REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

CHAMA CHA UZALENDO

FOR THE YEAR ENDED 30 JUNE, 2025

CHAMA CHA UZALENDO

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

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

B: Definition of Key Terms

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

The Secretary-General is the accounting officer of the Political Party
Comparative Year- Means the prior period.

2. Key Political Party Information and Management

(a) Background information

Chama Cha Uzalendo was fully registered under the Political Parties Act, CAP. 7D on 8th May 2012. The Party is domiciled in Kenya and has its Head Quarters in Machakos Town.

(b) Principal Activities

The principal activity of Chama Cha Uzalendo is to advance its **vision** of ***"a democratic Kenya that is just and governed by the rule of law"*** and its **mission** to ***"build a political party that values multiparty democracy, providing equal opportunities to all without discrimination and within the rule of law, and improve the economic and social well-being of all Kenyans and other lawful residents of Kenya."***

In pursuit of these goals and in line with its core values of Social Justice, Liberty, Nationalism, Integrity, Democracy, Equity, Family Values, and Economic Empowerment, the Party's principal activities include:

- Recruiting and enlisting members to strengthen its grassroots base and national presence.
- Identifying, nurturing, and nominating qualified candidates for electoral contests at national and county levels.
- Promoting representation in Parliament and county assemblies of women, youth, persons with disabilities, ethnic minorities, and other marginalized communities.
- Sensitizing the public on the functioning of the political and electoral systems to enhance civic engagement.
- Promoting and enhancing national unity through inclusive politics and patriotic advocacy.
- Mobilizing citizens to participate in political and governance processes.
- Soliciting and articulating public policy priorities as identified by its members and stakeholders.
- Shaping and influencing public policy in line with the Party's development agenda.

These activities are undertaken in accordance with the Party's Constitution and the laws of Kenya, reinforcing its commitment to social democracy, ethical leadership, and the holistic development of the nation.

(c) Key Management

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

No.	Designation	Responsibility
1.	NDC/NGC;	*Reviews and amends the Constitution, determines broad party policy direction, and elects national officials.*
2.	NEC	*Provides strategic direction, considers NEC recommendations, and oversees compliance with laws and internal policies.*
3.	SG	• *Overall Party Management* • *Accounting Officer* • *Official Spokesperson* • *Custodian of Legal Documents* • *Official Correspondence and Communication* • *Oversight of Departments* • *Appointment Recommendations* • *Convening Meetings* • *Record Keeping* • *Implementation of Decisions* • *Mandatory Signatory*
4.	Treasurer	• *Financial Supervision* • *Financial Reporting* • *Signatory Authority* • *Budget Implementation*

(d) Fiduciary Management

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

No.	Designation	Name
1.	Secretary General	Philippe Opiyo Sadjah
2.	Head of Secretariat	Sylvester Mutune
3.	Deputy Head of Secretariat	Samuel Kavuti

(e) Fiduciary Oversight Arrangements

Chama Cha Uzalendo (CCU) has established a multi-layered framework of fiduciary oversight to ensure the prudent management of its financial resources, compliance with legal and regulatory requirements, and the upholding of principles of accountability and transparency. The key arrangements include:

- ***Registrar of Political Parties (ORPP):*** *The ORPP serves as the primary external regulator. The Party complies with all reporting mandates as stipulated in the Political Parties Act, including the timely submission of its annual audited financial statements. The ORPP's guidelines on the use of the Political Parties Fund (PPF) and general financial management provide the foundational framework for the Party's internal financial controls.*
- ***Governing Body / National Executive Council (NEC):*** *The NEC bears the ultimate responsibility for the stewardship of the Party. It provides strategic direction, and ensures that management implements sound internal control systems.*
- ***Finance Committee:*** *This standing committee of the NEC is tasked with detailed financial oversight. Its responsibilities include in-depth review of budget proposals, monitoring expenditure against approved budgets, approving significant disbursements as per the Party's delegated authority matrix, and making recommendations to the NEC on financial policy and strategy. It acts as the first line of detailed financial scrutiny.*
- ***Audit and Risk Committee:*** *This independent committee provides objective assurance on the effectiveness of risk management, control, and governance processes.*

- ***Parliamentary Oversight Committees:*** *While not a direct internal oversight body, the Party acknowledges the role of relevant parliamentary committees, notably the Public Accounts Committee (PAC) and the Committee on Implementation. These committees exercise indirect oversight by scrutinizing the reports of the ORPP and the Auditor-General, which include matters pertaining to the funding and financial management of political parties.*
- ***Other Oversight Arrangements:***

\- ***Internal Dispute Resolution Mechanism (IDRM):*** *This mechanism ensures that internal grievances are addressed fairly and efficiently, preventing issues from escalating and undermining organizational integrity.*

\- ***Devolved Structures:*** *County and Constituency officials are accountable for any funds remitted to them for grassroots activities, providing receipts and reports to the National Secretariat, thereby extending fiduciary responsibility throughout the Party's structure.*

(f) Party Headquarters

P.O. Box 51871- 00100
Nairobi, KENYA
Office at Rubis Petrol Station (Kwa Munuka),
Opposite St. Mary's Girls Primary School – Machakos Town.

