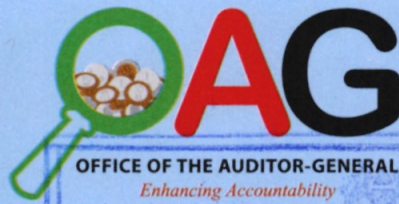


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 14 APR 2026

DAY.

Tuesday

TABLED
BY:

Hon. Naomi Wago, CBSMP
(Deputy Majority Whip)

CLERK-AT
THE-TABLE:

Inzofu Mwale, HSC

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

MOVEMENT FOR DEMOCRACY AND
GROWTH PARTY

FOR THE YEAR ENDED
30 JUNE, 2025



MOVEMENT FOR DEMOCRACY AND GROWTH 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)**

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

Table of Contents.....	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key Political Party Information and Management	iii
3. MDG Party Secretariat.....	vii
4. Key Management.....	viii
5. Chairman's Statement	ix
6. Report of the Secretary General	x
7. Statement of Performance against Predetermined Objectives for FY 2024/2025	xii
8. Governance Statement.....	xiii
9. Management Discussion and Analysis	xvii
10. Environmental and Sustainability Reporting.....	xxi
11. Report of the Party Secretariat.....	xxiii
12. Statement of the National Executive Committee Responsibilities	xxiv
13. Report of the Independent Auditor for the Financial Statements of Movement for Democracy and Growth Party.	xxvi
14. Statement of Financial Performance for the year ended 30 June 2025	1
15. Statement of Financial Position as at 30 June 2025	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025	3
17. Statement of Cash Flows for the year ended 30 June 2025.....	4
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025..	5
19. Notes to the Financial Statements	7
20. Appendices	32

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
MDG	Movement for Democracy and Growth Party
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
SIGs	Special Interest Groups

B: Definition of Key Terms

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

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

Comparative Year- Means the prior period.

2. Key Political Party Information and Management

(a) Background information

The MDG Party was incorporated/ established under the Political Parties Act on 7th December 2016. The Party is domiciled in Kenya and has branches in Nairobi, Busia and Siaya. The Party is governed by Party Secretariat comprising of five members with a non-executive Chairman. The Council has constituted five committees to supplement its functions. The committees are responsible for governance of various functions within the Party. The committees include Finance Committee, Procurement and Disposal Oversight Committee, Audit Risk & Compliance Committee, Budget Monitoring and Implementation Committee and General-Purpose Committee.

(b) Principal Activities

The principal activity/mission/ mandate of the MDG Party is to defend the democratic gains of the Kenyan people and to advance towards a society in which the government is freely chosen by the people according to the principles of universal coverage on a common voters' register.

Vision

Our vision is to deliver a Kenya governed by the rule of law with equal opportunities and social justice to all, through economic empowerment, inclusivity and devolution of natural resources.

Mission

MDG's mission is to optimally facilitate the realization of inclusivity, social justice, economic empowerment, equality and equity to all Kenyans in a manner that is professional, incorruptible, internally democratic and efficient

Core Objectives

- The values and principles of MDG Party are:
- Inclusivity
- Integrity
- Economic empowerment
- Social justice, equity and equality
- Respect for Human Rights
- Transparency and accountability

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

(c) Key Management

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

No.	Designation	Name
1.	National Executive Director	Michaels Ben Oliewo
2.	Party Leader	Hon. David Ouma Ochieng
3.	Finance Manager	Jared Okello Otieno
4.	Procurement Manager	Anita Mwenesi Lumalas

(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.	Party Leader	Hon. David Ouma Ochieng
2.	Head of Corporate Services	David Okoth
3.	Head of Finance	Jared Okello Otieno
4.	Head of Procurement	Anita Mwenesi Lumalas
5.	Head of ICT	Linus Okoth Opiyo
6.	Head of Audit, Risk & Compliance	Cedrick Owino Ochieng

(e) Fiduciary Oversight Arrangements

Registrar of Political Parties, RPP, is established under the Political Parties Act, 2011, is the primary external regulator overseeing political parties' financial and operational activities.

The NEC is the party's primary executive organ, responsible for day-to-day management, including financial oversight.

Parliamentary committees, such as the Public Accounts Committee (PAC) and the Committee on Implementation, provide external oversight, particularly for parties receiving public funds.

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

Other Oversight Arrangements

Internal Party Organs (NGC and NDC): The National Governing Council (NGC) reviews financial reports and proposals from the NEC, ensuring alignment with party objectives before NDC approval.

The National Delegates Conference (NDC), as the supreme organ, has the final say on major financial decisions, such as approving budgets or addressing mismanagement.

Independent Auditors: Parties are required to engage external auditors to review their financial statements annually, ensuring compliance with the Political Parties Act and transparency to members and the RPP.

Party Members and Grassroots Structures: Members and lower-level organs (e.g., county or constituency committees) can raise concerns about financial mismanagement, fostering grassroots accountability.

The Ethics and Anti-Corruption Commission (EACC) and courts may investigate financial misconduct in political parties, especially involving public funds or illegal financing. Independent media and civil society organizations monitor party finances, exposing irregularities and pressuring parties to maintain transparency.

(f) Party Headquarters

MDG Centre No. 22
P.O. Box 282-00623
Masaba Road, Off Upper Hill Road
Nairobi, KENYA.

(g) Party Contacts

Telephone: (254) 020 2218986
E-mail: info@mdg.or.ke
Website: www.mdg.or.ke

(h) Party Bankers

Equity Bank Limited
Parliament Road
City Square 00200
NAIROBI, KENYA

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

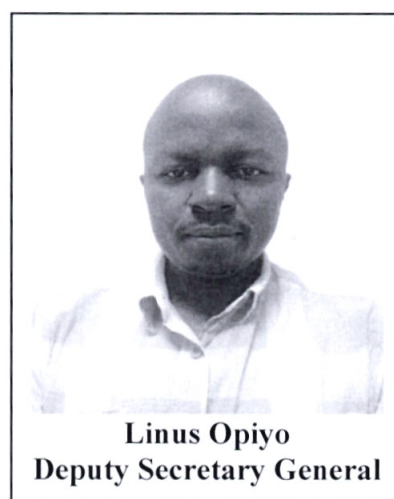
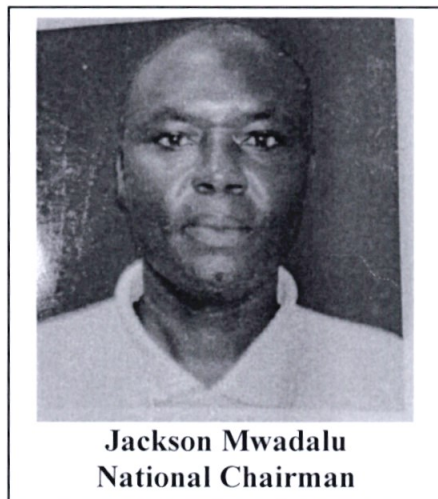
(i) Independent Auditor

