



Kenya National Congress

The to a brighter Kenya



KENYA NATIONAL CONGRESS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2026

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
KNC	Kenya National Congress
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.

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2. Key Political Party Information and Management

(a) Background information

Kenya National Congress (KNC) was fully registered under the **Political Parties Act, 2011 (Revised in 2022)** in **1991**. The party is committed to establishing a democratic government in Kenya. The party aims to achieve this through fair and transparent elections, nominating candidates from all backgrounds, and promoting national unity, devolution of power, and respect for the rule of law. KNC seeks to create a government accountable to the people of Kenya and reflects the principles of equity and good governance.

(b) Principal Activities

Kenya National Congress (KNC) exists to serve as a democratic platform that empowers citizens and strengthens governance in Kenya. Its principal mandate includes:

1. **Recruiting and enlisting members** to build a strong, inclusive political movement.
2. **Nominating candidates for elections** at national and county levels.
3. **Promoting representation** of women, youth, persons with disabilities, ethnic and other minorities, and marginalized communities in Parliament and County Assemblies.
4. **Sensitizing the public** on the functioning of the political and electoral system.
5. **Promoting and enhancing national unity** across all communities.
6. **Mobilizing citizens** to actively participate in political and decision-making processes.
7. **Soliciting and articulating public policy priorities** as identified by its members.
8. **Shaping and influencing public policy** in line with the Party's values and aspirations.

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Key Political Party Information and Management (Continued)

Key Management

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

No.	Designation	Responsibility
1.	National Delegates Convention	Supreme decision-making organ that sets the overall direction, policies, and leadership of the Party.
2.	National Governing Council	Oversees policy implementation and provides strategic guidance between conventions.
3.	National Executive Committee	Manages day-to-day affairs and ensures execution of Party programs and decisions.
4.	National Secretariat	Provides administrative, technical, and operational support to the Party organs
5.	Parliamentary Group	Coordinates and advances the Party's legislative agenda in Parliament and County Assemblies.
6.	Youth League	Mobilizes and empowers youth to actively participate in leadership and Party activities.
7.	Women League	Promotes women's participation, representation, and leadership within the Party and governance.
8.	Branches	Represent the Party at grassroots level, mobilize members, and implement Party policies locally.

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Key Political Party Information and Management (Continued)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2026 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman	**John Otee Imoite**
2.	Secretary General	**Benjamin Abuga Gisore**
3.	Treasurer	**Harima Khaliye**
4.	Director of Youth & SIGs	**Millicent Wambugu**
5.	Women League Leader	**Lilian Gor**

(d) Fiduciary Oversight Arrangements

Kenya National Congress (KNC) has put in place robust fiduciary oversight mechanisms to ensure transparency, accountability, and prudent management of resources in line with the **Political Parties Act, 2011**, and other applicable laws.

- **Registrar of Political Parties** – Provides external regulatory oversight by monitoring compliance with the law, reviewing audited financial statements, and ensuring adherence to governance and accountability standards.
- **Governing Body / National Executive Committee (NEC)** – Exercises overall fiduciary responsibility for the Party, including policy approval, budget oversight, and safeguarding of Party assets.
- **Audit and Finance Committee** – The audit committee, established by the National Executive Committee, assists in overseeing the party's corporate governance. Its members include the Treasurer, two deputies, Internal Auditor, the Finance & Resource Mobilization chairperson, and Strategic Planning Committee chairperson. The committee's primary role is to support the National Executive Committee in its corporate governance responsibilities.
- **Risk Management Committee** – The Risk Management Committee is responsible for ensuring that the party's resources are allocated effectively to achieve its goals. While its primary focus is on resource allocation, it may also be tasked with addressing specific issues by the National Executive Committee. The party has a detailed risk management policy in place.

(e) Party Headquarters

Tyme Arcade

2nd Floor, Room 208

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Ongata Rongai

(f) Party Contacts

Telephone: (254)711677640

E-mail: info@kncparty.or.ke

Website: www.kncparty.or.ke

(g) Party Bankers

1. Equity Bank
Mama Ngina Branch
Nairobi.

(h) Independent Auditor

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

(i) Principal Legal Advisor

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

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3. National Executive Council

