THE CENTRE FOR MULTIPARTY DEMOCRACY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

CONTENTS

TRUST INFORMATION

FOUNDING PARTIES	: United Democratic Alliance (UDA)
	: Orange Democratic Party (ODM)
	: Jubilee Party
	: Wiper Democratic Movement (WDM-K)
	: Ford - Kenya
	: Kenya African National Union (KANU)
	: Kenya Union Party (KUP)
	: Pamoja African Alliance (PAA)
	: The Service Party (TSP)
	: United Progressive Independent Alliance (UPIA)
	: United Progressive Alliance (UPA)
	: Democratic Empowerment Party (DEP)
	: Movement for Democratic Growth (MDG)
	: Party of National Unity
	: National Reconstruction Alliance
	: Tujibebe Wakenya Party
	: Chama Cha Wazalendo (CCU)
	: Kenya Social Congress (KSC)
	: Mabadiliko Party of Kenya
	: Progressive Party of Kenya (PPK)
	: Safina Party
BOARD OF TRUSTEES	: Hon. Kiraitu Murungi - Chairman
	: Hon. Beth Kalunda - Vice Chair
	: Ken Mariita - Treasurer
	: Joshua Aluoch - Vice Treasurer
	: Kevinah Loyotum - Secretary
	: Gathii Irungu - Vice Secretary
	: Sadiq Doufa - Deputy chair F &E
	: Rahab Ndambuki - Deputy Chair Internal Programmes
	: Frank Walukwe - Deputy Chair External Programmes
	: Wambui Kimathi - Member
	: Daniel Kiptoo - Member
	: Frankline Mukwanja
REGISTERED OFFICE AND PRINCIPAL PLACE OF OPERATION	: L.R. No. 209/6871
	: 6th Floor, International House
	: Mama Ngina Street
	: P.O. Box 9903 - 00100
	NAIROBI
INDEPENDENT AUDITOR	: PKF Kenya LLP
	: Certified Public Accountants
	: P.O. Box 14077, 00800
	: NAIROBI
PRINCIPAL BANKERS	: Stanbic Bank Kenya Limited
	: Westlands Branch
	: NAIROBI
	: KCB Bank Kenya Limited
	: Moi Avenue Branch, Nairobi
	: NAIROBI
	: NCBA Bank Kenya PLC
	: City Centre Branch
	: NAIROBI

TRUST INFORMATION (CONTINUED)

MEMBER PARTIES	: Devolution Empowerment Party (DEP)
	: Orange Democratic Movement (ODM)
	: Democratic Action Party Kenya (DAP-K)
	: Tujibebe Wakenya Party
	: United Progressive Alliance
	: The Service Party (TSP)
	: United Democratic Alliance (UDA)
	: Wiper Democratic Movement
	: Party Of National Unity (PNU)
	: United Party Of Independent Alliance (UPIA)
	: Kenya African National Union (KANU)
	: Democratic Party (DP)
	: Forum For The Restoration Of Democracy (FORD) Kenya
	: Jubilee Party
	: Chama Cha Uzalendo
	: People's Liberation Party (PLP)
	: United Democratic Movement (UDM)
	: Safina Party
	: Progressive Party
	: Democracy for Citizens Party (DCP)
	: Movement for Democracy and Growth (MDG)
	: Kenya Union Party (KUP)
	: National Reconstruction Alliance (NRA)
	: Mabadiliko Party of Kenya (MAP-K)
	: Kenya Social Progress (KSC)

REPORT OF THE TRUSTEES

The trustees submit their annual report which includes the audited financial statements for the year ended 31 December 2025, which present the trust's financial position as at 31 December 2025 and its financial performance and cash flows for the year then ended.

REGISTRATION

The Centre for Multiparty Democracy is a political parties - based membership organisation established as a Trust under the Trustees Act (Cap 164 of the Laws of Kenya). The organisation's address is set out on page 1.

OBJECTIVES AND ACTIVITIES

The principal activities of the trust are those of enhancing multiparty democracy, strengthening the capacity of political parties, deepening and consolidation of democratic governance in Kenya, engaging in advocacy and civic education in order to create a level playing field for all political parties and providing a platform for dialogue and building of consensus on important national issues amongst political parties.

ACHIEVEMENTS AND PERFORMANCE

	2025 Shs	2024 Shs
Revenue		
- Donor grants utilised	113,272,920	120,851,758
- Social enterprise income	13,984,403	8,427,558

KEY PERFORMANCE INDICATORS

Programme expense percentage	%	%
Programme costs to total costs ratio	94%	95%
Standard minimum ratio	65%	65%
Working Capital Ratio		
Actual ratio (%)	8.5	3.4

This is the ratio of working capital to total expenditure. Working capital includes current assets less current liabilities (excluding deferred income and depreciation).

TERMS OF APPOINTMENT

PKF Kenya LLP offer themselves for re-election.