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

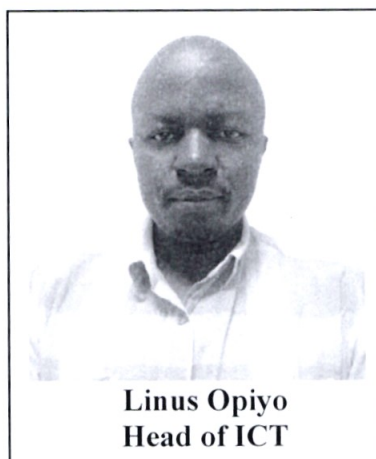
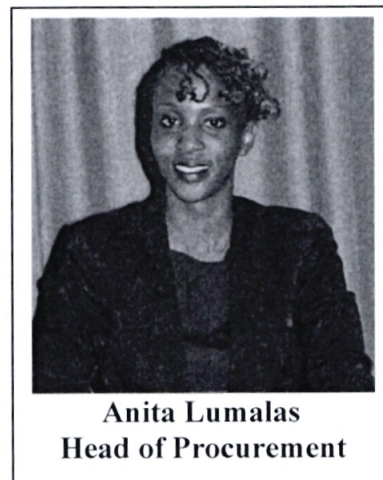
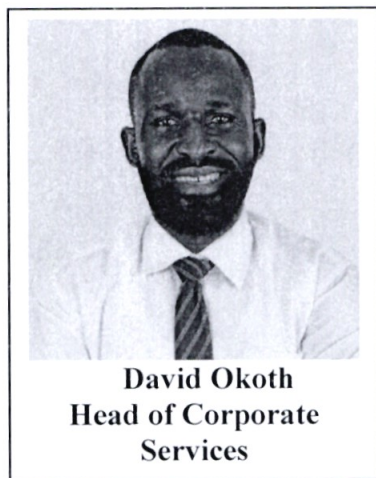
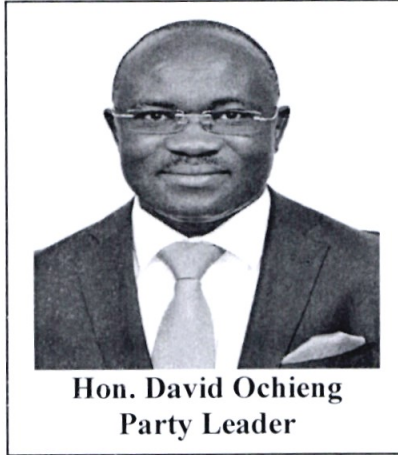
(j) Principal Legal Advisor

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

3. MDG Party Secretariat



4. Key Management



5. Chairman’s Statement

The MDG Party is committed to fostering inclusivity, social justice, economic empowerment and equitable opportunities for all Kenyans. Our mission is anchored in professionalism, integrity and robust democratic governance, ensuring sustainable progress and meaningful impact across society.

The past fiscal year delivered strong results, with significant strides in expanding our reach and impact in these sectors:

- **Special Interest Group (SIG) Engagement:** We conducted targeted nationwide workshops to enhance representation for Persons Living with Disabilities, Youth, and Women, integrating their perspectives into our framework.
- **Civic Empowerment:** Through capacity-building programs, we strengthened party members’ ability to actively participate in political and civic processes, fostering informed engagement.
- **Membership Growth:** Robust recruitment initiatives significantly expanded our membership base, strengthening our coalition.

Looking ahead in the FY 2025-2026, we will focus on enhanced SIG inclusion through prioritizing greater integration of Special Interest Groups into core decision-making processes as well as membership expansion through executing dynamic recruitment campaigns to further broaden our stakeholder base.

We extend our utmost gratitude to our Party Leader for his strategic guidance and to our capable team for their unwavering commitment to advancing our mission. Together, we continue to build a more inclusive and equitable Kenya.



.....
Jackson Mwalu

Ag. Chairman

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

6. Report of the Secretary General

It is with great satisfaction that I present the MDG Party Annual Report and Financial Statements for the year ending 30th June 2025, prepared in accordance with the International Public Sector Accounting Standards. This report provides a comprehensive overview of the Party's operations and evaluates the extent to which our strategic objectives were achieved during the period under review.

Our core responsibilities encompassed the meticulous preparation and auditing of financial accounts, the strategic development and mobilization of financial resources, the promotion of inclusive representation for special interest groups, the encouragement of active citizen participation in political life and civic education and the formulation of targeted communication strategies to shape public discourse.

Throughout the Financial Year 2024/2025, the Party made substantial strides in fulfilling its mandate despite challenges such as delayed disbursements from the Political Parties' Fund and constrained budgetary allocations. The Council upheld its fiduciary duty by ensuring the transparent and efficient utilization of resources, maintaining accountability at every level. Guided by the Work Plan for FY 2024/2025, developed in alignment with the Political Parties Funding Regulations and approved by the Office of the Registrar of Political Parties (ORPP), our programs were executed with precision and purpose.

We expanded our nationwide engagement through impactful workshops designed to strengthen the representation of special interest groups, including youth, women and persons living with disabilities. These initiatives fostered greater inclusion and empowered diverse voices within our Party's framework.

Concurrently, we prioritized civic education and political participation, equipping our members with the knowledge and tools to engage meaningfully in democratic processes. Our robust membership recruitment campaigns welcomed a significant number of new members, ensuring

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

compliance with the Political Parties Act's membership thresholds and broadening our grassroots foundation.

The Party further solidified its commitment to inclusivity by reinforcing the Women's League, Youth League and PWDs League through structured elections across various counties. Despite challenging economic conditions, we maintained full compliance with all regulatory requirements, actively participating in relevant meetings and implementing mandated conditions without exception.

Looking ahead, we anticipate an even more dynamic and impactful year, bolstered by the steadfast support of our party officials at both national and local levels and the unwavering commitment of our diverse membership base.

I extend my heartfelt gratitude to my fellow Secretariat members for their invaluable contributions and steadfast support throughout the year. I also express deep appreciation to the Party's management for their dedication and collaborative spirit, which were instrumental in delivering on our mandate.

Finally, I thank all stakeholders whose partnership and support enabled us to execute our mission with excellence.



