

REPUBLIC OF KENYA



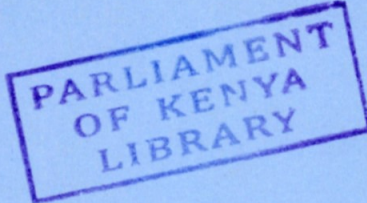
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT DATE: 03 MAR 2026 DAY: Tuesday

TABLED BY:	Hon. Naomi Waggemp
CLERK-AT THE-TABLE:	Deputy majority whip modo Atabo



REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA UNION PARTY

FOR THE YEAR ENDED
30 JUNE, 2025



KENYA UNION PARTY (KUP)

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)

KENYA UNION PARTY(KUP)
Annual Report and Financial Statements
for the year ended June 30, 2025

8

Table of Content.....	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Political Party Information and Management	iii
3. The National Executive Committee.....	vii
4. Key Management/Secretariat Team	viii
5. Chairman’s Statement	ix
6. Report of the Secretary-General	x
7. Statement of Performance against Predetermined Objectives for FY 2024/2025.....	xii
8. Governance Statement.....	xiv
9. Management Discussion and Analysis.....	xix
10. Environmental and Sustainability Reporting	xx
11. Report of the National Executive Council/Committee	xxii
12. Statement of the National Executive Council Responsibilities	xxiii
13. Report of the Independent Auditor for the Financial Statements of Kenya Union Party.....	xxv
14. Statement of Financial Performance for the year ended 30 June 2025	1
15 Statement of Financial Position as at 30 June 2025.....	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025	3
17. Statement of Cash Flows for the year ended 30 June 2025	4
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025	5
19. Notes to the Financial Statements	6
20. Appendices.....	35

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
KUP	Kenya Union Party

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

Kenya union party (Kenya Union Party) was founded in 2021 by Kenyans with a vision to create a prosperous nation built on a firm foundation of justice, equality, freedom and inclusiveness for the peaceful coexistence and wellbeing of the individual, the family, communities and the Nation.

(b) Principal Activities

The party envisages a prosperous nation built on a firm foundation of justice, equality, freedom and inclusiveness for the peaceful coexistence and wellbeing of the individual, the family, communities and the Nation.

Mission of the Kenya Union Party

The party's mission is to create, build and foster a democratic state governed by the principles of devolution of power, the rule of law and the participation of the people in the affairs of the state and Governance for social cohesion, integration and sustainable development of the nation.

Objectives of the Party

The party has the following objectives and aims;

- a) To acquire power through universal suffrage and form government founded on democratic principles of governance, human rights, equality, freedom, social justice and the rule of law so as to implement its vision, mission and guiding principles towards a just and peaceful society.
- b) To participate, compete and win elections by fielding candidates in all elective offices including Presidential, Gubernatorial, Parliamentary and County Assemblies through an open nomination process that is cognizant of gender balance, ethnic diversity and the interest of minority groups.
- c) To conduct public sensitizations, civic education and constitutional awareness among the citizens on their rights pertaining to social justice, political choices and economic advancement.
- d) To promote and advance the participation of women, the youth, persons living with disability, ethnic minorities and other specialized groups in the exercise of the powers of the state and making decisions affecting them.
- e) To protect and promote the principles of devolution in governance towards ensuring equitable sharing of national resources and decentralization of state organs, functions and services from the national government.
- f) To protect and promote the democratic principles of governance based on separation of powers between the three arms of government, accountability and transparency in the conduct of public affairs, protection of human rights and fundamental freedoms as enshrined in the Constitution of Kenya and International treaties and conventions, strict adherence to the rule of law and fidelity to the Constitution of Kenya.
- g) To protect and promote gender equality and equity, ethnic and regional balance, religious tolerance, affirmative action towards the youth, persons with disabilities and other minority groups and inclusivity in accordance to our national values.
- h) To promote and advance economic policies necessary for sustainable development, job creation and reduction of the national debt portfolio.

- i) To advance and promote policies towards food security through sustainable agricultural practices, adequate food reserves and protection of farmers' interest.
- j) To advance policies towards empowerment of agricultural productivity by providing subsidi extension services and liberalization of marketing agencies.
- k) To protect and promote minimum standards of education for all Kenyans through establishment of a regulatory framework that guarantees equality in access and adequate infrastructure.
- l) To protect and promote universal, free and accessible healthcare to every Kenyan.
- m) To promote environmental conservation for the benefit of present and future generations; while incorporating and empowering community-based organizations in its sustainable development.
- n) To protect and promote the rights of every Kenyan child to adequate education, basic nutrition, shelter and sufficient healthcare.
- o) To co-operate, enter into coalition agreements and or merge with other like-minded political parties with a similar ideological disposition with a view of acquiring power, retaining power or otherwise forming government to advance its vision and objectives; subject to sanction by the highest decision-making organ of the party.
- p) To implement the findings and recommendations of the Truth, Justice and Reconciliation Commission, and pursue reparations for the past injustices.
- q) To protect, defend and promote the implementation of national values and principles of governance.
- r) To acquire and hold assets as a body corporate, to raise funds and resources and manage investments necessary towards advancement and achievement of the party objectives.
- s) To promote and foster regional and international cooperation while protecting national interest.
- t) To do all such other things as the party deems necessary towards the achievement of its vision, mission and aims.

