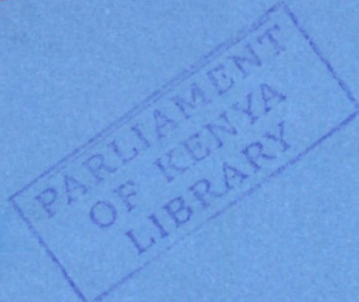


REPUBLIC OF KENYA



Enhancing Accountability



REPORT THE NATIONAL ASSEMBLY
P... ..

DATE: 18 SEP 2024
G.A.Y.
Wednesday

OF

TABLED BY: Hon. Owen Baya, MP
Deputy Majority party
Finlay Muriuki

THE AUDITOR-GENERAL

ON

GREEN THINKING ACTION PARTY

**FOR THE YEAR ENDED
30 JUNE, 2023**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
25 MAR 2024
RECEIVED



GREEN THINKING ACTION PARTY, GTAP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

GREEN THINKING ACTION
PARTY (GTAP)
P. O. Box 9164 - 00200
NAIROBI

GREEN THINKING ACTION PARTY
Annual Report and Financial Statements
for the year ended June 30, 2023

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GREEN THINKING ACTION PARTY
Annual Report and Financial Statements
for the year ended June 30, 2023

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Green Thinking Action Party, GTAP was fully registered as a political party under the Political Parties Act, 2011 on 18th October 2021.

(b) Principal Activities

Vision

A Green Prosperity to every Kenyan Household.

Mission

To enhance a Society that treat each other kindly through upholding social ethics, training on life skills, promote good health, peace within communities and to create sustainable livelihood and lastly practising actual environmental conservation.

(c) Key Management

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

- National Executive Council
- Secretary General
- National Chairman
- Treasurer
- Executive Director

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	National Chairman	James Otieno Oketch
2.	Secretary General	Lone Felix
3.	National Treasurer	Anthony Mbandi
4.	Executive Director	Joseph Kithyaka

KEY ENTITY INFORMATION AND MANAGEMENT (continued)

(e) Entity Headquarters

P.O Box 9164-00200
GTAP Centre, Outering Road
21 Old Donholm
Nairobi, Kenya.

(f) Entity Contacts

Telephone: +254-97-111-117
E-mail: info@thegtap.org
Website: www.thegtap.org

(g) Entity Bankers

Ecobank Kenya Limited
Karen office Park, Langata Road
P.O. Box 79587-00100
Nairobi, Kenya.

(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 Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 70112
City Square 00200
Nairobi, Kenya.

GREEN THINKING ACTION PARTY
Annual Report and Financial Statements
for the year ended June 30, 2023

2. NATIONAL OFFICIALS

No.	Designation	Name
1.	Party Leader	Dr. Kalua Green
2.	National Chairman	James Otieno Oketch
3.	Secretary General	Lone Felix
4.	Deputy Secretary General	Harizon Ochieng
5.	National Treasurer	Anthony Mbandi
6.	Deputy Treasurer	Ronald Kiplimo
7.	Executive Director	Joseph Kithyaka

3. KEY MANAGEMENT TEAM

No.	Designation	Name
1.	National Chairman	James Otieno Oketch
2.	Secretary General	Lone Felix
3.	Deputy Secretary General	Harizon Ochieng
4.	National Treasurer	Anthony Mbandi
5.	Deputy Treasurer	Ronald Kiplimo
6.	Executive Director	Joseph Kithyaka

4. CHAIRMAN'S STATEMENT

We are obligated by the political parties Act 2011 to prepare annual financial statements in respect of the Green Thinking Action Party, which statements are expected to present a true and fair view of the state of affairs of our Party including the operating results at the end of each fiscal year. The public finance Management Act 2012 at Section 81, Section 31 of the Political Parties Act 2011 and Public Audit requirements requires of us to prepare the said statements and present the same to the office of the Registrar of Political Parties and Auditor General respectively not late than 30th September 2023.

In Pursuits of the foregoing obligation, and exercising its mandate under the GTAP constitution, the National Executive Committee approve the work plan and annual budget for the financial year under the review within the framework of the strategic plan. Accordingly, we have submitted the report and accounts for the year **June 30,2023** to the Auditor General. We have also published in the local newspapers the applicable income section of the accounts of year ended in accordance with Section 29(1) of the parties Act 2011.



James Otieno Oketch

NATIONAL CHAIRMAN

GREEN THINKING ACTION PARTY
Annual Report and Financial Statements
for the year ended June 30, 2023

5. REPORT FROM THE SECRETARY GENERAL

We wish to present the financial report for the year ended June 30th 2023 in accordance with the International Public Sector Accounting Standard. During the year our key responsibility included:

1. Creating public awareness of the party, being a newly registered party.
2. Ensuring maximum compliance with the Political Parties Act and other regulations.
3. Participating in the 2022 General Elections, falling within the financial year.

In accordance to Section 35 of Public Audit Act 2015 requirements and the Political Act 2011, we managed to accomplish the following

- Develop a work plan and budgets with reference to the Party's strategic plan for the current financial year.
- Ensured the books of Accounts of the year ended June 30th 2023 are prepared in time and presented to the Auditor General and relevant income section of the same extracted and published in the local newspapers in accordance to section 29. (1) which states that 'A political party shall, within three months of its financial year, publish the sources of fund stating: -
 - ✓ The amount of money received from political parties Funds
 - ✓ The amount of money received from members and supporters
 - ✓ The amount and resources of donations given to the party



Lone Felix

SECRETARY GENERAL

6. CORPORATE GOVERNANCE STATEMENT

Green Thinking Action Party is committed to operating in accordance with best practice in political party integrity and ethics and maintenance the highest standards of financial reporting and corporate governance. The National Executive Committee is delighted to report that the party has throughout the year, complied with the provisions and principles set out in the code on corporate Governance.