Mary Makokha
Secretary General

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

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.	Organize 4 trainings for MDG Disability League leaders	Enhancing the capacity of the MDG Disability League Leaders	47 county MDG Disability League Leaders	47 county MDG Disability League Leaders	
2.	Organize 4 trainings for MDG Women League Leaders	Enhancing the capacity of the MDG Women League Leaders	47 county MDG Women League Leaders	47 county MDG Women League Leaders	
3.	Organize 4 trainings for MDG Youth League Leaders	Enhancing the capacity of the MDG Youth League Leaders	47 county MDG Youth League Leaders	47 county MDG Youth League Leaders	
4.	Organize 4 conventions for the party members across the country	Building the capacity of party members to actively participate in national politics	MDG Party Members across the country	MDG Party Members across the country	
5.	Organize 4 meetings to educate people on democratic values & principles	Educating and equipping party members on democratic principles	Members of the MDG Party	Members of the MDG Party	
6.	Organize 4 roadshows to educate people on democratic values principles	Creating awareness among members of public on democratic values and principles	Members of the public	Members of the public	
7.	Organizing elections and launching party offices	Grassroot party leaders and members	Having properly elected party officials in every branch of the party	Having properly elected party officials in every branch of the party	

8. Governance Statement

The Party Secretariat have overall responsibility for providing oversight to ensure efficient and effective management of Party affairs. The Party have five departments headed by Finance and Procurement, Audit Risk & Compliance, General Purpose, Budget Control and implementation Managers respectively.

The Party Secretariat

The Party Secretariat comprises five members with a non-executive Chairman. The executive function is headed by the Party Leader. The Secretariat draws its membership from the Party register of members.

The Secretariat has constituted five committees to supplement its functions. The committees are responsible for the governance of various functions within the Party. The committees include Finance, Procurement and Disposal Oversight Committee, Audit, Risk and Governance Committee and General-Purpose Committee and Budget Monitoring and Implementation Committee. The Secretariat regularly reviews reports from these committees during its quarterly meetings and other scheduled meetings. The purposes and responsibility of the Committee is presented in table below.

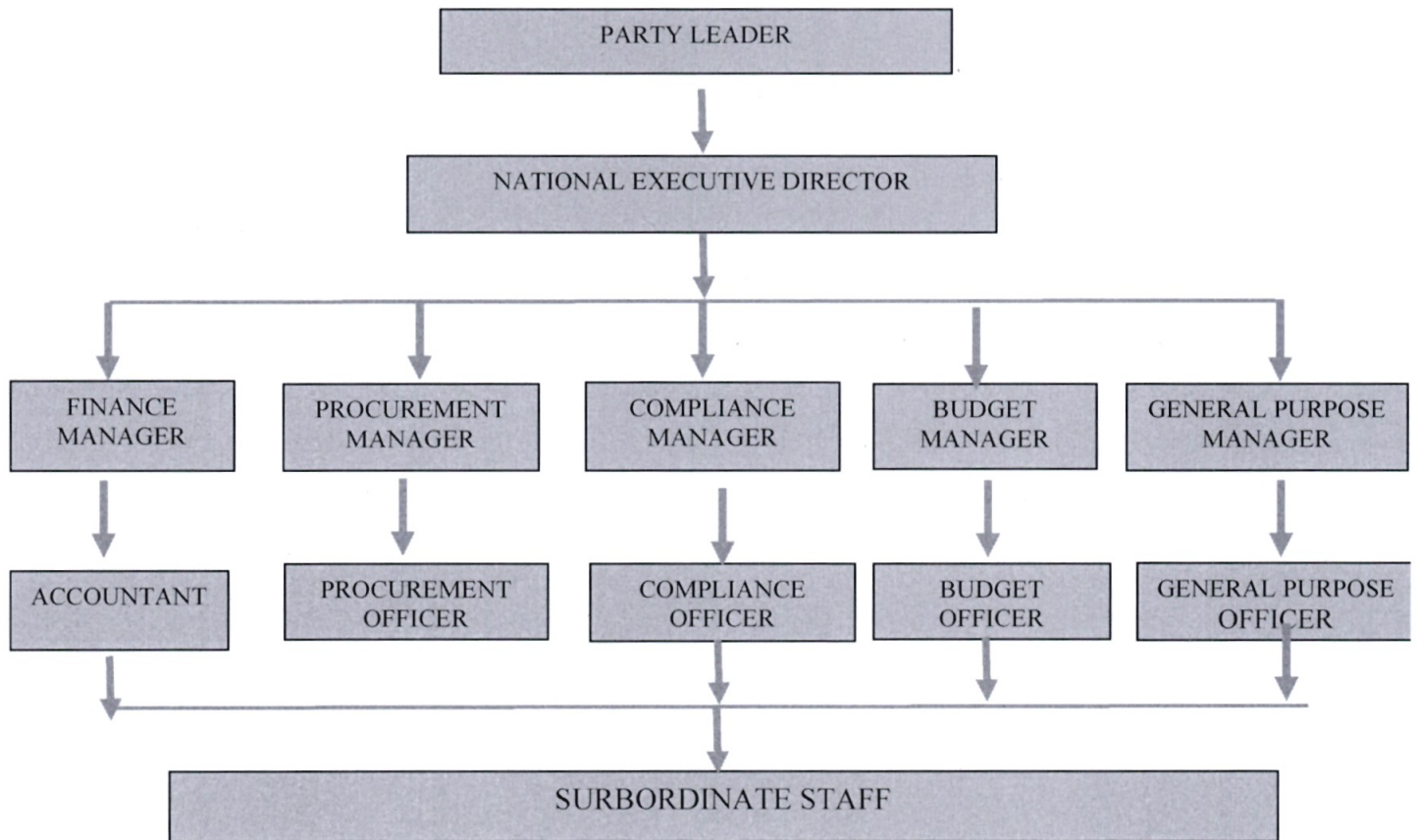
Party Secretariat Committees

NO.	Secretariat Committee	Purpose and Responsibility
1.	Finance and General-Purpose Committee.	The Committee is responsible for review, approval or recommendation for secretariat approval of policies and procedures in relation to financial management, ICT (Information and Technology) legal services and corporate communication
2.	Audit, Risk and Governance Committee	The Committee is responsible for review, approval or recommendation for the secretariat of policies and procedures in relation to the external auditor’s management letter and management response to the external auditor’s findings and recommendations. The Committee also reviews the Parties’ procedures for detecting fraud, enterprise risk management and