Key Management

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

No.	Designation	Responsibility
1.	National Executive committee	
2.	National Chairman	Chairing all the NEC
3.	Secretary General	Managing day to day operations of the party
4.	National vice Treasurer	Treasurer of the party

(c) 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.	Chairperson	Lipale Geoffrey
2.	Secretary General	Powon L. Kapello
3.	Treasurer	Jacob Lisoreng yarangle
4.	Deputy Treasurer	Pauline Chemtai

(d) Fiduciary Oversight Arrangements

- *Governing body/NEC*
- *Budget Committee activities*
- *Procurement Committee*
- *Audit Committee*
- *National Elections Board*
- *National Governing Council*
- *Auditor General*
- *Registrar of Political Parties*
- *Finance committee*
- *Audit and Risk Committee*
- *Parliamentary Oversight Committees*

(e) Party Headquarters

Kenya Union Party
P.O. Box 2345-00100
Transnational bank Building
Harambee Avenue
Nairobi, KENYA

(f) Party Contacts

Telephone: (254) 727765401
E-mail: pkenyaunion@gmail.com
Website: www.Kenya union party.com

(g) Party Bankers

Equity Bank of Kenya
Kapenguria Branch
P.O. Box 400-30600
Kapenguria

(h) Independent Auditor

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

(i) Principal Legal Adviser

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

3.The National Executive Committee

S/No	Position	Name	Gender	Date of assumption	Date when member ceased to serve	Professional qualification
1.	Chairman	Lipale Geoffrey	Male	2022	Active	Graduate
2.	Vice Chairperson	Kariwoi Jackson	Male	2022	Deceased(2025)	Secondary level
3.	Secretary General	Powon L. Kapello	Male	2022	Active	Graduate
4.	Deputy Secretary General	David Kareng Kaparo	Male	2022	Active	Secondary level
5.	National Treasurer	Lisoreng Jacob	Male	2022	Active	secondary
6.	Deputy Treasurer	Pauline Chemtai	Female	2022	Active	Secondary
7.	Organising secretary	Musa Locham Ewoi	Male	2022	Active	Graduate
8.	Director of Election	Ng'oriarita Plimo Jonathan	Male	2022	Active	PHD
9.	Deputy Director of Elections	Achokor Geoffrey	Male	2022	Active	Graduate
10.	Women League Chairperson	Natuch Christine	Female	2022	Active	secondary
11.	Youth Pioneer Chairperson	Justine Amimo Nyongesa	Female	2022	Active	secondary
12.	Deputy director of elections	Veronicah Loriya	Female	2022	Exited in 2022 to Join UDA	Primary

4.Key Management/Secretariat Team

Name	Position	Responsibility
Powon L. Kapello	Secretary General	Accounting Officer/ Secretary to the NEC
Pauline Chemtai	Deputy Treasurer	Deputy Treasurer
David Rotich	Accountant	Head of finance & accounts
Ng'oriarita Plimo Jonathan	Director of Election	Manage Electoral activities

5.Chairman's Statement


In the pursuit of the foregoing obligations and exercising its mandate under Kenya Union Party constitution, the party NEC approved the work plan and annual budget for the financial year under review. Hence I am delighted to present the financial reports for the Kenya union party for the year ended 30th June 2025.

For the last one year, Kenya union membership has been increasing countrywide This shows that many Kenyans including Gen Z have faith in the party. Limited and dwindling funding has been the major challenge for the party. The party all along has been looking for opportunities to undertake national membership drive campaign which has been slowed down by lack of adequate finances. In 2025 the Party Lost the national Vice chairman Mr Jackson Kariwoi (Deceased) to an accident. May his soul rest in eternal peace. As we enter into 2027 elections the party is preparing itself to capture as many sits as possible at all levels of representation

I would like to congratulate Kenya Union Party Secretariat and NEC for the good work. I would like to appreciate all the members of Kenya Union Party without whom it would not have been possible for us to achieve the results for the year under review

As the chairman I appreciate the support accorded to me by my fellow party officials and I thank them for their invaluable advice and support. I would also like to thank the government and the registrar of political parties for their support

Signed



Lipale Geoffrey
National Chairman

Date:

2/12/2025



6. Report of the Secretary-General

As Secretary General of Kenya Union Party, I am proud to present this reflection on our party's financial management performance over the year 2024/2025. It is noted that Section 81 of the Public Finance Management Act, 2012 require the National Executive Committee to prepare financial statements in respect of Kenya Union Party, to give a true and fair view of the state of affairs of the Kenya Union Party as at the end of every financial year/period. Our commitment to democratic values, inclusive governance, and transformative leadership continues to guide our actions and policies. Below is our progress of FY 2024/2025.

The party performed well in terms membership recruitment. The party had targeted to recruit 2000 members during the financial year but was able to recruit 2300. The party however did not conducted its grassroots election due to financial constrains During the financial year the party actively maintained four office which include: Nairobi office(National) , Baringo county office, Transzoia county office and west Pokot county office(Regional) .On financial performance the party prepared and approved a budget of 9,197,497 but received 7,909,603. This was a shortfall of 1,287,894. The budget cut tremendously affected the party activities

Achievements

1. Advocacy Impact:

We successfully conducted number of civic education focused on women and youth empowerment and Advocacy on cross cutting themes that include Female genital Mutilation, Forced Early marriages,HIV AIDS ,Enviromental conservation , peace and conflict resolution through Local Radio Talkshows.

