

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 03 MAR 2026

DAY.
Tuesday

TABLED
BY:

Hon. Naomi Wago, MP
Deputy Majority Party

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OF

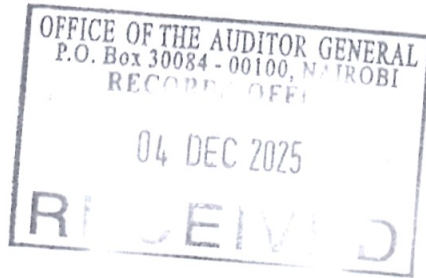
THE AUDITOR-GENERAL

ON

SAFINA PARTY

FOR THE YEAR ENDED
30 JUNE, 2025





SAFINA PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

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

B: Definition of Key Terms

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

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

Comparative Year- Means the prior period.

2. Key Political Party Information and Management

(a) Background information

Safina Party was fully registered under the Political Parties Act, CAP. 7D on May 1995, by Senior Counsel Paul Muite and the paleoanthropologist Richard Leakey. The party was approved to become an official political party 1997. The Party is domiciled in Kenya and has 7 branches.

(b) Principal Activities

The Safina Party aims to build a society where all Kenyans have equal opportunities to live in peace, and be assured of freedom and justice regardless of age, gender, region, race, ethnic background or social status hence the slogan "ALL KENYANS DESERVE A CHANCE".

(c) Key Management

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

No.	Designation	Responsibility
1.	NDC/NGC;	Election of NEC members, Ratification of constitutions, approval of mergers and coalition, dissolution of the party, election of presidential candidates.
2.	NEC	The governing body of the party. Overall oversight on day to day running of the party.
3.	SG	The accounting officer of the party, runs the day to day running of the party.
4.	Treasurer	Custodian of the party's financial records.

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(d) Fiduciary Management

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

No.	Designation	Name
1.	National Chairperson	Martha Nduta Mwangi
2.	Secretary General	David I Wanjohi
3.	National Treasurer	Linus Kipkemei Kimiti

(e) Fiduciary Oversight Arrangements

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

To strengthen financial discipline, Safina Party has established a Finance Committee tasked with planning, mobilization, and prudent management of party funds. Complementing this is the Audit and Risk Committee, which provides independent assurance by reviewing financial statements, monitoring internal controls, and identifying potential risks to the party's operations. Additionally, elected leaders of the party are subject to scrutiny by Parliamentary Oversight Committees, which ensure that Safina Party's parliamentary wing upholds constitutional values, financial probity, and ethical conduct in legislative business.

Together, these oversight mechanisms safeguard the party's integrity, protect members' contributions, and promote public trust in Safina Party's governance structures.

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(f) Party Headquarters

P.O. Box 14746-00100

View Park Towers

1st Floor – Suite 6, Utalii Lane

Nairobi, KENYA

(g) Party Contacts

Telephone: 0722-489-637 or 0711 500 200

E-mail: info@safina.co.ke

Website: www.safina.co.ke

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(h) Party Bankers

(i) National Commercial Bank of Africa (NCBA)

Mall Branch
Nairobi, Kenya

(j) Independent Auditor

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

(k) Principal Legal Adviser

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




Party Legal Advisor

Senior Counsel Paul Muite
P. O. Box ..14746-00100
Nairobi

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3. The National Executive Council/Committee

Ref	Directors	Details
	<p>National Chairperson</p>  <p>Martha Nduta Mwangi</p>	<p>National Human Rights Activist.</p> <p>She is the National Party Chairperson since 18th December 2024 to date and through her guidance steers and leads National Executive Council</p>
	<p>Secretary General</p>  <p>David I Wanjohi</p>	<p>He is Secretary General of Safina Pary as from 13th May 2024 as acting and fully confirmed on 18th September 2024. Additionary, wanjohi is National Human Rights Activist.</p>
	<p>National Treasurer</p>  <p>Linus Kipkemei Kimitai</p>	<p>Businessman and Political Consultant, a party supporter since his youth and now the National Party Treasurer.</p>

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4. Key Management/Secretariat Team

Name	Position	Responsibility
Martha Nduta Mwangi	National Chairperson	Chair the NEC, NGC and NDC meeting in absences of Party Leader
David I Wanjohi	Secretary General	Accounting Officer Spokesperson of the Party
Linus Kipkemei Kimiti	National Treasurer	Manages Party funds and resources.

