

REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**PEOPLES' TRUST PARTY**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
RECORDS OFFICE  
31 OCT 2025  
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**PEOPLE'S TRUST PARTY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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



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**1. Acronyms and Definition of Key Terms**

**A: Acronyms**

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

**B: Definition of Key Terms**

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

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

**Comparative Year-** Means the prior period.

## **2. Key Political Party Information and Management**

### **(a) Background information**

The Peoples' Trust Party was incorporated/ established under the Political Parties Act, 2007 22nd September 2016. The Peoples' Trust Party is domiciled in Kenya and has branches in 10 counties. The party is negotiating with other parties to open joint offices.

### **(b) Principal Activities**

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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.

### **People's Trust Party Vision**

PTP envisions a country where together we can (Pamoja Twaweza) and capable of exercising and enjoying their fundamental political, social, economic, cultural, religious rights and freedoms in an environment of dignity and integrity.

### **People's Trust Party Mission**

PTP's mission is to create, nurture and sustain a democratic government and state so as to enhance the political, social and economic welfare and equal opportunities for all citizens in Kenya.

**Peoples' Trust Party Core Values**

- (i) Respect of human rights and freedoms
- (j) Integrity in leadership
- (k) Rule of law
- (l) Social justice and fairness
- (m) Devolution of power and resources
- (n) Equity, equality and inclusivity
- (o) Unity in diversity
- (p) Accountability and transparency

**(c) Key Management**

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

| <b>No.</b> | <b>Designation</b> | <b>Responsibility</b>   |
|------------|--------------------|---|
| 1.         | NDC/NGC;           | Highest decision-making body  |
| 2.         | NEC                | Day-to-day management and operational decision-making of the party                                  |
| 3.         | SG                 | Overseeing administrative and organizational functions  |
| 4.         | Treasurer          | Ensuring the party's financial stability and compliance with legal and constitutional requirements. |

**(d) Fiduciary Management**

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

| <b>No.</b> | <b>Designation</b> | <b>Name</b>                 |
|------------|--------------------|-----------------------------|
| 1.         | Party Leader       | Hon. John Mutua Katuku, EGH |
| 2.         | Secretary General  | Tony Iseo Mulinge           |
| 3.         | National Treasurer | Denis Mutua                 |

**(e) Fiduciary Oversight Arrangements**

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

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

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

*Other Oversight Arrangements*

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

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

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

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

**Judiciary and Anti-Corruption Agencies:** The Ethics and Anti-Corruption Commission (EACC) and courts may investigate financial misconduct in political parties, especially involving public funds or illegal financing.

**Media and Civil Society:** Independent media and civil society organizations monitor party finances, exposing irregularities and pressuring parties to maintain transparency.

**(f) Party Headquarters**

P.O. Box 24377-00502  
Makueni Building – Lukindo Road,  
Machakos

**(g) Party Contacts**

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Telephone: (254) 705033345  
E-mail: [peopletrustparty066@gmail.com](mailto:peopletrustparty066@gmail.com)  
Website: [www.peopletrustparty.com](http://www.peopletrustparty.com)

**(h) Party Bankers**

Kenya Commercial Bank  
Machakos Branch  
A/c No:1304982157..... (Account for the Political Parties Fund)  
A/c No:1295381974

**(i) Independent Auditor**

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

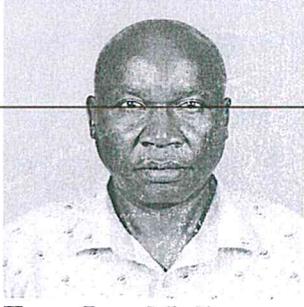
**(j) Principal Legal Adviser**

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

**3. The National Executive Council/Committee**

| Ref | NEC members   | Details  |
|-----|---|--|
| 1.  |    | Hon. John Mutua Katuku, EGH<br>Party Leader    |
|     |   |  |
| 2.  |    | Tony Iseo Mulinge<br>Secretary General         |
| 3.  |   | Denis Mutua<br>Treasurer                       |
| 4.  |  | Reuben Muange<br>National Organising Secretary |

**4. Key Management/Secretariat Team**

| <b>Name</b>   | <b>Position</b>               | <b>Responsibility</b>                    |
|---|-------------------------------|--|
| <br><b>Tony Iseo Mulinge</b> | Secretary General             | Accounting Officer/ Secretary to the NEC |
| <br><b>Denis Mutua</b>      | Treasurer                     | Head Finance & Accounts                  |
| <br><b>Reuben Muange</b>   | National Organising Secretary | National Organising Secretary            |

## **5. Chairman's Statement**

Dear Members, Supporters, and Stakeholders,

As Chairman of the People's Trust Party (PTP), I am honored to present this statement reflecting on our journey in 2025, a year of resilience, growth, and renewed commitment to our shared vision of a transparent, inclusive, and prosperous society.

In the year 2024-2025, PTP achieved significant milestones that strengthened our foundation and expanded our influence:

- **Increased Membership:** We grew our membership by 25%, welcoming over 1,000 new members across urban and rural communities, reflecting our appeal as a party prioritizing trust and accountability.
- **Electoral Gains:** PTP secured three seats in local government elections, a breakthrough that amplified our voice in regional decision-making.
- **Youth Engagement:** The launch of the PTP Youth Network mobilized 300 young activists, who organized 2 community forums to discuss education and employment policies.

Despite our achievements, 2025 presented challenges that tested our resolve:

- **Financial Constraints:** Limited funding hindered our ability to scale up campaign efforts in key regions, forcing us to prioritize digital outreach over physical rallies.
- **Political Polarization:** The increasingly polarized political climate made it difficult to engage moderate voters, requiring us to refine our messaging to bridge divides.

Engaging stakeholders was a cornerstone of our 2024-2025 activities, fostering collaboration and trust:

- **Community Dialogues:** Held 2 town hall meetings, engaging 2,000 citizens on issues like healthcare access and job creation.
- **Youth and Women's Groups:** Partnered with the Women's Empowerment Network and Youth for Change to co-host five policy workshops, amplifying marginalized voices.

