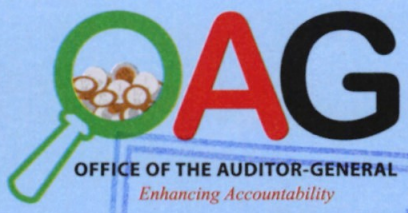
REPUBLIC OF KENYA



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REPORT OF

THE AUDITOR-GENERAL

ON

MAENDELEO CHAP CHAP PARTY (MCC)

FOR THE YEAR ENDED 30 JUNE, 2025

OFFICE OF THE AUDITOR GENERAL
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MAENDELEO CHAP CHAP
(MCC)

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
PWDs	Persons With Disabilities

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

Maendeleo Chap Chap is a fully registered Party under the Political Parties Act, CAP. 7D, registered on 22nd September 2016 with registration number 067. The Party is domiciled in Kenya and has 24 branches.

(b) Principal Activities

The principal activity/mission/ mandate of the Party is;

(b) Recruitment and mobilization of members, building a national outlook by attracting supporters from diverse ethnic, regional and social groups.

(c) Identifying and nominating candidates for elective positions ensuring free, fair and democratic nomination processes.

(d) Policy formulation and Development of Manifestos that reflect the needs of citizens.

(e) Political Education through conducting civic education to raise awareness about democracy, rights and responsibilities, especially among youth, women and marginalized groups.

(f) Promote representation in Parliament and county assemblies of women, persons with disabilities, youth, ethnic and other minorities, and marginalized communities.

(c) Key Management

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

No.	Designation	Name
1.	Secretary General	Wilfred Nyamu Mati
2.	Political Affairs	Kevin Njagi Munene
3.	National Treasurer	Jane Kendi Laichena

(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	Wilfred Nyamu Mati
2.	National Treasurer	Jane Kendi Laichena

(e) Fiduciary Oversight Arrangements

Audit Committee

The Audit Committee, established by the National Executive Council (NEC), plays a crucial role in strengthening corporate governance within the party. Its membership includes the National Treasurer, two Deputy Treasurers, the Administration and Finance Officer, and the Head of Political Affairs, ensuring a diverse and knowledgeable team to oversee financial and governance matters.

The primary mandate of the Audit Committee is to assist the NEC in fulfilling its oversight and governance responsibilities. This includes ensuring the integrity and accuracy of the party's financial statements and records, as well as overseeing the effectiveness of internal control systems and risk management processes. The committee also monitors compliance with relevant legal, financial, and regulatory requirements, while reviewing the allocation and utilization of the party's resources to promote accountability, transparency, and value for money.

Furthermore, the Audit Committee provides independent assurance to the NEC on financial management and governance issues. It is tasked with conducting or commissioning periodic audits, reporting findings and recommendations to the NEC, and engaging external auditors as needed to maintain their independence in reviewing financial statements.

Risk Management Policy

Effective risk management hinges on a shared understanding throughout the organization that identifying and addressing risks is vital for sustaining operations, serving clients, and protecting assets. Maendeleo Chap Chap acknowledges that risks can impact employees, volunteers, service delivery, liabilities, and property, making proactive management a priority.

Management bears the ultimate responsibility for controlling risks, which includes deciding which risks are acceptable and developing strategies to mitigate those that are not. All employees and volunteers are expected to contribute to this effort by adhering to established procedures and policies, fostering a culture of safety and accountability.

The party is dedicated to carefully considering input and suggestions from all stakeholders, ensuring a collaborative approach to risk management. It also commits to taking appropriate and timely action to mitigate risks, investigating incidents, accidents, and near-loss situations to prevent recurrence, and evaluating employee and volunteer performance to ensure compliance with this policy.

MCC Risk Management Goals Statement

Under the authority of the NEC, a Risk Management Committee of five (5) members shall be established. Membership shall comprise:

- The National Treasurer (Chairperson).
- Two (2) NEC members.
- One (1) member trained in public works management.
- One (1) member trained in fire safety and emergency response.

The committee shall be responsible for overseeing the implementation of risk management strategies, promoting compliance, and ensuring that the party is adequately prepared to respond to risks and emergencies.

(f) Party Headquarters

P.O. Box 10790-00100

Riara Road, Hse No.12

Kilimani, Nairobi.

(g) Party Contacts

Telephone: (254) 723-537-955 / 717-828-137

E-mail: info@maendeleochapchapparty.co.ke

Website: www.maendeleochapchapparty.co.ke

(h) Party Bankers

Co-operative Bank of Kenya
Lavington Mall Branch
Lavingtonmallbr@co-opbank.co.ke
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

Nyamu and Nyamu Advocates
P. O. Box 66032-00800
Mayfair Centre
Ralph Bunche Road
Nairobi, Kenya.

3. The National Executive Council (NEC)

S/NO	NAME	POSITION	GENDER
1	Mahat Mohamed Rashid	Deputy Chairperson	Male
2	Wilfred Nyamu Mati	Secretary General	Male
3	Angela Ndungu	Deputy Secretary General	Female
4	Jane Kendi Laichena	National Treasurer	Female
5	Joy Atieno Luttson	Deputy National Treasurer	Female
6	Sitato Magelo	National Women Congress Chairlady	Female
7	Stephanie Ojiambo	Deputy Women Congress Chairlady	Female
8	Kevin Njagi Munene	National Youth Chairperson	Male
9	Samson Nganga	Deputy Youth Chairperson	Male
10	Emmanuel Kimeu	Deputy Chairman Elections Board	Male
11	Ali Mohammed Abdullahi	Deputy Organizing Secretary	Male

4. Key Management/Secretariat Team

Name	Position	Responsibility
Wilfred Nyamu Mati	Secretary General	Accounting Officer/ Secretary to the NEC
Harrison Moturi Ombongi	Admin & Finance Officer	Oversee operations at HQ and heads Finance and Accounts
Elvis Kipkirui Leitich	Procurement Officer	Heads Procurement department
Velma Mudasia Munoko	Custodial Services Supervisor	Facility cleanness & hygiene
Kevin Njagi Munene	Political Affairs	Oversee party operations

5. Chairman's Statement

On behalf of the National Executive council of Maendeleo Chap Chap party, I am pleased to present the Annual Report and Financial Statements for the year ended 30th June,2025. This past year has been both rewarding and challenging, marked by significant milestones in our journey as a political movement committed to servant leadership, inclusivity and transformation.

Successes made During the Year

The party made notable progress in consolidating its position within Kenya's political landscape. Our efforts concentrated on strengthening grassroots structures, enhancing participation of women, youth, and persons with disabilities, and expanding our membership base.

