fund		192,319	233,400
Accounts Receivable		46,196	
Membership Fees		0	360
Member Contributions		240,002	300,000
Total receipts		478,517	533,760
Payments			
Use of goods and services		247,892	402,884
Employee costs		-	25,000
Special Interests Group		301,000	145,000
Total payments		548,892	572,884
Net cash flows from/(used in) operating activities		(70,375)	(39,124)
Cash flows from investing activities			
Net cash flows from/(used in) investing activities		-	-
Cash flows from financing activities			
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		(70,375)	(39,124)
Cash and cash equivalents at 1 July 2023	11	100,126	139,250.00
Cash and cash equivalents at 30 June		29,751	100,126.00




Hon. Fabian Kyule Muli
Party Leader

Date..... 31/12/2024



Charles Makau Mutuku
SG/Accounting Officer

Date..... 31/12/2024



Solomon Muthengi Mulwa
National Chairman

Date..... 31/12/2024

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	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
Revenue						
Political Parties Fund	512,624	(257,073)	255,551	255,551	0	100%
Member Donations	300,000	0	300,000	240,002	59,998	80%
Total Income	<u>812,624</u>	<u>(255,073)</u>	<u>555,551</u>	<u>495,553</u>	<u>59,998</u>	<u>78%</u>
Expenses						
Use of goods and services	140,000	-	140,000	247,892	(107,892)	177%
Employee costs	100,000	-	100,000	0	100,000	0%
Special Interests Group	572,624	(257,073)	315,551	301,000	14,551	95%
Depreciation and Amortization	0	0	0	9102		
Total Expenditure	<u>812,624</u>	<u>(257,073)</u>	<u>555,551</u>	<u>557,994</u>	<u>52,855</u>	<u>90%</u>
Surplus for the period	-	-	-	(62,441)		
Capital Expenditure						

NB:

There was overutilization on the part of use of goods and services owing to the austerity measures introduced by the Government that saw Political parties suffer huge budgetary cuts. The Party used funds from members' donations and generous contributions. The Supplementary budget as passed by Parliament, also meant that we had to abandon the original workplan mid-way.

19. Notes to the Financial Statements

1. General Information

Grand Dream Development Party is established by and derives its authority and accountability from Section 31 of the Political Parties Act, 2011. Grand Dream Development Party is regulated and funded by the Government of Kenya and is domiciled in Kenya. Grand Dream Development Party's principal activity is leadership and governance through active participation in democracy.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a reducing balance 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 Grand Dream Development 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 Grand Dream Development Party. The financial statements have been prepared in accordance with the PFM Act, 2012, the Political Parties Act, 2011, 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 2024.*

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 2024*

Standard	Effective date and impact:
IPSAS 43	<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</p>

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

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

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Standard	Effective date and impact:
	geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities 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 GDDP 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 over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The GDDP 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 GDDP.

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 GDDP's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the GDDP upon receiving the respective approvals in order to conclude the final budget.

**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

Budget information (continued)

The GDDP'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 actuals as per the statement of financial performance has been presented in these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the GDDP operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable GDDP and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) 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.

e) 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 GDDP 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.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the GDDP. 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 GDDP also recognizes the associated lease

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

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 GDDP 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 GDDP. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) 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.

h) Research and development costs

The GDDP expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the GDDP 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) 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 GDDP and a financial liability or equity instrument of another GDDP. At initial recognition, the GDDP 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 GDDP 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 GDDP'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 GDDP has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the GDDP 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 GDDP 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.

b) Financial liabilities

Classification

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

j) 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. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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 GDDP.

k) Provisions

Provisions are recognized when the GDDP 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

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the GDDP 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.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The GDDP recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the GDDP will incur in fulfilling the present obligations represented by the liability.

m)Contingent liabilities

The GDDP 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.

n) Contingent assets

The GDDP 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 GDDP 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.

**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

o) Nature and purpose of reserves

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

p) Changes in accounting policies and estimates

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

q) 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)

r) 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.

s) Related parties

The GDDP regards a related party as a person or an GDDP with the ability to exert control individually or jointly, or to exercise significant influence over the GDDP, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

t) Service concession arrangements

The GDDP analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the GDDP recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the GDDP also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

u) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) 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, 2024

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the GDDP'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 GDDP based its assumptions and estimates on parameters available when the consolidated financial statements were

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the GDDP. 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 GDDP.
- 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.