PTP remains committed to a centrist, people-first political direction that prioritizes trust, accountability, and inclusive governance. In 2024-2025, we refined our focus on:

- **Economic Equity:** Advocating for policies that reduce income inequality, such as progressive taxation and small business support.
- **Environmental Sustainability:** Promoting green energy initiatives while balancing economic growth, addressing the tensions noted in our challenges.

Looking ahead, PTP is poised to seize several opportunities in 2026 and beyond:

- **Youth Leadership:** Expanding the PTP Youth Network to train 5,000 young leaders, ensuring a pipeline of innovative, values-driven candidates.

*People's Trust Party*

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

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In conclusion, 2024-2025 was a year of growth and challenges that strengthened our resolve. On behalf of the NEC, I thank our members, volunteers, and supporters for their unwavering commitment. Together, we will continue building a People's Trust Party that delivers on its promise of a fair, transparent, and prosperous future.

Thank you.

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**Hon. John Mutua Katuku, EGH**  
**Party Leader**

## **6. Report of the Secretary-General**

This report provides an overview of the operational and financial performance of the Political Party (hereinafter referred to as "the Party") for the period 2024-2025, pursuant to the request for a comprehensive assessment of its activities. The report covers membership recruitment, grassroots elections, expansion of office infrastructure, and financial performance, including approved budgets and revenue streams.

~~In the under review, the Party prioritized expanding its membership base to enhance political representation and civic engagement.~~

By 31 December 2025, the Party recruited 1,000 new members, achieving 97% of its target. Key strategies included:

The Party conducted grassroots elections in 5 constituencies to select local leaders and representatives. These elections aimed to strengthen democratic participation and ensure local voices shaped the Party's agenda.

The Party's NEC approved a 2024-2025 budget of **Kshs.1,061,905**, allocated as follows:

- **Administrative Expenses:** 235,000 (22%), covering staff salaries, office maintenance, and logistics.
- **Special Interest Groups expenses:** 451,100 (42%), including grassroots elections and voter outreach.
- **Advocacy and Electoral expenses:** 375,805 (36%), for digital campaigns and community events.

The Party's total revenue for 2024-2025 amounted to 1,061,242, achieving 102% of the projected budget. Revenue was derived from the following categories:

- **Political Parties Fund:** 701,332 (66%), received as grant from the office of the registrar of political parties.
- **Elected officials' contributions:** 359,280 (34%) received from three elected members of the county assembly.
- **Donations:** 560 received from sponsors.
- **Interest:** 70 bank interest received.

### **Challenges:**

- Liquidity constraints delayed office openings and campaign activities in Q3, requiring better cash flow management.
- Rural infrastructure gaps limited electoral participation and office accessibility.

### **Opportunities:**

- Strengthening partnerships with civil society organizations to enhance funding and outreach.
- Leveraging the next electoral cycle to consolidate grassroots support and increase membership.

The Party's operational performance in 2024-2025 demonstrates significant progress in membership recruitment (1000 new members), grassroots elections (78% turnout). Financially,

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the Party operated within its Kshs.1,061,905 budget, securing 1,061,242 in revenue through diverse streams.

The Party remains committed to fostering democratic engagement and transparency, contributing to a vibrant political landscape in 2025 and beyond.

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**Tony Iseo Mulinge**  
**Secretary General**

*People's Trust Party*  
Annual Report and Financial Statements for the year ended June 30, 2025.

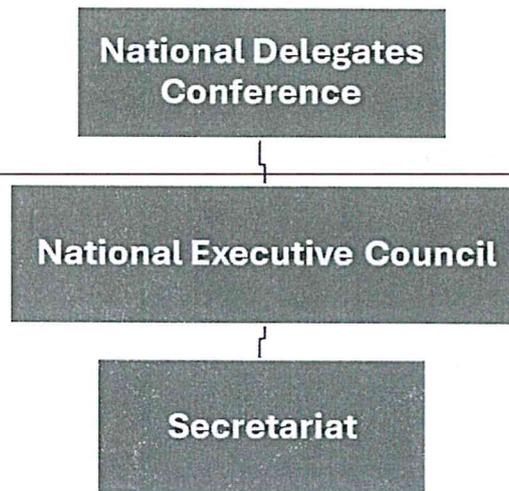
7. Statement of Performance against Predetermined Objectives for FY 2024/2025

*The Strategic Plan is implemented in annual work plans. The performance of the Party during the year is presented in the table below:*

| No | Program/Activity                                    | Key Performance Indicator          | Target                        | Achievement                        | Remarks |
|----|---|------------------------------------|-------------------------------|------------------------------------|---------|
| 1. | Grassroots election                                 | No. of Members                     | Party members                 | 1000                               |         |
| 2. | Membership Recruitment                              | IPPMS Reports                      | Party members                 | 300                                |         |
| 3. | Develop & implement communication strategy          | Performance report                 | Secretariat                   | Performance report                 |         |
| 4. | Conduct civic education & outreach programs         | Civic education & outreach reports | Secretariat                   | Civic education & outreach reports |         |
| 5. | Capacity build PWDs                                 | Workshop reports                   | Party PWDs                    | Workshop reports                   |         |
| 6. | Capacity build women leagues                        | Workshop reports                   | Women                         | Workshop reports                   |         |
| 7. | Capacity build youth leagues                        | Workshop reports                   | Party youth                   | Workshop reports                   |         |
| 8. | Outreach programs for the minority and marginalized | Outreach programs reports          | Party marginalized & minority | Outreach programs reports          |         |
| 9. | Office rent, utility bills, salaries                | Receipts, invoices, payslips       | Secretariat                   | Receipts, invoices, payslips       |         |

## **8. Governance Statement**

### **PTP Organogram**



#### **Governance by the PTP NEC**

The Peoples' Trust Party is led by a powerful committee known as the National Executive Committee (NEC). Meetings are held quarterly but can be called in special circumstances to execute important and very urgent party matters as need may be.

#### **Gender Equality and Succession**

The National Executive Committee is committed to achieving its gender diversity target and is also actively prioritising the appointment of qualified female politicians in its ongoing renewal to complement the NEC's mix of skills and experience as part of its current ongoing Party growth and succession process.