We successfully secured a substantial increase in funding from the Political Parties Fund compared to the previous year, enabling the party to expand operations and enhance outreach. Significant resources were also directed toward Special Interest Groups, supporting workshops, awareness campaigns, and focus group discussions that have deepened our inclusivity agenda, while adhering to the mandated allocation for such groups as stipulated in the PPA, 2011.

Additionally, our advocacy and visibility efforts were boosted through enhanced media engagements, broadcasting, and public campaigns, amplifying our voice on governance, accountability, and people centred policies.

Challenges Faced During the Year

Despite the notable gains achieved, the party encountered several challenges that impacted its overall performance and highlighted areas requiring strategic attention. These obstacles underscored the importance of adaptive measures to ensure long-term sustainability and resilience in a dynamic political environment.

One significant issue was the write-off of receivables, which diminished the party's financial stability and revealed vulnerabilities in asset management. Additionally, membership subscriptions fell short of their full potential, while public donations remained minimal, indicating a pressing need for more effective and sustainable fundraising strategies to bolster revenue streams and reduce dependency on limited sources.

Operational strain emerged as another key challenge, driven by escalating demands to support a wide array of political and civic activities. This pressure stretched the party's available human

and financial resources to their limits, potentially affecting efficiency and morale. Compounding these issues, expenditure consistently outpaced income, culminating in a deficit that necessitates enhanced budgeting practices, cost controls, and revenue diversification to restore fiscal balance and support future growth.

Stakeholder Engagements

Stakeholder engagement has been a cornerstone of our operations, fostering a collaborative environment that drives the party's mission forward and ensures alignment with the needs and aspirations of our diverse constituency. Throughout the year, this commitment manifested in various strategic initiatives designed to build trust, gather input, and amplify collective impact in Kenya's political landscape.

A key aspect of our engagement involved convening consultative forums with members across various branches, which served as vital platforms for dialogue and co-creation. These forums not only allowed us to gather grassroots insights but also empowered members to actively shape our agenda and policy priorities, ensuring that our strategies remain responsive, inclusive, and grounded in real-world challenges. By prioritizing such interactions, we reinforced the democratic ethos at the heart of the party, turning member feedback into actionable reforms that enhance relevance and support.

We also deepened partnerships with Special Interest Groups, focusing on advancing inclusivity and civic education through targeted programs and joint efforts. These collaborations went beyond mere alliances, enabling us to address systemic barriers faced by underrepresented communities, such as women, youth, and persons with disabilities, while promoting awareness and empowerment. This approach not only enriched our programmatic focus but also cultivated a more equitable political space, where diverse voices contribute to sustainable development and social cohesion.

To uphold the highest standards of compliance and accountability, we maintained close and proactive collaboration with key oversight bodies, including the Office of the Registrar of Political Parties, the Auditor-General, and other regulatory entities. These relationships ensured rigorous adherence to legal and ethical guidelines, facilitating transparent operations and timely reporting that build public confidence. By embedding accountability into our core practices, we

mitigated risks and demonstrated our unwavering commitment to integrity in all facets of party management.

Finally, we strengthened networks with like-minded organizations to advocate for democratic reforms and good governance on a broader scale. These strategic alliances amplified our influence, enabling joint campaigns and shared resources to tackle pressing national issues, from electoral integrity to policy innovation. Through such interconnected efforts, we not only expanded our reach but also contributed to a more vibrant and resilient civil society, positioning the party as a catalyst for positive change in Kenya's evolving political ecosystem.

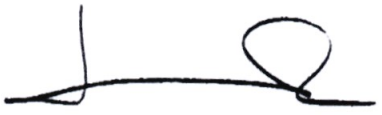
Looking Ahead

The coming year offers fresh opportunities for Maendeleo Chap Chap (MCC) to build upon the solid foundation we have established, positioning the party for sustained growth and impact. Our strategic focus will centre on expanding membership recruitment and reinforcing branch structures across the nation, ensuring a stronger, more connected grassroots presence.

Additionally, we will prioritize enhancing internal financial management systems to promote long-term sustainability, safeguarding our resources while supporting ambitious initiatives.

We also aim to harness the power of digital platforms to revolutionize our communication, deliver effective civic education, and mobilize members more efficiently, adapting to the evolving needs of our constituency. Concurrently, strategic preparations for future electoral engagements will be key, as we seek to boost our representation in Parliament and county assemblies, amplifying our voice in shaping Kenya's political landscape.

In closing, I extend my heartfelt gratitude to our members, supporters, leadership organs, and partners for their unwavering dedication and invaluable contributions to our cause. Together, we will continue to champion the values of inclusivity, accountability, and transformation, driving positive change for the people of Kenya.



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Deputy Chairman
Mahat Mohamed Rashid

6. Report of the Secretary-General

It is my honour to present the Secretary-General's Report for the year ended 30th June 2025. The report provides an overview of the Party's operational and financial performance during the year, highlighting the progress achieved, areas of challenge, and our commitment to strengthening the Maendeleo Chap Chap (MCC) movement across the country.

Operational Performance

The Party has continued to expand its membership base across various regions, maintaining stable membership subscriptions despite the need for more robust recruitment drives and ongoing engagement with grassroots members. To achieve this, several membership campaigns were conducted, including workshops, awareness forums, and grassroots mobilization efforts.

The Party also focused on maintaining its national headquarters in Nairobi while strengthening its branch structures by supporting local offices. These branches serve as vital platforms for community outreach, political education, and civic participation, enhancing the Party's presence and influence.

Additionally, internal processes saw an expansion of participation opportunities, particularly for women, youth, and persons with disabilities. These initiatives were supported by increased funding directed towards Special Interest Groups (SIGs) programs compared to the previous year, reflecting a commitment to inclusivity.

Financial Performance

The financial performance of the Party reflects a notable increase in revenue, primarily driven by a significant rise in transfers from the Political Parties Fund. Overall, total revenue for the year saw a substantial growth compared to the previous year, indicating a positive trend in financial inflows.

On the expenditure side, administrative costs remained consistent with the prior year, demonstrating stability in operational expenses. However, there was a marked increase in spending on activities for Special Interest Groups, underscoring the Party's dedication to inclusivity. Additionally, advocacy and electoral activities saw a significant uptick, largely attributed to grassroots elections and media engagements. Despite these efforts, the total expenditure exceeded revenue, resulting in a modest deficit for the year.