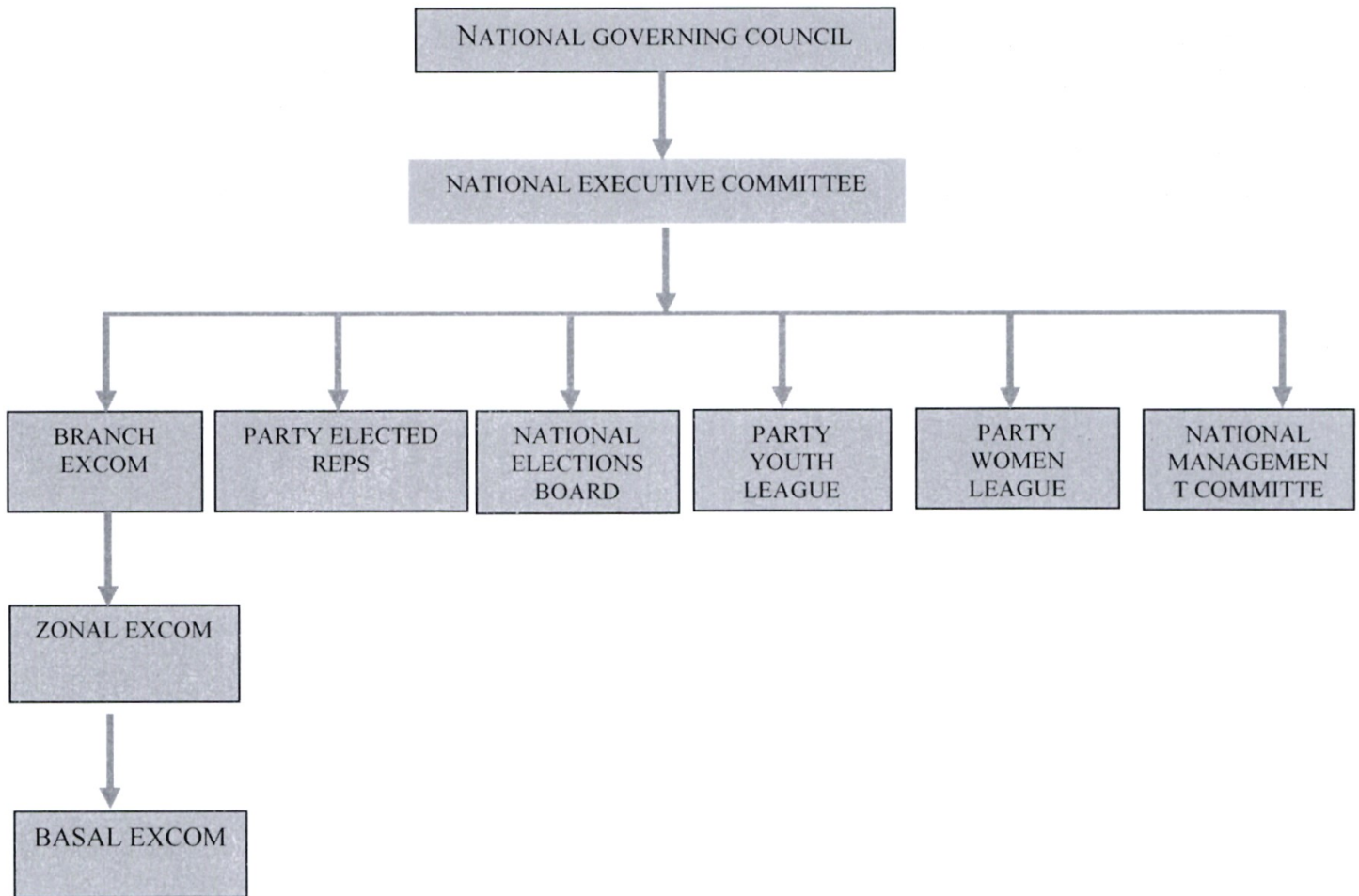
Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

		oversight on implementation of Internal audit work plan. The Committee ensures resolution of audit queries and prudent financial evaluation and reporting.
3.	Procurement and Disposal Oversight Committee	The Committee is responsible for review, approval or recommendation for secretariat approval of Parties' consolidated annual procurement and disposal plans; quarterly procurement reports, procurement of goods and services, procurement committee work plans. It also ensures that contracts are awarded in line with Public Procurement and Asset Disposal Act 2015.
4	Budget Monitoring and Implementation Committee	The Committee enables effective and efficient implementation of the MDG managerial framework by supporting planning, budgeting, monitoring and evaluation processes, through the development of policies, systems, tools in line with strategic and operational guidance.

MDG Party Secretariat Structure



MDG Party Organization Structure



9. Management Discussion and Analysis

Introduction

This Management's Discussion and Analysis provides a comprehensive and forward-looking review of MDG Party's operations and financial condition for the fiscal year concluded June 30, 2025. Framed by our leadership's perspective, it articulates a clear narrative of our performance, financials and strategic objectives. It underscores MDG Party's commitment to sustained excellence and growth in an ever-evolving political landscape.

Since it is designed to enhance and complement our financial statements, we encourage you to review it alongside our consolidated financial statements for the fiscal year ended June 30, 2024, as well as our 2023/2024 annual Management's Discussion and Analysis. It includes forward-looking statements, which are subject to risks and uncertainties that may cause actual results to vary significantly from those projected, reflecting our commitment to transparency and strategic foresight in a dynamic global market.

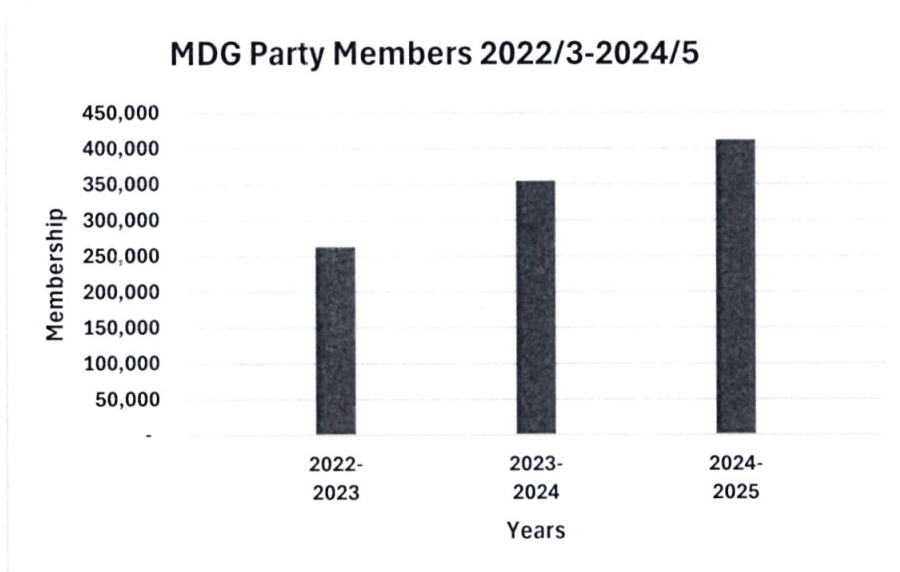
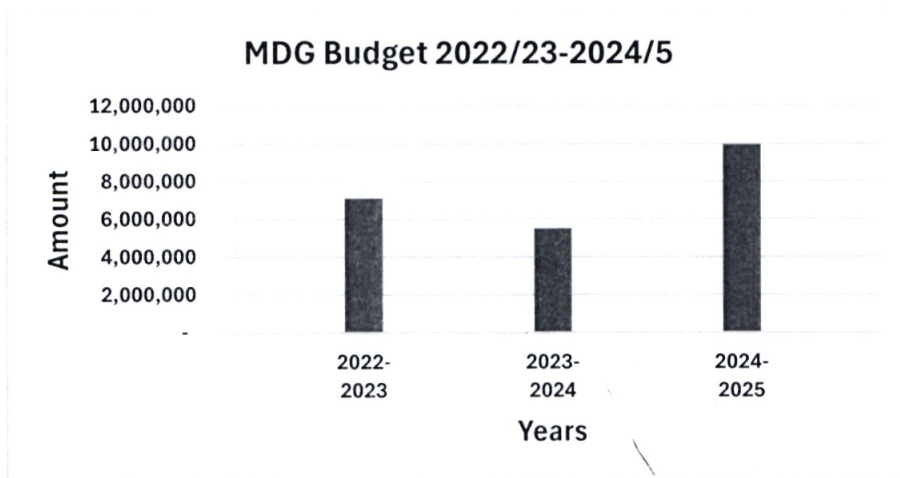
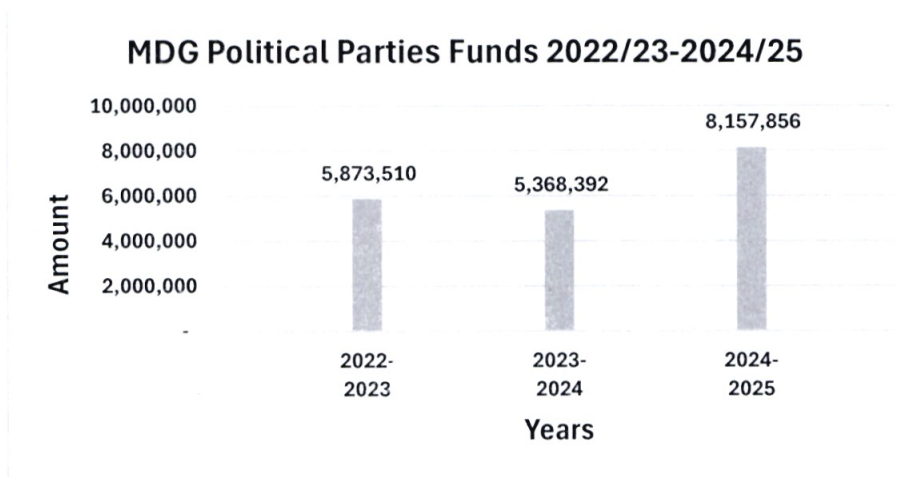
Party Overview