S/No.	Name	Position	Date of Assumption of office	Gender
1	Manson Oyongo Nyamweya	Party Leader	18/09/2021	Male
2	John Otee Imoite	Chairman	18/09/2021	Male
3	Jerida Ibongia Yaro	Second Vice Chairperson	18/09/2021	Female
4	Benjamin Gisore	Secretary General	18/09/2021	Male
5	Harima Khaliye	Treasurer	18/09/2021	Female
6	Phylis Cheruiyot	National Assistant Treasurer	19/09/2021	Female
7	Bernard Moseti	National Organizing secretary	18/09/2021	Male
8	Robert Ouko	Secretary for Legal Affairs	18/09/2021	Male
9	Lilian Anyango	Secretary for Women Affairs	18/09/2021	Female
10	Millicent Wambugu	Secretary for Youth & SIGs	18/09/2021	Female
11	Matthews Kaburu Ageri	Deputy Secretary for Youth affairs	18/09/2021	Male
12	Robert Ouko	Deputy Secretary for Legal Affairs	18/09/2021	Male
13	Tsonia Makena	Secretary for Public Policy and Economic Affairs	18/09/2021	Female
14	Leocadia Nyanchama	Secretary for Information and Publicity	18/09/2021	Female

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4. Key Management/Secretariat Team

S/No.	Name	Position	Responsibility
1	Benjamin Abuga Gisore	Secretary General	Accounting Officer
2	John Otee Imoite	Chairman	Head of Secretariat
3	Harima Khalive	National Treasurer	Heads Finance & Accounts

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5. Chairman's Statement

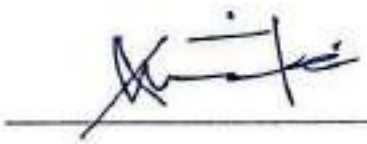
We are obliged by the political Parties Act, 2011 to prepare annual financial reports in respect of the state of affairs of our Party including operations at the end of each financial year. The public finance management Act, 2012 at section 81, section 31 of the Political Parties Act, 2011 and public Audit requirements require of us to prepare the said statements and submit to the office of the Auditor General and the Registrar of political Parties not later than August 30th, of each financial year.

In pursuit of the foregoing obligations and exercising its mandate under KNC Constitution, the NEC approved the work-plans and budget for the financial year under review within the work frame of our strategic plan, Accordingly, we have submitted the reports for the year ended June 30th, 2026 to the Auditor General. We have also published in local dailies and Party website the applicable income of the accounts for the year ended in accordance with section 29(1) of the Political Parties Act, 2011.

The year ending June 30th, 2026, was not a very busy one for the Party. The Party majorly prioritised inclusion of PWDs and their Caregivers, Women and youths in the political process. Empowerment of Party grass-root mobilizers was also key in the new membership recruitment.

Voluntary contributions from KNC members and supporters was low thus hindering the full implementation of the projections of the approved work plan.

Our Party slogan: the key to a brighter Kenya has been a guiding light in the manifestation of our members in word and deed in promoting good governance for a more prosperous future.
To our members, I commit to support and be loyal to the Party vision and mission to do everything possible to reciprocate their zeal.



John Otee Imoite.
National Chairman.

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6. Report of the Secretary-General

The past year has been marked by significant progress for the Kenya National Congress (KNC). We have successfully increased our membership base by 5% through targeted recruitment efforts and community outreach initiatives. This growth has strengthened our party's grassroots presence and expanded our capacity to represent the interests of a wider segment of the population.

In addition to membership growth, we have made substantial investments in strengthening our party infrastructure. We have opened new branch offices in underserved regions, providing our members with greater access to party services and resources. These new offices have also enabled us to establish stronger connections with local communities and build support for our party's agenda.

One of our most notable achievements this year was the successful passage of a landmark piece of legislation that addresses a critical need in our communities. This victory is a testament to the hard work and dedication of our members, staff, and elected officials.

Financial Performance

While we have made significant strides in achieving our organizational goals, we have also faced challenges related to financial constraints. Limited resources have constrained our ability to expand our programs and services at the desired pace. To address this issue, we have implemented a number of cost-saving measures and are actively exploring new funding opportunities.

Challenges and Way Forward

Despite our financial challenges, we remain committed to our mission of promoting social justice, economic empowerment, and good governance. To achieve these objectives, we must continue to address internal divisions and foster a more cohesive party culture. We are implementing strategies to facilitate open dialogue and conflict resolution among our members and leadership.

Moving forward, we will focus on building stronger relationships with our constituents and advocating for their needs at all levels of government. We will also continue to invest in capacity-building and professional development for our members and staff to ensure that we have the skills and resources necessary to effectively represent our party and our communities.

Conclusion

The past year has been a year of progress and challenges for Kenya National Congress. By addressing our challenges and building on our successes, we are confident in our ability to continue making a positive impact on our communities and the nation as a whole.