2. Grassroots Engagement:

Our special interest group (SIGs) programs reached over four counties, strengthening our connection with local communities.

3. Economic Initiatives:

Through strategic partnerships, we supported KUP women league with trainings to improve access to credit for rural entrepreneurs and enhance economic experiment.

Challenges

1.Political Polarization:

We acknowledge the growing divide and are actively working to foster dialogue across party lines.

2.Resource Constraints:

Budgetary limitations did slow some of our activities where we had to revise our budget, but we remain committed to transparency and accountability.

Way Forward

We are Hosting People dialogue Forum (PDF) with our partners Centre of multiparty democracy CMD) to gather citizen feedback and shape our 2025/26. Our youth wing will spearhead digital campaigns to increase civic awareness and voter registration. We reaffirm our pledge to uphold the rule of law, protect civil liberties, and serve with integrity. Let this be a moment not just of reflection, but of renewed purpose. We thank our supporters and invite all Kenyans to walk with us toward a more just and prosperous future.


Signed by the Secretary General

Powon L. Kapello

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

The Kenya Union Party has a strategic plan running from Year 2022 to Year 2027. The Strategic Plan is implemented in annual work plans.

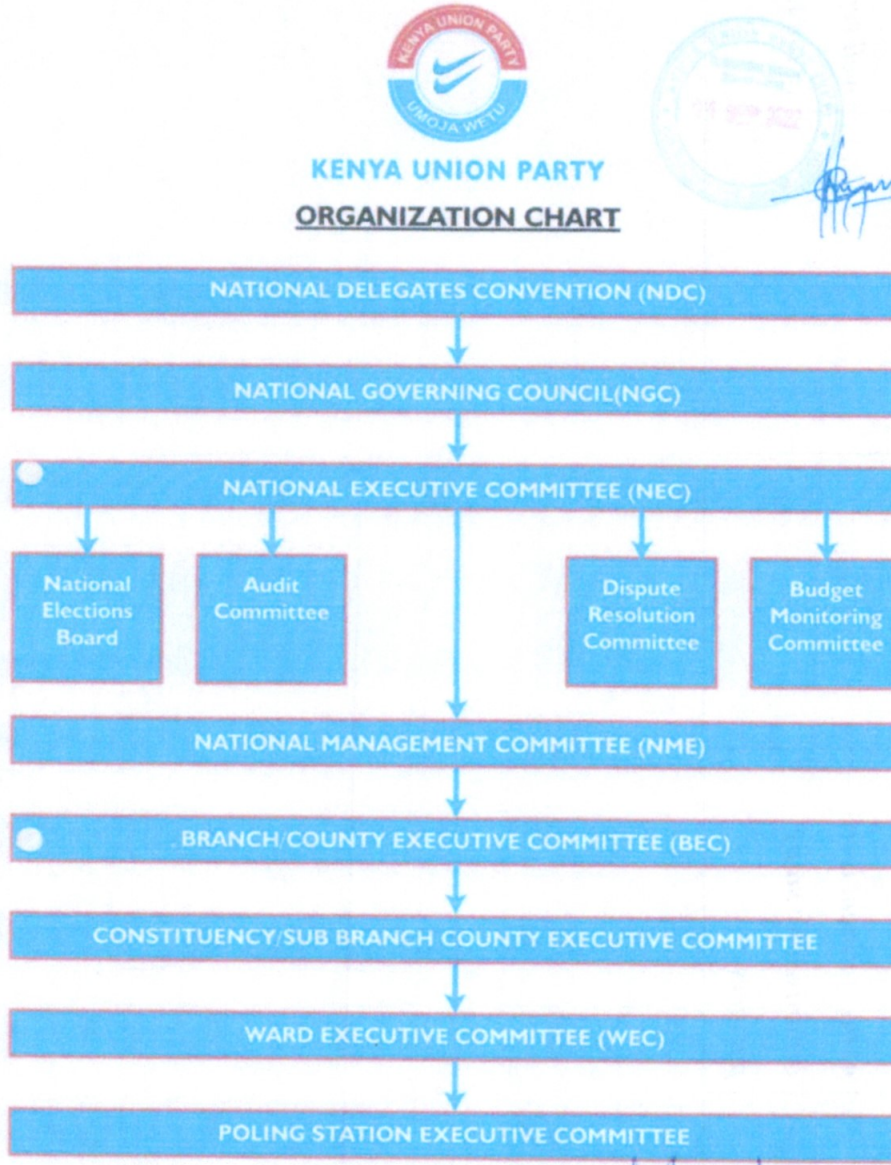
The performance of the Party during the year under review is presented in the table below:

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members recruited	2000	1300	Improved and it needs more effort
2	<i>Mobilization of voters through social media and local FM radios</i>	<i>No of likes in social media platforms</i>	<i>10,000</i>	<i>6,000</i>	<i>More improvement</i>
3	<i>Training of sub-branch, branch and national women league leaders</i>	<i>No of women leaders trained</i>	<i>310</i>	<i>220</i>	<i>They need more financial support</i>
4	<i>Training of youth Leaders at sub-branch, branch and national levels</i>	<i>No of youth leaders reached</i>	<i>640</i>	<i>450</i>	<i>They need more financial support</i>

5	<i>Training of NEC officials</i>	<i>No of NEC trained</i>	<i>10</i>	<i>8</i>	<i>Need Better facilitation</i>
6	<i>Community sensitizations on party policies</i>	<i>No of community forums held countrywide</i>	<i>30</i>	<i>5</i>	<i>Need more financial resources</i>
7.	<i>Participate in National lobbying forums</i>	<i>No of forums attended at the national level organised by many partners</i>	<i>10</i>	<i>4</i>	<i>The party was well represented at the forums</i>

8. Governance Statement

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



GOVERNING BODY REQUIREMENTS

THE NATIONAL EXECUTIVE COMMITTEE (NEC)-GOVERNING BODY.