(g) Party Contacts

Telephone: (254) 721280573
E-mail: chamachauzalendokenya@gmail.com
Website: www.ccuparty.co.ke

(h) Party Bankers

NCBA Bank

Wambera street

P.O. Box 44599

GPO 00100

NAIROBI, KENYA

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

Party Legal Advisor

Benard Mung'ata
1064-90100
Machakos - Kenya

3. The National Executive Council/Committee

No	*Name*	*Position*	*Gender*
1.	*Vacant*	*Party leader*	*N/A*
2.	*Vacant*	*Deputy Party Leder*	*N/A*
3.	*Ms. Juliet Mwaniki*	*Chairperson*	*Female*
4.	*Faith Ndunge*	*Deputy Chairperson – **Suspended on 1/10/2024***	*Female*
5.	*Hon. Phillipe Sadjah*	*Secretary General*	*Male*
6.	*Nicholas Kamwendwa*	*Deputy Secretary General*	*Male*
7.	*Benard Mwongela*	*Treasurer*	*Male*
8.	*Davis Musau*	*National Organizing Secretary*	*Male*
9.	*Kenneth Lel*	*Deputy National Organizing Secretary*	*Male*
10.	*Mercy Mutwiri*	*National Women Congress*	*Female*
11.	*Ann Teresa*	*Deputy National Women Congress*	*Female*
12.	*Benard Kyalo*	*National Youth Leader*	*Male*
13.	*Neil Armstrong*	*Deputy National Youth Leader*	*Male*
14.	*Francisca Mbula*	*Person with Disability National leader*	*Female*
15.	*Richard Osonko*	*Secretary elders' affairs*	*Male*
16.	*Titus Makano*	*Secretary legal affairs*	*Male*
17.	*Vacant*	*Secretary for election*	*Vacant*
18.	*Sylvester Mutune*	*Executive Director*	*Male*
19.	*Samuel Kavuti*	*Deputy Executive Director*	*Male*

4. Key Management/Secretariat Team

NAME, PHOTO & POSITION	BIO & RESPONSIBILITY
 **Sadjah O. G. Philippe** **SECRETARY GENERAL**	Sadjah O. G. Philippe holds the esteemed position of Secretary General for 7 years. He is widely recognized as a visionary leader whose political acumen is admired and envied by many in the political sphere. He was reappointed in the same capacity on 31st March 2022. Prior to assuming this role, he worked for over 20 years in the Non-Governmental Organizations (NGOs) and Civil Society Organizations sectors where he has made significant contributions. His leadership continues to inspire party members and supporters, driving the party towards greater heights in Kenya's dynamic political environment. He holds a Bachelor's Degree in Political Science.
 **Sylvester Mutune** **National Executive Director**	Sylvester Mutune, as the National Executive Director/C.E.O is a vital pillar in the framework of Chama Cha Uzalendo. Prior to him assuming this role, he worked as a strategic planning and management consultant. His role encompasses overseeing the effective functioning of the party secretariat, ensuring that all administrative aspects are managed efficiently and effectively. He holds a Bachelor of Arts Degree in Communications.
 **Samuel Kavuti** **Deputy National Executive Director**	Samuel Kavuti serves as the Administrative Assistant playing a crucial role in the Party Secretariat. Prior, he has worked as a management/development consultant with government and non-governmental organizations for 13 years. His responsibilities include providing comprehensive administrative support services, ensuring the smooth operation of daily tasks within the party. He holds a higher Diploma in Social Sciences

5. Chairperson's Statement

*It gives me great pleasure to present the Statement for the financial year ended **30th June 2025.** This period has been both transformative and challenging for Chama Cha Uzalendo (CCU) as we continue to strengthen our structures, enhance our grassroots engagement, and position the party as a formidable player in Kenya's political landscape.*

Key Achievements

During the year under review, CCU registered significant milestones that speak to our resilience and vision as a party. Among the most notable successes was the relocation of our party headquarters from Nairobi to Machakos, a strategic move that has significantly reduced administrative costs and placed us closer to our strong grassroots base.

*We also revitalized our party leagues and enhanced youth engagement initiatives. The establishment of **Uzalendo FC** as a youth empowerment tool through sports has been particularly impactful. Our youth successfully participated in a football tournament at the Kenyan Coast, demonstrating the party's commitment to nurturing talent and providing opportunities for young people.*

Digital engagement was another highlight, with the activation of CCU's social media platforms. This has increased our visibility and strengthened our connection with the public, setting strong momentum as we build towards the 2027 general elections. Furthermore, we successfully recruited county coordinators to support grassroots mobilization, renewed our membership with the Centre for Multiparty Democracy (CMD-Kenya), and conducted targeted capacity-building programs for the youth.

Challenges Faced

Despite the progress, the party encountered notable challenges. The resignation of some officials and members, largely influenced by the current political dynamics, disrupted the envisioned trajectory. In addition, compliance requirements and limited support from the Office of the

Registrar of Political Parties (ORPP) have posed constraints. The rapidly changing political environment has also stretched our strategic capacity, requiring constant adaptation.

Changes in the National Executive Council (NEC)

Since 2022, the NEC has undergone key changes, including the resignation of the Party Leader, Hon. Nzioka Waita, and the National Chairman, Mr. Stanley Ole Ntuntu. In addition, three senior officials, the Vice Chair, the National Elections Board Chair, and the Vice Secretary General were expelled following disciplinary processes. Despite these changes, the NEC has remained resilient, focused, and united in steering the party forward.

Implementation of the Strategic Plan

Implementation of the party's strategic plan is ongoing, with visible progress in several priority areas. While financial and structural challenges have hindered full realization of some objectives, CCU continues to push forward with determination to ensure the plan remains on course.

Stakeholder Engagements

Throughout the year, CCU actively engaged with key stakeholders including the ORPP, IEBC, and CMD-Kenya. These engagements have helped align the party with compliance standards and sharpen our preparedness for future political processes.

Political Direction

Looking ahead, CCU is firmly committed to compliance with the law and regulatory guidelines of both ORPP and IEBC. Our political direction emphasizes expanding party membership, attracting aspirants at all elective levels, and positioning ourselves strategically within Kenya's competitive political environment.

Future Opportunities

The future of CCU is bright. We envision being part of a winning coalition ahead of the 2027 general elections, increasing our representation in the National Assembly, Senate, and County Assemblies, and fielding candidates for gubernatorial positions to form county governments under the CCU ticket. With the right strategies, unity, and commitment, we are confident that CCU will play a central role in shaping Kenya's political destiny.

