

Customized June 2025



THE EQUITABLE PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

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

PPF

Political Parties Fund

B: Definition of Key Terms

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

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

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and definitions of key terms; Parties should customize the acronyms and generate a list of key terms used in their annual report. t

2. Key Political Party Information and Management

(a) Background information

THE EQUITABLE PARTY was fully registered under the Political Parties Act, CAP. 7D on 25th March 2022. The Party is domiciled in Kenya and has 25 branches.

(Include any other information relevant to the users of financial information on the background of the party.)

(b) Principal Activities

The principal activity/mission/ mandate of the Party is to ...

- (a) Recruit and enlist members.
- (b) Nominate candidates for elections.
- (c) promote representation in Parliament and county assemblies of women, persons with disabilities, youth, ethnic and other minorities, and marginalized communities.
- (d) Sensitize the public on the functioning of the political and electoral system.
- (e) promote and enhance national unity.
- (f) mobilize citizens to participate in political decisions.
- (g) solicit and articulate public policy priorities as identified by its members; and
- (h) shape and influence public policy.

(Customize (b) above and include the Party's vision, mission, and core objectives)

(c) Key Management

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

No.	Designation	Responsibility
-----	-------------	----------------

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No.	Designation	Responsibility
1.	NDC/NGC;	Give policy and direction of the party
2.	NEC	Oversee daily party daily activities
3.	SG	Accounting officer and signatory to party documents
4.	Treasurer	Incharge of party finance

(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	EMMANUEL SOREH
2.	Head of Finance	ARTHUR MWENDA
3.	National Chairman	CAREY KARANI
4.	<i>Other specify</i>	
5.	<i>Other Specify</i>	

(Include positions regarded as top management in your Party as per your organisational structure).

(e) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Registrar of Political Parties
- Governing Body/NEC
- Finance committee
- Audit and Risk Committee
- Parliamentary Oversight Committees
- Other oversight arrangements

(f) Party Headquarters

REPLEN COMPLEX

1ST FLOOR ROOM 120

SYOKIMAU KATANI RD

(g) Party Contacts

Telephone: (254) 729229974

E-mail: info@theequitableparty.org

emmanuelsoreh@theequitableparty.org

Website: www.theequitableparty.org

(h) Party Bankers

1. Kenya Commercial Bank
Gateway mall Mombasa road Branch

2. **Other Banks (state other bankers as appropriate)**

(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

XXXX
P. O. Box ..xxx
XXXX

3. The National Executive Council/Committee

I. PART I PARTICULARS OF MEMBERS OF THE GOVERNING BODY OF THE POLITICAL PARTY

Name	Gender	SIG	County	Address/ Telephone	Designation /Position Held	Date of Appointment/ Election	Id Number	TEP Number
1. Gilbert Marava	M	N/A	Vihiga	0769007635	Party Leader	11/10/2021	11414771	TEP 00000001
2. VACANT					Deputy Party Leader			
3. Carey Karani	M	N/A	Nairobi	0722761968	National Chairperson	11/10/2021	11767635	TEP00000003
4. Florence Sau	F	N/A	Taita Taveta	0718366210	Deputy Chairperson	11/10/2021	32073349	TEP00000004
5. Emmanuel Soreh	M	N/A	Narobi	0729229974	Secretary General	11/10/2021	23739018	TEP00000009
6. Fredrick Aloo	M	N/A	Kwale	0726322332	Deputy Secretary General	11/10/2021	24984492	TEP00000015
7. Arthur Mwenda	M	N/A	Meru	+1487673178	National Treasurer	11/10/2021	3510638	TEP00000007
8. Sharon Too	F	N/A	Bomet	0714990273	Deputy National Treasurer	11/10/2021	33850416	TEP00023575
9. Reuben Gogo	M	youth	Murang'a	0701130113	Organising Secretary	11/10/2021	28808589	TEP00000044
10. Julia Asige	F	N/A	Vihiga	0710934430	Deputy Organising Secretary	11/10/2021	13369181	TEP00000072
11. Eunice Mugala	F	Women	Vihiga	+11484767317	Secretary Diaspora	14/01/2022	110022149	TEP00000011
12. Nancy Mukinyi	F	Youth	Nyeri	0704699386	Secretary Public Policy	14/01/2022	33152362	TEP00000043
13. Dancan Sagwe Maragia	M	N/A	Kisii	0726094001	Secretary Legal	11/10/2021	28400155	TEP222298