BY ORDER OF THE BOARD OF TRUSTEES

HON. KIRAITU MURUNGI **CHAIRPERSON**	**KENNEDY MARIITA** **TREASURER**	**FRANKLINE MUKWANJA** **EXECUTIVE DIRECTOR**

11th August. 2026

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustee prepares financial statements for each financial year which present fairly, in all material respects, the organisation's financial position as at 31 December 2025 and its financial performance and cash flows for the year then ended. The trustees also ensures that the organisation maintains proper accounting records that are sufficient to show and explain the transactions of the organisation; and that disclose, with reasonable accuracy, the financial position of the organisation and that enable them to prepare financial statements of the organisation that comply with the IFRS for SMEs® Accounting Standard set out on pages 8 to 25. The trustees are also responsible for safeguarding the assets of the organisation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees accept responsibility for the preparation and presentation of these financial statements in accordance with the IFRS for SMEs Accounting Standard.
They are also responsible for:

i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
ii) Selecting and applying appropriate accounting policies; and
iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The trustees confirm that the financial statements present fairly, in all material respects, the financial position of the trust as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard.

Having made an assessment of the Trust's ability to continue as a going concern, the board is not aware of any material uncertainities related to events or conditions that may cast doubt upon the Trust's ability to continue as a going concern for at least the next twelve months from the date of this statement.

So far as each trustee is aware, there is no relevant audit information which the auditor is unaware of and each one of them has taken all the steps that ought to have been taken as trustees in order to become aware of any relevant audit information and to establish that the auditor is aware of the information.

The trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the trustees on 11th August 2026 and signed on its behalf by:

HON. KIRAITU MURUNGI	**KENNEDY MARIITA**	**FRANKLINE MUKWANJA**
CHAIRPERSON	**TREASURER**	**EXECUTIVE DIRECTOR**

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF THE CENTRE FOR MULTIPARTY DEMOCRACY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Centre for Multiparty Democracy set out on pages 8 to 25 which comprise the statement of financial position as at 31 December 2025, statement of income and expenditure, statement of changes in fund balances and statement of cash flows for the year then ended and notes, including a a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for audit of the financial statements section of our report. We are independent of the trust in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants including International Independence Standard (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The trustees are responsible for the other information. The other information comprises the report of the trustees, the report of trustees responsibilities, the statement of donor fund balances, the detailed schedules of expenditure, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of trustees for the financial statements

The trustees are responsible for the preparation and fair presentation, in all material respects, of the financial statements in accordance with the IFRS for SMEs Accounting Standard and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF THE CENTRE FOR MULTIPARTY DEMOCRACY (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Responsibilities of trustees for the financial statements (continued)

In preparing the financial statements, the trustees are responsible for assessing the trust'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 the trustees either intend to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to infuence the economic decions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF`THE CENTRE FOR MULTIPARTY DEMOCRACY(CONTINUED)

Report on the Audit of the Financial Statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain sufficient appropriate evidence regarding the financial information of the entities or activities within the trust to express an opinion on the financial statement. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Mike Njuguna Kimundu - Practising certificate No. 2235.

For and on behalf of PKF Kenya LLP
Certified Public Accountants
Nairobi, Kenya

08 September **2026**

574/26

UNIQUE CODE: 71559260528

PKF Kenya LLP, Kalamu House, Grevillea Grove, Westlands, P O. Box 14077, 00800, Nairobi, Kenya. +254 207 766400, +254 732 144000
Email: pkfnbi@ke.pkfea.com

STATEMENT OF INCOME AND EXPENDITURE

	Notes	2025 Shs Restricted	2025 Shs Unrestricted	2025 Shs Total	2025 EUR Restricted	2025 EUR Unrestricted	2025 EUR Total
Income							
Grant income	3(a)	113,272,920	9,228,619	122,501,539	778,180	63,400	841,580
Other income	4	-	4,755,784	4,755,784	-	32,672	32,672
Amortisation of capital grant	14	912,225	-	912,225	6,053	-	6,053
Total income		114,185,145	13,984,403	128,169,548	784,233	96,072	880,305
Expenditure							
Programme expenses	6(a)	(113,272,920)	(3,978,428)	(117,251,348)	(778,180)	(27,332)	(805,512)
Administrative expenses	6(b)	-	(6,857,458)	(6,857,458)	-	(47,110)	(47,110)
Depreciation	17	(912,225)	-	(912,225)	(6,053)	-	(6,053)
		(114,185,145)	(10,835,886)	(125,021,031)	(784,233)	(74,442)	(858,675)
Surplus for the year		-	3,148,518	3,148,518	-	21,630	21,630

The notes on pages 13 to 25 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF INCOME AND EXPENDITURE

	Notes	2024 Shs Restricted	2024 Shs Unrestricted	2024 Shs Total	2024 EUR Restricted	2024 EUR Unrestricted	2024 EUR Total
Income							
Grant income	3(a)	120,851,758	5,095,433	125,947,191	899,932	37,944	937,875
Unrestricted income from donors	3(b)	-	681,538	681,538	-	5,075	5,075
Other income	4	-	2,650,587	2,650,587	-	19,738	19,738
Amortisation of capital grant	14	973,213	-	973,213	7,247	-	7,247
Total income		121,824,971	8,427,558	130,252,529	907,179	62,757	969,935
Expenditure							
Programme expenses	6(a)	(120,851,759)	(3,039,966)	(123,891,725)	(899,932)	(22,637)	(922,569)
Administrative expenses	6(b)	-	(4,870,379)	(4,870,379)	-	(36,268)	(36,268)
Depreciation	17	(973,213)	-	(973,213)	(7,247)	-	(7,247)
		(121,824,972)	(7,910,344)	(129,735,316)	(907,179)	(58,905)	(966,084)
Surplus for the year		-	517,213	517,213	-	3,852	3,851