Regarding assets and cash flow, the Party experienced a decline in total assets compared to the previous year, mainly due to the write-off of certain receivables. Cash and cash equivalents also decreased sharply, highlighting the importance of implementing more prudent financial planning to ensure sustainability moving forward.

Way Forward

Moving forward, the Party will focus on several key areas to strengthen its foundation and outreach. Strengthening membership recruitment and retention will be a priority to ensure robust and engaged community. Additionally, enhancing financial sustainability through improved **resource mobilization and fundraising will be critical to support the Party's operations and** growth.

The Party also aims to expand its branch offices and digital platforms to reach more members, broadening its influence and accessibility. Deepening the programmatic focus on youth, women and marginalized groups will ensure that diverse voices are heard and supported within the organization. Furthermore, implementing stronger financial oversight measures will safeguard Party resources, promoting transparency and accountability.

In conclusion, I extend my gratitude to our members, the National Executive Council, and all stakeholders for their commitment and unwavering support. Together, we will continue to build Maendeleo Chap Chap into a movement that inspires hope, inclusivity, and accountability in our **nation's political space.**

.....

Wilfred Nyamu Mati

Secretary-General

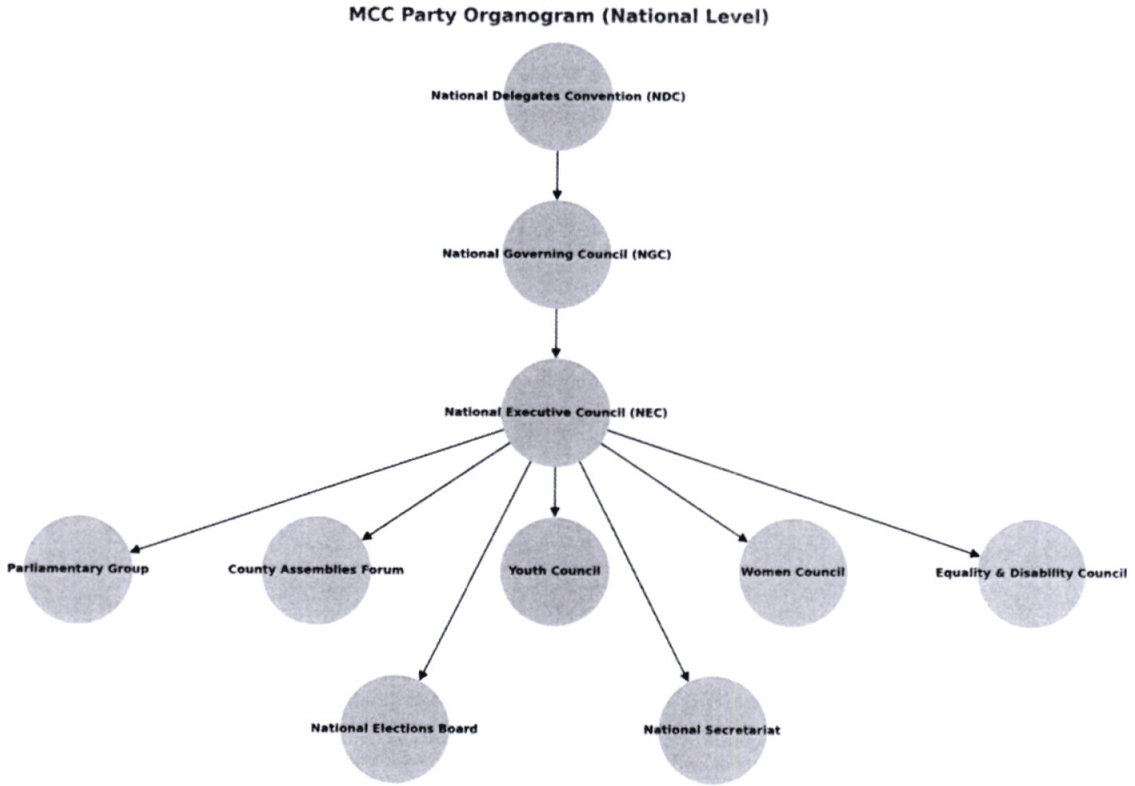
7. Statement of Performance against Predetermined Objectives for FY 2024/2025

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

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Maintaining and opening of new county offices	No. of offices	38	24	Party has achieved the required number of offices and should work on maintaining the 24.
2.	*PWD recruitment for newly formed Disability league*	*No. of members*	*10,000*	*800*	*PWDs come out in large numbers but lack the necessary documentation such as IDs to register as members of the party.*
3.	*SIGs workshop and awareness campaigns*	*No. of counties*	*47*	*7*	*Expensive to transverse all 47 counties, party to aim to achieve at least Half per year.*
4.	*Membership fees*	*Full members contribution*	*1,950,000*	1,053,848	*Party to write directly to county clerks to ensure all elected and nominated leaders remit their monthly contributions.*

8. Governance Statement

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



National Delegates Convention

This is the highest organ of the party and consists of:

i. All members of NEC
ii. All Members of NGC
iii. Parliamentary Group
iv. All Branch (County) Committee's Chairperson, Vice Chairperson, Secretary, Treasurer and Organizing Secretary of each county;
v. All Constituency Chairpersons, Vice Chairpersons, Secretaries, Treasurers and Organizing Secretaries of each Sub-Branch (Constituency) branch;
vi. All Chairpersons and Secretaries of each Constituency Youth Council;
vii. All Chairpersons and Secretaries of each Constituency Women Council;
viii. All Chairpersons and Secretaries of each Constituency Equality and Disability Council

ix. Chairpersons and secretaries of all committees and organs created by NEC.

Roles of NDC

NDC has the following specific powers, duties and obligations: -

i. To approve long term policies of the party;
ii. To receive, examine and approve the audited accounts of the party and its organs since the previous meeting of the National Delegates Convention;
iii. To elect or ratify members of NEC;
iv. To ratify the nomination of the Party leader by NEC;
v. To appoint the Board of Trustees;
vi. To ratify members of various committees as mandated by this constitution;
vii. To consider and transact any other business that may be laid and/or referred to it by NEC;
viii. To nominate the party's Presidential Candidate and his or her running mate;
ix. To approve any resolutions on coalitions, mergers or dissolution of the party.