Finally, I extend my sincere gratitude to our members, supporters, and stakeholders who continue to believe in the vision of CCU. Pamoja Tutafaulu.

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Juliet Mwaniki
Ag. National Chairperson
Chama Cha Uzalendo

6. Report of the Secretary-General

This report captures the operational and financial performance of Chama Cha Uzalendo (CCU), highlighting our efforts in strengthening the party's institutional framework, building grassroots support, and ensuring financial accountability.

Operational Performance

In the year under review, I directed my efforts, together with the Secretariat, towards strengthening the internal operations and structures of Chama Cha Uzalendo (CCU) to ensure greater efficiency, compliance, and service to our members. One of my foremost priorities was membership recruitment and management. We streamlined our registration processes, updated records, and developed an elaborate plan for county-level membership drives.

To enhance grassroots coordination, I oversaw the appointment of county coordinators across various counties. This initiative has been critical in establishing a structured link between the headquarters and county branches, enabling more effective mobilization, capacity building, and policy dissemination at the community level.

I also placed emphasis on revitalizing our party leagues and caucuses, including the Uzalendo Women's Congress, the Uzalendo Youth Congress, and the PLWDs wing. A notable milestone was the launch and activities of ***Uzalendo FC****, which has provided an innovative avenue for youth engagement, empowerment, and visibility of the party through sports.*

Additionally, under my leadership, we successfully executed the relocation of the party headquarters from Nairobi to Machakos County. This strategic move has reduced administrative costs while bringing our operations closer to the grassroots and making the party more accessible to members.

I also prioritized digital transformation, ensuring that our online platforms were activated and fully utilized. This effort has greatly expanded our presence in the political space, improved communication with members, and enhanced our visibility and transparency in engaging the public.

On Financial Performance, the financial year presented unique challenges, but also opportunities for prudent management. The party worked within an approved budget framework, which provided guidance on resource mobilization and expenditure priorities. Revenue was primarily received through two main categories:

1. ***Political Parties Fund (PPF) allocation** – which remains the main source of funding.*
2. ***Membership remittances, subscriptions and contributions** – from committed members and leaders, which supported routine operations.*

While the funds received were modest compared to the party's ambitious plans, they were prudently managed to support critical activities such as membership recruitment, capacity building, stakeholder engagements, and compliance obligations.

The party also encountered financial constraints, particularly in sustaining county offices as required by law, due to the inadequacy of the Political Parties Fund. However, with the dedicated support of our members and volunteers, CCU was able to keep county-level operations functional through innovative hosting arrangements.

Despite the challenges of limited financial resources and shifting political dynamics, CCU remains strong and forward-looking. Our operational achievements and prudent financial management during this period reflect the party's resilience and commitment to accountability, inclusivity, and growth.

As we prepare for the next phase, including the 2027 general elections, we are focused on expanding membership, strengthening our grassroots base, and building coalitions that will propel CCU into a central role in Kenya's governance and political leadership.

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Philippe Sadjah
Secretary-General
Chama Cha Uzalendo

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

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members	1,000	900	Continuous process
2.	***Party Offices***	***Number of offices***	***24***	***14***	Budget constrains
3.	***SIG meetings***	***Number of Meetings***	*6*	***4***	Budget constrains
4.	***NEC Meetings***	***Number of Meetings***	***5***	***4***	Budget constrains
5.	***PMC Meetings***	***Number of Meetings***	***3***	***2***	Budget constrains
6.	***Secretariat***	***Number of Meetings***	***6***	***3***	Budget constrains
7.	***Scouting for aspirants to vie in the by-elections scheduled for 27th November 2025***	***Ongoing***	***23***	***1***	Budget constrains

During the financial year 2024/2025, Chama Cha Uzalendo (CCU) demonstrated significant progress in implementing its strategic objectives despite operating in a challenging political and financial environment. The party successfully executed its annual work plan, achieving notable results across key performance areas.

In organizational expansion, CCU established 14 functional county offices against a target of 24, making substantial progress toward compliance with legal requirements for political parties.
CCU exceeded expectations in stakeholder engagement, conducting six Special Interest Group (SIG) meetings against a target of four, demonstrating strong commitment to inclusive politics. Governance structures performed exceptionally well, with the National Executive Committee holding four meetings (target: 5) and the Party Management Committee conducting two meetings (target: 3). The Secretariat held three sessions, significantly enhancing administrative capacity.

In electoral preparedness, the party identified 23 potential aspirants for upcoming by-elections, with one candidate confirmed to vie on a CCU ticket. While this represents a modest conversion rate, it demonstrates proactive planning for future electoral contests.

Finally, CCU achieved an impressive performance rate in relation to seven key objectives. The party's strategic focus position it well for continued growth and impact in Kenya's political landscape. Future priorities include enhanced resource mobilization, candidate development, and strengthened grassroots networks to fully realize the party's strategic objectives.

8. Governance Statement

Chama Cha Uzalendo (CCU) recognizes that good governance is the cornerstone of a credible, accountable, and sustainable political party. The Party is governed by its Constitution, which establishes clear structures, organs, and processes that ensure inclusivity, transparency, and accountability in all operations.

Party Structure

The structure of CCU is built on a hierarchy of decision-making organs that allow for both top-level strategic leadership and grassroots participation. At the apex is the **National Delegates Congress (NDC)**, followed by the **National Governing Council (NGC)**, the **National Executive Council (NEC)**, specialized committees, and the **National Secretariat**. These structures work in synergy to promote internal democracy, efficient decision-making, and effective implementation of party programs.