The notes on pages 13 to 25 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2025 Shs	As at 31 December 2025 Euro	As at 31 December 2024 Shs	As at 31 December 2024 Euro
FUND					
General fund		1,549,486	10,282	159,611	1,189
Capital fund reserve	15	1,323,933	8,785	865,291	6,443
Endowment Fund		1,300,000	8,626	-	-
		4,173,419	27,693	1,024,902	7,632
Non-current liabilities					
Capital grant	14	3,028,657	20,097	3,355,118	24,984
		7,202,076	47,790	4,380,020	32,617
REPRESENTED BY					
Non-current assets					
Property and equipment	7	3,766,826	24,995	4,220,409	31,428
Current assets					
Grant receivable	8	-	-	997,723	7,430
Trade and other receivables	9	719,529	4,775	719,527	5,358
Cash and cash equivalents	10	14,717,632	97,661	7,582,354	56,463
		15,437,161	102,436	9,299,604	69,250
Current liabilities					
Other payables	12	1,810,974	12,017	2,771,741	20,640
Deferred income	13	10,190,937	67,624	6,368,252	47,422
		12,001,911	79,641	9,139,993	68,061
Net current assets		3,435,250	22,795	159,611	1,189
		7,202,076	47,790	4,380,020	32,617

The financial statements on pages 8 to 25 were approved and authorised for issue by the Board of Trustees on 11th August. 2026 and were signed on its behalf by:

HON. KIRAITU MURUNGI
CHAIRPERSON

FRANKLINE MUKWANJA
EXECUTIVE DIRECTOR

KENNEDY MARIITA
TREASURER

The notes on pages 13 to 25 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CHANGES IN FUND BALANCES

		General fund		Capital fund reserve		Endowment Fund		Translation reserve	Total	
		Shs	Euro	Shs	Euro	Shs	Euro	Euro	Shs	Euro
Year ended 31 December 2024	**Notes**	**Shs**	**Euro**	**Shs**	**Euro**	**Shs**	**Euro**	**Euro**	**Shs**	**Euro**
At start of year		(142,170)	(818)	649,859	3,744	-	-	-	507,690	(47)
- Amortisation of capital reserve	15	154,568	1,150	(154,568)	(1,150)	-	-	-	-	-
- Transfers from capital reserve during the year	15	(370,000)	(2,755)	370,000	2,755	-	-	-	-	-
Surplus for the year		517,213	3,851	-	-	-	-	-	517,214	3,851
Transfer to income and expenditure		-	(240)	-	1,094	-	-	-	-	855
At end of year		159,610	1,189	865,291	6,443	-	-	-	1,024,904	4,660
Year ended 31 December 2025										
At start of year		159,610	1,189	865,291	6,443	-	-	-	1,024,904	4,660
- Amortisation of capital reserve	15	127,122	873	(127,122)	(873)	-	-	-	-	-
- Transfers from capital reserve during the year	15	(585,764)	(4,024)	585,764	4,024	-	-	-	-	-
- Amount trasferred to Capital Reserve		(1,300,000)	(8,931)	-	-	1,300,000	8,931	-	-	-
Surplus for the year		3,148,518	21,630	-	-	-	-	-	3,148,518	21,630
Translation difference		-	(9,386)	-	(809)	-		-	-	(10,195)
At end of year		1,549,486	10,282	1,323,933	8,785	1,300,000	8,626	-	4,173,422	16,095

The notes on pages 13 to 25 form an integral part of the financial statements.

Report of the independent auditor - page 5 to 7.

STATEMENT OF CASH FLOWS

	Notes	2025 Shs	2025 Euro	2024 Shs	2024 Euro
Cash flows from operating activities					
Surplus for the year		3,148,518	21,630	517,213	3,852
Adjustments for non-cash expenses:					
Depreciation on property and equipment	7	1,039,347	6,897	1,127,781	8,398
Amortisation of capital grant	14	(912,225)	(6,053)	(973,213)	(7,247)
Changes in operating assets and liabilities		127,122	844	154,568	1,151
Adjustments for:					
Changes in working capital:					
(Decrease) in other receivables		-	-	(13,298)	1,289
Increase in grant receivables		997,723	7,430	346,362	313
Increase/(decrease) in deferred income		3,822,685	20,202	(16,648,192)	(85,180)
(Decrease)/increase in trade and other payables		(960,767)	(8,622)	130,514	5,423
(Decrease/(increase) in restricted cash balances		(2,191,214)	(12,030)	9,271,509	48,199
		1,668,427	6,979	(6,913,105)	(29,956)
Net cash flow generated from/ (used in) operating activities		4,944,067	29,453	(6,241,324)	(24,953)
Cash flow used in investing activities					
Cash paid for property and equipment	7	(585,764)	(3,887)	(370,000)	(2,755)
Net cash (used in) investing activities		(585,764)	(3,887)	(370,000)	(2,755)
Cash flow financing activities					
Donated property and equipment		585,764	3,887	-	-
Net cash flow generated from financing activities		585,764	3,887	-	-
Decrease in cash and cash equivalents		4,944,067	29,453	(6,611,324)	(27,708)
Movement in cash and cash equivalents					
At start of year		4,487,563	33,417	11,098,887	63,943
Effect of translation		-	(284)	-	(2,818)
At end of year	10	9,431,630	62,585	4,487,563	33,417

The notes on pages 13 to 25 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

1. **General information**

Centre for Multiparty Democracy is registered in Kenya and is domiciled in Kenya. The address of its registered office and its principal place of operation are as shown on page 1.