5. Chairperson's Statement

National Chairperson



Martha Nduta Mwangi

Chairperson's Statement on The State Of Safina Party

Distinguished Members of the Safina Party, Party delegates, Party supporters, and fellow Kenyans. It's my honour to present the 2024-2025 Chairperson's Statement. This address reflects on the current state of Safina Party, the significant progress made in several areas, the challenges we face, and our strategic direction as we prepare for the next General Elections in 2027. Despite the hurdles along the way, Safina Party remains committed to addressing the socio-economic inequalities while upholding democratic principles and individual freedoms. Safina Party has been advocating for the inclusion of marginalized groups, and of peoples abled differently into Kenya's political landscape.

✓ **Financial Challenges**

While we have made commendable progress, the past year has also presented several financial challenges. Chief among these has been the delayed disbursements from the Political Parties Fund. The irregularities in fund disbursement have significantly strained our financial resources, affecting the party's ability to run programs efficiently. Additionally, budget cuts to the Political Parties Fund have further compounded these challenges, forcing us to scale down on some key projects in our work plan.

Our outreach programs in several counties have been hampered by a lack of funds. This situation has also affected the operation of our county offices, some of which have faced temporary closures due to financial constraints. However, despite all these difficulties the Party's administrative expenses, including salaries, logistics, and rent for our offices, have been sustained.

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demographics, we ensure that Safina continues to be a voice for the underrepresented and marginalized in Kenyan politics.

✓ County Offices Compliance

The Political Parties Act 2011 requires that the Party maintains operational offices in the majority of counties. Safina has undertaken a review of the compliance status of our county offices. Unfortunately, due to financial challenges, some of our county offices have not been operational. This has affected our ability to maintain a constant presence in certain counties, which is a challenge we are actively working to resolve.

Out of the twenty-five county offices we operate, several have faced logistical and financial hurdles that have forced us to close their operations temporarily. However, our National Executive Council is working tirelessly to address these issues. We will re-allocate resources to prioritize the re-opening of critical offices and ensuring that these county offices comply with all the regulatory requirements as outlined by the Office of the Registrar of Political Parties (ORPP). Fully operational and compliant County offices is a key focus, as these offices are critical to our grassroots efforts and preparation for the 2027 General Elections.

Stakeholders' Engagements

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

Political Direction

✓ 2027 General Elections

Safina Party aims to form the next Government. Either solely or in a coalition of like-minded political parties. Therefore, early preparation for the 2027 General Elections is our agenda number one. While the elections may seem far off, we are keenly aware that building a successful campaign requires long-term planning. Safina has begun laying the groundwork for the 2027 elections by developing a strategic plan that focuses on candidate identification, policy development, and strengthening our Party's brand.

We will be selecting candidates early, providing them with training and resources to ensure they are well-prepared to run successful campaigns. Our policy team is also working on a platform that addresses the key issues facing Kenyans today, including economic empowerment, climate

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change, and governance reforms. We are also investing in improving our communication strategies, particularly in social media and other digital platforms, to engage with voters especially the GenZ and promote our message effectively. The National Executive Council, and other Party Organs, is committed to ensuring that the we will make an impact in the next General Elections.

Future Opportunities

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

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

Signed and dated 3rd day of December 2025
National Chairperson.
Safina Party



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6. Report of the Secretary-General

Secretary General



David I Wanjohi

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

Operational Performance

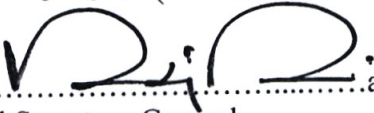
The Safina Party continued to strengthen its operations across the country. Key achievements during the year included:

- **Membership Recruitment:** The Party registered approximately 2,100 new members across different counties. This growth reflects the confidence Kenyans continue to place in Safina's vision and leadership.
- **Opening of Offices:** To reinforce our presence, the Party opened 3 more constituency-level offices, this expansion has improved accessibility for members and enhanced our capacity to coordinate party activities at the grassroots level.

Financial Performance

The financial year 2024/2025 was guided by an approved budget of Kshs. **3,037,744** which prioritized grassroots activities, membership services, stakeholder engagement, and institutional strengthening.