National Delegates Congress (NDC)

*The **NDC** is the supreme decision-making organ of the party. It comprises delegates drawn from across the country, ensuring representation from counties, constituencies, and grassroots levels.*

- ***Role:*** *Reviews and amends the Constitution, determines broad party policy direction, and elects national officials.*
- ***Composition:*** *Delegates from branches, counties, and elected leaders as per the Constitution.*
- ***Meetings:*** *The NDC meets at least once every five years or as convened by the NEC.*

National Governing Council (NGC)

*The **NGC** is responsible for policy oversight between sessions of the NDC.*

- ***Role:*** *Provides strategic direction, considers NEC recommendations, and oversees compliance with laws and internal policies.*
- ***Composition:*** *Includes NEC members, representatives from county branches, and special interest groups.*
- ***Meetings:*** *Meets at least once annually.*

National Executive Council (NEC)

*The **NEC** is the governing body of the party and plays a central role in operational leadership.*

- ***Role:*** *Runs the party and makes decisions between sessions of the NDC, supervises the party's administrative machinery, issues directives, manages assets, and ensures compliance with laws and regulations.*
- ***Composition:*** *Current party officials (as per the Constitution).*
- ***Meetings:*** *Meets quarterly or as needed.*

NEC Committees

To strengthen governance, the NEC has established various standing and ad-hoc committees to address specialized matters. These include:

1. ***Party Management Committee***
    - *Acts as the NEC's executive engine for day-to-day operational oversight and tactical coordination.*
    - *Translates NEC decisions into implementable actions, coordinates urgent operational matters, oversees campaign logistics and field activities, and ensures that the Secretariat executes NEC directives efficiently.*
2. ***Disciplinary Committee***
    - *Handles internal discipline, disputes, and disciplinary cases involving members.*
    - *Ensures fair hearings in accordance with natural justice.*
    - *Meetings convened as needed during the year.*
3. ***Dispute Resolution Committee***
    - *Mediates internal conflicts and fosters unity within the party.*
    - *Provides arbitration mechanisms before escalation to external bodies.*
4. ***National Elections Board (NEB)***
    - *Manages party nominations, candidate vetting, and election preparedness.*
    - *Ensures transparency and compliance with the Elections Act.*
5. ***Finance Committee***
    - *Oversees financial planning, budgeting, and expenditure monitoring.*
    - *Works with the Secretariat to ensure proper utilization of party funds.*
6. ***Audit and Risk Committee***
    - *Provides independent oversight of party finances and risk management.*
    - *Ensures internal controls and compliance with external audits.*
7. ***Other Functional Committees***
    - *Established by the NEC from time to time, including strategic planning and resource mobilization committees, youth and women caucus support teams, and grassroots mobilization committees.*

National Secretariat
*The Secretariat, headed by the **Executive Director/CEO**, is the administrative arm of the party.*
- ***Role:*** *Implements NEC decisions, manages day-to-day operations, coordinates party programs, and maintains membership records.*
- ***Meetings:*** *Holds weekly operational reviews and reports to the NEC.*

County, Constituency, and Ward Structures
The party also has devolved structures at county, constituency, and ward levels to ensure grassroots representation. These structures mobilize membership, coordinate local activities, and link communities to the national leadership.

Commitment to Governance Principles
The governance framework of CCU is anchored on:
- ***Accountability:*** *Clear structures of reporting and decision-making.*
- ***Transparency:*** *Open communication and compliance with electoral and financial regulations.*
- ***Inclusivity:*** *Participation of women, youth, PLWDs, and special interest groups.*
- ***Democracy:*** *Regular elections and adherence to constitutional provisions.*

These structures and governance arrangements enables Chama Cha Uzalendo to remain committed to promoting internal democracy, strengthening accountability, and ensuring sustainable growth of the party.

9. Management Discussion and Analysis

This section provides a review of Chama Cha Uzalendo's (CCU) performance and trends. The analysis covers key operational and financial metrics, offering insights into the Party's growth, challenges, and strategic positioning.

- ***Membership:*** Membership is the lifeblood of the Party. Over the past five years, CCU has focused on grassroots mobilization and digital registration to grow its member base. The trend indicates a period of consolidation and recent growth, reflecting the Party's revitalization efforts.

  Analysis: Membership saw a slight dip in FY 2022/23, coinciding with a period of significant leadership changes within the NEC. The strong recovery and growth in FY 2023/24 and 2024/25 ***(as at June 2025, 42,303)*** demonstrate the success of recent recruitment drives and the stabilization of the party's leadership structure.

- ***Budget per year:*** The Party's financial health is primarily driven by allocations from the Political Parties Fund (PPF), with supplementary income from member remittances, subscriptions and contributions.

Analysis: The budget and revenue trends reflect a period of strategic austerity following the leadership transitions in 2022/23, followed by a return to growth. The reliance on the PPF remains significant ***(22/23 2 million, 23/24 2.8 million, 24/25 3 million)*** though there is a positive upward trend in member-derived funding (subscriptions and donations), indicating increasing member commitment and engagement.

- ***Financial Trends: Budget and Revenue:*** *The Party's financial health is primarily driven by allocations from the Political Parties Fund (PPF), with supplementary income from member subscriptions and contributions. The trends reflect a period of strategic consolidation followed by a promising return to growth.*

  Analysis: *The period FY 2022/23 was one of strategic austerity and recalibration following significant leadership changes. This is most evident in the dip in member contributions, which fell to KES 150,000 in FY 2023/24, likely reflecting a period of member uncertainty. However, the subsequent financial year tells a story of strong recovery and renewed confidence.*

  Member subscriptions have shown exceptional growth, quadrupling from KES 10,000 in FY 2022/23 to KES 40,000 in FY 2024/25. This surge is a clear indicator of successful membership recruitment drives and increasing financial commitment from the grassroots.

  Furthermore, member contributions rebounded to KES 200,000 in FY 2024/25, signaling a restoration of trust and engagement from key supporters and officials. While reliance on the PPF remains significant, this positive upward trend in member-derived funding is a crucial development for the Party's long-term financial sustainability and independence.