2. **Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention except as indicated otherwise below and are in accordance with the IFRS for SMEs accounting standard.The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the organisation's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 2(b).

Going concern

The financial performance of the entity is set out in the trustees' report and in the statement of income and expenditure. The financial position of the entity is set out in the statement of financial position.

The financial statements have been prepared on the basis of going concern. The basis presumes that the Trust will continue to receive the support of donors and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

Based on the financial performance and position of the trust and its risk management policies, the directors are of the opinion that the trust is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

b) **Key sources of estimation uncertainty and judgements**

In the application of the accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The trustees have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Useful lives, depreciation methods and residual values of property and equipment**
  Management reviews the useful lives, depreciation methods and residual values of the items of property and equipment on a regular basis. During the financial year, the trustees determined no significant changes in the useful lives and residual values. The carrying amounts of property, plant and equipment, and intangible assets are disclosed in notes 7.

2. **Significant accounting policies(continued)**

b) **Key sources of estimation uncertainty and judgements (continued)**

- Grants receivable

Grants receivable comprise refundable expenditure on programs approved by donors. The carrying amount of grants receivable is disclosed in note 8.

c) **Revenue recognition**

Grants are received by the Centre for Multiparty Democracy for restricted (donor funds) programmes and non restricted (general) programme costs.

i) Grants for restricted purposes and for specified funded projects are recognised when received and spent on qualifying activities. Any unutilised grants are recognised as deferred revenue grants and any excess expenditure over income is recorded as grants receivable at year end where there is commitment of additional funds from grant providers to cover such expenditure.

ii) Non restricted grants - these are grants received without a contract on how the funds will be used. Income is recognised when the grant income is received.

(iii) All other donations are accounted for on a cash receipt basis unless there are committed funds or pledged funds that are receivable.

iv) Interest income is accrued by reference to time under the effective interest method.

v) Other income is recognised upon performance of the services rendered.

d) **Deferred revenue grants**

Deferred revenue grants represent unutilised restricted funds as at the end of the reporting period.

e) **Expenditure**

Expenditure comprises expenses incurred directly for programme activities and are allocated to a particular activity where the costs relate directly to that activity. All expenditure is accounted for on payment basis.

f) **Property and equipment**

All property and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation any accumulated impairment losses. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

NOTES (CONTINUED)

2. **Significant accounting policies(continued)**

f) **Property and equipment (continued)**

Depreciation is calculated on reducing balance method to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Leasehold improvements	20.0
Furniture, fittings and equipment	12.5
Computer equipment	30.0

The organisation assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the organisation estimates the recoverable amount of the asset. If there is no indication of impairment, the organisation does not estimate the recoverable amount.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each reporting date.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating surplus/(deficit).

g) **Grant and other receivables**

Grant receivable is the excess expenditure over income as at year end and is only recognised where there is commitment of additional funds from grant providers.

Other receivables include deposits and prepayment for services/goods to be delivered in future and advances to staff and sub-grantees. Other receivables are only accounted for if there is tangible evidence that the service/goods will be performed/delivered in future or a refund will be made in the event the service/goods is not performed/delivered.

Transactions in foreign currencies during the year are converted into Kenya Shillings (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The resulting differences from conversion and translation are dealt with in statement of income and expenditure and accumulated funds in the year in which they arise.

h) **Receivables**

Receivables are initially recognised at the transaction price. They are subsequently measured at amortised cost using the effective interest method.

At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

2. **Significant accounting policies (continued)**

i) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 91 days, net of restricted cash balances.

Restricted cash balances are those balances that the organisation cannot use for working capital purposes as they have been placed as a lien.

j) **Payables**

Accruals and other payables are obligations on the basis of normal credit terms and do not bear interest.

k) **Grants payable**

Grants payable are recognised as liability based on accrual basis of accounting. Grants due to sub-grantees are accrued when the organisation enters into a formal grant contract that is only revocable if the sub-grantee does not comply with the sub-grantee agreement.

l) **Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Kenya Shillings (the functional currency) at rates ruling at the transaction dates. Assets and liabilities at the statement of financial position date which are expressed in foreign currencies are translated into Kenya Shillings (the functional currency) at rates ruling at that date. The resulting differences from conversion and translation are dealt with in income and expenditure in the year in which they arise.