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14. Violet Shivutse	F	Women	Kakamega	0724233930	Secretary Women	11/10/2021	9301332	TEP00000543
15. Benard Migwi	M	Youth	Nyeri	0716505772	Secretary Youth	11/10/2021	31025537	TEP00000067
16. Maurine Kosgei	F	Marginalised	Turkana	0714855883	Secretary Parliamentary affairs	11/10/2021	26145418	TEP000000541
17. Eufensious Ngima Mokua	M	PWD	Kisii	0768089600	Secretary for Special Interest Groups and Programs	11/10/2021	36290779	TEP00001981
18. Henry Sigei	M	Minority	Narok	0720663693	Secretary Security	11/10/2021	28124997	TEP00000542
19. Fredrick Muthee Sirere	M	PWD	Samburu	0727286008	Secretary for Environment	12/01/2022	33233832	TEP0001996
20. ABDULLAHI BARE	M	Minority	Garissa	0706242611	Secretary for Devolved Government	11/10/2021	35460013	TEP51620
21. . Cynthia Hellen Ketukei	F	Marginalised	Kajiado	0758587557	Secretary for Science and Technology	11/10/2021	26410793	TEP51619
22. VACANT					Secretary for Labour and Human Resource Development			
23. VACANT					Secretary for National Security			
24. VACANT					Secretary for Humanitarian and Disaster Management Affairs			
25. VACANT					Secretary for Political Affairs and Campaigns			

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26. VACANT					Secretary for Corruption and National Reconciliation			
27. VACANT					Secretary for Publicity and Information			

4. Key Management/Secretariat Team

Name	Position	Responsibility
EMMANUEL SOREH	Secretary General	Accounting Officer/ Secretary to the NEC
	Executive Director	Head of Secretariat
ARTHUR MWENDA	Finance Manager	Heads Finance & Accounts
CAREY KARANI	Head of Operations/National Chairperson	
Others specify		
Other specify		

Political Parties are encouraged to provide additional information on the members of the secretariat, such as passport images and academic and professional Qualifications.

5. Chairman's Statement

On behalf of the National Executive Council (NEC), I am pleased to present this statement highlighting the key activities, milestones, and challenges of the Party over the past year. This period has been marked by significant strides in strengthening our structures, deepening our engagement with stakeholders, and positioning the Party as a credible political force in Kenya.

Successes and Achievements

Throughout the year, we focused on consolidating our presence across all regions by enhancing grassroots mobilization and strengthening our policy framework. We successfully expanded our network of supporters and enhanced our visibility through outreach programs and community-based initiatives. The Party also made notable progress in refining its strategic plan, ensuring alignment with both current political realities and long-term aspirations.

Challenges Faced

Like many political organizations, we encountered challenges, including limited financial resources, intense competition from established parties, and policy implementation constraints. However, these obstacles provided valuable lessons and highlighted the need for innovation and resourcefulness in advancing our Party's mission.

NEC Composition

The NEC remained stable over the past year, with no changes in its composition. This consistency has provided much-needed continuity in leadership and allowed us to focus on implementing our strategic priorities without disruption.

Strategic Plan Implementation

Significant progress was made in the implementation of our strategic plan. We continued to build strong county and ward-level networks, invested in leadership development, and refined our policy priorities to address emerging socio-economic and political challenges facing the nation.

Stakeholder Engagement

Our engagement with members, supporters, and key stakeholders remained a cornerstone of our work. We held consultative forums with grassroots leaders, civil society organizations, and other political actors to strengthen collaboration and ensure our policies reflect the aspirations of the people we serve.

Political Direction and Future Outlook

The Party remains steadfast in its mission to champion inclusive governance, equitable development, and strong democratic values. Looking ahead, we see tremendous opportunities to expand our influence, especially as the nation prepares for the upcoming electoral cycle. Our focus will remain on building a strong, people-driven movement that resonates with Kenyans across all demographics.

In conclusion, I express my gratitude to all members of the NEC, our supporters, and all stakeholders who continue to believe in the vision of the Party. Together, we will harness the opportunities ahead to strengthen our role in shaping Kenya's political future.

6. Report of the Secretary-General

It is with great pride and a deep sense of responsibility that I present the Report of the Secretary-General for the period under review. This year has been pivotal for our Party as we pursued our strategic objectives with renewed commitment, demonstrating resilience and adaptability in the face of evolving political dynamics. Guided by our vision to advance equitable governance and socio-political transformation, we have made notable strides in strengthening our internal structures, expanding our membership base, and positioning the Party as a credible alternative in Kenya's political landscape.