Benjamin Abuga Gisore

Secretary General

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7. Statement of Performance against Predetermined Objectives for FY 2025/2026-1

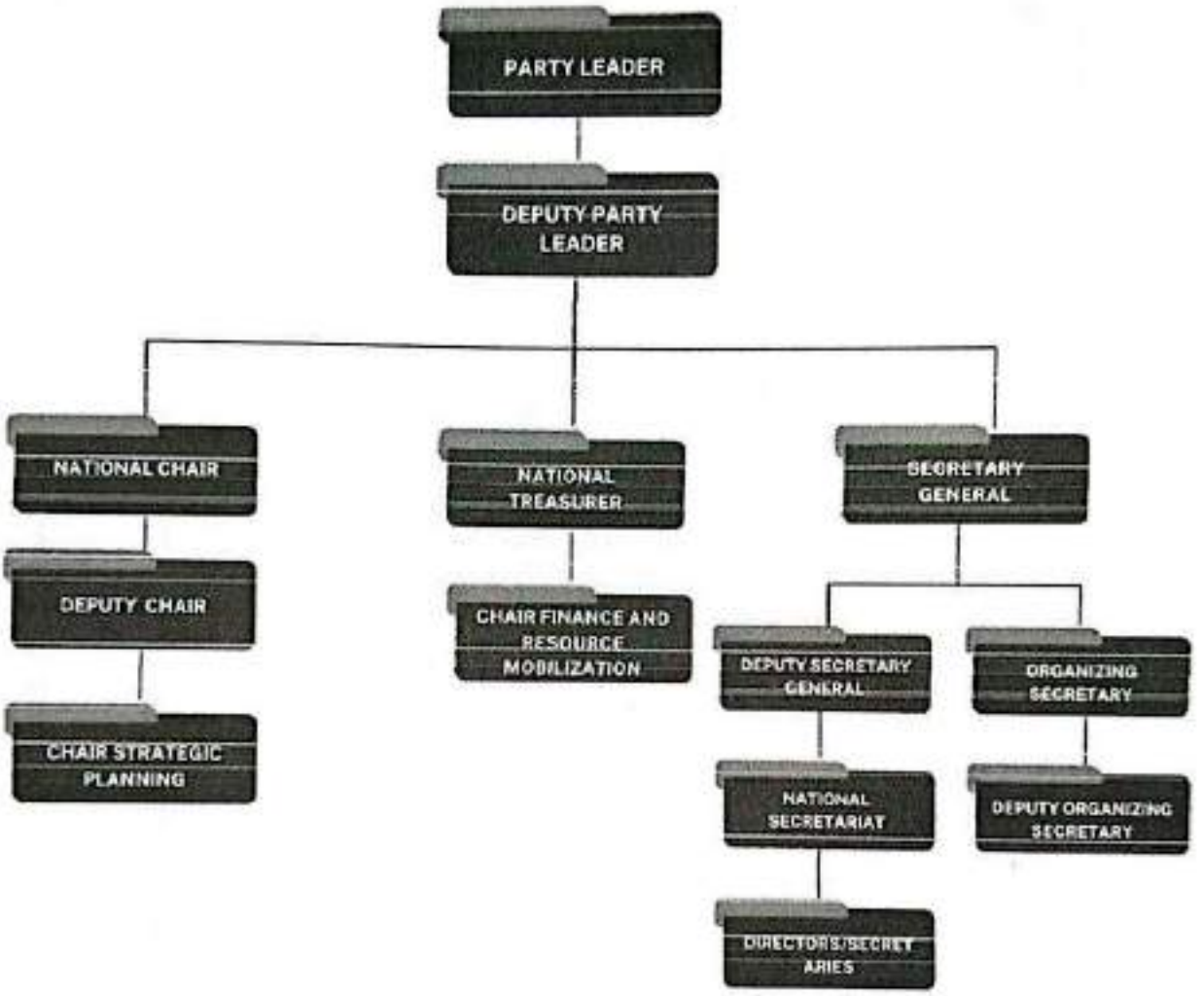
The Political Party has a strategic plan running from Year 2025 to Year 2027. The Strategic Plan is implemented in annual work plans. The performance of the Party during the year is presented in the table below:

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Establish and train Branch Disability League	Number of County Disability leagues established.	789	152	Training ongoing; more branches to be covered next FY.
2.	Train Branch Women and youth league	Number of women and youth trained	2000	1180	Strong turnout; additional sessions planned.
3.	Membership Recruitment	Number of Members Registered	10700	6955	Recruitment ongoing; target nearly achieved.
4.					

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8. Governance Statement

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



Governance Arrangements

1. **National Delegates Convention (NDC)**
   - **Role:** Supreme decision-making organ responsible for setting Party policy, amending the constitution, and electing top Party officials.
   - **Composition:** Delegates drawn from counties, constituencies, and branches across the country.
   - **Nomination:** Members are nominated by grassroots branches and accredited in accordance with the Party constitution.
   - **Meetings:** Held at least once every year, with special sessions convened when necessary.
2. **National Executive Committee (NEC) / Governing Body**

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Governance Statement (Continued)

- **Role:** Provides overall leadership, policy direction, and oversight of Party affairs between NDC meetings.
- **Composition:** Party Leader, Deputy Party Leader(s), Secretary General, National Chairperson, Treasurer, Organizing Secretary, and other elected/appointed officials.
- **Meetings:** Convened quarterly or as deemed necessary.