MDG Party was incorporated on 7th Day of December 2016 pursuant to the provisions under the Company's Act. The Company's registered and head office is Masaba Road, off Bunyala Road, Upper Hill Nairobi.

MDG is a political party founded on the ideals of social democracy and pursuit of economic growth and development for the benefit of all. At the core of the party lies the desire to make Kenya a powerhouse of social democracy defined by people centered social development and economic prominence.

Operating Results

Revenue during the year ended June 30, 2025, of Kshs. 9,912,856 increased by 79 % over the same period the previous year. The change was driven by increased disbursement from Political Parties Fund and an increase in donations/contributions from party members. The Party's sources



Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

of income consist of (1) Contribution from Political Party Fund, and (2) Donations from party members.

Operating expenses during the year ended June 30, 2025, of Kshs. 13,705,710 increased by 151 % over the same period the previous year. The increase was mainly driven by increased disbursement from Political Parties Fund hence heightening implementation of the Party activities in the financial period under review.

Deficit for the year ended June 30, 2025, was Kshs (3,792,854) compared to surplus of Kshs 75,712 over the same period the previous year

Total assets for the year ended June 30, 2025, decreased to Kshs. 4,303,456 from Kshs 7,806,310 due to reduction in accounts receivables. Total liabilities for the year ended June 30, 2025, increased from Kshs. 500,000 to Kshs. 790,000 due to increase in provision for auditor general fees.

Strategic Growth Drivers and outlook

Section 24 of the Political Parties Act (PPA), 2011 establishes the Political Parties Fund to be administered by the Registrar. The main source of the Political Parties Fund is the National Government (0.3% of National Revenue) with other recognized sources that may include: membership subscription fee, contributions and donations.

The importance of Political Party in democratic process cannot be over emphasized. Lack of resources due to review of budgetary allocation will greatly hamper the Party in carrying out social-political roles which no other institution can adequately play. The Party may face challenges in adequately achieving its objectives due to resource constraints, which could impact: (i) promoting representation in Parliament and County Assemblies for women, persons with disabilities, youth, ethnic groups, and other marginalized communities; (ii) fostering active participation of individual citizens in political life; (iii) conducting civic education on democracy and covering other electoral expenses; and (iv) leveraging the Party's influence to shape public opinion effectively.

Liquidity and Capital Resources
Financing

The Party faces potential adverse impacts from ongoing reductions in government budgetary allocations. Challenges stemming from these cuts, coupled with slow and irregular disbursements from the PPF, may hinder our ability to effectively finance operations. Should anticipated revenue growth fail to materialize, the Party may need to explore alternative financing options, such as debt, to sustain its strategic objectives and operational resilience.

Risk Management

The Party is subject to risks of varying magnitude that could impede its ability to achieve its strategic objectives. The primary goal of the Party's risk management processes is to ensure that risks are systematically identified and effectively managed in alignment with NEC-approved policies and guidelines. The principal risks facing the Party include:

Credit risk

Credit risk arises from the possibility that MDG Party may experience financial difficulty and may be unable to fulfil contract commitments. The Party's exposure to credit risk is mitigated by contribution and donations from its growing member base.

Liquidity risk

The Party's objective is to maintain adequate liquidity to fulfill its financial obligations as they come due. To achieve this, the Party actively monitors its cash balances and cash flows generated from operations to meet its funding needs. There have been no changes to the Party's policies governing liquidity risk management, ensuring a consistent and prudent approach to financial stability.

Disclosure Controls and procedures and Internal Controls over Financial Reporting **Disclosure & Control Procedures**

The Secretary General has established, or overseen the establishment of, controls to provide reasonable assurance that: (i) material information pertaining to the Party is communicated to management by relevant parties, particularly during the period of financial statement preparation; and (ii) information mandated for disclosure in the Party's annual reporting is accurately recorded, processed, summarized, and reported within the timelines stipulated by Political Party regulations.

Internal controls over financial reporting

The Party has implemented robust internal controls over financial reporting to ensure reasonable assurance of the reliability of its financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management, including the CEO, has evaluated and concluded that, as of June 30, 2025, these internal controls over financial reporting were effective.