Operational Performance

The Party prioritized strengthening its grassroots networks to ensure inclusivity and robust representation of all members. Through a well-coordinated membership recruitment drive, we successfully onboarded new members across multiple counties, reflecting growing public confidence in our leadership and ideology. In line with our decentralization agenda, we conducted grassroots elections to establish democratically elected ward and constituency-level officials, further cementing our commitment to participatory leadership.

Additionally, we expanded our physical presence by opening and equipping new branch offices in key strategic regions. These offices now serve as focal points for member engagement, recruitment, and civic education, while enhancing the Party's visibility nationwide. Our operations have been further supported by capacity-building initiatives for party officials, enabling them to better serve their constituencies and advance our political agenda effectively.

Financial Performance

The Party's financial performance during the reporting period reflects prudent fiscal management and a commitment to transparency. The National Executive Council (NEC) approved a comprehensive budget aimed at sustaining our operations, financing strategic activities, and supporting upcoming electoral preparations. While resource mobilization remains an area requiring greater innovation, we recorded commendable progress in diversifying our revenue streams, which included membership contributions, voluntary donations, and strategic partnerships.

The approved annual budget was carefully allocated to operational costs, grassroots activities, and office infrastructure development. Notably, revenue collection exceeded projections in certain categories, demonstrating the growing trust and willingness of members and well-wishers to invest in our cause. Rigorous financial accountability measures, including quarterly audits and expenditure reviews, were implemented to safeguard resources and maintain the highest standards of integrity in financial stewardship.

Conclusion

This reporting period marks a year of growth and consolidation for our Party. While challenges such as limited funding and the need for greater public awareness persist, our accomplishments reflect the unwavering dedication of our leadership and members. We remain committed to deepening our grassroots engagement, strengthening our institutional frameworks, and advancing our strategic priorities in readiness for the forthcoming electoral cycle.

On behalf of the Secretariat, I extend my sincere gratitude to all members, partners, and supporters whose contributions and sacrifices have propelled us forward. Together, we continue to build a Party that embodies integrity, inclusivity, and a genuine commitment to equitable governance.

7. Statement of Performance against Predetermined Objectives for FY 2023/2024-1

(At least one page)

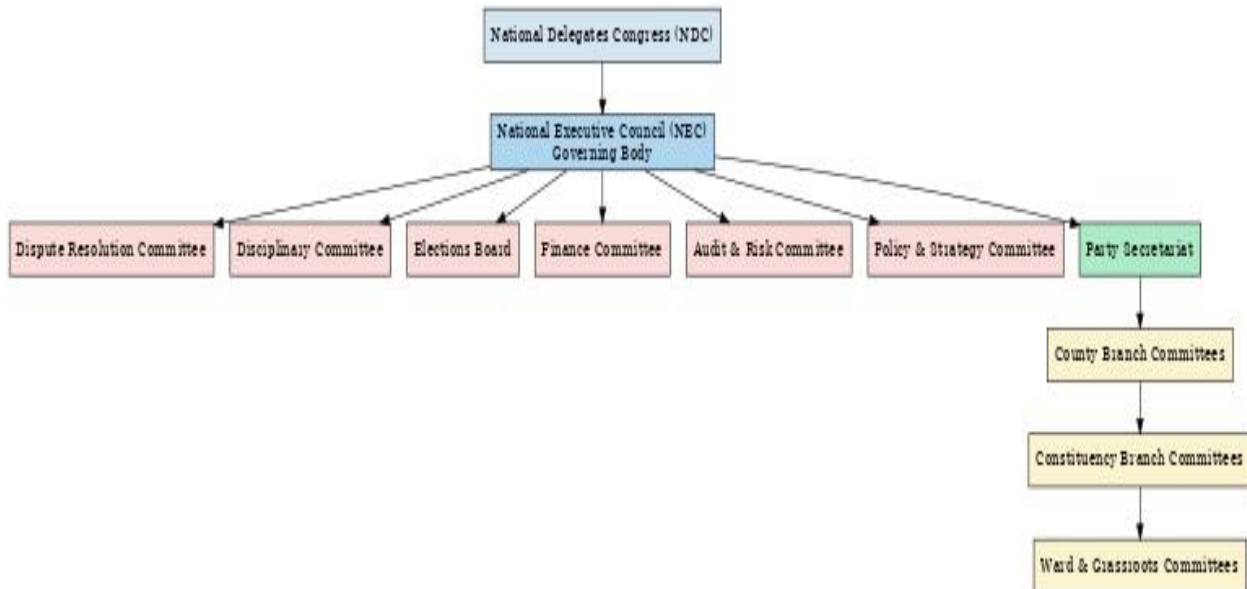
The Political Party has a strategic plan running from Year 2023 to Year 2024. The Strategic Plan is implemented in annual work plans.