Under the NEC Charter, there's no maximum tenure for a NEC member to stand for an additional term but we take into consideration factors such as new and fresh young minds joining the leadership in the Committee to facilitate smooth succession planning.

#### **Roles and functions of NEC**

The PTP NEC's principal role is to govern and oversee the Party by ensuring that there is a proper governance framework in place to promote, champion and protect the Party's interests for the benefit of the entire membership of the Party and the country at large. NEC collectively

oversees and appraises the strategies, performance, culture and policies of PTP, having due regard to its purpose, its responsibilities to its ordinary party members and life members alike, the interests of its stakeholders and its role in the promotion of good governance and democracy.

### **Induction, training and career development**

To ensure NEC officials receive ongoing professional development, NEC officials are provided a comprehensive program of ongoing education and training. The NEC Education Program (Program) is structured to align with the Party's strategic pillars. The Program comprises formal Political education sessions, electorate and party member's connection sessions, ground visits in the grassroots and other Party and supporter's engagement opportunities. As part of this Program, we also periodically assess the need for NEC members to undertake professional development to maintain the skills and knowledge required to perform their roles effectively.

### **NEC performance**

The way we measure and reward performance is designed to promote our purpose-led culture. Formal performance appraisals are conducted at the end of every year. Performance assessments were undertaken for the Secretary General and NEC Leadership Team during FY 2024-2025.

### **Areas of Conflict of interest**

The National Executive Committee considers a NEC member to be independent if they are free from any interest, position or relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their independent judgement.

Conflicts of interest, including related party transactions, are a standing agenda item and are considered by the NEC and other NEC sub-committees at each Meeting and in each paper presented to the NEC or Sub-Committee. If a potential conflict is identified, the relevant official or the NEC may determine that they should not receive documents related to or take part in discussions or decisions in respect of that matter.

### **NEC remuneration, ethics and conduct**

It suffices to say that NEC members or in that case any member holding a party position, except the Executive Director who heads the secretariat, is not entitled to a remuneration package but may be subject to receive an allowance in the service of the party from time to time.

Our Code of Ethics & Conduct (Code) sets out the behaviours expected of everyone at Peoples' Trust Party. The Code provides our people with principles and a framework to make informed party decisions. It also provides specific guidance on how to make the right decision and do the right thing. When our party supporters and other stakeholders interact with us, we want them to feel assured that we will act in a responsible and ethical way.

### **Governance Audit**

The PTP NEC continuously reviews its performance and the performance of its Committees and individual NEC officials, and recognises the importance of this to NEC effectiveness. The annual NEC performance reviews are conducted either internally or with the assistance of an independent external consultant when resources are available.

## **9. Management Discussion and Analysis**

The party membership has been growing over the last three years, during the year under review. it had 1,200 members spread over 10 counties in the country. In the year 2023-2024 the membership was at 900.

In terms of the budget, it grew from Kshs. 835,841 in 2023/2024 to 1,061,242 in the financial year 2024/2025. This was largely contributed by increased allocations from the ORPP which increased from Kshs. 461,521 to 701,332 during the same period. Contributions by members reduced from Kshs. 15,000 in the year 2023/2024 to 560 in the year 2024/2025.

The part currently has three (3) members in the county assembly of Machakos, two elected and one nominated. During the 2023/2024 financial year the party has also 3 members in the county assembly of Machakos.

## **10. Environmental and Sustainability Reporting**

Peoples' Trust Party exists to transform lives and aspire higher dreams and good quality of life. This is our driving force behind everything we do. It is what guides us to deliver our strategy to Kenyans. Below is a brief highlight of our activities that drive towards sustainability.

### **Sustainability strategy and profile**

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the people and prosperity. Four out of the seventeen goals are pertinent to management of activities being undertaken by the party.

- a) No poverty (SDG 1): The Party has strived to undertake an awareness exercise nationally to rally all in influential positions to advocate for job creation and better pay for all workers of this beautiful country. Poverty should be a thing of the past.
- b) Quality education (SDG 4): the party believes that for the country to achieve its dream of being a developed country status, education has to be key in attaining this attainable dream.
- c) Gender equality (SDG 5): the party encourages mainstreaming of gender equality in project and programmes by incorporating compliance to one third gender rule in procurement and all party engagements.
- d) Reduced inequalities (SDG 10): As a party, we endeavour that all communities of Kenya will be accommodated in all activities the party undertaken.

### **Environmental performance**

Peoples' Trust Party is working towards ensuring environmental sustainability in activities by undertaking tree planting exercise as the President advised and led by example in announcing a tree planting holiday.

The Party will seriously embark on using the youth in large numbers to sensitize people against littering in places which are not specially designated for litter.

### **Party officials and Employee welfare**

In all of its appointments, Peoples' Trust Party takes deliberate actions to embrace Equal Employment Opportunity policies, gender mainstreaming, addresses concern around Persons Living with Disabilities (PWDs) and takes affirmative action in line with prevailing Government Policy guidelines. The Party priorities training to develop technical capacity of staff in the fields of governance in politics.

### **11. Corporate Social Responsibility/Community Engagements**

PTP, as a recipient of public funds, is expected to allocate portions to such efforts, though specifics for PTP are scarce due to its scale.

PTP contributed to societal good by mobilizing citizens, educating on rights, and fostering cohesion—key to countering ethnic divisions and low trust. The following activities were undertaken by the party during the year under review. Outreach and Education: Hosting forums, voter drives, and civic sessions to boost participation.

## **12. Report of the National Executive Council/Committee**

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

### **i) Principal activities**

The principal activities of the Peoples' Trust Party are public governance and advocating for multi-party democracy and just government of the people and for the people of Kenya.

### **ii) Results**

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

### **iii) Governing committee**

The members of the governing committee who served during the year are shown on page vii and viii. During the year no member of NEC director retired/ resigned.

### **iv) Auditors**

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

By Order of the National Executive Committee



.....