- **Revenue Performance:**
 - Political Parties Fund (PPF): **Kshs. 2,612,379**
 - Membership Contributions: **Kshs. 55,000**
- **Expenditure Highlights:**
 - Party Administration and Operations: **Kshs. 1,101,624**
 - SIGs (Women and Youth functions): **Kshs. 1,280,750**

Signed  and dated 3rd December 2025
National Secretary General.
Safina Party



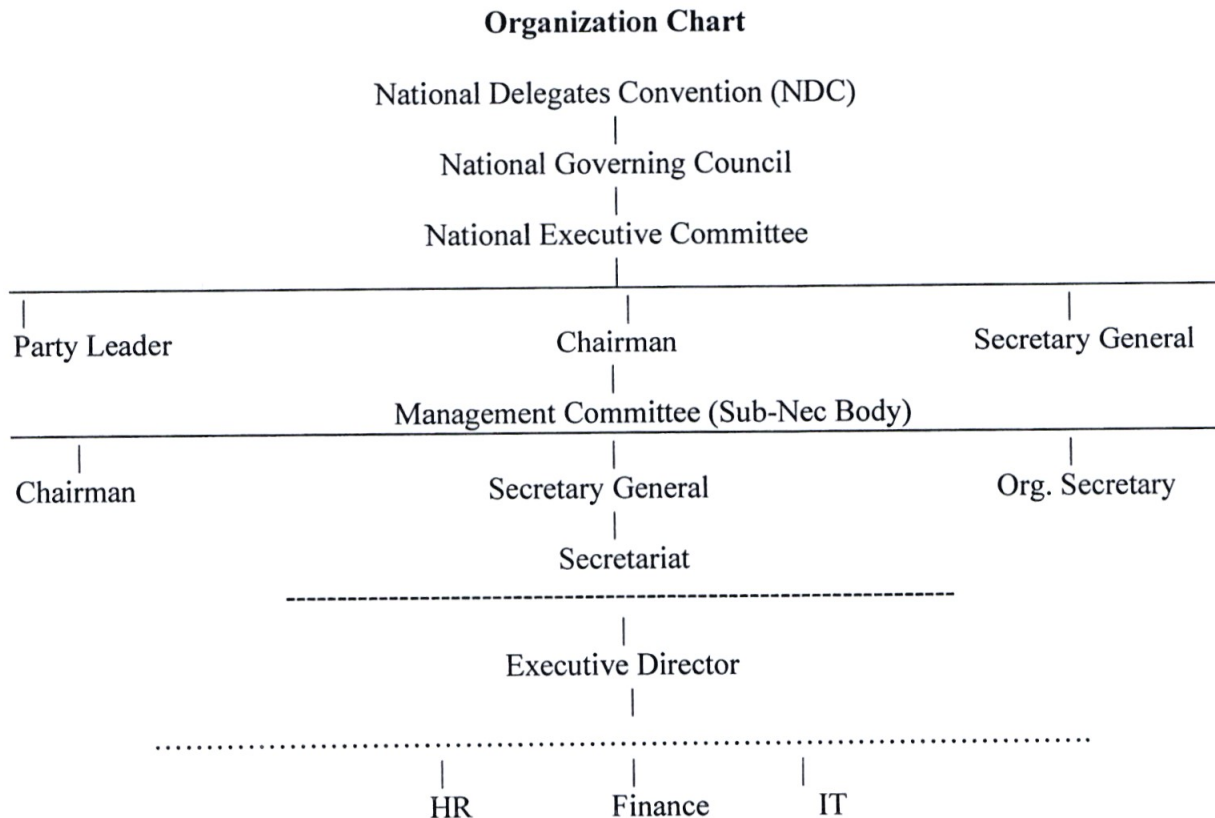
7. Statement of Performance against Predetermined Objectives for FY 2024/2025

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

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members	10,000	3,500	Lamu and Kirinyaga
2.	<i>Special Interest group Inclusion</i>	<i>Number of Empowerment meetings</i>	7	4	<i>Achieved by carrying out various work shops across the country</i>
3.	<i>Digital presence</i>	<i>Party Website</i>	1	1	<i>Functional website</i>
4.	<i>By- Election</i>	<i>Participation</i>	0	0	<i>No. IEBC</i>
5.	<i>Members Contribution</i>	<i>Total contributions</i>	100,000	55,000	<i>Legal framework to effect this</i>

8. Governance Statement

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



DUTIES OF PARTY OFFICIALS

(a) The National Delegates Conference (NDC)

The National Delegates Conference shall be the supreme organ of the Party with power to determine Party policy.

The National Delegates Conference shall be composed of the following members:

- i. All members of NEC;
- ii. All Parliamentary Group members;
- iii. All County Chairpersons, and Secretaries of each County Assembly Forum (CAF)
- iv. Chairpersons and Secretaries and three other members from the Branch while observing 2/3rd Gender Rule;
- v. All Chairpersons and Secretaries of each Branch Women Council;
- vi. All Chairpersons and Secretaries of each Branch Youth Revolutionary Council,
- vii. All Chairpersons and Secretaries of each Branch Equality Council
- viii. Chairpersons of all Committees and Organs created by NEC.