m) **Taxation**

Whilst the organisation does not have a tax exemption certificate at present, the organisation deals in activities which are not for profit and, therefore, the management is of the view that the organisation would not be subject to tax. Therefore, no provision for current or deferred tax is recognised in these financial statements. The management has initiated the process to obtain a formal tax exemption certificate.

n) **Retirement benefit obligations**

The trust and its employees contribute to the National Social Security Fund (NSSF), the statutory defined contribution scheme registered under the NSSF Act. The organisation's contributions to the defined contribution scheme are charged to statement of income and expenditure in the year to which they relate.

o) **General fund**

General fund represents unutilized accumulated surplus or deficit from unrestricted funds.

p) **Programme activities fund**

Programme activities fund represents unutilized accumulated surplus or deficit from restricted funds.

q) **Capital fund reserve**

Capital fund reserve is an appropriation of unrestricted funds from the general fund utilized in the purchase of equipment and intangible assets. The fund is appropriated back to the general fund at an amount equivalent to the depreciation or amortisation.

r) **Comparatives**

There were no changes in presentation in the current year.

3 **Grant income and receipts**

a) **Restricted grant income**

Year ended 31 December 2025	Deferred income bf	Grants receivable bf	Receipts	Expenditure	Capital grants	Transfer to Unrestricted Income	Deferred income cf	Grant receivable cf	Unrestricted surplus/(deficit)	Grant Income
	Shs	Shs	Shs	Shs	Shs		Shs	Shs	Shs	Shs
Donor	a	b	c	d	e	f	g	h	i	j=a+c-e-f-g+h+
Danish Liberal Democracy Programme										
- Local democracy, SDGs and dialogue	59,003	-	55,719,767	51,574,104	585,764	2,987,700	631,202	-	-	51,574,104
- WILP Project	-	364,223	32,454,758	30,365,158	-	1,550,000	539,600	-	-	30,365,158
Electoral Law and Governance Institute for Africa (ELGIA)	-	-	6,335,873	5,629,108	-	270,000	436,767	-	-	5,629,107
Embassy of the Kingdom of Netherlands - Siasa Place	2,852,343	-	25,409,150	20,299,110	-	1,415,000	6,547,383	-	-	20,299,110
URAIA Trust	500,001	-	5,500,000	5,405,440	-	640,000	-	-	(45,439)	5,405,441
Danish Institute of Parties and Democracy (DIPD)	590,986	-	-	-	-	-	590,986	-	-	-
International Republican Institute (IRI)	2,365,919	-	-	-	-	2,365,919	-	-	-	-
Embassy of Ireland	-	-	1,445,000	-	-	-	1,445,000	-	-	-
Grand total	6,368,252	364,223	126,864,548	113,272,920	585,764	9,228,619	10,190,937	-	(45,439)	113,272,920

Year ended 31 December 2024

Donor	Deferred income bf	Grants receivable bf	Receipts	Expenditure	Capital grants	Transfer to Unrestricted Income	Deferred income cf	Grant receivable cf	Unrestricted surplus/(deficit)	Grant Income
Danish Liberal Democracy Programme										
- Local democracy, SDGs and dialogue	6,716,373	-	58,367,204	63,047,045	-	1,977,528	59,003	-	-	63,047,046
- WILP Project	5,561,355	-	7,322,419	12,647,996	-	600,000	-	364,223		12,647,995
Electoral Law and Governance Institute for Africa (ELGIA)	-	919,380	2,905,620	2,150,108	-	71,250	-	-	684,262	2,150,108
Embassy of the Kingdom of Netherlands - Siasa Place	10,511,774	-	11,491,630	18,221,061	-	930,000	2,852,343	-	-	18,221,061
UN Women	226,942	-	4,486,275	4,535,941	-	180,000	-	-	(2,725)	4,535,940
URAIA Trust	-	-	12,200,000	11,039,999	-	660,000	500,001	-	-	11,039,999
Danish Institute of Parties and Democracy (DIPD)	-	424,705	4,377,520	3,559,879	-	226,655	590,986	-	-	3,559,879
International Republican Institute (IRI)	-	-	7,682,150	5,499,731	-	450,000	2,365,919	633,500	-	5,499,731
Konrad	-	-	150,000	150,000	-	-	-	-	-	150,000
Grand total	23,016,443	1,344,085	108,982,817	120,851,759	-	5,095,433	6,368,253	997,723	681,538	120,851,758

3 **Grant income and receipts (continued)**

a) Restricted grant income (continued)

Year ended 31 December 2025	Deferred income bf	Grants receivable bf	Receipts	Expenditure	Capital grants	Transfer to Unrestricted Income	Capital grants	Deferred income cf	Grant receivable cf	Unrestricted surplus/deficit	Grant Income
	Euro	Euro	Euro	Euro			Euro	Euro	Euro	Euro	Euro
Donor	a	b	c	d			f	g	h	i	j=a+c-e-f-g+h+i
Danish Liberal Democracy Programme											
- Local democracy, SDGs and dialogue	405	2,502	382,792	354,312	4,024	20,525	4,024	4,336	-	-	354,312
- WILP Project	-	-	222,963	208,607	-	10,648	-	3,707	-	-	208,607
Electoral Law and Governance Institute for Africa (ELGIA)	-	-	43,527	38,672	-	1,855	-	3,001	-	-	38,672
Embassy of the Kingdom of Netherlands - Siasa Place	19,595	-	174,560	139,454	-	9,721	-	44,980	-	-	139,454
URAIA Trust	3,435	-	37,785	37,135	-	4,397	-	-	-	(312)	37,135
Danish Institute of Parties and Democracy (DIPD)	4,060	-	-	-	-	-	-	4,060	-	-	-
International Republican Institute (IRI)	16,254	-	-	-	-	16,254	-	-	-	-	-
Embassy Of Ireland	-	-	9,927	-	-	-	-	9,927	-	-	-
Grand total	**43,750**	**2,502**	**871,554**	**778,180**	**4,024**	**63,400**	**4,024**	**70,011**	**-**	**(312)**	**778,180**