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

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Membership Recruitment	No of Members	1,000	900	

8. Governance Statement

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



Governance Statement

The Equitable Party operates under a robust governance framework designed to promote transparency, accountability, inclusivity, and adherence to democratic principles. Our governance model is anchored in the Constitution of the Party, which prescribes a clear organizational structure and delineates the roles, powers, and responsibilities of each organ. This framework not only ensures compliance with national legal requirements, including those of the Political Parties Act and the Independent Electoral and Boundaries Commission (IEBC) regulations, but also strengthens our internal democracy and operational efficiency.

Party Structure and Organogram

The Equitable Party is structured to ensure that decision-making and policy formulation are inclusive, participatory, and representative of all members. The Party's governance framework is represented in the organogram below, which illustrates the hierarchy of organs from the National Delegates Congress (NDC) to branch-level committees:

This structure reflects a well-balanced system where the highest decision-making body, the NDC, provides strategic oversight, while the National Executive Council (NEC) serves as the Governing Body, responsible for implementing policies and managing the Party's day-to-day affairs.

National Delegates Congress (NDC)

The NDC is the supreme organ of the Party, vested with the ultimate authority to set strategic direction, review constitutional provisions, and make decisions on all major matters.

- **Composition:** The NDC comprises elected delegates from all counties, representatives of the NEC, party officials, and honorary members as stipulated in the Party Constitution. Delegates are nominated through a structured process, ensuring equitable regional representation and gender balance.
- **Role:** The NDC formulates overarching Party policy, amends the Party Constitution, ratifies NEC decisions, and elects or ratifies top Party officials. It also provides a platform for members to influence long-term strategies, ensuring grassroots participation in decision-making.
- **Meetings:** The NDC convenes at least once every three years, with special sessions held when necessary. During the reporting period, the NDC met **two** times, including one extraordinary session to address constitutional amendments and Party reforms.

National Executive Council (NEC) – The Governing Body

The NEC is the principal governing body responsible for operationalizing decisions of the NDC, formulating policies, and managing Party activities between NDC sessions.

- **Composition:** The NEC consists of the Party Leader, Deputy Party Leaders, Secretary-General, Treasurer, Chairperson, and other senior officials elected or appointed in accordance with the Party Constitution.
- **Role:** The NEC provides policy direction, oversees implementation of Party programs, coordinates national campaigns, and ensures adherence to internal and national regulations. It also supervises committees, reviews financial reports, and maintains organizational discipline.
- **Meetings:** The NEC meets quarterly and may hold special meetings when urgent matters arise. During the reporting period, the NEC held **twelve (12)** meetings, demonstrating its commitment to proactive leadership.

Committees of the NEC

To enhance efficiency and specialization, the NEC operates through standing committees, each mandated to oversee specific aspects of Party governance.

1. Dispute Resolution Committee

- **Establishment:** Formed in accordance with the Party Constitution and the Political Parties Act.
- **Role:** Mediates internal disputes, ensures fair hearing, and maintains Party unity through dialogue and arbitration.
- **Meetings:** The Committee convened **one** time, resolving disputes at both branch and national levels.

2. Disciplinary Committee

- **Role:** Enforces Party discipline, investigates misconduct, and recommends corrective measures to uphold integrity within Party ranks.
- **Composition:** Senior NEC members and legal experts, ensuring impartiality in decision-making.
- **Meetings:** Held **one** meeting during the period.

3. Elections Board

- **Role:** Oversees internal Party elections, nominations, and candidate vetting processes, ensuring compliance with Chapter Six of the Constitution of Kenya.
- **Composition:** Representatives from NEC, legal advisors, and independent observers.
- **Meetings:** Conducted **three** sessions in preparation for grassroots and branch elections.

4. Finance Committee

- **Role:** Oversees budgeting, resource mobilization, and financial planning. Ensures prudent management of Party funds and alignment with strategic priorities.
- **Meetings:** Held **four** meetings to review quarterly reports.

5. Audit and Risk Committee

- **Role:** Provides independent oversight of financial reporting, internal controls, and risk management. It also reviews compliance with statutory regulations and Party policies.
- **Composition:** Experienced auditors and NEC members.
- **Meetings:** Convened **two** times to review internal audit reports and strengthen governance structures.

6. Other Committees

- Specialized committees, including Policy and Strategy, Communications and Media, and Membership Mobilization Committees, were also operational. These bodies focus on advancing Party programs, enhancing visibility, and driving membership growth.