There shall be established and maintained a governing body known as National Executive Committee (referred to in this constitution as "the NEC") which shall be the supreme decision-making body in matters of Party organization and management.

(a) Eligibility Criteria

The members eligible to be elected to the NEC shall be the fully registered members who have subscribed to the party.

The governing body shall consist of:

- i. All National Officials
- ii. All Chairpersons of the Party's Standing Committees
- iii. The Party's Executive Director, who shall be ex-officio member.

The National Executive Committee shall be constituted by the National Delegates Convention to hold office for terms of five (5) years save for the Secretary of Parliamentary Affairs who shall be elected by the Parliamentary Group and ratified by the National Delegates Convention. His tenure of office shall be a Parliamentary term.

7.3. The procedure for elections of the members of the governing body shall be as provided for in the "KUP Elections and Nominations Rules".

(b) Rights and Duties

The National Executive Committee shall have the following rights and duties:

- i. To act as the executive body and carry out the decisions of the National Governing Council and the National Delegates Congress;
- ii. To supervise the administrative machinery of the Party at all levels and to take such measure as it deems necessary to enforce the decisions and programs of the Party as laid down by the National Governing Council;
- iii. To issue and send directives and instructions to and receive reports from the Branches.
- iv. To convene the meetings of and prepare the agenda for and reports to the National Governing Council and National Delegates Convention.
- v. Establish departments and set up committees as it deems necessary from time to time for specified tasks and to determine their terms of reference.
- vi. To operate and determine the manner in which the Party accounts and finances shall be prudently managed.
- vii. To appoint and fix the Terms and Conditions of Service of the Executive Director and other members of staff in the Employment of the Party.
- viii. To recommend names of members of the party to the National Delegates Convention for consideration for appointment to the NEC of Trustees.

- ix. To receive reports, supervise the work of, and delegate such functions to the National Secretariat and National Elections NEC as it considers necessary.
- x. To recommend to Party Chairperson names of any member of the Party or any other person who has made an outstanding contribution to the Party in the achievement of furtherance of its objects, policies or programs for the conferment of honors of recognition, merit, distinction, commendation or accolade in accordance with the Party's Reward and Merits Scheme as it may deem appropriate,
- xi. To initiate, prepare or cause to be prepared the necessary quarterly, semi-annually or annual financial budgets for approval by National Governing Council and the National Delegates Convention.
- xii. To identify and appoint person(s) to be nominated by the Party to the County Assembly or the National Assembly of Kenya,
- xiii. To receive, consider, approve and implement reports and recommendations from the various standing, ad hoc and specialized committees or individuals,
- xiv. To liaise with the Party National Election NEC in order to ensure the co-ordination of elections of Party Officials at all levels and Party nominations for presidential, parliamentary and County Assembly elections,
- xv. To appoint various schemes aimed at stimulating Party activities,
- xvi. To make Rules and/or Regulations as may be prescribed under this Constitution and lay them before the National Governing Council for ratification,
- xvii. To initiate all such activities as might further the aims and objects of the Party,
- xviii. To form such committees as it deems reasonably fit to discharge its duties.

Guidelines, Operations and Procedure for Conducting Meetings

- i. National Executive Committee shall meet at least once in every **three (3) months** except for emergency meetings which may be convened by the Secretary General according to exigencies of time in consultation with the National Chairperson or by a written request by **30%** of the members thereof.
- ii. Any vacancy accruing in the National Executive Committee during the course of the term before the next National Delegates Convention may be filled through nomination by the National Executive Committee from amongst members of the National Delegates Convention until the vacancy is substantially filled at the next National Delegates Convention.
- iii. A quorum for the National Governing Council, National Executive Council, County Executive Council Branch Executive Council and Sub-Branch Executive Council or any other committee established under this Constitution shall, unless otherwise specifically provided, be thirty percent (30%) of the members thereof.
- iv. In the absence of the National Chairman, a meeting of the NGC or NEC shall be presided over by the National Deputy or Vice Chairman and in the absence of the two, by a person chosen from among the members present.
- v. At all meetings of the Counties, branch and sub-branch units, the Chairman, or in his absence, the Vice Chairman shall preside and in the absence of the two, the members present shall choose one among to preside over such a meeting.
- vi. The person presiding over such a meeting shall have an original and a casting vote.

- vii. Decisions and resolutions of any meeting, unless otherwise stated, shall be by consensus or simple majority.
- viii. Only fully paid up members may attend Party meetings and vote thereat.