**TONY ISEO MULINGE**

**Secretary General**

### **13. Statement of the National Executive Committee Responsibilities**

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

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

The NEC accepts responsibility for the Party's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and the Political Parties Act. The NEC is of the opinion that the Party's financial statements give a true and fair view of the state of the Party's transactions during the financial year ended June 30, 20xx, 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*

**People's Trust Party**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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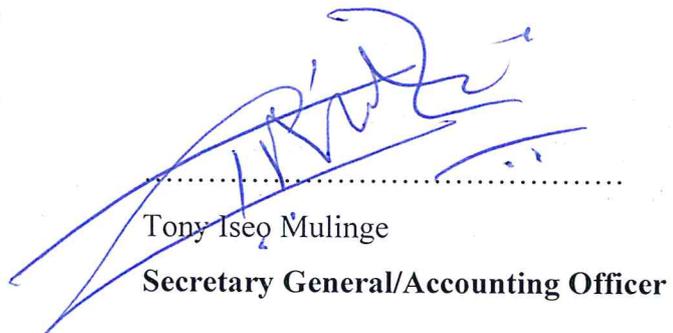
*preparation of the financial statements*) Nothing has come to the attention of the committee to indicate that the PTP will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Party's financial statements were approved by the Board on 4/8 2025 and signed on its behalf by:

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.....  
Hon. John Mutua Katuku, EGH  
**Party Leader**

  
.....  
Tony Iseō Mulinge  
**Secretary General/Accounting Officer**

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON PEOPLES' TRUST PARTY FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance, which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Peoples' Trust Party set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2025

and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matter**

In the prior year audit report, an issue was raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. The issue was on failure to establish party offices in at least twenty-four (24) Counties. Review of the status during the audit of the Party in the financial year 2024/2025 revealed that the matter remained unresolved.

### **Other Information**

The Management is responsible for the Other Information set out in pages iii to xx which comprise of Key Entity Information and Management, The National Executive Committee/ Council, Key Management/Secretariat, Chairman's Statement, Report of the Secretary General, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the National Executive Committee and Statement of the National

Executive Committee Responsibilities. The Other Information does not include the financial statements and my audit report thereon. My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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

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

## REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

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

During the year under review, it was noted that the Party operated only one (1) Office located in Machakos. This was contrary to Section 7 (2)(f)(iii) of the Political Parties Act, 2011, which states that a provisionally registered Political Party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the Political Party, which shall be in more than half of the Counties.

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

#### **2. Non-Compliance with Climate Change Regulations**

The audit could not confirm that the Party had designated financial resources in its budget towards Climate Change actions. This was contrary to Section 15(2)(a) of the Climate Change Act, 2016, which requires each State Department and National Government public entity to designate a unit with adequate staff and financial resources and to appoint

a senior officer as head of the unit to coordinate the integration of the Climate Change action plan and other statutory Climate Change functions into sectoral strategies.

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

### **3. Non-Compliance with the Regional Distribution Requirements**

Review of the financial statements revealed that the top three positions of the Party, which include Party Leader, Secretary General, and Treasurer, are held by members of one community. This was contrary to Article 91(2)(a) of the Constitution of Kenya, 2010, which states that a political party shall not be founded on a religious, linguistic, racial, ethnic, gender, or regional basis or seek to engage in advocacy of hatred on any such basis.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of Management and Those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

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Nairobi

9 December, 2025

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

|   | Notes | Jun-25           | Jun-24         |
|---|-------|------------------|----------------|
|   |       | Kshs             | Kshs           |
| <b>Revenue</b>                              |       |                  |                |
| Transfers from Political Parties Fund (PPF) | 6     | 701,332          | 461,521        |
| Public contributions and donations          | 7     | 359,840          | 361,320        |
| Investment Income                           | 8     | 70               | 1,998          |
| <b>Total Revenue</b>                        |       | <b>1,061,242</b> | <b>824,839</b> |
| <b>Expenses</b>                             |       |                  |                |
| Administrative Expenses                     | 9     | 548,578          | 375,094        |
| Special Interest Groups expenses            | 10    | 420,000          | 450,000        |
| Advocacy and Electoral expenses             | 11    | 350,000          | -              |
| <b>Total expenses</b>                       |       | <b>1,318,578</b> | <b>825,094</b> |
| <b>Surplus/Deficit</b>                      |       | <b>(257,336)</b> | <b>(255)</b>   |

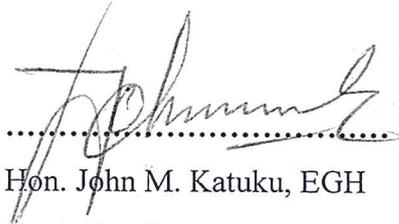
The notes set out on pages 7 to 34 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the NEC by:

  
.....  
Tony Iseo Mulinge  
Secretary General

Date: 30/10/25

  
.....  
CPA Khamis Rizik  
Head of Finance

ICPAK M/No: 10178  
Date: 30/10/25

  
.....  
Hon. John M. Katuku, EGH  
Party Leader

Date: 30/10/25



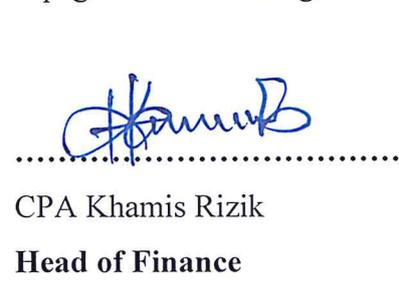
15 Statement of Financial Position as at 30 June 2025

|                                  | Notes | Jun-25         | Jun-24         |
|----------------------------------|-------|----------------|----------------|
|                                  |       | Kshs           | Kshs           |
| <b>Assets</b>                    |       |                |                |
| <b>Current Assets</b>            |       |                |                |
| Cash and Cash equivalents        | 12    | 18,224         | 38,993         |
| Receivables and advances         | 13    | 59,880         | 114,196        |
| <b>Total Current Assets</b>      |       | <b>78,104</b>  | <b>153,189</b> |
| <b>Non-Current Assets</b>        |       |                |                |
| Property Plant and Equipment     | 14    | 94,476         | 106,727        |
| Intangible Assets                | 15    | -              | -              |
| <b>Total Non- Current Assets</b> |       | <b>94,476</b>  | <b>106,727</b> |
| <b>Total Assets (A)</b>          |       | <b>172,580</b> | <b>259,916</b> |
| <b>Liabilities</b>               |       |                |                |
| <b>Current Liabilities</b>       |       |                |                |
| Trade and Other Payables         | 16    | 20,000         | -              |
| Current Provision                | 17    | 150,000        | -              |
| <b>Total Current Liabilities</b> |       | <b>170,000</b> | <b>-</b>       |
| <b>Total Liabilities (B)</b>     |       | <b>170,000</b> | <b>-</b>       |
| <b>Net Assets (A-B)</b>          |       | <b>2,580</b>   | <b>259,916</b> |
| <b>Represented by:</b>           |       |                |                |
| Accumulated Surplus/deficits     |       | 2,580          | 259,916        |
| <b>Net Assets</b>                |       | <b>2,580</b>   | <b>259,916</b> |