National Executive Council (NEC): Governing Body

The National Executive Committee, is the governing body of the party with decision making powers, it consists of: -

1. Party Leader
2. Deputy Party Leader
3. National Chairperson
4. National Deputy Chairperson
5. Secretary General
6. Deputy Secretary General
7. National Organizing Secretary
8. National Deputy organizing Secretary
9. National Treasurer
10. National Deputy Treasurer
11. Chairlady, Women's Council
12. Deputy Chairlady, Women's Council
13. Two Chairpersons, Youth Council (Male and Female)

14. Chairperson, Equality and Disability Council
15. Not more than ten (10) Secretaries of sectors as shall be provided by the NDC/NGC
16. Party Executive Director (Ex-Officio)

NEC functions are as follows;

(i) To act as the executive organ of the National Delegates Convention and to ensure that all decisions made by the said organ are duly carried out;

(ii) To regulate its own procedures and in the absence of the Chairperson at any meetings, to nominate one of its members to preside over its meetings;

(iii) To supervise the administrative machinery of the party and to take such measures as it may deem fit to enforce the decisions and the programmes of the Party.

(iv) To appoint the National Party Executive Director and other staff members for all departments of the secretariat and the party, approving terms and conditions of their service;

(v) To appoint other committees that, it may deem necessary for specified tasks to determine their terms of reference;

(vi) To recommend auditors and fix the auditors remuneration;

(vii) To create such Party Branches as it may deem necessary, and to abolish nonviable ones;

(viii) To provide for disciplinary measures against party branches;

(ix) To create other National Offices of the Party as it may deem necessary and/or expedient and to fill vacancies thereof pending ratification of the National Convention at its next meeting;

(x) To prepare and adopt a Code of Conduct and disciplinary rules, guidelines and regulations for the party members and party organs;

(xi) To formulate and adopt rules, regulations and guidelines as may be provided for in the schedules of this Constitution and for the better carrying out of the activities of the Party;

(xii) To prepare agendas for, and reports to, the National Delegates Convention;

(xiii) To determine the membership fee and the annual subscription;

(xiv) To make rules for the elections of party officials at the National Delegates Convention;

(xv) To make rules and guidelines for the National Elections Board on Party Nominations;

(xvi) Establish departments and set up committees, as it considers appropriate;

(xvii) To fill a vacancy should one occur on the NEC for any reason, by appointing a replacement who shall take up office until such a time that they are ratified by the NDC;

(xviii) To do any other task as provided by the National Delegates Convention.

Committees of the Maendeleo Chap Chap Party

There exists following Standing Committees of the MCCP;

a) Strategy and Planning Committee

i. The Committee shall be responsible for advising the Party on strategy, planning, Party organization and Party policy.

ii. The Committee shall conduct appropriate research and advise the Party on its findings

iii. Membership and composition shall be determined by the NEC and approved by the NGC.

b) Finance, Administration and Resource Mobilization Committee

i. The Committee shall be responsible for developing strategies for and realizing financial resource mobilization and other support to the Party.

ii. Membership and composition shall be determined by the NEC and approved by the NGC.

iii. It shall assist NEC to recruit and manage employees working at the national secretariat and other offices.

c) Legal Committee

i. The Committee shall advise the Party on all legal matters.

ii. Membership and composition shall be determined by the NEC and approved by the NGC.

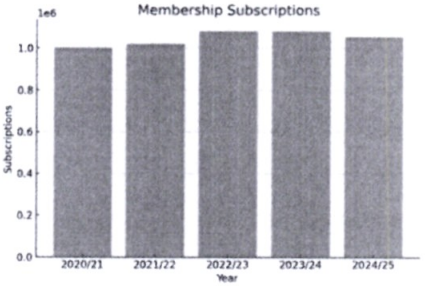
9. Management Discussion and Analysis

- *Membership*

  The Party's membership has shown fluctuations in line with the political cycle. During the general election year, membership numbers declined as some members shifted allegiance, while others awaited the outcome of elections. However, membership began to recover in the subsequent year following membership drives, this trend reflects a steady rebuilding of the party's base.

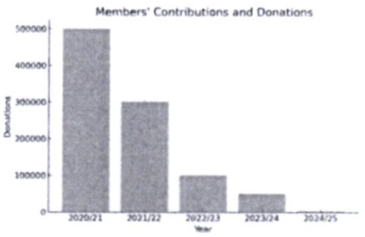
- *Members subscriptions*

Members' subscriptions have remained stable across the last three years, showing resilience in member loyalty. However recently reflected a slight decline due to the loss of one elected leader and one nominated leader, who are yet to be replaced. Members currently not paying are only elected members with nominated leaders all contributing.



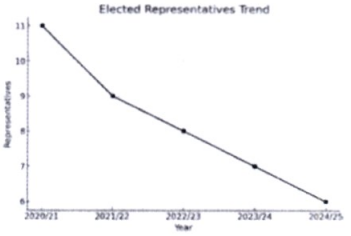
- *Members' Contributions/Donations*

  Donations have declined significantly over the past three years. This decline is attributed to the absence of a general election during the period, as donations are historically higher in election years when members and supporters contribute more actively to campaigns and mobilization activities



- *Number of elected representatives, including SIGs*

  The Party has experienced a 45% reduction in the number of elected representatives over the last five years. This reduction reflects electoral challenges and shifting political alliances. Moving forward, strengthening candidate support and enhancing grassroots mobilization will be critical to reversing this trend