DISCIPLINARY COMMITTEE

There is hereby established a disciplinary committee comprising of five party members of good standing, honor and integrity and appointed by the national executive committee. The chairperson shall be an advocate of the high court of Kenya of not less than ten years' standing, shall be appointed by the national executive committee.

The Disciplinary Committee established under this constitution shall have the power to receive, hear and determine all cases of discipline concerning Party Members. Any party member may, by a written and signed complaint, refer to the Committee an issue of discipline. A disciplinary issue shall arise on the ground of gross misconduct.

The Disciplinary Committee shall afford a fair hearing to such member complained with reasonable opportunity to defend him/her against the charges or allegations made against him/her in accordance with Rules of natural justice.

The Disciplinary Committee shall, after a determination of facts on a complaint, make recommendation to the National Executive Committee which shall have the power to pass a penalty including, but not limited to Reprimand, Censure, Sanction, and Suspension for a period definite, or Expulsion. A decision to suspend or expel shall be ratified by two thirds of the National Governing Council. Vacancies thus or otherwise created shall be filled in the same manner as they were originally filled shall be ratified by two thirds of the National Governing Council. Vacancies thus or otherwise created shall be filled in the same manner as they were originally filled.

The Party, County, Branch, Sub-Branch office shall have no power to suspend or expel a member of the Party. Where an issue of discipline is referred to the Party, County, Branch and Sub-Branch, it shall constitute a Special Disciplinary Committee to deliberate on the issue. Where the committee is on the view that the misconduct is so serious as to invite suspension or expulsion, the committee shall refer the matter to the Standing Disciplinary Committee at the Headquarters which shall summarily review the facts and make an appropriate recommendation to the National Executive Committee. Provided however the County, Branch and Sub-Branch offices shall have the power to censure or reprimand.

Any member suspended or expelled shall have a right of appeal to a Special Session of the National Governing Council which shall be convened by the National Chairperson not later than six months from the date of the decision appealed from. The National Governing Council shall have the power to review the facts and its decision on appeal shall be final.

Any Party member under a disciplinary process shall be entitled to represent him/herself in person or by an authorized representative or next friend

9. Management Discussion and Analysis

Kenya Union party has been in existent since 2022. The party trend analysis is indicated below

<i>Trend</i>	<i>2024-2025</i>	<i>2023-2024</i>	<i>2022-2023</i>
<i>Membership</i>	54,617	40700	32,809
<i>Budget per year</i>	9,197,947	9,498,862	9,500,000
<i>Revenue from Political Parties Fund (Funded Parties)</i>	7,909,603	5,202,025	5,695,772
<i>Members' Contributions/Donations</i>	109,640	224,280	334,448
<i>Number of elected representatives, including SIGs</i>	9	9	9
<i>No of Party Branches(counties)</i>	7	7	7

10. Environmental and Sustainability Reporting

Kenya Union Party exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the Citizen first, delivering relevant services, and improving operational excellence

i) Sustainability strategy and profile

The Kenya Union Party fully accepts the obligations placed upon it by the various Acts of Parliament covering Environment sustainability, health, and safety. The Party requires its SG to ensure that the policy is implemented and to report to the National Executive Committee annually on its effectiveness. **Kenya Union Party** recognizes and accepts its responsibility as a Political Party to maintain, so far as is reasonably practicable, the environment, safety, and health of its employees, and of other persons who may be affected by its' political activities." Kenya Union Party believes that consideration of the environment, health, safety, and welfare of staff is an integral part of the management process. The provision of the environment, Health and Safety at the party headquarters and the branches is great importance. Responsibility for environment, health and safety matters are explicitly stated in management job descriptions. The Party requires managers to approach environment, health, and safety in a systematic way, by identifying hazards and problems, planning improvements, taking executive action and monitoring results so that the majority of environment, health and safety needs are met from locally held budgets as part of day-to-day management, although many environment, health and safety problems can be rectified at little additional cost.

For major additional expenditure, cases of need will be submitted by sg to the Executive Director. If unpredictable environment, health and safety issues arise during the year, the Executive Director must assess the degree of risk, in deciding the necessary resources and actions to commit to addressing these issues

ii) Environmental performance

It is the policy of the party to require directors to produce appropriate environment, health and safety policies or guidelines. We embody the minimum standards for environment, health and safety for the department and the work organized within it. It shall be the responsibility of the director to bring to the attention of all members of his or her staff, the provisions of the

guidelines, and to consult with appropriate environment, health and safety bodies about the updating of these guidelines. The model contents of a guideline are:

- Clear statement of the role of the department.
- Regulations governing the work of the department.
- Clear reference to safe methods of working, for example election procedures,
- Environmental safety rules.
- Fire procedures
- Thuggery and hooligans' containment and reporting.
- Policies agreed by the party
- Information about immediate matters of environment, health, and safety concern, such as fire drills, fire exits, first aid.

iii) Employee welfare

Kenya union Party has relevant sections in its policies in regard to hiring processes gender ratio and stakeholder engagement.