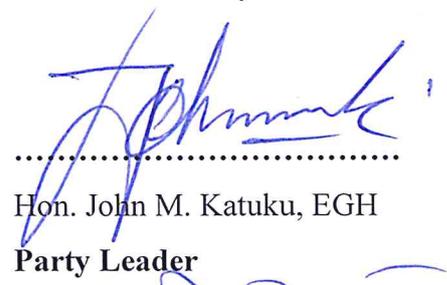
The financial statements set out on pages 1 to 5 were signed on behalf of the NEC by:

  
 .....  
 Tony-Iseo Mulinge  
 Secretary General

Date: 30/10/25

  
 .....  
 CPA Khamis Rizik  
 Head of Finance

ICPAK M/No: 10178  
 Date: 30/10/25

  
 .....  
 Hon. John M. Katuku, EGH  
 Party Leader

Date: 30/10/25

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

| Description                     | Revaluation<br>reserve | Accumulated<br>Surplus | Total     |
|---------------------------------|------------------------|------------------------|-----------|
|                                 | Kshs                   | Kshs                   | Kshs      |
| As at July 1, 2023              | -                      | 260,171                | 260,171   |
| Surplus/ deficit for the year   | -                      | (255)                  | (255)     |
| As at June 30, 2024             | -                      | 259,916                | 259,916   |
| As at July 1, 2024              | -                      | 259,916                | 259,916   |
| Surplus/ (deficit) for the year | -                      | (257,336)              | (257,336) |
| As at June 30, 2025             | -                      | 2,580                  | 2,580     |

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

|   |       | Jun-25           | Jun-24         |
|---|-------|------------------|----------------|
|   | Notes | Kshs             | Kshs           |
| <b>Cash flows from operating activities</b>                   |       |                  |                |
| <b>Receipts</b>   |       |                  |                |
| Transfers from Political Parties Fund (PPF)                   |       | 815,528          | 430,891        |
| Membership Fees   |       | -                | -              |
| Public contributions and donations                            |       | 299,960          | 361,320        |
| Investment Income   | 8     | 70               | 1,998          |
| <b>Total receipts</b>   |       | <b>1,115,558</b> | <b>794,209</b> |
| <b>Payments</b>   |       |                  |                |
| Administrative Expenses                                       | 9     | 349,327          | 337,341        |
| Special Interest Groups expenses                              | 10    | 420,000          | 450,000        |
| Advocacy and Electoral expenses                               | 11    | 350,000          | -              |
| Finance Costs   |       | -                | -              |
| <b>Total payments</b>   |       | <b>1,119,327</b> | <b>787,341</b> |
| <b>Net cash flows from/(used in) operating activities</b>     | 18    | <b>(3,769)</b>   | <b>6,868</b>   |
| <b>Cash flows from investing activities</b>                   |       |                  |                |
| Purchase of PPE and Intangible assets                         |       | (17,000)         | -              |
| <b>Net cash flows from/(used in) investing activities</b>     |       | <b>(17,000)</b>  | <b>-</b>       |
| <b>Cash flows from financing activities</b>                   |       |                  |                |
| Proceeds from borrowings                                      |       | -                | -              |
| Repayment of borrowings                                       |       | -                | -              |
| <b>Net cash flows from financing Activities</b>               |       | <b>-</b>         | <b>-</b>       |
| <b>Net increase/(decrease) in cash &amp; Cash equivalents</b> |       | <b>(20,769)</b>  | <b>6,868</b>   |
| Cash and cash equivalents at 1 July                           |       | 38,993           | 32,125         |
| <b>Cash and cash equivalents at 30 June</b>                   | 12    | <b>18,224</b>    | <b>38,993</b>  |

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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<br>A        | Kshs<br>b       | Kshs<br>C=(a+b)  | Kshs<br>d                  | Kshs<br>e=(c-d)        | f=d/c*100        |
| <b>Revenue</b>                   |                  |                 |                  |                            |                        |                  |
| Political Parties Fund           | 815,527          | -114,195        | 701,332          | 701,332                    | -                      | 100%             |
| MCA Contributions                | 360,000          | -               | 360,000          | 359,280                    | 720                    | 100%             |
| Donations                        | 500              | -               | 500              | 560                        | (60)                   | 112%             |
| Account Credit Interest Received | 73               | -               | 73               | 70                         | 3                      | 96%              |
| <b>Total Income</b>              | <b>1,176,100</b> | <b>-114,195</b> | <b>1,061,905</b> | <b>1,061,242</b>           | <b>663</b>             | <b>102%</b>      |
| <b>Expenses</b>                  |                  |                 |                  |                            |                        |                  |
| Administrative Expenses          | 265,000          | -30,000         | 235,000          | 548,578                    | -313,578               | 233%             |
| Special Interest Groups expenses | 494,100          | -60,000         | 434,100          | 420,000                    | 14,100                 | 97%              |
| Advocacy and Electoral expenses  | 400,000          | -24,195         | 375,805          | 350,000                    | 25,805                 | 93%              |
| Purchase of Assets               | 17,000           | -               | 17,000           | 17,000                     | -                      | 100%             |
| <b>Total Expenditure</b>         | <b>1,176,100</b> | <b>-114,195</b> | <b>1,061,905</b> | <b>1,335,578</b>           | <b>-273,673</b>        |                  |
| <b>Surplus for the period</b>    | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>-274,336</b>            | <b>274,336</b>         |                  |
| <b>Capital Expenditure</b>       |                  |                 |                  |                            |                        |                  |

(a) Administrative expenses went up as a result of provisions which had not been factored at the time of preparing the budget.