Year ended 31 December 2024	Deferred income bf	Grants receivable bf	Receipts	Expenditure	Capital grants	Transfer to Unrestricted Income	Capital grants	Deferred income cf	Grant receivable cf	Unrestricted surplus/deficit	Grant Income
Donor											
Danish Liberal Democracy Programme											
- Local democracy, SDGs and dialogue	-	-	434,636	469,485	-	14,726	-	439	-	-	469,485
- WILP Project	-	6,846	54,527	94,184	-	4,468	-	-	2,712	-	94,184
Electoral Law and Governance Institute for Africa (ELGIA)	-	-	21,637	16,011	-	531	-	-	-	5,095	16,011
Embassy of the Kingdom of Netherlands - Siasa Place	78,277	-	85,573	135,685	-	6,925	-	21,240	-	-	135,685
UN Women	-	-	33,407	33,777	-	1,340	-	-	-	(20)	33,777
URAIA Trust	-	3,163	90,848	82,210	-	4,915	-	-	-	-	82,210
European Union; Danish Institute of Parties and Democracy (I	-	-	-	26,509	-	1,688	-	-	-	-	26,509
Social Democratic Party - Denmark	-	-	-	40,954	-	3,351	-	-	4,717	-	40,954
Kofi Annan Foundation	-	-	-	-	-	-	-	-	-	-	1,117
Grand total	171,394	10,009	811,549	899,932	-	37,944	-	47,422	7,430	5,075	899,932

NOTES (CONTINUED)

3. **Grant income (continued)**

	2025 Ksh Unrestricted	2025 Ksh Restricted	Total Shs	2025 Euro
Danish Liberal Democracy Programme				
- Local democracy, SDGs and dialogue	2,987,700	51,574,104	54,561,804	362,053
- WILP Project	1,550,000	30,365,158	31,915,158	211,778
Electoral Law and Governance Institute for Africa (ELGIA)	270,000	5,629,107	5,899,107	39,144
Embassy of the Kingdom of Netherlands - Siasa Place	1,415,000	20,299,110	21,714,110	144,087
URAIA Trust	640,000	5,405,441	6,045,441	40,115
	6,862,700	**113,272,920**	**120,135,620**	**797,179**

(b) **Unrestricted funds**

	2025 Shs	2025 Euro	2024 Shs	2024 Euro
Electoral Law and Governance Institute for Africa (ELGIA)	-	-	684,262	5,095
UN Women	-	-	(2,725)	(20)
	-	-	681,538	5,075

CMD function expenses are programme expenses funded from the trust's general funds.

4 **Other income**

	2025 Shs	2025 Euro	2024 Shs	2024 Euro
Membership income	2,100,000	14,427	1,580,000	11,766
Miscellaneous income				
- Operations income	2,655,784	18,245	1,070,587	7,972
	4,755,784	32,672	2,650,587	19,738

Operations income relates to income from activities such as trainings offered on political subjects such as multiparties. It also includes savings or pool of funds from the programme activities

5. **Personnel costs**

	2025 Shs	2025 Euro	2024 Shs	2024 Euro
Salaries and wages	21,369,867	146,810	23,708,267	176,545
Other staff costs	4,187,722	28,769	3,971,842	29,577
	25,557,589	175,580	27,680,109	206,122

	2025 Number	2024 Number
The average number of persons employed during the year were:	7	7

6. **Programme expenses**

a) **Restricted programme activities**

	2025 Shs	2025 Euro	2024 Shs	2024 Euro
Danish Liberal Democracy Programme				
- Local democracy, SDGs and dialogue	51,574,104	354,312	63,047,045	469,485
- WILP Project	30,365,158	208,607	12,647,996	94,184
Electoral Law and Governance Institute for Africa (ELGIA)	5,629,108	38,672	2,150,108	16,011
Embassy of the Kingdom of Netherlands - Siasa Place	20,299,110	139,454	18,221,061	135,685
UN Women	-	-	4,535,941	33,777
URAIA Trust	5,405,440	37,135	11,039,999	82,210
Danish Institute of Parties and Democracy (DIPD)	-	-	3,559,879	26,509
Konrad Adenauer Foundation	-	-	150,000	1,117
International Republican Institute (IRI)	-	-	5,499,731	40,954
Total programme expenses	113,272,920	778,180	120,851,759	899,932

NOTES (CONTINUED)