Conclusion

The Equitable Party governance framework reflects a deep commitment to internal democracy, accountability, and transparency. The establishment of structured organs and committees enables the Party to respond effectively to emerging challenges while safeguarding its constitutional principles. Regular meetings and consistent reporting practices underscore a culture of accountability, while committee specialization allows for effective oversight of core operational areas.

Through this governance structure, the Party continues to strengthen its institutional capacity, foster member confidence, and position itself as a credible political force in Kenya. Our ongoing reforms and strategic alignment with national regulatory frameworks reaffirm our resolve to build a transparent, member-driven political movement that reflects the aspirations of the Kenyan people.

9. Management Discussion and Analysis

(At least two pages)

Parties to provide a trend analysis of the following information for the last three to five years

- *Membership*
- *Budget per year*
- *Revenue from Political Parties Fund (Funded Parties)*
- *Members subscriptions*
- *Members' Contributions/Donations*
- *Number of elected representatives, including SIGs*
- *No of Party Branches*
- *Others (specify any other relevant information, e.g., disputes resolved)*

The Parties should make use of tables, graphs, pie charts, and other descriptive tools to make the information as understandable as possible.)

10. Environmental and Sustainability Reporting

(At least one page)

i) Sustainability strategy and profile

Make reference to sustainable efforts, broad trends in political and macroeconomics affecting sustainability priorities, international best practices, and key achievements and failures.

ii) Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

iii) Employee welfare

Give an account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take into account stakeholder engagements, and how often they are improved. Explain efforts to improve skills and manage careers, appraisal, and reward systems.
The

a) Responsible Supply chain and supplier relations

Explain how the party maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

b) Responsible marketing and advertising

Outline efforts to maintain ethical marketing practices.

c) Product stewardship

Outline efforts to safeguard consumer rights and interests.

iv) Corporate Social Responsibility / Community Engagements

The Party gives details of CSR activities carried out in the year and the impact on society. Give evidence of community engagement, including charitable giving (cash and material), Corporate Social Investment, and other forms of community engagement.

11. Report of the National Executive Council/Committee

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

i) Principal activities

The principal activities of the Party are reported on page (xx)....

ii) Results

The results of the Entity for the year ended June 30, 20xx, are set out on page ...xxx to xxx.

iii) Council Members

The members of the Governing body/NEC who served during the year are shown on page xxx. During the year 0 members retired/ resigned and none was appointed with effect from xxx date.

iv) Auditors

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

By Order of the Council/Committee

.....
Name
Secretary General

12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and (*section xx of the Party's Constitution, - (Parties should quote the applicable legislation under which they are regulated)*) requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

The NEC is responsible for the preparation and presentation of the Party's financial statements, which give a true and fair view of the state of affairs of the Party for and as at the end of the financial year (2024) ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Party; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the 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, 2024, and of the Party's financial position as at that date. The NEC further confirms the completeness of the accounting records maintained for the Party, which have been relied upon in the preparation of the Party's financial statements, as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the NEC assessed the Party's ability to continue as a going concern (*disclose, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*) Nothing has come to the attention of the Directors to indicate that the *Entity* 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 ___^{2nd} August 2024 and signed on its behalf by:

CAREY KARANI

Name

NEC Chairperson

EMMANUEL SOREH

Name

Secretary General

13. Report of the Independent Auditor for the Financial Statements of (*Specify Entity Name*)

15 Statement of Financial Position as at 30 June 2024

	Notes	2025	2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	19		
Receivables and advances	20	126,000	105,000
Inventories	21		
Investments (current)	22		
Members fund			2,087,634
Total Current Assets		126,000	
Non-Current Assets			
Investments	22		
Property Plant and Equipment	23	16,948	14,123
Intangible Assets	24		
Investment Property	25		
Total Non- Current Assets		16,948	
Total Assets (A)		142,948	
Liabilities			
Current Liabilities			
Trade and Other Payables	26	2,648,108	2,206,757
Refundable Deposits from Customers	27		
Current Provision	28		
Finance Lease Obligation	29		
Deferred Income	30		
Current Portion of Borrowings	31		
Total Current Liabilities		2,648,108	2,206,757
Non-Current Liabilities			
Non-Current Provisions	28		
Borrowings	31		
Total Non- Current Liabilities			
Total Liabilities (B)			

16. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Revaluation reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at July 1, (2022)			
Revaluation gain		-	
Transfer of excess depreciation on revaluation			
Surplus/ deficit for the year	-		
As at June 30, (2023)			
As at July 1, (2023)			
Revaluation gain		-	
Transfer of excess depreciation on revaluation			-
Surplus/ (deficit) for the year			
As at June 30, (2024)			

Note:

1. For items not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. A prior-year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances is needed.