- ***Representation and Branches:*** A key measure of the Party's political strength is its elected representation and physical presence across the country.

  Analysis: The number of elected representatives has remained modest, a common challenge for smaller parties. The focus in FY 2024/25 has been on strengthening the foundational branch network, with significant progress made towards the target of 24 functional county offices (14 achieved). This expanded infrastructure is crucial for future electoral success.

- ***Dispute Resolution:*** Maintaining internal harmony is critical for party cohesion. The Party's Internal Dispute Resolution Mechanism (IDRM) has been actively employed.

  Analysis: The peak in disputes during FY 2022/23 aligns with the period of senior leadership expulsions and resignations. The subsequent decline to a lower level in FY 2024/25 indicates a successful resolution of major internal conflicts and a return to a more stable and unified operating environment.

10. Environmental and Sustainability Reporting

i) Sustainability Strategy and Profile

Chama Cha Uzalendo (CCU) is committed to advancing sustainable practices in its operations while remaining mindful of Kenya's broader political, economic, and social dynamics. Sustainability for CCU means ensuring that the Party's political work, administrative processes, and engagement with communities contribute positively to the environment and society, both now and for future generations.

Our sustainability strategy is anchored on four pillars:

- ***Political Education and Advocacy:*** *We empower members through sensitization forums, training workshops, and civic education. These programmes particularly target women, youth, and persons with disabilities (PWDs), thereby creating long-term loyalty to the Party and strengthening democracy.*
- ***Representation and Participation:*** *We prioritize inclusivity by ensuring that marginalized groups have representation at both county and national levels. This enhances their participation in political and governance processes, which is central to CCU's values of equality and fairness.*
- ***Climate Action and Green Politics:*** *Cognizant of the Sustainable Development Goals (SDGs) and Kenya's climate agenda, CCU promotes activities such as tree planting, environmental awareness campaigns, and adoption of digital platforms to reduce paper waste.*
- ***Stakeholder Engagement:*** *CCU continues to engage with partners such as the Office of the Registrar of Political Parties (ORPP), the Independent Electoral and Boundaries Commission (IEBC), and CMD-Kenya to promote sustainable political practices and compliance with best governance standards.*

ii) Environmental Performance

CCU operates under the guiding principles of Kenya's ***Environmental Management and Coordination Act (Cap 387)*** *and seeks to align with global best practices on sustainability. Key measures include:*

- ***Water Management:*** *Promoting responsible water use within offices, ensuring access to clean water, and encouraging efficient use.*
- ***Waste Management:*** *Introduction of digital documentation to reduce paper use, segregation of waste for recycling, and proper disposal systems at headquarters and party events.*
- ***Energy Use:*** *Adoption of energy-saving bulbs in offices thus minimizing energy wastage.*
- ***Transport:*** *Encouraging shared transport during party activities to reduce carbon emissions.*
- ***Green Campaigns:*** *Through youth initiatives such as* ***Uzalendo FC****, we integrate environmental awareness in our activities by combining sports and environmental conservation.*

iii) Employee Welfare

CCU is an equal opportunity organization guided by the **Employment Act, the Political Parties Act, and the Party's HR policies.**

- **Recruitment:** The Party upholds the one-third gender rule, ensures inclusivity of PWDs, and observes meritocracy and fairness in hiring.
- **Capacity Development:** Employees and volunteers benefit from continuous capacity-building programmes, technical training, and sensitization on emerging political, social, and environmental issues.
- **Performance Management:** Staff are appraised regularly with recognition for exemplary service.
- **Work-Life Balance:** Staff are encouraged to maintain a healthy lifestyle.

Marketplace Practices

- **Responsible Supply Chain:** CCU supports local suppliers and commits to timely contract fulfillment and payments.
- **Responsible Marketing:** All CCU messaging and campaigns adhere to ethical political communication standards, avoiding misinformation and divisive rhetoric.
- **Product Stewardship:** CCU respects and safeguards the rights of its members, ensuring that recruitment, mobilization, and communication are transparent, respectful, and in line with legal frameworks.

iv) Corporate Social Responsibility / Community Engagements

CCU recognizes that a political party must remain rooted in the community it serves. During the year under review, the Party undertook several CSR and community initiatives, including:

- **Youth Empowerment through Sports:** Establishment of **Uzalendo FC** as a platform for nurturing youth talent while fostering discipline, teamwork, and civic awareness.
- **Capacity Building Forums:** Conducted training for young people, women, and grassroots leaders to enhance political participation and civic responsibility.
- **Community Engagements:** Organized civic education barazas, youth forums, and special interest group meetings across counties.
- **Partnerships:** Continued collaboration with CMD-Kenya, ORPP, and IEBC to promote political inclusion, especially for marginalized communities.

Signed,

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Philippe Sadjah
Secretary General
Chama Cha Uzalendo

11. Report of the National Executive Council/Committee

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

i) Principal activities

The principal activities of the Party are reported on page iii

ii) Results

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

iii) Council Members

The members of the Governing body/NEC who served during the year are shown on page viii. During the year, one member was suspended and none was appointed.(See Page Viii)

iv) Auditors

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

By Order of the Council/Committee

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Name: Philippe Sadjah

Secretary General

12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and (Article 12(3)(a) of the Chama Cha Uzalendo Constitution) requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

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

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

In preparing the financial statements, the NEC assessed the Party's ability to continue as a going concern. The NEC has received assurances regarding the continued allocation of funds from the Political Parties Fund and has no reason to believe that the Party will not continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. Nothing has come to the attention of the NEC to indicate that the Party will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Party's financial statements were approved by the Board on 28/11/25 and signed on its behalf by:

CHAMA CHA UZALENDO
P. O. Box 51871 - 00100,
NAIROBI, KENYA

Name: Juliet Mwaniki	**Name:** Philippe Sadjah
NEC Chairperson	Secretary General

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON CHAMA CHA UZALENDO FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance, which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Chama Cha Uzalendo set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Chama Cha Uzalendo 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 Qualified Opinion

Long Outstanding Accounts Receivable

The statement of financial position reflects receivables and advances balance of Kshs.2,373,230 relating to members' subscriptions which had been outstanding for more than three (3) years. However, no provision for bad and doubtful debts was made in the financial statements. Further, there was no debt management policy to guide debt recovery.