6. **Programme expenses (continued)**

	2025 Shs	2025 Euro	2024 Shs	2024 Euro
b) Unrestricted administrative expenses				
Board expenses	1,009,978	6,939	269,778	2,009
Membership expenses	2,403,549	16,512	2,063,029	15,363
Depreciation for property and equipment	127,122	873	154,568	1,151
Other administrative expenses	3,316,809	22,786	2,383,004	17,745
	6,857,458	47,110	4,870,379	36,268
Unrestricted programme expenses				
c) Rent expenses	2,728,158	18,742	3,039,966	22,637
Monitoring & Evaluation	18,300	126	-	-
Medical Insurance	1,231,970	8,464	-	-
	3,978,428	27,332	3,039,966	22,637

7. **Property and equipment**

Year ended 31 December 2025

	Donated		Purchased with own funds		Total	
Cost	**Shs**	**Euro**	**Shs**	**Euro**	**Shs**	**Euro**
As at 1 January 2025	12,397,693	92,320	1,129,060	8,408	13,526,753	100,728
Additions	585,764	-	585,764	3,887	1,171,528	7,262
Translation difference	-	-	-	(916)	-	(916)
As at 31 December 2025	12,983,457	95,695	1,714,824	11,379	14,698,281	107,075
Depreciation						
As at 1 January 2025	9,042,575	67,336	263,769	1,519	9,306,344	68,855
Charge for the year	912,225	6,053	127,122	732	1,039,347	6,786
Translation difference	-	(7,333)	-	-	-	(7,333)
As at 31 December 2025	9,954,800	66,057	390,891	2,251	10,345,691	68,308
Net book value as at 31.12.2025	3,028,657	29,638	1,323,933	9,127	4,352,591	38,765
Net book value as at 31.12.2024	4,328,331	24,937	649,859	3,743	4,978,190	28,732

	2025		2024	
	Shs	**Euro**	**Shs**	**Euro**
Donated assets NBV (Note 1)	3,028,657	29,638	3,355,118	24,984
Purchased assets NBV	1,323,933	9,127	865,291	6,888
	4,352,590	38,765	4,220,409	31,872

7. **Property and equipment (continued)**

Year ended 31 December 2025	**Freehold land**		**Leasehold improvements**		**Furniture and fittings**		**Computers, copiers & faxes**		**Total**	
	Shs	**Euro**	**Shs**	**Euro**	**Shs**	**Euro**	**Shs**	**Euro**	**Shs**	**Euro**
Cost										
At the start of the year	90,000	670	3,741,871	27,864	3,350,208	24,948	6,344,674	47,246	13,526,753	100,728
Additions	-	-	-	-	-	-	585,764	3,887	585,764	3,887
Translation difference	-	(73)	-	(3,034)	-	(2,717)	-	(5,145)	-	(10,969)
At the end of the year	90,000	597	3,741,871	24,830	3,350,208	22,231	6,930,438	45,988	14,112,517	93,646
Depreciation										
At the start of the year	-	-	1,826,033	13,598	2,299,227	17,121	5,181,084	38,581	9,306,344	69,300
Charge for the year	-	-	383,168	2,543	131,373	872	524,806	3,482	1,039,347	6,897
Translation difference	-	-	-	(1,481)	-	(1,864)	-	(4,201)	-	(7,547)
At the end of the year	-	-	2,209,201	14,659	2,430,600	16,129	5,705,890	37,862	10,345,691	68,650
Net book value as at 31.12.2025	90,000	597	1,532,670	10,170	919,608	6,102	1,224,548	8,126	3,766,826	24,995
Net book value as at 31.12.2024	90,000	670	1,915,838	14,266	1,050,981	7,826	1,163,590	8,665	4,220,409	31,428

NOTES (CONTINUED)

8. **Grant receivables**	**2025 Shs**	**2025 Euro**	**2024 Shs**	**2024 Euro**
Danish Liberal Democracy Programme (WILP)	-	-	364,223	2,712
International Republican Institute (IRI)	-	-	633,500	4,717
	-	-	997,723	7,430

9. **Trade and other receivables**

Trade receivables	-	-	218,277	1,625
Provision for doubtful debts	-	-	(218,277)	(1,625)
Net trade receivables	-	-	-	-
Other receivables	719,529	4,775	719,527	5,358
	719,529	4,775	719,527	5,358

10. **Cash and cash equivalents**

Cash at bank and in hand	14,717,632	97,661	7,582,354	56,463

For the purpose of the statement of cash flows, the year-end cash and cash equivalents comprise the following.

Cash and bank balances	14,717,632	97,661	7,582,354	56,463
Restricted bank balances	(5,286,002)	(35,076)	(3,094,791)	(23,046)
	9,431,630	62,585	4,487,563	33,417

Restricted cash and bank balances comprises of cash held in donor specific bank accounts and, therefore, the use is restricted to activities of the specific donor or programmes.