The National Delegates Conference (NDC) shall be held once every five (5) years, NEC may however convene a Special National Delegates Conference at its discretion; The quorum of members at the National Delegates Conference meeting shall be 200 members;

The National Executive Council may invite individuals who have made special contribution to the Party or who have special skills or experience to attend the The National Delegates Conference shall be the highest policy decision making authority of the Party and shall have the following specific powers, duties and

Obligations: -

- (i) To receive reports from party organs;
- (ii) To elect members of NEC;
- (iii) To appoint the Board of Trustees;
- (iv) To consider and transact any other business that may be laid and/or referred to it by NEC;

(b) Party Leader

The Party Leader shall:

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

(c) The National Chairperson (NC)

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

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(d) The Secretary General (SG)

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

(e) The National Organizing Secretary (NOS)

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

(f) The National Treasurer (NT)

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

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9. Management Discussion and Analysis

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

<i>Description</i>	<i>2024/2025</i>	<i>2023/2024</i>	<i>2022/2023</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Transfers from political parties' fund</i>	3,037,744	1,605,322	1,569,292
<i>Public Contributions and Donations in kind</i>	55,000	140,000	68,000
<i>Member's subscriptions</i>	100,000	-	
<i>Total</i>	3,192,744	1,745,322	1,637,292

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

<i>Description</i>	<i>2024/2025</i>	<i>2023/2024</i>	<i>2022/2023</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Revenue</i>	3,192,744	1,745,322	1,637,292
<i>Expenditures</i>	2,392,526	1,437,946	1,431,425
<i>Surplus for the period</i>	800,218	307,377	205,867

10. Environmental and Sustainability Reporting

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

1. Sustainability Strategy and Profile

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

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

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- Green Energy: The party has explored the use of solar and wind energy in its operations across its activities.

2. Employee Welfare

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

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

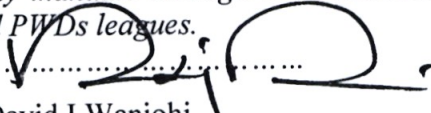
3. Marketplace Practices

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

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

4. Community Engagements

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

.....

David I Wanjohi

Secretary General



11. Report of the National Executive Council/Committee

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

i) Principal activities

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

ii) Results

The results of the Safina Party for the year ended June 30, 2025 are set out on page 1-4


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 Safina Party in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Council/Committee



David I Wanjohi

Secretary General



12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and *Article 13 of the Safina Party's Constitution*, requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

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

The NEC accepts responsibility for the Party's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and the Political Parties Act. The NEC is of the opinion that the Party's financial statements give a true and fair view of the state of the Party's transactions during the financial year ended June 30, 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.

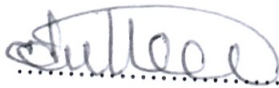
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Annual Report and Financial Statements for the year ended June 30, 2025

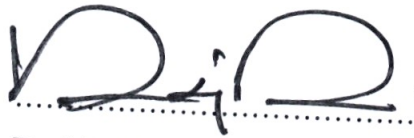
In preparing the financial statements, the NEC assessed the Party's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Safina Party will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Safina Party's financial statements were approved by the Board on 3rd December 2025 and signed on its behalf by:



Martha Nduta Mwangi
NEC Chairperson



David I Wanjohi
Secretary General



REPUBLIC OF KENYA



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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SAFINA 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 Safina Party set out on pages 1 to 38, 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 the Safina 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 Safina 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 years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on the Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Party in the Financial Year 2024/2025 revealed that the following nine (9) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Variances Between Comparative Balances and Prior Year Audited Financial Statements
2	2023/2024	Unsupported Cash and Cash Equivalents
3	2023/2024	Unexplained Variance in Revenue from Non-Exchange Transactions
4	2023/2024	Lack of a Procurement Plan and a Strategic Plan
5	2023/2024	Non-Compliance with the Public Sector Accounting Standards Template Requirements

No.	Financial Year	Audit Issue
6	2023/2024	Failure to Establish Party Offices in at Least 24 Counties
7	2023/2024	Lack of an Internal Audit Function
8	2023/2024	Lack of Risk Management Policy and Disaster Recovery Plan
9	2023/2024	Lack of a Fixed Asset Register