11. Report of the National Executive Committee

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

i) Principal activities

The principal activities of the Party are reported on page 6

ii) Results

The results of the Kenya Union Party for the year ended June 30, 2025 are set out on page 1 to 6

iii) Council Members

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

iv) Auditors

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

By Order of the National Executive Committee

.....
Name: Powon Kapello

Secretary General



12.Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and article 7(1) of Kenya Union Party constitution requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

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

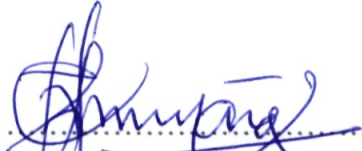
of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable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

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

In preparing the financial statements, the NEC assessed the Party's ability to continue as a going concern. Nothing has come to the attention of NEC to indicate that the Kenya Union 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 NEC on 27th August 2025 and signed on its behalf by:


Name: Lipale Geoffrey
NEC Chairperson
27/8/2025


Name: Powon Kapello
Secretary General
27/8/2025

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA UNION 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Union Party set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets,

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

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Union 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 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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, two (2) issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. These include failure to establish party offices in at least 24 counties and lack of an approved procurement plan. Review of the status during the audit of the Party in the financial year 2024/2025 revealed that the matters remained unresolved.

Other Information

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

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Climate Change Financing Requirements

Review of the Party's annual work plans revealed that the Party did not integrate Climate Change considerations into its operational activities. Further, Climate Change activities were not included in the budget for the financial year 2024/2025. This was contrary to Section 15(2)(a) of the Climate Change Act, 2016, which states that each State Department and National Government public entity shall designate a unit with adequate staff and financial resources and appoint a senior officer as head of the unit to coordinate the mainstreaming of the Climate Change action plan and other statutory Climate Change statutory functions and into sectoral strategies.

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

2. Failure to Publish the Party's Sources of Funds

During the year under review, the Party did not disclose its sources of funds within the required ninety (90) days after the end of the financial year. This was contrary to Section 29(1) and (2) of the Political Parties Act, 2011, which requires all Political Parties to publish their sources of funds in a newspaper with Nationwide circulation and on the Party's official website, within ninety (90) days after the end of a financial year.

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

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

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

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of an Internal Audit Function and Audit Committee

Review of internal controls and governance structures revealed that, during the year under review, the Party had not established an Internal Audit Function. This was contrary to Section 73(3)(b) of the Public Finance Management Act, 2012, which requires every National Government entity to establish appropriate arrangements for conducting internal audits that adhere to the guidelines issued by the Public Sector Accounting Standards Board. Further, the Party did not have an Audit Committee that would oversee the implementation of the audit recommendations, contrary to Section 73(5) of the Public Finance Management Act, 2012, which requires every National Government public entity to establish an Audit Committee whose composition and functions are prescribed by the regulations.

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

10 December 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	7,910,876	5,205,025
Membership contribution/Remittances	7	136,080	224,280
Total Revenue		8,046,956	5,429,305
Expenses			
Administrative Expenses	8	3,271,292	791,009
Special Interest Groups expenses	11	2,830,281	2,362,698
Advocacy and Electoral expenses	12	1,993,454	1,350,700
Total Expenses		8,095,027	4,504,407
Surplus/Deficit		(48,071)	924,898

The notes set out on pages 6 to 30 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the NEC by:



.....
Name: Powon Kapello
Secretary General

Date

.....
Name: Pauline Chemtai
Party Treasurer

Date 2-12/2025

.....
Name: Lipale Geoffrey
Chairman of the Party

Date 2/12/2025

15 Statement of Financial Position as at 30 June 2025


	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	13	29,367	29,167
Receivables and advances	14	0	1,287,896
Total Current Assets		29,367	1,317,063
Non-Current Assets			
Property Plant and Equipment	15	317,314	365,585
Total Non- Current Assets		317,314	365,585
Total Assets (A)		346,681	1,682,648
Liabilities			
Current Liabilities			
Total Liabilities		0	0
Net Assets (A-B)		346,681	1,682,648
Revaluation Reserves			
Revaluation Reserves		-	365,585
Accumulated Surplus/deficits		346,681	1,317,063
Net Assets		346,681	1,682,648

The financial statements set out on pages 1 to 37 were signed on behalf of the NEC by:



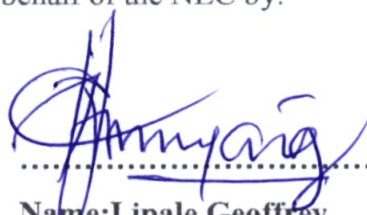
.....
Name: Powon Kapello
Secretary General

Date 2/12/2025



.....
Name: Pauline Chemtai
Party Treasurer

Date 2-12-2025



.....
Name: Lipale Geoffrey
Chairman of the Party

Date 2/12/2025

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

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at July 1, 2023	-	757,750	757,750
Surplus/ deficit for the year	-	924,898	924,898
As at June 30, 2024	-	1,682,648	1,682,648
As at July 1, 2024	-	1,682,648	1,682,648
Prior Year adjustment	-	(1,287,896)	(1,287,896)
Surplus/ (deficit) for the year	-	(48,071)	(48,071)
As at June 30, 2025	-	346,681	346,681

1. *Notes.* This prior adjustment of statement of changes in net asset that relates to errors in recording capital contribution and unrecorded payables.