The Income Movement is as follows:

6. (a) Revenue from non-exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
	Kshs	Kshs
Political Parties Fund	255,551	233,400
Total Revenue from non-exchange transactions	255,551	233,400

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

6.(b) Revenue from exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
	Kshs	Kshs
Member Contributions	240,000	300,000
Membership Fees	2	360
Total Revenue from exchange transactions	240,002	300,360

7. Use of Goods and Services

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Printing and Stationery	16,616	18,500
Rent expenses	212,000	312,000
Electricity	13,850	20,000
Telecommunication	500	22,000
Travel, Subsistence & Other Allowances	-	25,000
Bank charges	4,926	5,384
Total	247,892	402,884

8. Special Interest Groups

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Women League Workshop	180,000	80,000.00
Youth League Sensitization Workshop	121,000	65,000.00
	301,000	145,000.00

9. Employee Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Salaries and wages	-	25,000.00
TOTAL	-	25,000.00

Travel, accommodation, subsistence and other allowances were introduced to cover the employee from the escalating cost of living.

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

10. Depreciation and Amortization Expense

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, plant and equipment	9,102	12,045.00
Total depreciation and amortization	9,102	12,045.00

11. Detailed Analysis of the Cash and Cash equivalents

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
a) Current Account			
Cooperative Bank	01120747382500	11,605	18,016
Equity Bank	1770282326207	17,232	17,230
Sub- Total		28,837	35,246
Cash In Hand as at 30 June 2023	-	914	64,880
Mobile Money Accounts	-	-	-
Sub- Total	-	914	64,880
Grand Total	-	29,751	100,126

12. Accounts Receivable

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Political Parties Fund	63,232	46,196
Total Accounts Receivable	63,232	46,196

13. Property, Plant and Equipment

All assets were stated on the reducing balance basis. The amounts are calculated for depreciation using the following rates:

Furniture and fittings 12.5%%

Office Equipment 30%

Cost	Furniture and fittings	Office Equipment	Total
	Kshs	Kshs	Kshs
As At 1 July 2023	26,797	19,174	45,971
Depreciation	(3,350)	(5,752)	(9,102)
As at 30th June 2024	23,447	13,422	36,869
Net Book Values			
As at 30 th June 2023	26,797	19,174	45,971
As at 30th June 2024	23,447	13,422	36,869

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

14. Accumulated Fund

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Accumulated Fund as at 30 June 2023	100,126	139,250
Add: Surplus /(Deficit)	(62,441)	(51,169)
Add: Depreciation	9,102	12,045
Add: Accounts Receivable	46,196	0
Total	92,983	100,126

20. Appendices

Appendix 1: 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:	Timeframe:



.....
Secretary General

Date:

31/12/2024

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

Appendix II: Projects implemented by the Grand Dream Development Party

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

Appendix III- Inter-Entity Confirmation Letter



GRAND DREAM DEVELOPMENT PARTY

**GRAND DREAM DEVELOPMENT PARTY
P.O BOX 104414 – 00101 JAMIA
NAIROBI.**

The Office of the Registrar of Political Parties- (ORPP) wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by GRAND DREAM DEVELOPMENT PARTY as at 30th June 2024								
Reference Number	Date Disbursed	Amounts Disbursed by Office of the Registrar of Political Parties (KShs) as at 30th June (Current FY)				Total (D)=(A+B+C)	Amount Received by Grand Dream Development Party (KShs) as at 30 th June	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				

**Grand Dream Development Party
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

						(Previous FY) (E)	
FT232783TN2P/RT23278RN18W, REGISTRAR OF POLITICAL PARTIES/REC/002000260800000160 9	05-OCT- 2023		116,607		116,607	-	
FT240259D3ZJ/RT24025MC479, REGISTRAR OF POLITICAL PARTIES/REC/0020002962	26-JAN- 2024		75,712		75,712	-	
Total			<u>192,319</u>		<u>192,319</u>	<u>233,400</u>	<u>41,081</u>

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department:

SHEM OCHARO

Name

Sign 

GRAND DREAM DEVELOPMENT PARTY
(NDOTO KIJWAAHI)
P.O. BOX 24414-00101, NAIROBI
Date 31/12/2024