Other Information

The Management is responsible for the Other Information set out on pages iii to xxv which comprise of Key Political Party Information and Management, The National Executive Council/Committee, Key Management/Secretariat Team, Chairman's Statement, Report of the Secretary General, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the National Executive Council, and the Statement of the 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. Presentation and Disclosures in the Financial Statements

Review of the financial statements submitted for audit revealed the following errors and inconsistencies:

- i. The Management Discussion Analysis does not include trend analysis information on membership, the number of elected representatives (Including Special Interest Groups), or the number of party branch offices;

- ii. The Statement of Compliance and Basis of Preparation on page 6 incorrectly indicates the year of enactment of the Public Finance Management Act, as 2022 instead of the correct year, 2012; and,
- iii. The audit issues listed in Appendix I on the implementation of Auditor-General's recommendations are inconsistent with the unresolved audit issues from prior years.

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

2. Lack of a List of Registered Suppliers

During the year under review, the Party incurred Kshs.1,111,776 on administrative expenses and Kshs.1,280,750 on special interest group expenses, as disclosed in Notes 9 and 10, to the financial statements, respectively. However, Management did not provide a list of registered suppliers who were engaged during the financial year. This was contrary to Section 57(1) and (2) of the Public Procurement and Assets Disposal Act, 2015, which provides that the Head of the Procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors, and consultants in the categories of goods, works, or services according to its procurement needs.

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

3. Irregular Use of Low-Value Procurement and Lack of a Procurement Plan

During the year under review, the Party incurred expenditures of Kshs.1,111,776 on administrative expenses and Kshs.1,280,750 on special interest groups, as disclosed in Notes 9 and 10, respectively. Included in these expenditures is an amount of Kshs.1,234,900 for goods and services that were procured using the low-value procurement method. However, the amounts exceeded the allowable threshold of Kshs.50,000 per item per financial year as stipulated in the Second Schedule of the Public Procurement and Asset Disposal Regulations, 2020.

Further, the expenditure was not supported by a procurement plan contrary to Section 45(3)(a) and (b) of the Public Procurement and Asset Disposal Act, 2015, which requires that all procurement processes be within the approved budget and planned through an annual procurement plan and should comply with the applicable threshold matrix.

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

4. Failure to Maintain Memorandum Cash Book

The statement of financial performance reflects total expenditure of Kshs.2,392,526 which includes cash expenditure of Kshs.1,234,900. However, the management did not maintain a memorandum cash book to confirm that the purchases were made through Standing Imprests. This is contrary to Regulation 93(14) of the Public Finance Management (National Government) Regulations, 2015, which states that the holder of a standing imprest shall keep a memorandum cash book to record all receipts and

payments and the balance on hand shall agree with the cash balance recorded in the cash book, and in the absence of any receipts, the actual cash balances plus the expenses paid shall equal at all times the fixed level of the imprest for which the imprest holder is personally responsible.

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

5. Non-Compliance with Climate Change Financing Requirements

Review of the 2024/2025 financial year annual work plans revealed that the Party did not integrate Climate Change considerations into its operational activities. Further, there was no evidence of climate-related allocations in the administrative expenditure budget and environmental and sustainability reporting sections of the annual report. This was contrary to The National Treasury Circular 13/2020, which requires government entities to identify and report on Climate Change and environmental allocations within their budgets.

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

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

During the year under review, the Party operated only one (1) Office located in Nairobi. Although the Party submitted a list indicating that it has branch offices in twenty-four (24) Counties, it did not provide any supporting documentation, such as lease agreements, staff list, or reports on Party activities to verify the existence of these 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 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Independent Review of Bank Reconciliation Statements

The statement of financial position reflects a cash and cash equivalent balance of Kshs.1,728,429 as detailed in Note 12 to the financial statements. However, monthly bank reconciliation statements were not being reviewed by an individual independent of the preparer.

In the circumstances, the lack of independent review weakens internal controls over cash management and increases the risk of errors or irregularities going undetected.