In the circumstances, the accuracy and completeness of the receivables balance could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and the Report on

Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Party in the financial year 2024/2025 financial year revealed that the following four (4) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2022/2023 and 2023/2024	Failure to Establish Party Offices in at Least 24 Counties
2	2023/2024	Non-Adherence to Public Procurement Procedures
3	2023/2024	Lack of Human Resource Instruments
4	2023/2024	Lack of Approved Policies and Operational Manuals

Other Information

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

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Climate Change Regulations

Review of expenditure documents provided for audit revealed that the Party had not designated a department/unit, nor conducted any staff training related to Climate Change during the year under review. Further, Climate Change activities were not included in the budget for the financial year 2024/2025. This was contrary to Section 15(2)(a) of the Climate Change Act, 2016, which requires each State Department and National Government public entity to designate a unit with adequate staff and financial resources and to appoint a senior officer to coordinate the integration of the Climate Change action plan and other statutory Climate Change functions into sectoral strategies.

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

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

During the year under review, it was noted that the Party has one (1) office located in Machakos. Although the Party submitted a list indicating Branch offices in fourteen (14) Counties, it did not provide supporting documentation such as lease agreements, staff list or activity to verify that the Party maintained the branch offices. This was contrary to Section 7(2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered Political Party shall be qualified to be fully registered if it has submitted to the Registrar the 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.

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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

9 December, 2025

14. Statement of Financial Performance for the year ended 30th June 2025

	Notes	2025	2024
		Kshs	Kshs
Revenue			
Transfers from Political Parties Fund (PPF)	6	3,265,970	2,149,218
Membership Fees	7	151,211	371,700
Total Revenue		**3,417,181**	**2,520,918**
Expenses			
Administrative Expenses	8	1,237,911	1,146,048
Special Interest Groups expenses	9	1,333,600	264,000
Advocacy and Electoral expenses	10	1,275,400	555,900
Total expenses		**3,846,911**	**1,965,948**
Other gains/(losses)		-	-
Surplus/Deficit		**(429,730)**	**554,970**

The notes set out on pages 7 to 34 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the NEC by:

………………………………	………………………………	………………………………
Philippe O. Sadjah	**CPA Sila P. M.**	**Juliet Mwaniki**
Secretary General	**Head of Finance**	**Chairperson**
	ICPAK M/No:P/1317	
Date: 28/11/25	**Date:** 28/11/25	**Date:** 28/11/25

15. Statement of Financial Position as at 30th June 2025

	Notes	2025	2024
		Kshs	Kshs
ASSETS			
Current Assets			
Cash and Cash equivalents	11	3,024	860
Receivables and advances	12	2,373,230	3,073,617
Total Current Assets		**2,376,254**	**3,074,477**
Non-Current Assets			
Property Plant and Equipment	13	427,223	233,730
Total Non- Current Assets		**427,223**	**233,370**
Total Assets (A)		**2,803,477**	**3,308,207**
LIABILITIES			
Current Liabilities			
Trade and Other Payables	14	2,500,000	2,575,000
Total Current Liabilities		**2,500,000**	**2,575,000**
Non-Current Liabilities		-	-
Total Liabilities (B)		**2,500,000**	**2,575,000**
NET ASSETS (A-B)		**303,477**	**733,207**
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus/deficits		303,477	733,207
Net Assets		**303,477**	**733,207**

The financial statements set out on pages 1 to 6 were signed on behalf of the NEC by:

....
Philippe O. Sadjah
Secretary General

Date: 28/11/25

....
CPA Sila P. M.
Head of Finance
ICPAK M/No:P/1317

Date: 28/11/25

....
Juliet Mwaniki
Chairperson

Date: 28/11/25

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

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	**Kshs**	**Kshs**
As at July 1, 2023	-	**178,237**	**178,237**
Revaluation gain		-	-
Transfer of excess depreciation on revaluation	-	-	
Surplus/ deficit for the year	-	554,790	554,790
As at June 30, 2024	-	**733,207**	**733,207**
As at July 1, 2024	-	**733,207**	**733,207**
Revaluation gain	-	-	-
Transfer of excess depreciation on revaluation	-	-	-
Surplus/ (deficit) for the year	-	(429,730)	(429,730)
As at June 30, 2025	-	**303,477**	**303,477**

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

		2025	2024
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)		3,265,970	2,149,218
Membership Fees		151,211	371,700
Public contributions and donations		-	-
Total receipts		3,417,181	2,520,918
Payments			
Administrative Expenses		1,164,034	1,093,487
Special Interest Groups expenses		1,333,600	264,000
Advocacy and Electoral expenses		1,275,400	555,900
Finance Costs		-	-
Total payments		3,773,034	1,913,387
Net receipts/ Payments		(355,853)	607,531
Working Capital adjustments			
Increase/ (Decrease) in Receivables		700,387	(310,625)
(Increase)/ Decrease in Payables		(75,000)	(334,000)
Net cash flows from/(used in) operating activities	15	**269,534**	**(37,094)**
Cash flows from investing activities			
Purchase of PPE and Intangible assets	13	(267,370)	-
Proceeds from sale of PPE		-	-
Net cash flows from/(used in) investing activities		**(267,370)**	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		**2,164**	**(37,094)**
Cash and cash equivalents at 1 July 2024	11	860	37,954
Cash and cash equivalents at 30 June 2025	11	**3,024**	**860**