3. **Committees under the NEC**

The NEC establishes specialized committees to enhance efficiency and governance:

- **Dispute Resolution Committee:** Handles internal disputes and ensures peaceful resolution of conflicts. *Meets as required.*
- **Disciplinary Committee:** Enforces Party discipline and addresses misconduct by members or officials. *Meets as needed.*
- **Elections Board:** Manages internal Party elections, nominations, and compliance with electoral laws. *Meets before and during election cycles.*
- **Finance Committee:** Oversees financial planning, budgeting, and monitoring of Party resources. *Meets quarterly or as required.*
- **Audit and Risk Committee:** Ensures accountability, reviews audits, and manages institutional risk. *Meets at least twice annually.*
- **Other Committees:** May be established from time to time to address emerging issues such as policy development, strategy, or special projects

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9. Management Discussion and Analysis

1. Executive Overview

During the FY 2025-2026, the Kenya National Congress (KNC) focused on strategic grassroots mobilization and inclusion initiatives. The financial year was characterized by a 49.63% increase in tota revenue, jumping to Kshs 2,793,031 up from Kshs 1,866,678 in the prior year. This expansion was driven entirely by improved state exchequer allocations via the Political Parties Fund (PPF). However, aggressive investments in statutory inclusion programs drove total operating expenses up by 43.91% to Kshs 2,873,622. Consequently, the party recorded a mild operational deficit of Kshs 80,591, which represents a significant 38.04% improvement compared to the prior year's deficit of Kshs 130,075.43.

2. Financial Performance Analysis

Revenue Performance

I. Political Parties Fund (PPF) Statutory Transfers: Revenues under Note 6 spiked by 64.30% to reach Kshs 2,532,961 (FY 2024-2025: Kshs 1,541,673). This increase represents the core driver of the party's programmatic capacity during the year.

II. Membership Fees: Internal collections under Note 7 contracted by 19.98%, falling to Kshs 260,070 against Kshs 325,005 in the prior cycle. This highlights a structural dependency on state funding and underscores the immediate need to revamp institutional member subscription channels.

Expenditure Profile

I. Special Interest Groups (SIG) Expenses: In fulfillment of statutory requirements under the Political Parties Act, KNC aggressively expanded its inclusion programming. SIG expenses ballooned by 150.84% to Kshs 1,500,000 (FY 2024-2025: Kshs 598,000), making it the single largest expenditure item at 52.20% of total utilization.

II. Administrative Expenses: Administrative overheads increased by 51.07% to Kshs 880,661 to cater for rising compliance tracking and secretariat logistics.

III. Advocacy and Electoral Expenses: De-escalation following prior regional engagements led to a 39.25% reduction in field advocacy costs, down to Kshs 492,961 from Kshs 811,500.

IV. Finance Costs: Rationalization of banking profiles successfully brought direct financial transaction fees down to Kshs 0 from Kshs 4,298.93.

3. Financial Position & Asset Health

Liquidity and Cash Flows

The party's cash framework improved steadily. Net cash flows from operating activities closed in the positive zone at Kshs 17,661, resulting in an ultimate cash and cash equivalents balance of Kshs 33,011 at bank as of 30 June 2026.

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METRIC (Kshs)	FY 2025-2026	FY 204-2025	Year-over-Year Change
Cash and Cash Equivalents	33,010.57	15,349.57	115.06%
Receivables and Advances	132,325.00	683,825.00	-80.65%
Total Assets	**778,657.57**	**1,387,537.57**	**-43.88%**
Total Current Liabilities	-	**551,500.00**	**-100%**

Capital Structure & Prior Year Adjustments

- Debt Clearance: The National Executive Committee (NEC) prioritized a cleaner balance sheet, fully liquidating Kshs 551,500 of trade and other payables down to Kshs 0, removing any short-term liability overhang.
- Asset Value Realization: Non-current assets (Property, Plant, and Equipment) stood at Kshs 613,322 after absorbing structural depreciation.
- Revaluation & Deficit Adjustments: A prior-year correction added Kshs 23,210.50 to the Revaluation Reserve, stabilizing it at Kshs 989,323.50. However, the current year's operational deficit pushed the cumulative accumulated deficit to Kshs (210,665.93), shifting net assets down modestly to Kshs 778,657.57.