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**Budget Reconciliation**

| No | Description   | Kshs          |
|----|---|---------------|
|    | Actual Surplus Amounts as per the statement of Budget               | (257,336)     |
| 1  | Furniture & fittings  | (17,000)      |
| 2  | Political party funds   | 54,316        |
| 3  | Trade & other payables  | 170,000       |
| 4  | Depreciation  | 29,251        |
| 5  | Bank balance b/fwd  | 38,993        |
|    | Closing Cash and Cash Equivalent as per the statement of Cash flows | <b>18,224</b> |

## **19. Notes to the Financial Statements**

### **1. General Information**

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

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### **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 *PTP* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

| Standard   | Effective date and impact:  |
|--|---|
| IPSAS 43:<br>Leases  | <i>Applicable 1<sup>st</sup> January 2025</i><br>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 the party.<br>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. |
| IPSAS 44:<br>Non- Current<br>Assets Held for<br>Sale and<br>Discontinued<br>Operations | <i>Applicable 1<sup>st</sup> January 2025</i><br>The Standard requires,<br>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:<br>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.   |
| IPSAS 45:<br>Property Plant<br>and Equipment   | <i>Applicable 1<sup>st</sup> January 2025</i><br>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  |

*People's Trust Party*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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

| Standard  | Effective date and impact:  |
|---|---|
|   | for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.  |
| IPSAS 49:<br>Retirement<br>Benefit Plans                                | <p><i>Applicable 1<sup>st</sup> 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</p>   |
|   | financial statements that should be presented by a retirement benefit plan.   |
| IPSAS 50:<br>Exploration For<br>& Evaluation of<br>Mineral<br>Resources | <p><i>Applicable 1<sup>st</sup> 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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>iii. Disclosures that identify and explain the amounts in the party's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> |

| Standard   | Effective date and impact:  |
|--|---|
| IPSAS 43:<br>Leases  | <p><i>Applicable 1<sup>st</sup> 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,</p>  |
|  | <p>financial performance and cashflows of the party.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>  |
| IPSAS 44:<br>Non- Current<br>Assets Held for<br>Sale and<br>Discontinued<br>Operations | <p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>  |
| IPSAS 45:<br>Property Plant<br>and Equipment   | <p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> |
| IPSAS 46:<br>Measurement   | <p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>   |

|  |   |
|--|---|
|  | <p>ii. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>iii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iv. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p>  |
|  | <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>  |
| IPSAS 47:<br>Revenue                                       | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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 the party shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |
| IPSAS 48:<br>Transfer<br>Expenses                          | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>   |
| IPSAS 49:<br>Retirement<br>Benefit Plans                   | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>  |
| IPSAS 50:<br>Exploration For<br>& Evaluation<br>of Mineral | <p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></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>   |

|           |  |
|-----------|--|
| Resources | iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures.<br>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.<br>vi. Disclosures that identify and explain the amounts in the party's financial statements arising from the exploration for and evaluation of |
|           | mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.   |

*iii. Early adoption of standards*

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

**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from The Political Parties Fund**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**Notes to the financial statements (continued)**

**Rental income**

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

**b) Budget information**

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

**Budget information (continued)**

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

**c) Investment property**

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

**Notes to the financial statements (continued)**

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

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**d) Property, plant and equipment**

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

**e) Leases**

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

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

**Notes to the financial statements (continued)**

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

**f) Intangible assets**

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

**g) Research and development costs**

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

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

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

**Notes to the financial statements (continued)**

**h) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

**Notes to the financial statements (continued)**

**Subsequent measurement**

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

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**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.

**Notes to the financial statements (continued)**

**Fair value through surplus or deficit**

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

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**Impairment**

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

**b) Financial liabilities**

**Classification**

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

**i) Inventories**

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

**Notes to the financial statements (continued)**

**j) Provisions**

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

**k) Contingent liabilities**

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

**l) Contingent assets**

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

**Notes to the financial statements (continued)**

**m) Nature and purpose of reserves**

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

**n) Changes in accounting policies and estimates**

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

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**o) Employee benefits**

**Retirement benefit plans**

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

**p) Foreign currency transactions**

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

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

**s) Cash and cash equivalents**

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

**t) Comparative figures**

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

**u) Subsequent events**

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

**Summary of Significant Accounting Policies (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

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

Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

| Description       | Jun-25         | Jun-24         |
|-------------------|----------------|----------------|
|                   | Kshs           | Kshs           |
| Operational Grant | 701,332        | 461,521        |
| <b>Total</b>      | <b>701,332</b> | <b>461,521</b> |

7. Public Contributions and Donations

| Description                             | Jun-25         | Jun-24         |
|---|----------------|----------------|
|   | Kshs           | Kshs           |
| MCA Contributions                       | 359,280        | 359,320        |
| Donations (Hon. John Mutua Katuku, EGH) | 560            | 2,000          |
| <b>Total</b>                            | <b>359,840</b> | <b>361,320</b> |

8. Investment Income

| Description                    | Jun-25    | Jun-24       |
|--------------------------------|-----------|--------------|
|                                | KShs      | KShs         |
| Interest income                | 70        | 1,998        |
| <b>Total Investment Income</b> | <b>70</b> | <b>1,998</b> |

9. Administrative Expenses

| Description                          | Note | Jun-25         | Jun-24         |
|--------------------------------------|------|----------------|----------------|
|                                      |      | Kshs           | Kshs           |
| Volunteers' stipend                  | 9(a) | 120,000        | 120,000        |
| Office Rent                          |      | 72,000         | 200,000        |
| Transport & Fuel                     |      | 40,000         | -              |
| Stationary & printing                |      | 35,000         | 14,812         |
| Professional Fees                    | 9(b) | 170,000        | -              |
| Repairs & maintenance                |      | 70,435         | -              |
| Depreciation                         |      | 29,251         | 37,753         |
| Subscriptions to Professional bodies |      | -              | -              |
| Bank charges                         |      | 1,327          | 2,429          |
| Hospitality                          |      | 10,565         | -              |
| <b>Total Administrative Expenses</b> |      | <b>548,578</b> | <b>375,094</b> |