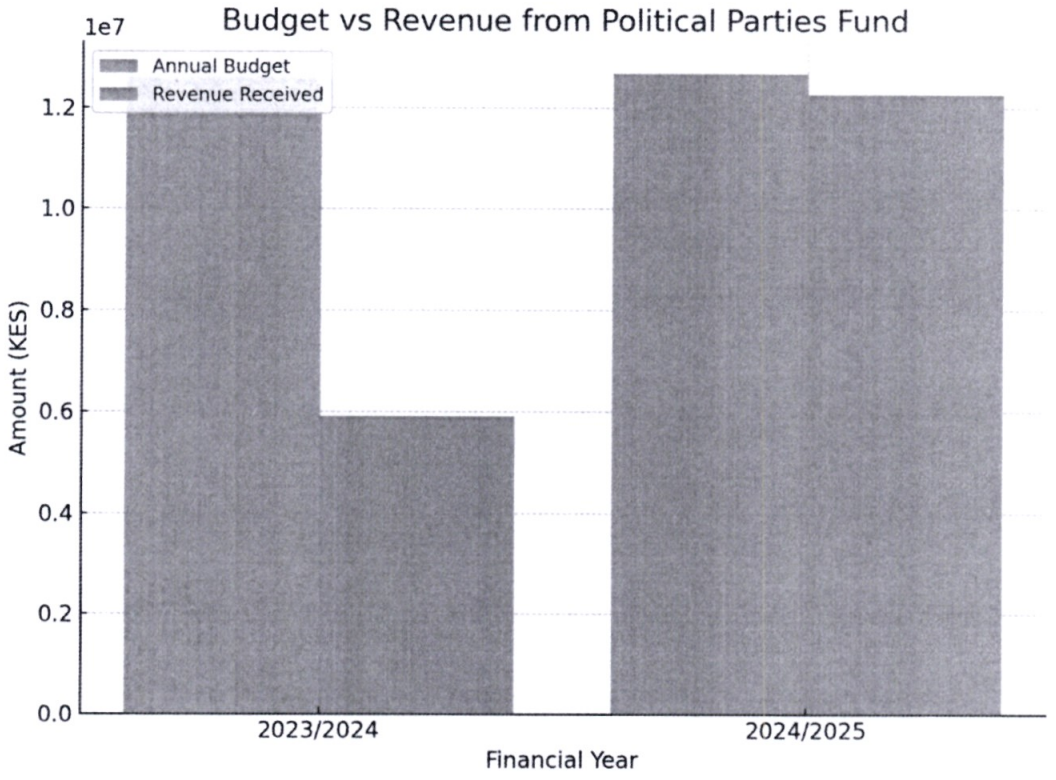


- *No of Party Branches*

  Branch growth has been one of the Party's key successes in recent years. From maintaining 8 branches in the past three years, MCC has since expanded to 24 branches nationwide. This demonstrates the Party's commitment to grassroots presence, improved member services, and accessibility across Kenya's counties

- Trend Analysis: Political Parties Fund (2023/2024–2024/2025)

This report provides a trend analysis of the annual budget and revenue received by the party from the Political Parties Fund (PPF) for the financial years 2023/2024 and 2024/2025.



Trend Summary

The revenue received from the PPF increased significantly between the two financial years, rising from 46.8% of the annual budget in 2023/2024 to 96.8% in 2024/2025. This reflects a major improvement in funding adequacy and reduced financial shortfall.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

Maendeleo Chap Chap (MCC) recognizes that sustainability is not only about environmental stewardship but also about building resilient political and social systems that can meet the needs of present and future generations. Guided by its vision of "Bringing fast transformation through inclusivity and accountability", the Party integrates sustainability principles into its political, organizational, and community activities.

In line with Kenya's development agenda and global sustainability priorities such as the Sustainable Development Goals (SDGs), the Party has aligned its strategy to focus on:

- Promoting inclusive participation of women, youth, persons with disabilities, and marginalized communities in political leadership.
- Mainstreaming environmental awareness in its programs, policies, and campaigns to ensure that development efforts do not compromise the environment.
- Supporting national sustainability efforts, including climate action, responsible resource management, and social inclusion.

(ii). Environmental Performance

The Party has adopted an Environmental Policy that emphasizes compliance with national and international environmental laws and best practices. The key elements of the policy include:

- Awareness Creation: Incorporating climate change and environmental stewardship into civic education, particularly targeting youth and community leaders.
- Compliance and Partnerships: Working in line with Kenya's environmental regulations (NEMA guidelines) and collaborating with stakeholders who promote sustainable and climate-smart practices.

Through these measures, MCC aims to lead by example in ensuring that political processes contribute positively to Kenya's environmental sustainability goals.

(iii) . Corporate Social Responsibility (CSR)

MCC is deeply committed to giving back to society through initiatives that respond to community needs while promoting sustainable development. Over the past year, the Party prioritized programs that empower citizens, strengthen social cohesion, and advance inclusivity in political and socio-economic spaces.

A central focus was youth empowerment, where the Party sponsored training forums and workshops designed to build leadership, entrepreneurial, and civic engagement skills. By equipping young people with practical knowledge and opportunities, MCC nurtured a new generation of leaders capable of driving meaningful change within their communities.

The Party also advanced community engagements, supporting grassroots forums that foster peace, national unity, and the inclusion of minority groups. These dialogues created platforms for constructive participation, enabling communities to work together in addressing shared challenges and reinforcing a culture of cohesion.

Through special interest group programs, MCC organized and supported activities that empower women, persons with disabilities (PWDs), and marginalized communities. These efforts ensured that underrepresented voices were not only heard but also actively included in political processes, strengthening equity and representation at all levels.

The Party continues to review and strengthen its CSR strategy to ensure that it not only responds to immediate community needs but also contributes to long-term sustainable development in Kenya.

Maendeleo Chap Chap (MCC) remains committed to embedding sustainability across its structures, policies, and activities. By promoting inclusive governance, adopting eco-friendly practices, and investing in communities, the Party seeks to play a leading role in shaping a just, sustainable, and equitable future for Kenya

iv) Employee Welfare

MCC acknowledges that sustainability is anchored not only in external community engagement but also in the internal well-being of its workforce. Employee welfare remains a crucial component of the Party's commitment to social sustainability and responsible organizational management.

• Occupational Health and Safety:
The Party prioritizes a safe and secure working environment through adherence to national safety regulations, routine risk assessments, and staff training on emergency response and workplace safety procedures.

• Health and Wellness Programmes:
MCC promotes the physical and mental well-being of employees by supporting access to medical services, offering wellness awareness initiatives, and fostering a workplace culture that encourages healthy work–life balance.

• Employee Development and Capacity Building:
Recognizing that staff growth strengthens institutional performance, MCC invests in professional development through training, workshops, and opportunities for career progression. This approach enhances staff competencies and organizational effectiveness.

• Inclusive and Supportive Work Environment:
The Party upholds principles of diversity, equality, and non-discrimination. It fosters an inclusive workplace where gender equity, respect, and transparent communication are prioritized, ensuring that all employees feel valued and supported.

• Work–Life Balance and Staff Support:
MCC encourages flexible working arrangements where possible and runs team-building, mentorship, and morale-boosting initiatives that strengthen relationships and create a positive organizational culture.

Through these initiatives, MCC demonstrates its commitment to maintaining a motivated, skilled, and healthy workforce—an essential foundation for long-term sustainability and organizational resilience.

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 Maendeleo Chap Chap affairs.

i) Principal activities

The principal activities of the Party are reported on page 4 (iv)

ii) Results

The results of the Entity for the year ended June 30, 2025, are set out on page 1 to 6.

iii) Council Members

The members of the Governing body/NEC who served during the year are shown on page 9 (ix).

iv) Auditors

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

By Order of the Council/Committee

.....

Wilfred Nyamu Mati
Secretary General

12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D require the NEC to prepare financial statements in respect of the Party, which give a true and fair view of the state of affairs of MCC 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 National Executive Council (NEC) of Maendeleo Chap Chap (MCC) has evaluated the Party's ability to continue operating as a going concern. During

the financial year ended June 30, 2025, the Party's primary income sources included funding from the Political Parties Fund (PPF) and membership subscriptions. However, total expenditure exceeded income, resulting in a deficit for the year.