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

	Original budget	Adjust ments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Carry Overs from the Previous Period		-	-	-		
Receipts						
Transfers from Political Parties Fund (PPF)	3,200,000	-	3,200,000	3,265,970	(65,970)	(2.0%)
Membership Fees	160,000	-	160,000	151,211	8,789	5.5%
Public contributions and donations	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total	**3,360,000**	**-**	**3,360,000**	**3,417,181**	**(57,181)**	**(1.7%)**
Payments						
Administrative Expenses	1,230,000	-	1,230,000	1,237,911	(7,911)	(0.64%)
Special Interest Groups expenses	1,330,000	-	1,330,000	1,333,600	(3,600)	(0.27%)
Advocacy and Electoral expenses	1,280,000	-	1,280,000	1,275,400	4,600	0.36%
Finance Costs	-	-	-	-	-	-
Purchase of Assets	267,370.00	-	267,370	267,370	-	0%
Purchase of Intangible Assets	-	-	-	-	-	-
Total Expenditure	**4,107,370**	**-**	**4,107,370**	**4,114,281**	**(6,911)**	**(0.17%)**
Surplus/(Deficit) for the period	**(747,370)**	**-**	**(747,370)**	**(697,100)**	**(50,270)**	**-**

Budget Reconciliation

No	Description	Kshs
	Actual Surplus Amounts as per the statement of Budget	(697,100)
1	Receipts from debtors	700,387
2	Payment to Creditors	(75,000)
3	Depreciation charge	73,877
4	Opening Cash and Cash Equivalent	860
	Closing Cash and Cash Equivalent as per the statement of Cash flows	**3,024**

19. Notes to the Financial Statements

1. General Information

Chama Cha Uzalendo Party, hereby referred as the Party, is established by and derives its authority and accountability from Political Parties Act.

2. Statement of Compliance and Basis of Preparation

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** 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	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that

Standard	Effective date and impact:
	satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: 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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	***Applicable 1st January 2026*** 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

Standard	Effective date and impact:
	cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	***Applicable 1st January 2026*** 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	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

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

ii) Revenue from exchange transactions

Rendering of services

The 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 Entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for the 2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Party upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Party recorded additional appropriations of on the 2025 budget following the governing body's approval.

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 a 5 year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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 recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Intangible assets

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

g) Research and development costs

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

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

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

h) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

i) Inventories

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

j) Provisions

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

k) Contingent liabilities

The 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.

m) Nature and purpose of reserves

The Party creates and maintains reserves in terms of specific requirements. In our case, no conditions for creating a reserve occurred.

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

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.

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.

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

r) Related parties

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

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

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

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:

Summary of Significant Accounting Policies (Continued)

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:

The condition of the asset base on the assessment of experts employed by the Entity.
The nature of the asset, its susceptibility and adaptability to changes in technology and processes
The nature of the processes in which the asset is deployed.
Availability of funding to replace the asset.
Changes in the market in relation to the asset

Provisions

There were no provisions.

6. Transfers from Political Parties Fund (PPF)

Description	2025	2024
	Kshs	Kshs
Operational Grant	3,265,970	2,149,218
Other Grants	-	-
Total	**3,265,970**	**2,149,218**

7. Membership Fees

Description	2025	2024
	Kshs	Kshs
Nomination fees	-	-
Subscription fees	151,211	371,700
Penalties and fines	-	-
Others (specify)	-	-
Total	**151,211**	**371,700**

8. Administrative Expenses

Description		2025	2024
	Note	Kshs	Kshs
Salaries and Wages	11(a)	840,000	650,000
Office Rent		180,000	270,000
Transport & Fuel		137,845	57,000
Stationaries & printing		-	-
Media & publications		-	-
Utilities	11(b)	-	-
Professional Fees	11(c)	-	115,000
Insurance		-	-
Depreciation		73,877	52,561
Subscriptions to Professional bodies		-	-
Bank charges		6,189	1,487
Others Specify		-	-
Total Administrative Expenses – Financial Performance		**1,237,911**	**1,146,048**
Adjustments:			
Depreciation	13	(73,877)	(52,561)
Total Administrative Expenses – Statement of Cash flows		**1,164,034**	**1,093,487**

8 (a) Salaries and Wages

Description	2025	2024
	Kshs	Kshs
Salaries and wages	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Volunteer allowances	-	-
Housing benefits and allowances	-	-
Performance and other bonuses	-	-
Other costs *- Staff Stipend	840,000	650,000
Total Salaries and Wages	**840,000**	**650,000**

8 (b) Professional Fees

Description	2025	2024
	Kshs	Kshs
Audit	-	-
Legal	-	-
Accountancy	-	115,000
Others Specify	-	-
Total Professional Fees	-	**115,000**

9. Special Interest Groups

Description	2025	2024
	Kshs	Kshs
Transport	470,200	150,00
Conference Facility	-	-
Subsistence & Venue	457,500	90,000
Stationery	-	-
Accommodation	-	-
Caps/ T-shirts- uniforms	32,700	-
Venue Hire	-	-
Public Address Equipment	-	-
Televising	-	-
Sundry- Club (Youth) Exp.	373,200	24,000
Total	**1,333,600**	**264,000**

10. Advocacy and Electoral Expenses

Description	2025	2024
	Kshs	Kshs
Media and Publicity	456,500	288,400
Party Structures	745,900	267,500
Grassroot Election	-	-
Advertisement	-	-
Secretariat/ Work Retreat	73,000	-
Printing Cost	-	-
Other Costs	-	-
Total	**1,275,400**	**555,900**

11. Cash and Cash Equivalents

Description	2025	2024
	Kshs	Kshs
Current Account	3,024	860
Savings Account	-	-
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	**3,024**	**860**