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

	Notes	2025	2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)		0	0
Membership Fees		1,051,200	876,000
Public contributions and donations		630,720	525,600
Investment Income			
Miscellaneous Revenue			
Total receipts		1,681,920	1,401,600
Payments			
Administrative Expenses		1,474,963	1,401,600
Special Interest Groups expenses		210,600	175,500
Advocacy and Electoral expenses		420,480	350,400
Finance Costs			
Total payments		2,106,043	1,755,036
Net cash flows from/(used in) operating activities	32	424,123	353,436
Cash flows from investing activities			
Purchase of PPE and Intangible assets		2,825	
Proceeds from sale of PPE			
Purchase of investments			
Sale of investments			
Net cash flows from/(used in) investing activities		2,825	
Cash flows from financing activities			
Proceeds from borrowings		441,351	312,752
Repayment of borrowings			
Net cash flows from financing Activities			
Net increase/(decrease) in cash & Cash equivalents		14,403	40,684
Cash and cash equivalents at 1 July	19		
Cash and cash equivalents at 30 June	19	14,403	

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

THE EQUITABLE PARTY**Annual Report and Financial Statements for the year ended June 30, 2025.****18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Carry Overs from the Previous Period					-	
Receipts						
Transfers from Political Parties Fund (PPF)	0	0	0	0	0	0
Membership Fees	800,000	251,200	1,051,200	1,100,000	48,800	104.6%
Public contributions and donations	500,000	130,720	630,720	600,000	30,720	95.1%
Investment Income						
Miscellaneous Revenue	50,000	(50,000)		15,000	(15,000)	
Total	1,350,000	331,920	1,681,920	1,715,000	33,080	102%
Payments						
Administrative Expenses	1,300,000	174,963	1,474,963	1,500,000	(25,037)	101.7%
Special Interest Groups expenses	200,000	10,600	210,600	20,600		90.2%
Advocacy and Electoral expenses	400,000	20,480	420,480	450,000	(29,520)	107.0%
Finance Costs	10,000	(10,000)				
Purchase of Assets	5,000	(2,175)	2,825	2,825		100.0%
Purchase of Intangible Assets						
Others specify						
Total Expenditure	1,915,000	193,868	2,108,868	2,142,825	(33,957)	101.6%
Surplus for the period	(565,000)	138,052	(426,948)	(427,825)	877	100.2%

(Budget carryovers should not include third-party funds such as contractors' retention.)*

Budget notes

1. Provide a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Explain changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on a comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

Budget Reconciliation

No	Description	Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	

19. Notes to the Financial Statements

1. General Information

The Equitable Party is established by and derives its authority and accountability from Political Parties Act.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Entity'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 *National Democratic Expansion Party*. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
	<p>infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

Standard	Effective date and impact:
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

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

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

<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures. v. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. vi. Disclosures that identify and explain the amounts in the 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. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

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

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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.

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on **xxx**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the **Entity** upon receiving the respective approvals in order to conclude the final budget. Accordingly, the **Entity** recorded additional appropriations of **xxx** on the **20xx** budget following the governing body's approval.

Budget information (continued)

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

c) Investment property

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

d) Property, plant and equipment

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

e) Leases

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Intangible assets

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

g) Research and development costs

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

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

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

h) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* 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 in *Note xx*.

b) Financial liabilities

Classification

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

i) Inventories

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

j) Provisions

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

k) Contingent liabilities

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

l) Contingent assets

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

m) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The Entity 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. *(the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)*

p) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) Borrowing costs

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

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

r) Related parties

The *Entity* 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 *Entity*, or vice versa. Members of key management are regarded as related parties and comprise NEC Members and other officials as per the Party's constitution and the Political Parties Act.

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx.

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to

settle the obligation at the reporting date and are discounted to present value where the effect is material. *(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Operational Grant		
Other Grants		
Total		

(Explain the purpose of funding)

7. Membership Fees

Description	2025	2024
	Kshs	Kshs
Nomination fees		
Subscription fees		
Penalties and fines		
Others (specify)		
Total		

(Provide brief explanation for this revenue)

8. Public Contributions and Donations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Party Fundraising events		
Founder Members contributions		
Others (specify)		
Total		

9. Investment Income

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Interest income		
Rental Income		
Dividends Income		
Others specify		
Total Investment Income		

10. Miscellaneous Revenue

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Sale of Merchandise		
Hire of Grounds/Halls		
Hire of Vehicles		
Rendering of services		
Others specify		
Total Miscellaneous Revenue		