4. Key Operational Risks and Future Strategy

1. Funding Concentration Risk: Relying heavily on PPF updates exposes the party to changes in national budget allocations. The party plans to introduce digital, tiered subscription platforms to stabilize membership revenue.
2. Statutory Alignment: The heavy focus on Special Interest Groups underscores KNC's goal of remaining fully aligned with the regulations set by the office of the Registrar of Political Parties..
3. Operational Sustainability: Management is working to adjust its fixed administrative expenses to ensure overall spending aligns with revenue trends, aiming to prevent future structural deficits.

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10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

The Party has embedded sustainability at the core of its operations by aligning with Kenya's political, social, and macroeconomic priorities. Our strategy draws from international best practices such as the UN Sustainable Development Goals (SDGs), focusing on inclusivity, transparency, and resilience. We recognize broad trends such as reduced donor dependency, the need for greener operations, and growing public demand for accountability. Achievements include consistent membership growth, increased stakeholder engagement, and improved financial accountability. However, challenges remain in donor fatigue and limited funding, which sometimes hinder long-term sustainability projects.

ii) ***Environmental performance***

The Party operates under an **Environmental Policy** adopted in 2021, emphasizing reduced ecological footprint through efficient use of resources, responsible waste management, and green campaigning. We have introduced digital platforms to reduce paper use and ensured all offices practice basic waste separation and recycling. Successes include reduced printing by 35% and transitioning to energy-efficient lighting in five county offices. Shortcomings remain in areas such as biodiversity management and full compliance with recycling standards. Efforts are underway to partner with local environmental groups for tree-planting initiatives and improved waste disposal.

iii) ***Employee welfare***

The Party adheres to a **Fair Employment Policy** that emphasizes equal opportunity, gender balance, and meritocracy. Recruitment considers diversity, with a current staff gender ratio of 55% male and 45% female. Stakeholder engagement is done quarterly, and HR policies are reviewed every two years to remain current. Capacity building is supported through training workshops, mentorship programs, and annual skills audits. Career management is guided by a structured appraisal and reward system, which includes recognition awards and performance-based incentives.

For the current financial year, the party has been constrained of funds to pay salaries, hence Staff have been put on voluntary basis up until the financial situation improves.

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Environmental and Sustainability Reporting (Continued)

a) ***Responsible Supply chain and supplier relations***

The Party maintains transparent procurement practices, guided by a Supplier Code of Conduct. Contracts are honored, payments are made promptly, and suppliers are encouraged to meet ethical, environmental, and legal standards.

b) ***Responsible Marketing and Advertising***

Campaigns and publicity are carried out in adherence to electoral laws and ethical communication standards. The Party avoids misleading information, hate speech, and ensures inclusivity in all marketing material.

c) ***Product stewardship***

The Party safeguards members and voter interests by upholding transparency in its manifestos, protecting personal data, and ensuring all commitments are realistic, achievable, and verifiable.

iv) ***Corporate Social Responsibility / Community Engagements***

During the reporting period, the Party did not undertake any formal Corporate Social Responsibility (CSR) or community engagement initiatives. This was primarily due to financial and operational constraints, with resources being prioritized towards core activities such as membership recruitment, strengthening internal party structures, and capacity building of special interest groups (SIGs).

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11. Report of the National Executive Council/Committee

The Council/Committee submits their report together with the audited financial statements for the year ended June 30, 2026, which show the state of the Party's affairs.

i) Principal activities

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

ii) Results

The results of the Party for the year ended June 30, 2026, are set out on page 1.

iii) Council Members

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

iv) Auditors

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

By Order of the Council/Committee

.....

Benjamin Gisore
Secretary General

12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D and Chapter 7, Section 7.4, Art. (IV)(v) requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the situation 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 (period) ended on June 30, 2026. 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, 2026, 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.

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Statement of the National Executive Council Responsibilities (Continued)

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

Approval of the financial statements

The Party's financial statements were approved by the Board on 6th October 2026 and signed on its behalf by:

.....

Name John Imoita

Chairperson

.....