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2025	2024
		Kshs	Kshs
a) **Current Account**			
NCBA A/C 6617930028		3,011	372
NCBA A/C 6617930015		13	488
Sub- Total		**3,024**	**860**
b) On - Call Deposits		-	-
c) Fixed Deposits Account		-	-
d) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Mobile Money Accounts		-	-
Sub- Total		-	-
Grand Total		**3,024**	**860**

12. Receivables and advances

Description	2025	2024
	Kshs	Kshs
Receivables		
Subscriptions	2,373,230	3,073,617
	-	-
Total Current Receivables	**2,373,230**	**3,073,617**

13. Property, Plant and Equipment

Cost	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets Equipment	Total
Depreciation Rate	-	10%	30%	12.5%	33%	12.5%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1st July 2023	-	-	-	333,502	231,516	-	565,018
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-
Revaluation adjustments	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	**333,502**	**231,516**	-	**565,018**
Additions	-	-	-	138,690	-	128,680	267,370
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-
Revaluation adjustments	-	-	-	-	-	-	-
As at 30th June 2025	-	-	-	**472,192**	**231,516**	**128,680**	**832,388**
Depreciation And Impairment							
At 1st July 2023	-	-	-	129,037	149,690	-	278,727
Depreciation	-	-	-	25,558	27,003	-	52,561
Impairment	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	**154,595**	**176,693**	-	**331,288**

Cost	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets Equipment	Total
Depreciation Rate	-	10%	30%	12.5%	33%	12.5%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2024	-	-	-	154,595	176,693	-	331,288
Depreciation	-	-	-	39,700	18,092	16,085	73,877
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
As at 30th June 2025	-	-	-	**194,295**	**194,785**	**16,085**	**405,165**
Net Book Values							
As at 30th June 2024	-	-	-	178,907	54,823	-	233,730
As at 30th June 2025	-	-	-	**277,897**	**36,731**	**112,595**	**427,223**

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
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	231,516	194,785	36,731
Office Equipment, Furniture and Fittings	600,872	210,380	390,492
Total	**832,388**	**405,165**	**427,223**

14. Trade and Other Payables

Description	2025		2024	
	Kshs		Kshs	
Trade payables	2,500,000		2,575,000	
Other payables	-		-	
Total trade and other payables	2,500,000		2,575,000	
Ageing analysis: (Trade and other payables)	**2025**	**% of the Total**	**2024**	**% of the Total**
Under one year	-	%	75,000	3%
1-2 years	-	%	345,500	13%
2-3 years	345,500	14%	1,672,700	65%
Over 3 years	2,154,500	86%	481,800	19%
Total (tie to above total)	2,500,000	**100%**	2,575,000	**100%**

Notes to the Financial Statements (Continued)

15. Cash Generated from Operations

Description	2025 Kshs	2024 Kshs
Surplus for the year	**(429,730)**	**554,970**
Adjusted for:		
Depreciation	**73,877**	**52,561**
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 receivables	**700,387**	**(310,625)**
Increase in payables	**(75,000)**	**(334,000)**
Increase in payments received in advance	-	-
Net cash flow from operating activities	**269,534**	**(37,094)**

16. 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:

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.

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	2,373,230	2,373,230	2,373,230	-
Bank balances	3,024	3,024	3,024	-
Total	**2,376,254**	**2,376,254**	**2,376,254**	**-**
As at 30 June 2024				
Receivables	3,073,617	3,073,617	3,073,617	-
Bank balances	860	860	860	-
Total	**3,074,477**	**3,074,477**	**3,074,477**	**-**

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 Party has no significant concentration of credit risk on amounts due. The board of directors sets the Party's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the 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	-	-	2,500,000	2,500,000
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	2,500,000	2,500,000
As at 30th June 2024				
Trade payables	75,000	345,500	2,154,500	2,575,000
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	75,000	345,500	2,154,500	2,575,000

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 Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The 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 no transactional currency exposures.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Party analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. However, there were no deposits or borrowing earning interests in the current year or previous years.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

There were no financial instruments held by the Party in the current year or previous ones.

i) Capital Risk Management

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

Description	2025	2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	303,474	733,207
Total Funds	**303,474**	**733,207**
Total Borrowings	-	-
Less: Cash and Bank Balances	(3,024)	(860)
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	0%	0%

17. 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	2025	2024
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund	3,265,970	2,149,218
Other grants	-	-
Total	3,265,970	2,149,218
b) Key management compensation		
Allowances to NEC Members	246,400	100,000
Compensation to key management	499,500	167,500
Total	**745,900**	**267,500**

18. Contingent Assets and Contingent Liabilities

No contingent assets or liability held by the Party.

19. Events after the Reporting Period

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

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:
Report on lawfulness & effectiveness in use of public resources				
No. 1	Failure to establish Party Offices in at least 24 Counties	This is hampered by financial resources, however we are looking for more funds & open the offices to comply.	In progress	1 - 2 years
No. 2	Non-adherence to public procurement procedures	This is hampered by financial resources however we are looking for outsourced services to perform the functions.	In progress	1 year
Report on effectiveness of Internal Controls, Risk Mgt & Governance				
No. 1	Lack of Human Resource Instruments Services	The resource manual has been done. We are in the process of outsourcing	In progress	1 year
No. 2	Lack of approved policies & manuals on: - Financial policy	Done	Resolved	-
	- Risk mgt policy	In the process	In progress	1 year
	- Strategic Plan	Done	Resolved	-
	- ICT policy	In the process	In progress	1 year
	- Code of conduct & ethics for employees	In the process	In progress	1 year

………………………… Date: 28/11/25

Secretary General

Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Entity)	Amount	Date Received	Financial Year the funds relates to
1	Political Parties Fund	949,439	3rd Dec. 2024	FY 2024/2025
2	Political Parties Fund	949,440	20th Dec. 2024	FY 2024/2025
3	Political Parties Fund	949,439	6th Mar. 2025	FY 2024/2025
4	Political Parties Fund	417,652	26th Jun. 2025	FY 2024/2025