Notes to the Financial Statements (Continued)

9(a) Salaries and Wages

| Description                     | Jun-25         | Jun-24         |
|---------------------------------|----------------|----------------|
|                                 | Kshs           | Kshs           |
| Volunteers' stipend             | 120,000        | 120,000        |
| <b>Total Salaries and Wages</b> | <b>120,000</b> | <b>120,000</b> |

9(b) Professional Fees

| Description                    | Jun-25         | Jun-24   |
|--------------------------------|----------------|----------|
|                                | Kshs           | Kshs     |
| Audit                          | 150,000        | -        |
| Accountancy                    | 20,000         | -        |
| <b>Total Professional Fees</b> | <b>170,000</b> | <b>-</b> |

10. Special Interest Groups

| Description           | Jun-25         | Jun-24         |
|-----------------------|----------------|----------------|
|                       | Kshs           | Kshs           |
| Women league workshop | 140,000        | 200,000        |
| PWD League Workshop   | 140,000        | 50,000         |
| Youth League Workshop | 140,000        | 200,000        |
| <b>Total</b>          | <b>420,000</b> | <b>450,000</b> |

11. Advocacy and Electoral Expenses

| Description                         | Jun-25         | Jun-24   |
|-------------------------------------|----------------|----------|
|                                     | Kshs           | Kshs     |
| Party communication strategy        | 50,000         | -        |
| Grassroot Election                  | 60,000         | -        |
| Members recruitment                 | 60,000         | -        |
| Civic education & outreach programs | 180,000        | -        |
| <b>Total</b>                        | <b>350,000</b> | <b>-</b> |

Notes to the Financial Statements (Continued)

12. Cash and Cash Equivalents

| Description                            | Jun-25        | Jun-24        |
|--|---------------|---------------|
|  | Kshs          | Kshs          |
| Current Account                        | 2,111         | 869           |
| Current Account                        | 8,026         | 30,036        |
| Cash in hand                           | 8,088         | 8,088         |
| <b>Total Cash and Cash Equivalents</b> | <b>18,224</b> | <b>38,993</b> |

Detailed Analysis of the Cash and Cash Equivalents

| Financial Institution      |            | Jun-25        | Jun-24        |
|----------------------------|------------|---------------|---------------|
|                            |            | Kshs          | Kshs          |
| <b>a) Current Account</b>  |            |               |               |
| Kenya Commercial Bank      | 1304982157 | 8,026         | 869           |
| Kenya Commercial Bank      | 1295381974 | 2,111         | 30,036        |
| <b>Sub- Total</b>          |            | <b>10,136</b> | <b>30,905</b> |
| <b>d) Others (Specify)</b> |            |               |               |
| Cash In Hand               |            | 8,088         | 8,088         |
| Mobile Money Accounts      |            | -             | -             |
| <b>Sub- Total</b>          |            | <b>8,088</b>  | <b>8,088</b>  |
| <b>Grand Total</b>         |            | <b>18,224</b> | <b>38,993</b> |

13. Receivables and advances

| Description                        | Jun-25        | Jun-24         |
|------------------------------------|---------------|----------------|
|                                    | Kshs          | Kshs           |
| <b>Receivables</b>                 |               |                |
| Political Parties Fund             | -             | 114,196        |
| Contributions from elected members | 59,880        | -              |
| <b>Total Current Receivables</b>   | <b>59,880</b> | <b>114,196</b> |

Notes to the Financial Statements (Continued)

*People's Trust Party*  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**14. Property, Plant and Equipment**

| Cost                               | Office Equipment | Furniture and fittings | Computers | Total   |
|------------------------------------|------------------|------------------------|-----------|---------|
|                                    | Kshs             | Kshs                   | Kshs      | Kshs    |
| At 1 July 2024                     | -                | 31,946                 | 112,534   | 144,480 |
| Additions                          | -                | 17,000                 | -         | 17,000  |
| Disposals                          | -                | -                      | -         | -       |
| Transfer/Adjustments               | -                | -                      | -         | -       |
| As at 30 <sup>th</sup> June 2025   | -                | 48,946                 | 112,534   | 161,480 |
| <b>Depreciation And Impairment</b> |                  |                        |           |         |
| At 1 July 2024                     | -                | 3,993                  | 33,760    | 37,753  |
| Depreciation                       | -                | 5,619                  | 23,632    | 29,251  |
| As at 30 <sup>th</sup> June 2025   | -                | 9,612                  | 57,392    | 67,005  |
| <b>Net Book Values</b>             |                  |                        |           |         |
| As at 30 <sup>th</sup> June 2024   | -                | 27,953                 | 78,774    | 106,727 |
| As at 30 <sup>th</sup> June 2025   | -                | 39,334                 | 55,142    | 94,475  |

Notes to the Financial Statements (Continued)

14 (b) Property, Plant and Equipment at Cost

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

| Description                               | Cost           | Accumulated Depreciation | NBV           |
|---|----------------|--------------------------|---------------|
|   | Kshs           | Kshs                     | Kshs          |
| Computers And Related Equipment           | 112,534        | 57,392                   | 55,142        |
| Office Equipment, Furniture, And Fittings | 48,946         | 9,612                    | 39,334        |
| <b>Total</b>                              | <b>161,480</b> | <b>67,004</b>            | <b>94,476</b> |

15. Trade and Other Payables

| Description  | Jun-25           |                           | Jun-24           |                           |
|--|------------------|---------------------------|------------------|---------------------------|
|  | Kshs             |                           | Kshs             |                           |
| Trade payables   | 20,000           |                           | -                |                           |
| Other payables - provisions                            | 150,000          |                           | -                |                           |
| <b>Total trade and other payables</b>                  | <b>170,000</b>   |                           | <b>-</b>         |                           |
| <b>Ageing analysis:<br/>(Trade and other payables)</b> |                  | <b>% of the<br/>Total</b> |                  | <b>% of the<br/>Total</b> |
|  | <b>June 2025</b> |                           | <b>June 2024</b> |                           |
| Under one year   | -                | %                         | -                | %                         |
| 1-2 years  | 170,000          | 100%                      | -                | %                         |
| 2-3 years  | -                | %                         | -                | %                         |
| Over 3 years   | -                | %                         | -                | %                         |
| <b>Total (tie to above total)</b>                      | <b>170,000</b>   | <b>100%</b>               | <b>-</b>         | <b>-</b>                  |