Name Benjamin Gitore

Secretary General

13. Report of the Independent Auditor for the Financial Statements of Kenya National Congress

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14. Statement of Financial Performance for the year ended 30 June 2026

	Notes	FY 2025-2026	FY 2024-2025 Restated
		Kshs	Kshs
Revenue			
Transfers from Political Parties Fund (PPF)	6	2,532,961	1,541,673
Membership Fees	7	260,070	325,005
Total Revenue		**2,793,031**	**1,866,678**
Expenses			
Administrative Expenses	8	880,661	582,954
Special Interest Groups expenses	9	1,500,000	598,000
Advocacy and Electoral expenses	10	492,961	811,500
Finance Costs (Bank Charges)	11	-	4,298.93
Total expenses		**2,873,622**	**1,996,753.53**
Surplus/Deficit		**(80,591)**	**(130,075.43)**

The notes set out on pages 7 to 35 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the NEC by

.....	.....	.....
Name: Benjamin Gisore	**Name:** Harima Khaliye	**Name:** John Imoite
Secretary General	**Head of Finance**	**Chairman of the Party**
Date 06/10/2026	**Date** 06/10/2026	**Date** 6/10/2026

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15. Statement of Financial Position as at 30 June 2026

	Notes	FY 2025-2026	FY 2024-2025
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	12	33,010.57	15,349.57
Receivables and Advances	13	132,325	683,825.00
Total Current Assets		**165,335.57**	**15,349.57**
Non-Current Assets			
Property Plant and Equipment	14	613,322	688,363.00
Total Non- Current Assets		613,322	688,363.00
Total Assets (A)		**778,657.57**	**1,387,537.57**
Liabilities			
Current Liabilities			
Trade and other Payables			551,500
Total Current Liabilities		-	**551,500**
Non-Current Liabilities			
Total Non- Current Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		**778,657.57**	**836,037.57**
Represented by:			
Revaluation Reserves		989,323.50	966,113
Accumulated Surplus/deficits		**(210,665.93)**	**(130,075.43)**
Net Assets		**778,657.57**	**836,037.57**

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

.....	.....	.....
Name: Benjamin Gisore	**Name: Harima Khaliye**	**Name: John Imoite**
Secretary General	**Head of Finance**	**Chairman of the Party**
Date 06/10/2026	**Date** 06/10/2026	**Date** 06/10/2026

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16. Statement of Changes in Net Assets for the year ended 30 June 2026

Description	Revaluation Reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
Balance as originally stated at July 1, 2024	**966,113.00**	**0.00**	**966,113.00**
Prior Year Adjustment (PPE Correction)	23,210.50	0.00	23,210.50
Restated Opening Balance at July 1, 2024	**989,323.50**	**0.00**	**898,323.50**
Surplus/ deficit for the year	-	**(130,074.93)**	**(130,074.93)**
Restated Closing Balance as at June 30, 2025	**989,323.50**	**(130,074.93)**	**859,248.57**
As at July 1, 2025	**989,323.50**	**(130,074.93)**	**859,248.57**
Surplus/ (deficit) for the year	-	**(80,591)**	**(80,591)**
As at June 30, (2026)	**989,323.50**	**(210,665.93)**	**778,657.57**

Note:

1. ***Prior Year Adjustment:*** *The opening Revaluation Reserve was increased by Ksh 23,210.50 to reflect the corrected baseline value of Property, Plant and Equipment (from Kshs 688,363.00 up to Ksh 711,574.00).*
2. ***Accumulated Deficits:*** *The cumulative deficit grew to Ksh (210,665.93) as the current year's operational shortfall of Ksh(80,591.00) was absorbed into equity.*
3. ***Net Asset Health:*** *Total equity decreased year-on-year from Ksh859,248.57 to Kshs 778,657.5, driven purely by operational expenditure outstripping income allocations.*

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17. Statement of Cash Flows for the year ended 30 June 2026

	Notes	FY 2025-2026 Kshs	FY 2024-2025 Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)	6	2,532,961	1,541,673
Membership Fees	7	260,070	325,005
Total receipts		**2,793,031**	**1,866,678**
Payments			
Administrative Expenses	8	782,409	582,954.50
Special Interest Groups expenses	9	1,500,000	598,000
Advocacy and Electoral expenses	10	492,961	811,500
Finance Costs		0	4,298.93
Total payments		**2,775,370**	**1,996,753.43**
Net cash flows from/(used in) operating activities		**17,661**	**(130,075.43)**
Net increase/(decrease) in cash & Cash equivalents		**17,661**	**9,982.57**
Cash and cash equivalents at 1 July	11	**15,350**	5,367
Cash and cash equivalents at 30 June	11	**33,011**	**15,349.57**

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2026

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Carry Overs from the Previous Period						
Receipts						
Transfers from Political Parties Fund (PPF)	2,532,961	-	2,532,961	2,532,961	-	100%
Membership Fees	400,000	(139,930)	260,070	260,070	-	100%
Public contributions and donations	2,000,000	(2,000,000)	0	0	-	0%
Total	**4,932,961**	**(2,139,930)**	**2,793,031**	**2,793,031**	**0**	**100%**
Payments						
Administrative Expenses	1,640,000	(839,930)	800,070	782,409	17,661	97.8%
Special Interest Groups expenses	2,250,000	(750,000)	1,500,000	1,500,000	-	100%
Advocacy and Electoral expenses	1,042,961	(550,000)	492,961	492,961	-	100%
Total Expenditure	**4,932,961**	**(2,139,930)**	**2,793,031**	**2,775,370**	**17,661**	**99.4%**
Surplus for the period	-	-		**17,661**	**17,661**	