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

		2024-2025	2023-2024
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)	6	7,910,876	5,205,025
Membership contribution (Remittances)	7	136,080	224,280
Total receipts		8,046,956	5,429,305
Payments			
Administrative Expenses	8	3,223,021	791,009
Special Interest Groups expenses	11	2,830,281	2,362,698
Advocacy and Electoral expenses	12	1,993,454	1,350,700
Total payments		8,046,756	4,504,407
Net cash flows from/(used in) operating activities		200	924,898
Net increase/(decrease) in cash & Cash equivalents		200	924,898
Cash and cash equivalent at 1 July 2024		29,167	29,167
Cash and cash equivalents at 30 June 2025	13	29,367	29,167

KENYA UNION PARTY (KUP)
Annual Report and Financial Statements for the year ended June 30, 2025.

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d		f=d/c*100
Carry Overs from the Previous Period						
Receipts						
Transfers from Political Parties Fund (PPF)	9,197,497	(1,286,621)	7,910,876	7,910,876	0	100%
Membership Fees (Remittance)	960,000	(823,920)	136,080	136,080	0	100%
Total	10,157,497	(2,110,541)	8,046,956	8,046,956	0	100%
Payments						
Administrative Expenses	3,959,249	(687,957)	3,271,292	3,223,021	48,271	-
Special Interest Groups expenses	3,124,200	(293,919)	2,830,281	2,830,281	0	100%
Advocacy and Electoral expenses	2,114,048	(120,594)	1,993,454	1,993,454	0	100%
Total Expenditure	9,197,497	(1,102,470)	8,095,027	8,046,756	48,271	100%
Surplus for the period	960,000	(1,008,071)	(48,071)	200	(48,271)	100%

19. Notes to the Financial Statements

1. General Information

Kenya Union 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 Kenya Union Party accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kenya Union Party. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Section 31 of the Political Parties Act Cap 7D and article 7(1) of Kenya Union Party constitution and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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 cash flows of Kenya Union Party. 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

Standard	Effective date and impact:
	<p>excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across 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 Kenya Union Party 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:</p>	<p><i>Applicable 1st January 2026</i></p>

Standard	Effective date and impact:
Transfer Expenses	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.
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 Kenya Union Party financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

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

	infrastructure assets.
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 Kenya Union Party shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation 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">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 Kenya Union Party 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 Kenya Union Party did not early – adopt any new or amended standards in the financial year or *the Kenya Union Party adopted the following standards early (state the standards, reason for early adoption and impact on Kenya Union Party financial statements.*

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Kenya Union Party 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 2024/2025 was approved by NEC June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the **Kenya Union Party** upon receiving the respective approvals in order to conclude the final budget. Accordingly, the **Kenya Union Party** recorded additional appropriations on the **2024** budget following the governing body's approval.

Budget information (continued)

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

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over in the year 2024-2025 period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Kenya Union Party 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 Kenya union 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 Kenya Union 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 Kenya Union 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 Kenya Union 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 Kenya Union Party expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Kenya Union Party can demonstrate:

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

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

h) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Kenya Union Party does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Party financial statements.*

A financial instrument is any contract that gives rise to a financial asset of one Kenya Union Party and a financial liability or equity instrument of another entity. At initial recognition, the Kenya Union Party 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 Kenya Union Party classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Kenya Union Party 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 cash flows 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 Kenya Union Party 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 Kenya Union Party 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 Kenya Union Party 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 Kenya Union Party assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Kenya Union Party did not recognize for such losses at each reporting date. Therefore there was no critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

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

i) Inventories

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

j) Provisions

Provisions are recognized when the Kenya Union 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 Kenya Union 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 Kenya Union Party does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

l) Contingent assets

The Kenya Union Party 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 Kenya Union Party 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 Kenya Union Party creates and maintains reserves in terms of specific requirements.

Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

The Kenya Union Party provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Kenya Union Party pays fixed contributions into a separate Kenya Union Party (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.

o) 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.

p) 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.

q) Related parties

The Kenya Union Party regards a related party as a person or Kenya Union Party with the ability to exert control individually or jointly, or to exercise significant influence over the Kenya union 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.

r) 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.

s) Comparative figures

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

t) 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 KUP 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 Kenya Union Party 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 KUP . 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. Availability of funding to replace the asset. Changes in the market in relation to the asset

Provisions

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

KENYA UNION PARTY (KUP)**Annual Report and Financial Statements for the year ended June 30, 2025****6. Transfers from Political Parties Fund (PPF)**

Description	2024-2025	2023-2024
	Kshs	Kshs
Operational Grant	7,910,876	5,205,025
Other Grants	0	0
Total	7,910,876	5,205,025

The funding is to support party activities

7. Membership Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Elected & nominated members monthly remittance	136,080	224,280
Nomination fees	0	0
Penalties and fines	0	0
Total	136,080	224,280

The revenue is to support party activities

8. Administrative Expenses

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Salaries and Wages	9	1,200,000	300,000
Office Rent		1,057,548	600,000
Transport & car hire services		0	55,000
Stationaries & printing services		30,000	60,000
Office utilities & consumables		0	30,000
Hospitality		55,333	16,009
Communication & Internet charges		30,000	30,000
Professional expenses (CMD&Audit)	10	150,000	0
Legal expenses		0	0
Depreciation		48,271	56,427
Office repair & maintenance		0	30,000
Furniture & fittings		0	50,000
KUP website review & hosting		50,000	0
NEC /NGC/Meetings		648,000	
Bank charges		2,140	2,980
Total Administrative Expenses		3,271,292	1,230,416

9. Salaries and Wages

Description	2024-2025	2023-2024
	Kshs	Kshs
Volunteer allowances	1,200,000	300,000
Total Salaries and Wages	1,200,000	300,000