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 it 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

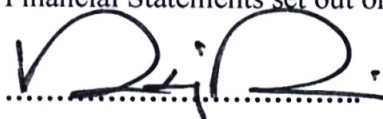
Nairobi

10 December, 2025

SAFINA PARTY**Annual Report and Financial Statements for the year ended June 30, 2025.****14. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue			
Transfers from Political Parties Fund (PPF)	6	3,037,744	1,605,322
Membership Fees	7	55,000	140,000
Public contributions and donations	8	100,000	-
Total Revenue		3,192,744	1,745,322
Expenses			
Administrative Expenses	9	1,111,776	873,946
Special Interest Groups expenses	10	1,280,750	364,000
Advocacy and Electoral expenses	11	-	200,000
Total expenses		2,392,526	1,437,946
Other gains/(losses)			
Surplus/Deficit		800,218	307,377

The notes set out on pages 6 to 37 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the NEC by:



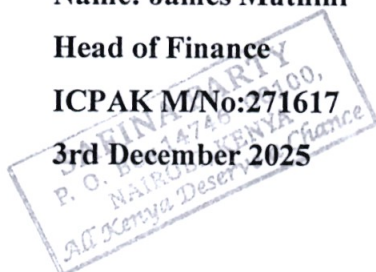
David I Wanjohi
Secretary General

3rd December 2025



Name: James Muthini
Head of Finance
ICPAK M/No:271617

3rd December 2025





Martha Nduta Mwangi
Chairman of the Party

3rd December 2025


SAFINA PARTY**Annual Report and Financial Statements for the year ended June 30, 2025.****15 Statement of Financial Position as at 30 June 2025**

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	12	1,728,429	969,754
Receivables and advances	13		40,000
Total Current Assets		1,728,429	1,009,754
Non-Current Assets			
Property Plant and Equipment	14	223,180	141,638
Total Non- Current Assets		223,180	141,638
Total Assets (A)		1,951,609	1,151,392
Liabilities			
Current Liabilities			
Trade and Other Payables		-	-
Total Current Liabilities		-	-
Non-Current Liabilities			
Total Non- Current Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		1,951,609	1,151,392
Represented by:			
Revaluation Reserves		651,327	569,786
Accumulated Surplus/deficits		1,300,282	581,607
Net Assets		1,951,609	1,151,392

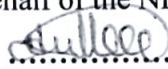
The financial statements set out on pages 1 to 4 were signed on behalf of the NEC by:


 David I Wanjohi
 Secretary General

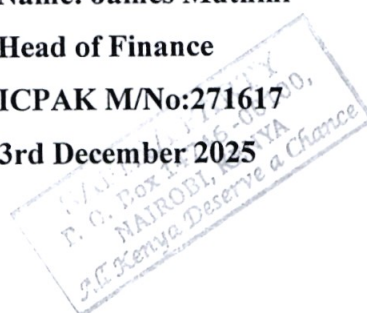
3rd December 2025


 Name: James Muthini
 Head of Finance
 ICPAK M/No:271617

3rd December 2025


 Martha Nduta Mwangi
 Chairman of the Party

3rd December 2025



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

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

Description	Capital Fund	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at July 1,2023	599,898	244,118	844,016
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	(30,113)	30,113	-
Surplus/ deficit for the year	-	307,377	307,377
As at June 30, 2024	569,786	581,607	1,151,392
			-
As at July 1, 2024	569,786	581,607	1,151,392
Purchase of PPE	138,593	(138,593)	-
Transfer of excess depreciation on revaluation	(57,050)	57,050	-
Surplus/ (deficit) for the year	-	800,218	800,218
As at June 30, 2025	651,327	1,300,282	1,951,609

SAFINA PARTY**Annual Report and Financial Statements for the year ended June 30, 2025.****17. Statement of Cash Flows for the year ended 30 June 2025**

		2024/2025	2023/2024
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)	6	3,037,744	1,605,322
Membership Fees	7	55,000	140,000
Public contributions and donations	8	100,000	-
Total receipts		3,192,744	1,745,322
Payments			
Administrative Expenses	9	1,014,726	843,833
Special Interest Groups expenses	10	1,280,750	364,000
Advocacy and Electoral expenses	11	-	200,000
Prepaid Rent	13	-	40,000
Total payments		2,295,476	1,447,833
Net cash flows from/(used in) operating activities		897,268	297,489
Cash flows from investing activities			
Purchase of PPE and Intangible assets	14	(138,593)	-
Net cash flows from/(used in) investing activities		(138,593)	-
Cash flows from financing activities			
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		758,675	297,489
Cash and cash equivalents at 1 July		969,754	672,265
Cash and cash equivalents at 30 June	12	1,728,429	969,754