Inherent limitations

It should be emphasized that even a well-designed and effectively operated control system can only provide reasonable, not absolute, assurance that its objectives are achieved. Due to inherent limitations in all control systems, no evaluation can guarantee the detection of all control issues, including potential instances of fraud. These limitations include, but are not limited to: (i) the possibility that management's assumptions and judgments may prove incorrect under varying conditions; (ii) the impact of undetected errors; and (iii) the risk of controls being bypassed through unauthorized acts by individuals, collusion among multiple parties, or management override.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The MDG Party has taken steps to reduce the social and environmental impact of its day to day operations. In the FY 2024/2025, the Party conducted an Environmental Impact Assessment in Bondo Constituency. We planted 20,000 trees adding to the 50,000 planted in the previous fiscal year. The party has prioritized sustainable development with an aim of ensuring long-term benefits for Bondo's residents and ecosystems.

ii) Environmental performance

The MDG Party remains dedicated to safeguarding the environment, ensuring the health and safety of our employees while supporting the communities where we operate. Our policy drives ongoing improvements in Party operations to minimize our impact on local and global ecosystems by conserving energy, water and natural resources, cutting down on waste and promoting recycling. We are committed to environmental excellence, consistently meeting or surpassing regulatory standards and prioritizing the purchase of products with higher recycled content, lower toxicity and minimal packaging to preserve natural resources.

iii) Employee welfare

The MDG Party maintains a leading employee welfare framework incorporating unlimited mental health leave and a conducive working environment. The Party has also incorporated working from which ensures adequate mental health breaks for our staff. With fully-sponsored advanced training, we're building a warm, truly inclusive home where people feel seen, supported and empowered to thrive.

a) Responsible competition practice.

The Party is dedicated to competing with other political parties in an open and fair manner. We avoid making false claims or remarks that unjustly criticize competitors or improperly disrupt their networks and relationships. Our Audit, Risk and Compliance Committee ensures full adherence to the rules governing competition in Kenya, as outlined in the Competition Act No. 12 of 2010.

b) Responsible Supply chain and supplier relations

The Party is committed to responsible supply chain management, with an aim to drive positive change through steadily enhancing the sustainability practices of our suppliers. We uphold strong business ethics, treating our suppliers fairly by honouring contracts and adhering to respectful payment practices.

c) Responsible marketing and advertisement

The Party upholds ethical marketing practices by steering clear of deceptive advertisements and fully complying with the Competition Act No. 12 of 2010. We prioritize honesty, transparency, fairness and respect in all our communications, while committing to accountability and sustainable practices.

iv) Corporate Social Responsibility / Community Engagements

Beyond executing its core mission with precision, the Party has woven bold corporate social responsibility initiatives into its operations, igniting positive change and uplifting the livelihoods of the communities we operate in. Our CSR strategy blazes a trail by awarding scholarships to deserving individuals, fuelling the overall well-being of our beneficiary communities with unwavering commitment. As a dynamic and responsible corporate citizen, the Party stands resolute in prioritizing sharp mitigation measures aimed at minimizing the impact of its activities on the environment and stakeholders.

11. Report of the Party Secretariat

The Members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the MDG Party affairs.

i) Principal activities

The principal activities of the MDG Party is to defend the democratic gains of the Kenyan people and to advance towards a society in which the government is freely chosen by the people according to the principles of universal coverage on a common voters' register.

ii) Results

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

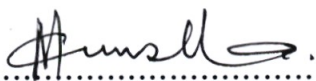
iii) Governing committee

The members of the Party Secretariat who served during the year are shown on page vii and viii.

iv) Auditors

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

By Order of the National Executive Committee



.....
Mary Makokha
Secretary General

12. Statement of the National Executive Committee Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Political Parties *Act*, require the Directors to prepare financial statements in respect of Movement for Democracy and Growth Party, which give a true and fair view of the state of affairs of the MDG Party at the end of the financial year/period and the operating results of the MDG Party for that year/period. The Directors are also required to ensure that the MDG Party keeps proper accounting records which disclose with reasonable accuracy the financial position of the MDG Party. The Members are also responsible for safeguarding the assets of the MDG Party.

The Directors are responsible for the preparation and presentation of the MDG Party' financial statements, which give a true and fair view of the state of affairs of the MDG Party for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of 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 MDG Party; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the MDG Party's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the Political Parties Act) – . The Directors are of the opinion that the MDG Party financial statements give a true and fair view of the state of MDG Party transactions during the financial year ended June 30, 2024, and of the MDG Party financial position as at that date. The Members further confirms the completeness of the accounting records maintained for the MDG Party, which have been relied upon in the preparation of the MDG Parties' financial statements as well as the adequacy of the systems of internal financial control.

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

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

Approval of the financial statements

The Party's financial statements were approved by the NEC on 28/11/ 2025 and signed on its behalf by:



.....
Hon. David Ouma Ochieng
Party Leader



.....
Mary Makokha
Secretary General

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MOVEMENT FOR DEMOCRACY AND GROWTH 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 Auditor-General's 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 Movement for Democracy and Growth Party set out on pages 1 to 32, 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 Movement for Democracy and Growth 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 Movement for Democracy and Growth Party Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, three issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. These include late submission of financial statements, failure to establish party offices in at least twenty-four (24) Counties, and lack of a procurement function. Review of the status during the audit of the Party in the financial year 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management is responsible for the Other Information set out on pages iii to xxv which comprise of Key Political Party Information and Management, Party Secretariat, Key Management, 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 Party Secretariat and the Statement of National Executive Committee's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

During the year under review, the Party operated only one (1) Office in Nairobi. Although the Party submitted a list indicating branch offices in eleven (11) Counties, it did not provide supporting documentation such as lease agreements, staff list, or activity to verify their existence. As a result, the audit could not verify that the Party maintained branch offices in at least 24 Counties. This was contrary to Section 7 (2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered Political Party shall be qualified to be fully registered if it has submitted to the Registrar the locations 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.

2. Non-Compliance with Climate Change Regulations

Review of documents provided for audit revealed that the Party had not designated a department or unit, allocated financial resources, or conducted staff training related to Climate Change during the year under review. Further, Climate Change initiatives were not included in the approved annual budget. This was contrary to Section 15(2)(a) of the Climate Change Act, 2016, which states that, each State Department and National Government public entity shall designate a unit with adequate staff and financial resources and appoint a Senior officer as Head of the unit to coordinate the

mainstreaming of the climate change action plan and other Climate Change statutory functions and mandates into sectoral strategies.

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 Internal Audit Function

Review of internal controls and governance structures revealed that during the year under review, the Party had not established an Internal Audit Function. This was contrary to Section 73(3)(b) of the Public Finance Management Act, 2012, which requires every National Government entity to have appropriate arrangements for conducting internal audits in accordance with the guidelines issued by the Accounting Standards Board.