** we only have party volunteers*

10. Professional Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Audit	50,000	0
Partners subscription(CMD)	100,000	70,000
Total Professional Fees	150,000	70,000

11.Special Interest Groups

Description	2024-2025	2023-2024
	Kshs	Kshs
Transport reimbursement	2,285,360	1,561,508
Food and Refreshment	240,000	15,617
Stationery	99,921	60,000
Facilitators cost	205,000	120,000
Total	2,830,281	1,757,125

12.Advocacy and Electoral Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Media , advocacy & Publicity	219,213	169,282
Civic education	1,774,241	500,000
Total	1,993,454	669,282

13. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	200	29,167
Cash in Hand	29,167	-
Total Cash and Cash Equivalents	29,367	29,167

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Equity bank (PPF)	1070283491505	40	2,727
Equity Bank(Remittance)	1070283491520	160	26,440
Cash in Hand		29,167	-
Sub- Total		29,367	29,167
Grand Total		29,367	29,167

14. Receivables and advances

Description	2024-2025	2023-2024
	Kshs	Kshs
Receivables		
Other debtors accrued receipts from the political parties fund	0	1,287,895
	0	0
Total Current Receivables	0	1,287,895

KENYA UNION PARTY (KUP)
Annual Report and Financial Statements for the year ended June 30, 2025

15. Property, Plant and Equipment

Cost	Furniture and fittings		Computers		Total
	12,5% Kshs	30% Kshs	30% Kshs	Kshs	
As At 1 July 2023	-	-	-	-	-
As at 30 th June 2024	350,885	14,700	14,700	365,585	
As at 1 July, 2024	350,885	14,700	14,700	365,585	
Additions	0	0	0	-	
As at 1 July 2024	350,885	14,700	14,700	365,585	
Depreciation	43,861	4,410	4,410	48,271	
As at 30 th June 2025	307,024	10,290	10,290	317,314	
Net Book Values	-	-	-	-	
As at 30 th June 2024	350,885	14,700	14,700	365,585	
As at 30 th June 2025	307,024	10,290	10,290	317,314	

Valuation

Land and buildings/ Equipment (be specific) were valued by professional valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). The assets were revalued by professional valuers on this date 2024. These amounts were adopted by the NEC with concurrence from the National Treasury.

15 (a) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers And Related Equipment	30,000	19,710	10,290
Office Equipment, Furniture, And Fittings	458,300	151,276	307,024
Total	488,300	170,986	317,314

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

Description	Cost or valuation	Normal annual depreciation charge
Computers and Related Equipment	10,290	4,410
Office Equipment, Furniture and Fittings	307,024	43,861
Total	317,314	48,271

Notes

Computers and related equipment depreciate by 30% annually

Office equipment, furniture and fittings depreciate by 12.5% annually

16. Cash Generated from Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year	(48,071)	29,167
Adjusted for:		
Depreciation	48,271	56,427
Increase in receivables	-	1,287,895
Net cash flow from operating activities	200	1,317,062

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

17. Financial Risk Management

The Kenya Union party activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Kenya Union Party 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 Kenya union party (KUP) does not hedge any risks since it does give out any credit to tis members, however the party has in place policies to govern its financial operations

i) Credit risk

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

Financial Risk Management

Kenya Union party does not have credit facility or lend money to its members hence the obligation to pay debts does not arise. are operated.

Financial Risk Management

ii) Market risk

The Kenya Union Party has put in place an internal audit function to assist it in assessing the risk faced by the Kenya Union Party 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 Kenya Union Party 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 Kenya Union Party 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 Kenya Union Party exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Kenya Union Party has no 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 Kenya Union 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.

Financial Risk Management

Financial Risk Management

The carrying amount of the Kenya Union Party had No foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Retained Earnings	0	1,317,062
Total Funds	0	1,317,062

18.Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Kenya Union 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

KENYA UNION PARTY (KUP)

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

Description		2024-2025	2023-2024
		Kshs	Kshs
a) Grants /transfers from the government			
Grants from Political Parties Fund		7,910,876	5,205,025
Total		7,910,876	5,205,025

KENYA UNION PARTY (KUP)

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

19. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Failure to establish in 24 counties	Inadequate funds to maintain 20 counties offices	In progress	In progress
2	Lack of approved procurement plan	We have developed the approved procurement plan	Solved	Immediately after the auditors comments we developed on same fy

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 Kenya Union Party 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.

Name: Powon Kapello

Secretary General

Date: 21/11/25



KENYA UNION PARTY (KUP)**Annual Report and Financial Statements for the year ended June 30, 2025**

Appendix II: Transfers from Political Parties Fund

No	Source of Funds (KUP)	Amount	Date Received	Financial Year the funds relates to
	Opening balance	1,273	1 st July 2024	FY 2024/2025
1 st Quarter	Political Parties Fund	2,299,374.25	17 th Oct 2024	FY 2024/25
2 nd Quarter	Political parties Fund	2,299,374.25	14 th Nov 2024	FY 2024/25
3 rd Quarter	Political Parties Fund	2,299,374/25	3 rd March 2025	FY 2024/25
4 th Quarter	Political Parties Fund	1,011,480.25	3 rd June 2025	FY 2024/25
	Total	7,910,876		