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

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c *100
Carry Overs from the Previous Period				969,754	-	
Receipts						
Transfers from Political Parties Fund (PPF)	3,037,744	-	3,037,744	3,037,744	-	100%
Membership Fees	55,000	-	55,000	55,000	-	100%
Public contributions and donations	100,000	-	-	100,000	(100,000)	0%
Total	3,192,744	-	3,092,744	3,192,744	(100,000)	103%
Payments						
Administrative Expenses	1,014,726	-	1,014,726	1,014,726	-	100%
Special Interest Groups expenses	1,280,750	-	1,280,750	1,280,750	-	100%
Advocacy and Electoral expenses	914,361	-	914,361	-	914,361	
Purchase of Assets	138,593	-	138,593	138,593	-	0%
Total Expenditure	3,348,430	-	3,348,430	2,434,069		73%
Surplus for the period	(155,686)		(255,686)	758,675		- 297%

Budget Reconciliation

No.	Description	Kshs
1	Actual Surplus Amounts as per the statement of Budget	758,675
2	Cash and cash equivalents at the beginning of period	969,754
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,728,429

19. Notes to the Financial Statements

1. General Information

Safina 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 Safina 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 Safina party. *The* financial statements have been prepared in accordance with the PFM Act,2022 the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

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

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

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

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

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

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

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	<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>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard 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>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50:	<p>Applicable 1st January 2027</p>

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Exploration For & Evaluation of Mineral Resources	The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures. v. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. vi. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

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

ii) Revenue from exchange transactions

Rendering of services

The Safina 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.

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Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY 2024/2025 was approved by the National Assembly on 1st July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Safina party upon receiving the respective approvals in order to conclude the final budget.

Budget information (continued)

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

c) Investment property

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

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d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Safina 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 Safina 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 Safina 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 Safina 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 Safina Party *expenses* research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Safina 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.

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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 Safina Party does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. . A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

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Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

The 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 *Safina Party*.

j) Provisions

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

k) Contingent liabilities

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

l) Contingent assets

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

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

m) Nature and purpose of reserves

The Party does not create and maintains reserves in terms of specific requirements

Changes in accounting policies and estimates

The Safina 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 Safina Party provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Party pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Description	2024/2025	2023/2024
	Kshs	Kshs
Operational Grant	3,037,744	1,605,322
Other Grants	-	
Total	3,037,744	1,605,322

7. Membership Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Nomination fees	-	-
Subscription fees	55,000	140,000
Total	55,000	140,000

8. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Volunteer contribution	100,000	-
Total	100,000	-

SAFINA PARTY**Annual Report and Financial Statements for the year ended June 30, 2025.****9. Administrative Expenses**

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Salaries and Wages	9(a)	332,000	246,500
Office Rent		240,000	240,000
Staff welfare		50,000	200,000
Repair and Maintenance		20,500	-
Stationaries & printing		14,450	18,000
Media & publications		25,000	-
Travel and accommodations			18,000
Professional Fees	9(b)	140,000	50,000
Internet		17,500	-
Depreciation		57,050	30,113
Web Hosting		17,000	12,992
Bank charges		9,652	4,341
office operation expenses		88,624	54,000
Registration fee for CMD		100,000	
Total Administrative Expenses		1,111,776	873,946

Notes

Total Administrative Expenses	1,111,776
Less: Depreciation	(57,050)
LESS; Prepaid Rent	(40,000)
Balance as at cash flow (note 9)	1,014,726

9(a) Salaries and Wages

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	332,000	246,500
Total Salaries and Wages	332,000	246,500

9(b) Professional Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Audit	140,000	50,000
Total Professional Fees	140,000	50,000

SAFINA PARTY**Annual Report and Financial Statements for the year ended June 30, 2025.****10. Special Interest Groups**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transport	617,500	319,000
Conference Facility	434,250	45,000
Other Costs	229,000	-
Total	1,280,750	364,000

11. Advocacy and Electoral Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Other Costs	-	200,000
Total	-	200,000

12. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	1,728,429	969,754
Total Cash and Cash Equivalents	1,728,429	969,754

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
NCBA Bank	17462220028	186,008	81,512
NCBA Bank	1746220012	1,542,421	888,242
Sub- Total		1,728,429	969,754

13. Receivables and advances

Description	2024/2025	2023/2024
	Kshs	Kshs
Receivables		
Rent Prepayments		40,000
Total Current Receivables	-	40,000

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14. a) Property, Plant and Equipment