In the circumstances, the effectiveness of the internal controls and risk management measures implemented by the Party could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

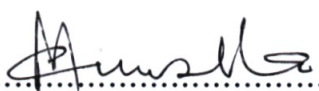
09 December, 2025

Movement for Democracy and Growth 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	8,157,856	5,368,392
Public contributions and donations	7	1,755,000	160,000
Total Revenue		9,912,856	5,528,392
Expenses			
Administrative Expenses	8	5,622,890	2,553,304
Special Interest Groups expenses	9	3,396,820	1,822,024
Advocacy and Electoral expenses	10	4,686,000	1,077,352
Total expenses		13,705,710	5,452,680
Surplus/Deficit		(3,792,854)	75,712

The notes set out on pages 7 to 31 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the party secretariat by:



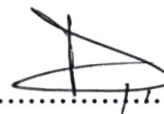
Mary Makokha
Secretary General

Date: 28/11/2025



CPA Khamis Rizik
Accountant

ICPAK M/No: 10178
 Date: 28/11/2025



Hon. David Ouma Ochieng
Party Leader

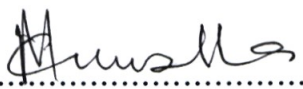
Date: 28/11/2025

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

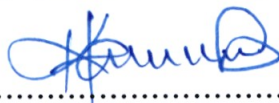
15 Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	11	1,094	2,105,044
Rent deposit	12	660,000	660,000
Receivables and advances	13	3,207,336	4,535,653
Total Current Assets		3,868,430	7,300,697
Non-Current Assets			
Property Plant and Equipment	14	435,026	505,613
Intangible Assets		-	-
Total Non- Current Assets		435,026	505,613
Total Assets (A)		4,303,456	7,806,310
Liabilities			
Current Liabilities			
Trade and Other Payables	15	40,000	-
Current Provision	16	750,000	500,000
Total Current Liabilities		790,000	500,000
Total Liabilities (B)		790,000	500,000
Net Assets (A-B)		3,513,456	7,306,310
Represented by:			
Accumulated Surplus/deficits		2,689,618	6,482,472
Capital fund	17	823,838	823,838
Net Assets		3,513,456	7,306,310

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



Mary Makokha
 Secretary General



CPA Khamis Rizik
 Accountant

ICPAK M/No:10178

Date: 28/11/2025



Hon. David Ouma Ochieng
 Party Leader

Date: 28/11/2025

Movement for Democracy and Growth 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	908,126	6,322,472	7,230,598
Surplus/ deficit for the year	-	75,712	75,712
Transfer of depreciation from capital fund to accumulated surplus	(84,288)	84,288	-
As at June 30, 2024	823,838	6,482,472	7,306,310
As at July 1, 2024	823,838	6,482,472	7,306,310
Surplus/ (deficit) for the year	-	(3,792,854)	(3,792,854)
As at June 30, 2025	823,838	2,689,618	3,513,456

Movement for Democracy and Growth 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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)	6	8,157,856	4,040,075
Receipts from ORPP	13	1,328,317	974,020
Public contributions and donations	7	1,755,000	160,000
Investment Income		-	-
Total receipts		11,241,173	5,174,095
Payments			
Administrative Expenses	8	5,262,303	2,719,016
Special Interest Groups expenses	9	3,396,820	1,822,024
Advocacy and Electoral expenses	10	4,686,000	1,077,352
Finance Costs		-	-
Total payments		13,345,123	5,618,392
Net cash flows from/(used in) operating activities	17	(2,103,950)	(444,297)
Cash flows from investing activities			
Purchase of PPE and Intangible assets		-	-
Net cash flows from/(used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		(2,103,950)	(444,297)
Cash and cash equivalents at 1 July 2024	11	2,105,044	2,549,341
Cash and cash equivalents at 30 June 2025	11	1,094	2,105,044

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
Revenue						
Political Parties Fund	9,486,173	1,328,317	8,157,856	8,157,856	-	100%
Donations	1,800,000	-	1,800,000	1,755,000	(45,000)	98%
Total Income	11,286,173	1,328,317	9,957,856	9,912,856	-	
Expenses						
Administrative Expenses	2,845,850	-	2,845,850	5,622,890	(2,777,040)	198%
Special Interest Groups expenses	2,845,854	-	2,845,854	3,396,820	(550,966)	119%
Advocacy and Electoral expenses	5,594,469	1,328,317	4,266,152	4,686,000	(419,848)	110%
Total Expenditure	11,286,173	1,328,317	9,957,856	13,705,710	(3,792,854)	
Surplus for the period	-	-	-	(3,792,854)		
Capital Expenditure						

Movement for Democracy and Growth Party

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

Budget Reconciliation

No	Description	Kshs
	Actual Surplus/deficit amounts as per the statement of Budget	(3,792,854)
1	Political party funds	1,328,317
2	Trade & other payables	290,000
3	Depreciation	70,587
4	Bank/Cash balance b/fwd	2,105,044
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,094

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Party*. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), 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 Party. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously 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

Movement for Democracy and Growth Party

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

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

Movement for Democracy and Growth Party

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

IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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 party's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The Party did not early – adopt any new or amended standards in the financial year or *the party adopted the following standards early (state the standards, reason for early adoption and impact on party's financial statements.)*

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Summary of Significant Accounting Policies (Continued)

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on .xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the *party* upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *party* did not record additional appropriations of on the 2024-2025 budget following the governing body's approval.

Budget information (continued)

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

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an 0-year period or investment property is measured at fair value with gains*

Summary of Significant Accounting Policies (Continued)

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

d) Property, plant and equipment

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

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *party*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *party* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *party* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *party*. Operating lease payments are

Summary of Significant Accounting Policies (Continued)

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

f) Intangible assets

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

g) Research and development costs

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

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

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

Summary of Significant Accounting Policies (Continued)

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

a) Financial assets

Classification of financial assets

The 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 party'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 party has made irrevocable election at initial recognition for particular investments in equity instruments.

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

The 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 party recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

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 *party*.

Summary of Significant Accounting Policies (Continued)

j) Provisions

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

k) Contingent liabilities

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

l) Contingent assets

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

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Summary of Significant Accounting Policies (Continued)

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

The *party* regards a related party as a person or an Party with the ability to exert control individually or jointly, or to exercise significant influence over the *Party*, or vice versa. Members of key management are regarded as related parties and comprise NEC Members and other officials as per the Party's constitution and the Political Parties Act.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *party's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Party based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Party. 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 Party.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. *(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Description	2024-2025	2023-2024
	Kshs	Kshs
Operational Grant	8,157,856	5,368,392
Total	8,157,856	5,368,392

Receivable amount from the ORPP at the end of fy 2023-2024 was Kshs. 1,328,317

7. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Contributions from MCAs	840,000	160,000
Contributions from MP	915,000	-
Total	1,755,000	160,000

8. Administrative Expenses

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Salaries and Wages	8(a)	3,510,000	-
Office Rent		582,000	960,000
Internet		96,000	-
Stationary & printing		9,295	15,300
Telephone and postage		182,840	189,000
Consumables		-	71,066
Utilities	8(b)	99,288	131,973
Professional Fees	8(c)	290,000	1,035,807
Security		751,680	60,000
Depreciation		70,587	84,288
Bank charges		31,200	5,870
Total Administrative Expenses - Financial Performance		5,622,890	2,553,304
Adjustments:			
Changes in trade payables	15	(290,000)	(250,000)
Depreciation	14	(70,587)	(84,288)
Changes in rent deposit	12	-	500,000
Total Administrative Expenses - Statement of Cash Flows		5,262,303	2,719,016