(Provision for audit fees and accrued accounting fees)

16. Current Provisions

| Description                      | Leave provision | Bonus provision | Gratuity Provision | Other provision | Total          |
|----------------------------------|-----------------|-----------------|--------------------|-----------------|----------------|
|                                  | Kshs            | Kshs            | Kshs               | Kshs            | Kshs           |
| Balance b/f                      | -               | -               | -                  | -               | -              |
| Additional provisions            | -               | -               | -                  | 150,000         | 150,000        |
| Provision utilised               | -               | -               | -                  | -               | -              |
| <b>Total provisions year end</b> | <b>-</b>        | <b>-</b>        | <b>-</b>           | <b>150,000</b>  | <b>150,000</b> |

**Notes to the Financial Statements (Continued)**

**17. Cash Generated from Operations**

| Description                                    | Jun-25           | Jun-24       |
|--|------------------|--------------|
|  | Kshs             | Kshs         |
| <b>Deficit for the year</b>                    | <b>(257,336)</b> | <b>(255)</b> |
| <b>Adjusted for:</b>                           |                  |              |
| Depreciation                                   | 29,251           | 37,753       |
| Non-cash grants received                       | -                | -            |
| Contributed assets                             | -                | -            |
| Impairment                                     | -                | -            |
| Gains and losses on disposal of assets         | -                | -            |
| Contribution to provisions                     | -                | -            |
| Contribution to impairment allowance           | -                | -            |
| <b>Working capital adjustments</b>             |                  |              |
| Increase in inventory                          | -                | -            |
| Increase in receivables                        | 54,316           | (30,630)     |
| Increase in deferred income                    | -                | -            |
| Increase in payables                           | 170,000          | -            |
| Increase in payments received in advance       | -                | -            |
| <b>Net cash flow from operating activities</b> | <b>(3,769)</b>   | <b>6,868</b> |

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

**18. Financial Risk Management**

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

**Notes to the Financial Statements (Continued)**

**i) Credit risk**

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

**Financial Risk Management**

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

| Description                            | Total amount   | Fully performing | Past due | Impaired |
|--|----------------|------------------|----------|----------|
|  | Kshs           | Kshs             | Kshs     | Kshs     |
| <b>As at 30<sup>th</sup> June 2025</b> |                |                  |          |          |
| Receivables                            | 59,880         | 59,880           | -        | -        |
| Bank balances                          | 18,224         | 18,224           | -        | -        |
| <b>Total</b>                           | <b>78,104</b>  | <b>78,104</b>    | -        | -        |
| <b>As at 30 June 2024</b>              |                |                  |          |          |
| Receivables                            | 114,196        | 114,196          | -        | -        |
| Bank balances                          | 38,993         | 38,993           | -        | -        |
| <b>Total</b>                           | <b>153,189</b> | <b>153,189</b>   | -        | -        |

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

### **Financial Risk Management**

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

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#### **ii) Liquidity risk management**

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

| Description                            | Less than 1 month | Between 1-3 months | Over 5 months | Total          |
|--|-------------------|--------------------|---------------|----------------|
|  | Kshs              | Kshs               | Kshs          | Kshs           |
| <b>As at 30<sup>th</sup> June 2025</b> |                   |                    |               |                |
| Trade payables                         | -                 | 20,000             | -             | 20,000         |
| Provisions                             | -                 | 150,000            | -             | 150,000        |
| <b>Total</b>                           | -                 | <b>170,000</b>     | -             | <b>170,000</b> |
| <b>As at 30<sup>th</sup> June 2024</b> |                   |                    |               |                |
| Trade payables                         | -                 | -                  | -             | -              |
| Provisions                             | -                 | -                  | -             | -              |
| <b>Total</b>                           | -                 | -                  | -             | -              |

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) **Market risk**

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

a) **Foreign currency risk**

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

**Notes to the Financial Statements (Continued)**

**19. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Party* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

Related parties include management personnel, their associates and close family members.

**Related parties include:**

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

| Description                                     | June 2025      | June 2024      |
|---|----------------|----------------|
|   | Kshs           | Kshs           |
| <b>a) Grants /transfers from the government</b> |                |                |
| Grants from Political Parties Fund              | 701,332        | 461,521        |
| Other grants                                    | -              | -              |
|   |                |                |
| <b>Total</b>                                    | <b>701,332</b> | <b>461,521</b> |
|   |                |                |
| <b>b) Key management compensation</b>           |                |                |
| Allowances to NEC Members                       | -              | -              |
| Compensation to key management                  | -              | -              |
| <b>Total</b>                                    | <b>-</b>       | <b>-</b>       |

**20. Contingent Assets and Contingent Liabilities**

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

**21. Events after the Reporting Period**

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

*People's Trust Party*  
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**20. Appendices**

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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor                           | Management comments  | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| C  | Failure to establish party offices in at least 24 counties. | The party is discussing with other parties about the possibilities of opening joint offices. | Not resolved                      | June 2026  |
|  |   |  |                                   |  |
|  |   |  |                                   |  |

**Guidance Notes:**

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

.....  
 Secretary General

Date:

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Appendix II: Transfers from Political Parties Fund

| No | Source of Funds (Party) | Amount     | Date Received | Financial Year the funds relates to |
|----|-------------------------|------------|---------------|-------------------------------------|
| 1  | Political Parties Fund  | 203,881.75 | 2-Oct-2024    | FY 2024/25                          |
| 2  | Political Parties Fund  | 203,881.75 | 6-Nov-2024    | FY 2024/25                          |
| 3  | Political Parties Fund  | 203,881.75 | 3-Mar-2025    | FY 2024/25                          |
| 4  | Political Parties Fund  | 89686.75   | 28-May-2025   | FY 2024/25                          |