Cost Depreciation Rate	Office	Furniture and	Computers	Total
	equipment	fixtures		
	10%	10%	25%	
	Kshs	Kshs	Kshs	Kshs
2023/2024				
As At 1st July 2023	-	95,000	115,000	210,000
Additions	-	-	-	-
As at 30th June, 2024	-	95,000	115,000	210,000
Depreciation And Impairment				
At 1st July 2023				
Accumulated depreciation	-	9,500	28,750	38,250
Depreciation	-	8,550	21,563	30,113
As at 30th June, 2024	-	18,050	50,313	68,363
Net Book Values				-
As at 30th June 2024	-	76,950	64,688	141,638
2024/2025				
As At 1st July 2024	-	95,000	115,000	210,000
Additions	77,443	-	61,150	138,593
As at 30th June, 2025	77,443	95,000	176,150	348,593
Depreciation And Impairment				
At 1st July 2024				
Accumulated depreciation	-	18,050	50,313	68,363

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Cost	Office equipment	Furniture and fittings	Computers	Total
Depreciation	9,680	9,619	37,751	57,050
As at 30th June, 2025	9,680	27,669	88,064	125,413
Net Book Values				-
As at 30th June, 2025	67,763	67,331	88,086	223,180

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

14(b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Office equipment	77,443	9,680	67,763
Computers And Related Equipment	176,150	88,064	88,086
Office Furniture, And Fittings	95,000	27,669	67,331
Total	348,593	125,413	223,180

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

Notes To the Financial Statements (Continued)
15. Cash Generated from Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus for the year	800,218	307,377
Adjusted for:		
Depreciation	57,050	30,113
Working capital adjustments		
Decrease in receivables	40,000	(40,000)
Net cash flow from operating activities	897,268	297,489

16. Financial Risk Management

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

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables	-	-	-	-
Bank balances	1,728,429	1,728,429	-	-
Total	1,728,429	1,728,429	-	-
As at 30 June 2024				
Receivables	465,365	465,365	-	-
Bank balances	969,754	969,754	-	-
Total	1,435,119	1,435,119	-	-

Notes to the Financial Statements (Continued)

Financial Risk Management

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

ii) Liquidity risk management

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

Financial Risk Management

iii) Market risk

The Safina Party's has put in place an internal audit function to assist it in assessing the risk faced by the Safina Party's on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Safina Party's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-

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to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Safina Party has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Safina 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.

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

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

Notes to the Financial Statements (Continued)

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

SAFINA PARTY**Annual Report and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****Financial Risk Management**

The Party has no financial and non-financial instruments to be recorded at fair value by level of the fair value hierarchy:

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Capital Fund	651,327	569,786
Accumulated Surplus	1,300,282	581,607
Total Funds	1,951,609	1,151,392
Total Borrowings	-	-
Less: Cash and Bank Balances	(1,728,429)	(969,754)
Net Debt/(Excess Cash And Cash Equivalents)	223,180	181,638
Gearing	11%	16%

17. Related Party Disclosures**Nature of related party relationships**

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

Related parties include:

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

Description	2024/2025	2023/2024
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund	3,037,744	1,605,322
Total	3,037,744	1,605,322

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Description	2024/2025	2023/2024
	Kshs	Kshs
b) Key management compensation		
Allowances to NEC Members	-	-
Compensation to key management	-	-
Total	-	-

18. Contingent Assets and Contingent Liabilities

No any Contingent assets or liability held by the Party.

19. Events after the Reporting Period

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

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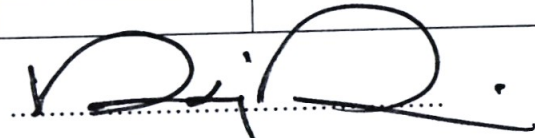
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20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Variance between comparative balances and prior year Audited Accounts financial statement	The issues were resolved on the resubmitted financials	Resolved	
2	Unsupported Cash and cash equivalent	The bank certificate was obtained from bank and shared	Resolved	



Secretary General

Date: 3rd December 2025



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Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Entity)	Amount	Date Received	Financial Year the funds relates to
<i>1</i>	<i>Political Parties Fund</i>	<i>759,436</i>	<i>29/01/2025</i>	<i>FY 2024/25</i>
<i>2</i>	<i>Political Parties Fund</i>	<i>759,436</i>	<i>11/02/2025</i>	<i>FY 2024/25</i>
<i>3</i>	<i>Political Parties Fund</i>	<i>759,436</i>	<i>03/03/2025</i>	<i>FY 2024/25</i>
<i>4</i>	<i>Political Parties Fund</i>	<i>334,071</i>	<i>05/06/2025</i>	<i>FY 2024/25</i>
<i>5</i>	<i>Political Parties Fund</i>	<i>425,365</i>	<i>08/07/2024</i>	<i>FY 2023/24</i>