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Budget Reconciliation

No	Description	Kshs
	Actual Surplus Amounts as per the statement of Budget	17,661
1	\Add: Cash Balance at bank as at 30 June 2026	15,350
	Closing Cash and Cash Equivalent as per the statement of Cash flows	**33,011**

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19. Notes to the Financial Statements

1. General Information

Kenya National Congress is established by and derives its authority and accountability from the Constitution and the Political Parties Act 2011. The Party is wholly Kenyan and is domiciled in Kenya. The Party's principal activity is to strive to establish a Government of Kenya based on democratic and good governance and constitutional principles of a pluralistic democracy whilst promoting rule of law.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Party's accounting policies. The areas involving a higher degree of judgment 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 Kenya National Congress.
The financial statements have been prepared in accordance with the PFM Act, the Political Parties Act 2011and International Public Sector Accounting Standards (IPSAS).
The accounting policies adopted have been consistently applied to all the years presented.

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

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Standard	Effective date and impact:
	satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an 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.
IPSAS 48: Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard

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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: Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the 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.

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

	The objective of this standard was to improve measurement guidance across IPSAS by: ii. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. iii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iv. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement base called the current operational value.
IPSAS 47: Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an 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.
IPSAS 48: Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50:	***Applicable 1st January 2027***

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Exploration For & Evaluation of Mineral Resources	The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures. v. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. vi. Disclosures that identify and explain the amounts in the 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.

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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 realized 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.

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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.

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 Current FY was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authoritics. Additional appropriations are added to the original budget by the Party upon receiving the respective approvals in order to conclude the final budget.

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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 xx-year period or investment property is measured at fair value with gains and losses recognized 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 recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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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.

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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.

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Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

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Fair value through surplus or deficit

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

Impairment

The Party assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Party recognizes a loss allowance for such losses at each reporting date.

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.

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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.

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m) Nature and purpose of reserves

The Kenya Nation Congress (KNC) creates and maintains reserves in line with the Political Parties Act and its internal financial management policies. These reserves are established to promote financial stability, safeguard resources for future party programs, and ensure continuity of operations. Reserves may include administrative reserves, civic education and advocacy reserves, and contingency reserves to cater for unforeseen obligations.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The Party provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the 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.

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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 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 the 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, 2026.

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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:

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

Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

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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 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. For the Kenya National Congress (KNC), applicable provisions include:

- **Provision for Bad Debts:** Raised where there is objective evidence that receivables (such as membership subscriptions, contributions, or partner advances) may not be fully collectible. Management estimates these provisions based on historical recovery patterns, ageing analysis of receivables, and specific assessments of doubtful accounts.
- **Provision for Obsolete Stocks:** Where civic education materials, publications, or party merchandise are deemed obsolete or unusable, management makes provisions based on periodic reviews of stock movement, expiry, or redundancy.
- **Other Provisions:** Management may also provide for potential legal claims, staff gratuity, or contractual obligations where it is probable that an outflow of resources will be required.

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Notes to the Financial Statements (Continued)

6. Transfers from Political Parties Fund (PPF)

Description	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
Political Parties Fund (PPF)	2,532,961	1,541,673
Total	**2,532,961**	**1,541,673**

(Statutory funds received from the Government to run Quarterly programs in the Party for the Financial Year)

7. Membership Fees

Description	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
Subscription fees	260,070	325,005
Total	**260,070**	**325,005**

(Monies received from Members of County Assembly of Kisii as monthly deductions)

8. Administrative Expenses

Description	Note	FY 2025-2026	FY 2024-2025
		Kshs	Kshs
Environment & Climate Change Program		10,000	-
Office Rent		500,000	300,000
Stationaries & printing		98,150	42,896
Consumables		18,889	-
Travel and accommodations		150,000	100,000
Depreciation		98,252	140,058
Bank Charges		5,370	-
Total Administrative Expenses		**880,661**	**582,954**

Note:
In prior year, the depreciation figure of Ksh 140,058 and Bank charges amount of Ksh 4,299.53 were omitted from this note. 2025.