Despite a reduction in net assets compared to the previous year, the NEC remains confident in MCC's financial stability. The Party continues to benefit from consistent funding through the Political Parties Fund as stipulated in the Political Parties Act. Additionally, membership recruitment and subscriptions provide a steady supplementary revenue stream. MCC has no significant external borrowings or long-term debt obligations, which further strengthens its financial position. The Party is also implementing operational adjustments, such as cost control measures and enhanced resource mobilization, to ensure improved financial sustainability.

Based on this assessment, nothing has come to the attention of the Directors to indicate that Maendeleo Chap Chap 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 30/10/25 2025 and signed on its behalf by:

.....	.....
Mahat Mohamed Rashid	**Wilfred Nyamu Mati**
NEC Dep. Chairperson	**Secretary General**

REPUBLIC OF KENYA

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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 MAENDELEO CHAP CHAP PARTY (MCC) FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Maendeleo Chap Chap Party (MCC) set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on the Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the party in the financial year 2024/2025 revealed that the following five (5) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2022/2023	Non-Adherence to Fiscal Responsibility Discipline on Administrative and Staff Expenses
2	2023/2024	Unsupported Receivables from Non-Exchange Transactions
3	2023/2024	Lack of Procurement Plan
4	2022/2023 and 2023/2024	Failure to Establish Party Offices in at Least 24 Counties
5	2022/2023 and 2023/2024	Incomplete Asset Register and Failure to Tag Assets

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Climate Change Financing Requirements

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

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

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

As previously reported, the Party operated only four (4) County offices. Although the Party submitted a list indicating branch offices in twenty-four (24) Counties, no supporting documentary evidence, such as lease agreements or Party activity reports, was provided to verify the existence of these offices. This was contrary to Section 7(2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered political party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the political party, which shall be in more than half of the Counties.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, the Management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern, and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

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

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Registrar of Political Party Fund	6	12,263,224	6,482,393
Membership Fees and Subscription	7	1,053,848	1,080,501
Public contributions and donations	8	3,000	-
Total revenue		13,320,072	7,562,894
Expenses			
Administrative Expenses	9	3,941,422	3,930,899
Special Interest Groups expenses	10	5,229,200	2,349,245
Advocacy and Electoral expenses	11	4,935,060	1,078,986
Total expenses		14,105,682	7,359,130
Surplus/(deficit) for the period/year		(785,610)	203,764

The notes set out on pages 7 to 30 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:

.....	.....	.....
Wilfred Nyamu Mati	**John Muimi**	**Mahat Mohamed Rashid**
Secretary General	**Head of Finance**	**Dep. Chairman of the Party**
	ICPAK M/No:18697	
Date 30/11/25	**Date** 30/11/25	**Date** 30/11/25

MAENDELEO CHAP CHAP PARTY
MCC
Maendeleo Chap Chap Party
Inawezekana Na Inawezekana
P.O. Box 10790 - 00100 NAIROBI

15 Statement of Financial Position as at 30 June 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	12	42,629	649,559
Receivables	13	349,597	1,499,597
Total Current Assets		392,226	2,149,156
Non-Current Assets			
Property, Plant and Equipment	14	997,940	1,076,620
Total Non- Current Assets		997,940	1,076,620
Total Assets (A)		1,390,166	3,225,776
Liabilities			
Current Liabilities			
Trade and Other Payables	15	-	155,000
Total Current Liabilities		-	155,000
Total Liabilities(B)		-	155,000
Net Assets (A-B)		1,390,166	3,070,776
Represented by:			
Members Funds-Retained Surplus		392,226	1,994,157
Capital Fund		997,940	1,076,619
Net Assets		1,390,166	3,070,776

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

.....	.....	.....
Wilfred Nyamu Mati	**John Muimi**	**Mahat Mohamed Rashid**
Secretary General	**Head of Finance**	**Dep. Chairman of the Party**
	ICPAK M/No:18697	
Date 30/11/25	**Date** 30/11/25	**Date** 30/11/25

MAENDELEO CHAP CHAP PARTY
MCC
Maendeleo Chap Chap Party
Inawezekana Na Itawezekana
P.O. Box 10790 - 00100 NAIROBI

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

Description	Members Funds- Retained Surplus	Capital Fund	Revaluation reserve	Total
	Kshs	Kshs	Kshs	Kshs
As at July 1, 2023	1,025,292	1,081,528	-	2,106,820
Surplus/ (deficit) for the year	203,764	-	-	203,764
Depreciation/amortisation to members funds	167,398	(167,398)		-
Prior Adjustment	597,703	162,489	-	760,192
As of June 30, 2024	1,994,157	1,076,619	-	3,070,776
As at July 1, 2024	1,994,157	1,076,619	-	3,070,776
Transfer from Members Funds to Capital Fund	(77,000)	77,000		-
Surplus/ (deficit) for the year	(785,610)	-	-	(785,610)
Depreciation/amortisation to members funds	155,679	(155,679)	-	-
Prior period adjustment	(895,000)		-	(895,000)
As at June 30, 2025	392,226	997,940	-	1,390,166

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

Description	Notes	2024/2025 Kshs	2023/2024 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	12,263,224	6,482,393
Public contributions and donations	8	3,000	-
Membership Fees and Subscription	7	1,053,848	1,080,501
Total receipts		13,320,072	7,562,894
Payments			
Administrative Expenses	9	3,685,742	4,283,929
Special Interest Groups expenses	10	5,229,200	2,349,245
Advocacy and Electoral expenses	11	4,935,060	1,078,986
Total payments		**13,850,002**	7,712,160
Adjusted for:		.	
Adjustments during the period			
Prior Period Adjustments	17	-	597,703
Net cash flows from/(used in) operating activities	16	(529,930)	448,437
Cash flows from investing activities			
Purchase of PPE		(77,000)	-
Net cash flows from/(used in) investing activities		(77,000)	-
Net increase/(decrease) in cash & Cash equivalents		(606,930)	448,437
Cash and cash equivalents at 1 July		649,559	201,122
Cash and cash equivalents at 30 June		42,629	649,559