Movement for Democracy and Growth Party

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

Notes to the Financial Statements (Continued)

8(a) Salaries and Wages

Description	2024-2025	2023-2024
	Kshs	Kshs
Volunteer allowances	3,510,000	-
Total Salaries and Wages	3,510,000	-

8(b) Utilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Office cleaning services	40,788	120,000
Electricity	24,500	11,973
Garbage Collections	4,000	-
Water bill	30,000	
Total Utilities	99,288	131,973

8(c) Professional Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Audit	250,000	250,000
Legal	-	635,807
Accountancy	40,000	150,000
Total Professional Fees	290,000	1,035,807

9. Special Interest Groups

Description	2024-2025	2023-2024
	Kshs	Kshs
Training expenses	1,373,960	970,000
Branch office branding	760,000	-
Mobilization expenses	120,000	50,000
Design & printing of training materials	1,142,860	802,024
Total	3,396,820	1,822,024

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

10. Advocacy and Electoral Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Broadcasting & shaping of public opinion expenses	2,346,000	538,676
Electoral expenses	2,340,000	538,676
Total	4,686,000	1,077,352

11. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Equity bank current account	1,094	195
Cash in hand	-	2,104,849
Total Cash and Cash Equivalents	1,094	2,105,044

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution		2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Equity Bank	1770283628133	1,094	195
Sub- Total		1,094	195
d) Others (Specify)			
Cash In Hand		-	2,104,849
Mobile Money Accounts		-	-
Sub- Total		-	2,104,849
Grand Total		1,094	2,105,044

12. Rent Deposit

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent deposit for Segal & Busia Offices	160,000	160,000
Rent deposit New Office off Bunyala Road	500,000	500,000
Total Cash and Cash Equivalents	660,000	660,000

Movement for Democracy and Growth Party

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

Notes to the Financial Statements (Continued)

13. Receivables and advances

Description	2024-2025	2023-2024
	Kshs	Kshs
Nomination fees receivable	3,200,000	3,200,000
Transfer from ORPP receivable	-	1,328,317
Other receivables	7,336	7,336
Total Receivables and advances	3,207,336	4,535,653

14. Property, Plant and Equipment

Cost	Furniture and fittings	Computers	Total
	12.50%	30%	
	Kshs	Kshs	Kshs
At 1 July 2024	668,587	377,500	1,046,087
Additions	-	-	-
Disposals	-	-	-
Transfer/Adjustments	-	-	-
As at 30th June 2025	668,587	377,500	1,046,087
Depreciation And Impairment			
At 1 July 2024	205,175	335,299	540,474
Depreciation	57,927	12,660	70,587
As at 30th June 2025	263,101	347,959	611,061
Net Book Values			
As at 30th June 2024	463,412	42,201	505,614
As at 30th June 2025	405,486	29,541	435,027

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

14 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers And Related Equipment	377,500	347,959	29,541
Office Equipment, Furniture, And Fittings	668,587	263,101	405,486
Total	1,046,087	611,061	435,027

15. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	40,000		-	
Other payables	750,000		500,000	
Total trade and other payables	790,000		500,000	
Ageing analysis: (Trade and other payables)	Jun-25	% of the Total	June 2024	% of the Total
Under one year	290,000	37%	250,000	50%
1-2 years	250,000	31.50%	250,000	50%
2-3 years	250,000	31.50%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	790,000		500,000	

(Provision for audit fees and accrued accounting fees)

16. Current Provisions

Description	Audit fees provision	Total
	Kshs	Kshs
Balance b/f	500,000	500,000
Additional provisions	250,000	250,000
Provision utilized	-	-
Change due to discount and time value for money	-	-
Transfers from non-current provisions	-	-
Total provisions year end	750,000	750,000

Notes to the Financial Statements (Continued)

17. Cash Generated from Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/Deficit for the year	(3,792,854)	75,712
Adjusted for:		
Depreciation	70,587	84,288
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		
Increase in inventory	-	-
(Increase)/decrease in receivables	1,328,317	(354,297)
Increase in deferred income	-	-
Increase/(decrease) in payables	290,000	(250,000)
Increase in payments received in advance	-	-
Net cash flow from operating activities	(2,103,950)	(444,297)

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

18. Financial Risk Management

The Party's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Party's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Party 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 Party's financial risk management objectives and policies are detailed below:

Notes to the Financial Statements (Continued)

i) Credit risk

The 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 Party'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 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	3,207,336	3,207,336	-	-
Bank balances	1,094	1,094	-	-
Total	3,208,430	3,208,430	-	-
As at 30 June 2024				
Receivables	4,535,653	4,535,653	-	-
Bank balances	2,105,044	2,105,044	-	-
Total	6,640,697	6,640,697	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Party has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The NEC 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 Party's directors, who have built an appropriate liquidity risk management framework for the management of the Party's short, medium and long-term funding and liquidity management requirements. The Party manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Party under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	40,000	500,000	540,000
Current portion of borrowings	-	-	-	-
Provisions	-	250,000	-	250,000
Total	-	290,000	500,000	790,000
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	250,000	250,000	500,000
Total	-	250,000	250,000	500,000

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The *Party* has put in place an internal audit function to assist it in assessing the risk faced by the *Party* on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the *Party'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 *Party's* Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the *Party's* exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

19. Related Party Disclosures

Nature of related party relationships

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

Related parties include:

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

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund	8,157,856	5,368,392
Other grants	-	-
	-	-
Total	8,157,856	5,368,392
b) Key management compensation		
Allowances to NEC Members	-	-
Compensation to key management	-	-
Total	-	-

20. Contingent Assets and Contingent Liabilities

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

21. Events after the Reporting Period

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

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Late submission of Financial Statements.	The party has put in place procedures and mechanism to ensure timely and accurate submission of financial statements.	Resolved	
2.	Failure to establish party offices in at least 24 counties.	We have so far established 12 County Offices plus our Nairobi Headquarters which doubles as Nairobi County Office	Not resolved	FY 2025-2026
3.	Lack of a procurement function	Budgetary constraints, hence, lack of enough resources to employ qualified and certified procurement personnel.	Not resolved	FY 2025-2026

Guidance Notes:

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



.....
 Secretary General

Movement for Democracy and Growth Party
Annual Report and Financial Statements for the year ended June 30, 2025.

Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Party)	Amount	Date Received	Financial Year the funds relates to
1.	Political Parties Fund	1,328,317.00	7/8/2024	FY 2023/24
2.	Political Parties Fund	2,371,543.25	10/11/2024	FY 2024/25
3.	Political Parties Fund	2,371,543.25	11/6/2024	FY 2024/25
4.	Political Parties Fund	2,371,543.25	3/5/2025	FY 2024/25
5.	Political Parties Fund	1,043,226.25	5/28/2025	FY 2024/25