11. Administrative Expenses

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Salaries and Wages	11(a)		
Office Rent			
Transport & Fuel			
Stationaries & printing			
Media & publications			
Consumables			
Travel and accommodations			
Utilities	11(b)		
Professional Fees	11(c)		
Security			
Communication Charges			
Courier and Postage			
Insurance			
Depreciation			
Subscriptions to Professional bodies			
Bank charges			
Others Specify			
Total Administrative Expenses			

11(a) Salaries and Wages

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Salaries and wages		
Employer contribution to health insurance schemes		
Employer contribution to pension schemes		
Volunteer allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Gratuity		
Other employee related costs *		
Total Salaries and Wages		

* Other employee-related costs- please specify and provide a brief explanation for these costs.

11(b) Utilities

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Water & Sewerage		
Electricity		
Garbage Collections		
Others Specify		
Total Utilities		

11(c) Professional Fees

Description	2025	2024
	Kshs	Kshs
Audit	20,000	20,000
Legal		
Accountancy		
Others Specify		
Total Professional Fees	20,000	20,000

12. Special Interest Groups

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transport		
Conference Facility		
Food and Refreshment		
Stationery		
Accommodation		
Caps/ T-shirts		
Venue Hire		
Public Address Equipment		
Televising		
Other Costs		
Total		

13. Advocacy and Electoral Expenses

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Media and Publicity		
Grassroot Election		
Advertisement		
Barazas		
Printing Cost		
Other Costs		
Total		

14. Finance Costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Borrowings (amortized cost) *		
Finance leases (amortized cost)		
Unwinding of discount on lease liabilities		
Interest on bank overdrafts		
Interest on loans from commercial banks		
Total finance costs		

15. Gain on Sale of Assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Property, plant and equipment		
Intangible assets		
Other assets not capitalised		
Total gain on sale of assets		

Provide brief explanation on gains on sale of fixed assets)

Notes to the Financial Statements (Continued)

16. Gain/Loss on foreign exchange transactions

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
specify		
Total		

(Provide brief explanation of gain/loss on foreign exchange transactions)

17. Gain/ (loss) on Fair Value Investments

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
specify		
Total		

(Provide brief explanation of fair value valuation on investment assets)

18. Impairment Loss

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
PPE		
Intangible Assets		
Others specify		
Total		

(Provide brief explanation on the impairment loss)

19. Cash and Cash Equivalents

Description	2025	2024
	Kshs	Kshs
Current Account		
Savings Account		
On - Call Deposits		
Fixed Deposits Account		
Others (Specify)		
Total Cash and Cash Equivalents	0	0

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank			
Equity Bank, etc.			
Sub- Total			
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Others (Specify)			
Cash In Transit			
Cash In Hand			
Mobile Money Accounts			
Sub- Total			
Grand Total			

20. Receivables and advances

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Receivables		
specify		
Total Current Receivables		

Notes to the Financial Statements (Continued)

21. Inventories

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Consumable stores		
Medical supplies		
Spare parts and meters		
Water for distribution		
Other goods held for resale		
Catering		
Less: allowance for impairment		
Total inventories at the lower of cost and net realizable value		

(Provide brief explanation on inventories)

Detailed disclosure on inventories

	Insert Current FY	Insert Comparative FY
Opening balance		
Additional Inventory in the year		
Inventory expensed in the year		
Write-downs in the year		
Others specify		
Closing balance		

Notes to the Financial Statements (Continued)

22. Investments

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK		
CBK		
Sub- total		
b) Investment with Financial Institutions		
Bank x		
Bank y		
Sub- total		
c) Equity investments (specify)		
Equity/ shares in Entity xxx		
Sub- total		
Grand Total		
Categorization of Investments		
Current Investments		
Longterm Investments		
Grand total		

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

d) Movement of Equity Investments

Impairment allowance/ provision	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the beginning of the year		
Purchase of investments in the year		
Sale of investments during the year		
Gain/(loss) in fair value of investments through surplus or deficit		
At the end of the year		

e) Shareholding in other entities

For investments in equity share listed under note 33 above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Comparative year
	%	%	%	Kshs	Kshs	Kshs
Entity A						
Entity B						
Entity C						

23. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
		X%	X%	X%	X%	X%		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1July (Previous FY)								
Additions								
Disposals								
Transfers/Adjustments								
Revaluation Adjustments								
As at 30 th June (comparative FY)								
1 st July current Year								
Additions								
Disposals								
Transfer/Adjustments								
Revaluation adjustments								
As at 30 th June (Current FY)								
Depreciation And Impairment								
At 1July (comparative FY)								
Depreciation								
Impairment								
Transfers/ Adjustments								

THE EQUITABLE PARTY

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

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
		X%	X%	X%	X%	X%		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 30 th (Comparative FY)								
1 st July Current Year								
Depreciation								
Disposals								
Impairment								
Transfer/Adjustment								
As at 30 th June (Current FY)								
Net Book Values								
As at 30 th June (comparative FY)								
As at 30 th June (Current FY)								

(Include a brief description of WIP as a footer.)