12. **Trade and other payables**	**2025 Shs**	**2025 Euro**	**2024 Shs**	**2024 Euro**
Current				
Accruals	1,810,974	12,017	2,771,741	20,640

13. **Deferred income**

At start of year	6,368,252	47,422	23,016,443	132,602
Utilised during the year	(6,368,252)	(47,422)	(23,016,443)	(132,602)
Transfer from receipts	10,190,937	67,624	6,368,252	47,422
At end of year	10,190,937	67,624	6,368,252	47,422

NOTES (CONTINUED)

14. **Capital grant**	**2025 Shs**	**2025 Euro**	**2024 Shs**	**2024 Euro**
At start of year	3,355,118	24,984	4,328,331	25,350
Capital grants during the year	585,764	3,887	-	-
Amortisation of capital grant	(912,225)	(6,053)	(973,213)	(7,247)
Translation reserve	-	(2,720)	-	6,881
At the end of year	3,028,657	20,097	3,355,118	24,984

15. **Capital fund reserve**	**2025 Shs**	**2025 Euro**	**2024 Shs**	**2024 Euro**
At start of year	865,291	6,443	649,859	3,772
Additions during the year	585,764	4,024	370,000	2,755
Amortisation of capital reserve	(127,122)	(873)	(154,568)	(1,150)
Translation reserve	-	(809)	-	1,066
At the end of the year	1,323,933	8,785	865,291	6,443

The capital fund reserve is an appropriation of reserve fund for unrestricted funds already utilised in purchase of capital equipment.

16. **Related party transactions**

The following transactions were carried out with related parties:

i) **Key management personnel compensation**	**2025 Shs**	**2025 Euro**	**2024 Shs**	**2024 Euro**
Short term employee benefits	7,299,782	50,149	6,110,000	45,499
Post employment benefits	49,680	341	24,840	185
	7,349,462	50,490	6,134,840	45,684
ii) **Board expenses**	1,009,978	6,939	269,778	2,009

The Board expenses include travel reimbursements given to facilitate overseeing the trust's operations.

17. **Endowment Policy**

	2025 Shs	**2025 Euro**	**2024 Shs**	**2024 Euro**
At start of year	-	-	-	-
Additions during the year	1,300,000	8,626	-	-
	1,300,000	8,626	-	-

The Endowment Fund Policy was created to to provide financial stability and sustainability to CMD-Kenya by creating a permanent source of income through prudent investment strategies. Subsequently, they have appointed a Fund manager to manage the funds.

18. **Operating lease commitments - as a lessee**

The future minimum lease payments payable under non-cancellable operating leases are as follows:	**2025 Shs**	**2025 Shs**
Not later than 1 year	1,687,680	3,375,360

NOTES (CONTINUED)

19. **Registration, membership and Governance**

Centre for Multi-party Democracy - Kenya is registered as an unincorporated trust under the Registration of Documents_Act (Cap 285, Laws of kenya) and has operated by virtue of a registered Trust Deed. On 23rd January 2026, the organisation amended its trust deed and subsequently applied for registration under Perpetual Succession Act Cap 164. As of this date, the organisation is awaiting for the approval of the certificate of incorporation.

The main objective of the Trust is to stregthen the capacity of political parties to be effective in deepening and consolidating democratic governance in Kenya. It also engages in advocacy and civic education in order to create a level playing field for political parties by acting as a platform for dialogue and building of consensus on important national issues among political parties.

The membership of the Trust is political parties that have met the minimum threshhold of at least one elected member in the County Assembly, National Assembly, the Senate, a Governor or as president. Each member political party is to nominate representatives to participate in the general meetings.

The Trust has below Governance strucuture:
i) The General Meeting
ii) The Board of Trustees
iii) The Secretariat

The General Meeting
The General Meeting is the apex governing body of the trust ans shall be a formal gathering of members appointed by the Member Political Parties. The Trust holds an Annual General Meeting on an annual basis which is be the highest decision making organ of the trust. Each political party appoints 3 representatives to the Annual General Metting

The Board of Trustees
The Board of Trustees is composed of members drawn diverse political parties forming the trust and are the principal advisory and policy-making organ of the Trust subject to the general direction by the General Meeting. The Board of Trustees is composed of the following members:

i) The Chairperson
ii) The Vice Chairperson
iii) The Secretary General
iv) The Deputy Secretary General
v) The Treasurer
vi) The Deputy Treasurer
vii) Organizing Secretary
ix) A representative of persons with Disabilities
x) Two other members (Male & Female)
xi) The Executive Director as an ex-officio member

To enhance effective governance, the Board of Trustees have established from its membership such standing committees for the discharge of its mandate, which includes:

i) Technical work and programs of the Trust
ii) Finance, Administration & Human Resource aspects of the Trust
iii) Audit and Risk
iv) Endowment Fund Management

The Secretariat
The Secretariat constitutes the Executive and administrative arm of the Trust and shall be headed by the Exective Director. The Executive Director holds office for a term of 4 years and shall be eligible fo re-appointment. The Executive Director is be responsible to the Board of Trustees for the day to day administration and management of the Secretariat.

NOTES (CONTINUED)

20. **Presentation currency**

The financial statements are presented in and Kenya Shillings (Shs.) and Euro (€) rounded to the nearest thousand ('000)

For presentation rates is Shs.

	2025	2024
Statement of financial position 1 EURO (€)	150.70	134.29
Statement of income and expenditure (average rate) 1 EURO €)	145.56	134.29