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	**12,263,223**	**-**	**12,263,223**	**12,263,224**	(1)	100%
Members Contributions and Donations	1,950,000	**1,860,000**	**1,860,000**	**1,056,848**	803,152	57%
Total Income	**12,263,223**	**1,860,000**	**14,123,223**	**13,320,072**	803,151	109%
Expenses						
Administrative Expenses	**3,520,000**	**200,000**	**3,720,000**	**3,685,742**	34,258	99%
Special Interest Groups expenses	**3,688,967**	**1,580,000**	**5,268,967**	**5,229,200**	39,767	99%
Advocacy and Electoral expenses	**5,054,256**		**5,054,256**	**4,935,060**	119,196	98%
Purchase of Assets		**80,000**	**80,000**	**77,000**	3,000	96%
Total Expenditure	**12,263,223**	**1,860,000**	**14,123,223**	**13,927,002**	196,221	99%
Surplus for the period	**-**	**-**	**-**	**(606,930)**	606,930	

Budget notes

1. **Significant Underutilization and Overutilization (IPSAS 24.14)**

Key observations include:

Underutilization in Administrative expenses during the year was a deliberate governance decision to ensure strict compliance with the Political Parties Act,2011 which stipulates that not more than 30% of the fund may be applied to administration. As such, only essential overheads such as Office rent and volunteer stipends were charged under this category. However, the overutilization was covered by the membership contributions during the year.

Overutilization in SIGs and Advocacy Programs

Conversely, overutilization was recorded under Special Interest Groups (SIGs) programs and Advocacy and Electoral Activities. Expenditure on SIGs exceeded the budget, reflecting the Party's strong commitment to inclusivity and compliance with the requirement under the Political Parties Act, 2011 that not less than 30% of the PPF be allocated to SIGs. Similarly, advocacy and electoral activities recorded higher spending than anticipated. However, the overutilization was covered by the membership contributions during the year.

2. **Changes Between Original and Final Budget (IPSAS 24.29)**
3. **Reconciliation Between Budget and Financial Performance. As required under IPSAS 24, a reconciliation was prepared to explain the differences between the budget (Cash basis) and the financial performance statement (Accrual basis)**

Budget Reconciliation

No	Description	Kshs
1	Actual Surplus Amounts as per the statement of Budget	(606,930)
2	Opening Cash and Cash Equivalent as per the statement of Cash flows	649,559
3	Closing Cash and Cash Equivalent as per the statement of Cash flows	42,629

19. Notes to the Financial Statements

1. General Information

Maendeleo Chap Chap (MCC) party is established by and derives its authority and accountability from Political Parties Act, with registration number 067.

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 Maendeleo Chap Chap (MCC) 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 Maendeleo Chap Chap (MCC) party. The financial statements have been prepared in accordance with the PFM Act, 2012 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. No impact to the Party
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. No impact to the Party
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,

Standard	Effective date and impact:
	infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. No impact to the Party
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. No impact to the Party
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. No impact to the Party

Standard	Effective date and impact:
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 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. No impact to the Party
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. No impact to the Party
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. No impact to the Party

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. No impact to the Party
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. No impact to the Party
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 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.

	No impact to the Party
IPSAS 46: Measurement	*Applicable 1st January 2025* The objective of this standard was to improve measurement guidance across IPSAS by: ii. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. iii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iv. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. No impact to the Party
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. No impact to the Party
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 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. No impact to the Party
IPSAS 49:	*Applicable 1st January 2026*

Retirement Benefit Plans	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. No impact to the Party
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: iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures. v. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. vi. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. No impact to the Party

iii. *Early adoption of standards*

Maendeleo Chap Chap (MCC) did not early – adopt any new or amended standards in the financial year 2024/2025

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 Entity 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.

b) Budget information

The original budget for the financial year 2024/2025 was approved by the National Assembly on 26th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Maendeleo Chap Chap upon receiving the respective approvals in order to conclude the final budget.

Maendeleo Chap Chap'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) Property, plant and equipment

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

d) 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. Maendeleo Chap Chap does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Party'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 made by management in determining the expected credit loss (ECL) are set out.

b) Financial liabilities

Classification

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

e) 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.

f) Provisions

Provisions are recognized when Maendeleo Chap Chap 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 Maendeleo Chap Chap 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.

g) Contingent liabilities

Maendeleo Chap Chap 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.

h) Contingent assets

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

i) Nature and purpose of reserves

Maendeleo Chap Chap creates and maintains reserves in terms of specific requirements.

- Members Funds-Retained Surplus - this is the sum of all accumulated surplus and deficits as at the reporting date
- Capital Fund - this represents funds set aside by the Party to help in acquisition of assets.

j) Changes in accounting policies and estimates

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

k) Employee benefits

Retirement benefit plans

Maendeleo Chap Chap provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity 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.

l) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) 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.

n) Related parties

Maendeleo Chap Chap 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.

o) 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.

p) Comparative figures

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

q) Subsequent events

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

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Description	2024/2025	2023/2024
	KShs	KShs
Operational Grant	12,263,224	6,482,393
Total Government Grants And Subsidies	12,263,224	6,482,393

Purpose of Funding

(i) To promote representation of women, persons with disabilities, youth, ethnic and other minorities and marginalized communities in parliament and in the county assemblies. Not less than 30% of the fund shall be used for promoting SIGs.

(ii) Promoting active participation by individual citizens in political life.

(iii) Covering election expenses and the broadcasting of policies of the party.

(iv)Civic education by the party in democracy and other electoral processes.

(v) Administrative and staff expenses of the party, not exceeding 30% of the allocated fund to the party.

7. Membership Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Subscription fees	1,053,848	1,080,501
Total Membership Fees	1,053,848	1,080,501

Membership fees consist of monthly contributions made by leaders who were elected or **nominated under the Party's ticket. These leaders are bound by a commitment letter signed by** each elected and nominated leader, whereby elected leaders agree to a monthly contribution of Kshs 5,000, and nominated leaders to Kshs 7,500.

8. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Other Public Donations	3,000	-
Total Public Donations	3,000	-

Notes to the Financial Statements (Continued)

9. Administrative Expenses

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Salaries and Wages	9(a)	1,815,661	1,628,691
Office Rent		1,310,000	1,320,000
Stationaries & printing		-	12,341
Media & publications		25,000	-
Office Expense		241,950	235,123
Utilities	9(b)	120,300	101,948
Professional Fees	9(c)	-	155,000
Security		-	90,000
Internet and Telephone		40,750	45,072
Depreciation		155,679	167,398
Bank Charges		26,582	24,809
Repair and maintenance		205,500	63,393
Staff Refreshment		-	87,124
Total Administrative Expenses		3,941,422	3,930,899

Cash Flows		**2024/2025**
		Kshs
Total Administrative Expenses		**3,941,422**
Less prepayment now expensed		(100,000)
Less depreciation		(155,678)
Total		**3,685,742**

9(a) Salaries and Wages

Description	2024/2025	2023/2024
	Kshs	Kshs
Volunteer allowances	1,815,661	1,628,691
Total Salaries and Wages	1,815,661	1,628,691

9(b) Utilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Electricity and water	108,300	80,912
Cleaning and Sanitation	12,000	21,036
Total Utilities	120,300	101,948

9(c) Professional Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Audit	-	65,000
Accountancy	-	90,000
Total Professional Fees	-	155,000

Notes to the Financial Statements (Continued)

10. Special Interest Groups

Description	2024/2025	2023/2024
	Kshs	Kshs
Workshops	2,347,500	2,349,245
Transport	606,700	-
Food and Refreshment	175,000	-
Awareness Campaigns	675,000	-
Focus Groups	1,425,000	-
Total	5,229,200	2,349,245

11. Advocacy and Electoral Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Broadcasting Expenses	1,432,538	-
Grassroot Election	1,254,325	-
Active Participation	1,928,197	1,078,986
Disciplinary Committee Cost	320,000	-
Total	4,935,060	1,078,986

12. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	42,629	649,559
Total Cash And Cash Equivalents	42,629	649,559

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a)Current Account			
Cooperative Bank	Account ending 7600	172	9,732
Cooperative Bank	Account ending 7600	42,457	639,827
Grand Total		42,629	649,559

13. Receivables

Description	2024/2025	2023/2024
	Kshs	Kshs
Receivables		
Membership Fees	349,597	1,399,597
Prepaid Rent	-	100,000
Total Current Receivables	349,597	1,499,597

Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

Cost	Furniture and fittings	Computers	Total
Depreciation Rate	12.5%	30%	
	Kshs	Kshs	Kshs
As at 30th June 2023	1,497,736	110,936	1,608,672
Additions	-	-	-
As at 30th June 2024	1,497,736	110,936	1,608,672
Additions	59,000	18,000	77,000
As at 30th June 2025	1,556,736	128,936	1,685,672
Depreciation And Impairment			-
As at 30th June 2023	321,692	42,963	364,655
Depreciation	147,006	20,392	167,398
As at 30th June 2024	468,698	63,355	532,053
Depreciation	136,005	19,674	155,679
As at 30th June 2025	604,703	83,029	687,732
Net Book Values			-
As at 30th June 2024	1,029,038	47,581	1,076,619
As at 30th June 2025	952,033	45,907	997,940

14 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers	128,936	83,029	45,907
Furniture, And Fittings	1,556,736	604,703	952,033
Total	1,685,672	687,732	997,940

15. Trade and Other Payables

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade payables	-	155,000
Total trade and other payables	-	155,000

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	100%	155,000	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-		155,000	

16. Cash Generated from Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus for the year	(785,610)	203,764
Adjusted for:		
Depreciation	155,679	167,398
Working capital adjustments		
Decrease/(Increase) in Accounts receivable	1,150,000	582,072
Increase/(Decrease) in Accounts Payable	(155,000)	(1,102,500)
Prior Period Adjustments	(895,000)	597,703
Net cash flow from operating activities	(529,930)	448,437

17. Prior Year Adjustments

Description of the error	Balance b/f	Adjustments	Adjusted **
	FY 2023/2024 as per audited financial statements	Due to errors in prior periods	Balance b/f
	Kshs	Kshs	Kshs
Trade and Other Payables	155,000	-	155,000
Receivables from Exchange Transactions	1,399,597	349,597	(1,050,000)
Total	1,399,597	349,597	(895,000)

Notes to the Financial Statements (Continued)

18. Financial Risk Management

Maendeleo Chap Chap'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 Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

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

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Maendeleo Chap Chap'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	349,597	-	349,597	-
Bank balances	42,629	42,629	-	-
Total	392,226	42,629	349,597	-
As at 30th June 2024				
Receivables	1,499,597	100,000	349,597	1,050,000
Bank balances	649,559	649,559	-	-
Total	2,149,156	749,559	349,597	1,050,000

The receivables under the fully performing category was a prepaid rent that was utilized. Maendeleo Chap Chap has significant concentration of credit risk on amounts due from members of the Party. The board of directors resolved to write off receivables of Kshs 1,050,000 as at 30 June 2025.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Maendeleo Chap Chap'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	-	-	-	-
Total	-	-	-	-
As at 30th June 2024				
Trade payables	-	155,000	-	155,000
Total	-	155,000	-	155,000

iii) Market risk

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.

19. Related Party Disclosures

Nature of related party relationships

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

Related parties include:

i) Office of the Registrar of Political Parties

ii) NEC Members

iii) Secretary General

iv) The Treasurer

v) Executive Directors

Description	2024/2025 Kshs	2023/2024 Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund	12,263,224	6,482,393
Membership Fees and Donations	1,056,848	1,080,501
Total	13,320,072	7,562,894
b) Key management compensation		
Allowances to NEC Members	-	-
Compensation to key management	-	-
Total	-	-

20. Contingent Assets and Contingent Liabilities

Maendeleo Chap Chap does not have any contingent liabilities and assets which are likely to have material effect on the results of the Party's operations, financial position or liquidity. Therefore, no provision has been made in the financial statements.

21. 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: *(Put a date when you expect the issue to be resolved)*
	Unsupported receivable from Non-Exchange Transactions	The party clarifies that it does not have life membership in its constitution and hence does not collect funds on the same. It however receives membership fees from its elected and nominated members as a commitment to supporting party activities. Schedules have been provided.	Resolved.	
	Lack of Procurement plan	The party commits to having a procurement plan in place for subsequent years going forward. Through the NEC the party approved a procurement plan for the FY24/25	Resolved.	
	Failure to Establish Party offices in at least 24offices	List used by OAG to conduct the nationwide survey was outdated, the party has since provided an updated list to your office and that of ORPP	Resolved.	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	Incomplete Fixed Assets register	**The party has tagged and serialized assets and is in the process of updating the asset register to have essential details such as description, acquisition date, purchase date etc.**	**ongoing**	

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Secretary General

Date:

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	1,717,178.00	8th July, 2024	FY 2023/2024
2	Political Parties Fund	3,065,805.75	30th October, 2024	FY 2024/2025
3	Political Parties Fund	3,065,805.75	14th November, 2024	FY2024/2025
4	Political Parties Fund	3,065,805.75	3rd March, 2025	FY2024/2025
5	Political Parties Fund	1,348,628.75	29th May, 2025	FY2024/2025