Valuation

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

25 (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
Land			
Buildings			
Plant And Machinery			
Motor Vehicles, Including Motorcycles			
Computers And Related Equipment			
Office Equipment, Furniture, And Fittings			
Total			

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

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery		
Motor Vehicles including Motorcycles		
Computers and Related Equipment		
Office Equipment, Furniture and Fittings		
Total		

24. Intangible Assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cost		
At beginning of the year		
Additions		
At end of the year		
Additions—internal development		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year		
NBV		

25. Investment Property

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At beginning of the year		
Additions		
Disposal during the year		
Depreciation		
Impairment		
Gain/(loss) in fair value (if fair value is elected)		
At end of the year		

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

Notes to the Financial Statements (Continued)

26. Trade and Other Payables

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Trade payables				
Other payables				
Total trade and other payables				
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)				

(Provide brief explanation)

27. Refundable Deposits and Prepayments from Customers

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Customer deposits				
Prepayments				
Other deposits				
Total deposits				
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total				

(Provide brief explanation)

Notes to the Financial Statements (Continued)

28. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f					
Additional provisions					
Provision utilised					
Change due to discount and time value for money					
Transfers from non-current provisions					
Total provisions year end					

29. Finance Lease Obligation

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the start of the year		
Discount interest on lease liability		
Paid during the year		
At end of the year		

Maturity Analysis

Period	Amount (Kshs)
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 And Onwards	
Less: Unearned Interest	
Total	

Analysed as:

Description	Amount (Kshs)
Current	
Non- Current	
Total	

(Provide brief explanation)

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

30. Deferred Income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
National Government		
International Funders		
Public Contributions and Donations		
Total Deferred Income		

(Provide brief explanation)

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward				
Additions				
Transfers To Capital Fund				
Transfers To Income Statement				
Other Transfers				
Balance Carried Forward				

31. Borrowings

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Balance at beginning of the year		
borrowings during the year		
Repayments during the year		
Balance at end of the year		
Borrowings - Current		
Borrowings - Longterm		
Total Borrowings		

Notes To The Financial Statements (Continued)

32. Cash Generated from Operations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Surplus for the year		
Adjusted for:		
Depreciation		
Non-cash grants received		
Contributed assets		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Working capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
Net cash flow from operating activities		

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

33. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity'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 (Current FY)				
Receivables				
Bank balances				
Total				
As at 30 June (Previous FY)				
Receivables				
Bank balances				
Total				

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

Financial Risk Management

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

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity’s directors, who have built an appropriate liquidity risk management framework for the management of the Entity’s short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity 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 (Current FY)				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				
As at 30th June (Previous FY)				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity'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 Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

Financial Risk Management

The carrying amount of the *Entity's* foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June (Current FY)			
Financial Assets			
Investments			
Cash			
Debtors			
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables			
Borrowings			
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June (Current FY)			
Financial Assets			
Investments			
Cash			
Debtors			
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables			
Borrowings			
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

Notes To The Financial Statements (Continued)

Financial Risk Management

The following table demonstrates the effect on the Entity’s statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%		
USD	10%		
Previous FY			
Euro	10%		
USD	10%		

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (Current FY: Kshs xxx). A rate

increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx
(Current FY – Kshs xxx)

Notes to the Financial Statements (Continued)

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Land And Buildings				
Total				
As at 30th June (Previous FY)				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Land And Buildings				
Total				

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing	xx%	xx%

Notes to the Financial Statements (Continued)

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

Entities and other parties related to the *Entity* 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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund		
Other grants		
Total		
b) Key management compensation		
Allowances to NEC Members		
Compensation to key management		
Total		

35. Contingent Assets and Contingent Liabilities

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

36. 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)

Guidance Notes:

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

.....

Secretary General

Date:

Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Entity)	Amount	Date Received	Financial Year the funds relates to
<i>1</i>	<i>Political Parties Fund</i>		<i>12 Aug 2024</i>	<i>FY 2024/25</i>