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Notes to the Financial Statements (Continued)

9. Special Interest Groups

Description	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
Conference Facility	612,000	598,000
Stationery	45,000	-
Youth League Transport Re-imbursement	200,000	-
Women League Transport Re-imbursement	200,000	-
PWD League Transport Re-imbursement	43,000	-
Caps/ T-shirts	400,000	-
Total	**1,500,000**	**598,000**

10. Advocacy and Electoral Expenses

Description	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
Media and Publicity	100,000	200,000
Grassroot Election	95,000	100,000
Advertisement	175,000	361,500
Barazas	100,000	150,000
Printing Cost	22,961	-
Total	**492,961**	**811,500**

11. Finance Costs

Description	Note	FY 2025-2026	FY 2024-2025 Restated
		Kshs	Kshs
Bank Charges		5,370	4,298.93
Total Finance Costs		**5,370**	**4,298.93**

Note:
The finance Costs amounting to Ksh5,370 of this current year has been included in Note 8 (Administrative Expenses) just as the template requires. The Comparative year had it as a stand alone Note.

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12. Cash and Cash Equivalents

Description	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
Current Accounts	33,011	15,349.57
Total Cash and Cash Equivalents	**33,011**	**15,349.57**

12. (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY 2025-2026	FY 2024-2025
		Kshs	Kshs
a) Current Account			
Equity Bank (Office)	01502712xxxx8	903	14,708.07
Equity Bank (PF)	01502840xxxx0	32,108	641.50
Sub- Total		**33,011**	**15,349.57**
Grand Total		**33,011**	**15,349.57**

13. Receivables and Advances

Description	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
Membership Fees	132,325	683,825
Total Receivables and Advances	**132,325**	**683,825**

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14. Property, Plant and Equipment

Cost	Furniture and fittings	Computers	Office Equiment	Capital Work in progress	Total
Depreciation Rate	12.50%	30%	12.50%		
	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1July 2024	613,885	75,963	138,573	-	828,421
As at 30th June 2025	537,149	53,174	121,251	-	711,574
1st July 2025	613,885	75,963	138,573	-	828,421
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
Revaluation adjustments	-	-	-	-	-
As at 30th June 2026	537,149	53,174	121,251	-	711,574
Depreciation And Impairment					
At 1July 2025	(76,736)	(22,789)	(17,322)		(116,847)
Depreciation	(67,144)	(15,952)	(15,156)		(98,252)
Impairment	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-
As At 30th 2025	470,005	37,222	106,095	-	613,322
1st July 2026	537,149	53,174	121,251	-	711,574
Depreciation	(67,144)	(15,952)	(15,156)		(98,252)
Disposals	-	-	-	-	-

Cost / Depreciation Rate	Furniture and fittings	Computers	Office Equiment	Capital Work in progress	Total
	12.50%	30%	12.50%		
	Kshs	Kshs	Kshs	Kshs	Kshs
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
As at 30th June 2026	470,005	37,222	106,095	-	613,322
Net Book Values					
As at 30th June 2025	537,149	53,174	121,251	-	711,574
As at 30th June 2026	470,005	37,222	106,095	-	613,322

15. Trade and other Payables

Description	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
Trade Payables	-	551,500
Total Trade and other Payables	**-**	**551,500**

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Notes to the Financial Statements (Continued)

Valuation

Land and buildings/ Equipment were valued by professional valuers from Vineyard Valuers Ltd from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). The assets were revalued by Tysons Ltd. on this 4th July 2025 These amounts were adopted by the Board on10th July 2025 with concurrence from the National Treasury.

13 (a) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computer and Related Equipment	610,160	(572,938)	37,222
Office Equipment	411,795	(305,700)	106,095
Furniture and Fittings	2,480,113	(2,010,108)	470,005
Total	3,502,068	(2,888,746)	613,322

14. Cash Generated from Operations

Description	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
Surplus for the year	(80,591)	(130,075.43)
Adjusted for:		
Depreciation	98,252	140,057.96
Working capital adjustments		
Net cash flow from operating activities	17,661	9,982.53

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

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Notes to the Financial Statements (Continued)

15. 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	FY 2025-2026	FY 2024-2025
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund	2,532,961	1,541,673
Other grants	0	0
	0	0
Total	2,532,961	1,541,673

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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)*
1	Unexplained Variance in Administrative Expenses	The Financial statements has restated the prior years' and corrected the variance.	Resolved	nil
2	Inaccuracies in the Statement of cash Flows	The inaccuracies has been corrected in this financial year's Statement of Cash Flows	Resolved	Nil

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.

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Secretary General

Date: 06/10/2026

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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*	*636,099.50*	*19 September 2025*	*FY 2025/26*
2	*Political Parties Fund*	*632,287.35*	*12 November 2025*	*FY 2025/26*
3	*Political Parties Fund*	*632,287.30*	*23 January 2026*	*FY 2025/26*
4	*Political Parties Fund*	*632,287.30*	*22 May 2026*	*FY 2025/26*
	Total	2,532,961.45		

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