Corporate governance for Green Thinking Action Party has gone a long way to define how the party conducts its affairs in line with the objects for which it was founded. It has given the party its structure, which contains all set of rules that governs the ethical operation procedure and processes of the party by ensuring that we conform to Kenyan Statutory requirements and the best practices in line with the Political Parties Act 2011 in all political activities. Responsibility for corporate governance is vested with the National Executive Council of Green Thinking Action Party.

Much of the details are contained in the party constitution.

7. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

GTAP envisions a Green and sustainable Kenya, accountable to its citizens at the Household and family levels, incentivizing community economics which will inject new growth and innovative entrepreneurship from the grassroots family level. It envisions County cities that are industrialized in a sustainable way through circular economies. It will ensure a Green and sustainable overall economic growth, accountable to every citizen and that honors gender diversity at every administration level.

ii) *Environmental performance*

GTAP have committed in the manifesto to ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

These has been implemented in the party's advocacy on matters environmental conservation and policy formulation ie tree planting and creating awareness.

8. Management Discussion and Analysis

The day-to-day operations of the party have been primarily supported by the dedication of our party officials and members who contribute their time and expertise on a volunteer basis. This volunteer-driven model has been a cornerstone of our operational strategy, allowing us to remain active and effective despite our financial constraints.

The party's reliance on volunteer support extends to our branch levels, where enthusiastic party branch volunteers take the lead in organizing and executing various party activities. This grassroots engagement is vital to our operational effectiveness and allows us to maintain a strong presence across different regions. Our volunteer-driven approach has been instrumental in maintaining our operations and will continue to be a key feature of our operational strategy as we grow and secure more resources.

Recently, acknowledging the need for formal staff to enhance our operational capacity, we have embarked on the formal employment of one administrative staff member. This decision marks a significant milestone in our organizational development and reflects our commitment to gradually building our paid workforce as our financial situation permits.

9. REPORT OF THE NATIONAL EXECUTIVE COUNCIL

The National Executive Council submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Green Thinking Action Party affairs

i) Principal activities

The Party's Principal activity is to strive to establish a government committed to the democratic ideals of rule of law, fairness, social justice, gender equity and equality, affirmative action, voluntary participation, respect for human rights and freedoms, unity of purpose in diversity as well as the national values and principles of governance enshrined in the Country's Constitution.

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on page 1-30

iii) Directors

The National Executive Council who served during the year are shown on page (v).

iv) Auditors

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

By order of the National Executive Council



Lone Felix
SECRETARY GENERAL

10. STATEMENT OF NATIONAL EXECUTIVE COUNCIL RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and require the National Executive Council to prepare financial statements in respect of that Green Thinking Action Party which give a true and fair view of the state of affairs of the Green Thinking Action Party at the end of the financial year and the operating results of the Green Thinking Action Party for that period. The National Executive Council are also required to ensure that the Green Thinking Action Party keeps proper accounting records which disclose with reasonable accuracy the financial position of the Green Thinking Action Party. The National Executive Council are also responsible for safeguarding the assets of the Green Thinking Action Party.

The National Executive Council members are responsible for the preparation and presentation of the Green Thinking Action Party financial statements, which give a true and fair view of the state of affairs of the Entity for and as at the end of the financial year ended on June 30, 2023. 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 Entity; (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 Green Thinking Action Party; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The National Executive Council accept responsibility for the Green Thinking Action Party 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 in the manner required by the PFM Act, 2012 and (the State Corporations Act) The National Executive Council are of the opinion that the Green Thinking Action Party financial statements give a true and fair view of the state of Green Thinking Action Party transactions during the financial year ended June 30, 2023, and of the financial position as at that date. The National Executive Committee further confirms the completeness of the accounting records maintained for the Green Thinking Action Party, which have been relied upon in the preparation of the Green Thinking Action Party financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the National Executive Council to indicate that the Green Thinking Action Party will not remain solvent for at least the next twelve months from the date of this statement.

Approval of the financial statements

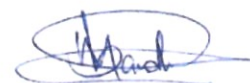
The Green Thinking Action Partys' financial statements were approved by the National Executive Council on 14th September 2023 and signed on its behalf by:



Secretary General



National Chairman



National Treasurer

GREEN THINKING ACTION PARTY
Annual Report and Financial Statements
for the year ended June 30, 2023

11. Statement of Performance against Predetermined Objectives for FY 2022/2023

Green Thinking Action Party has 3 strategic pillars and objectives within the current Strategic Plan for the FY 2022/2023. These strategic pillars are as follows:

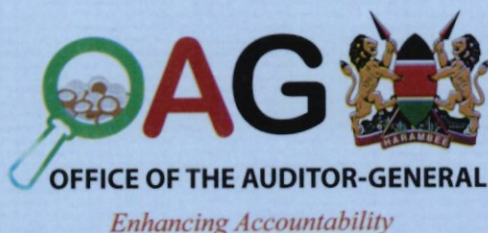
1. Ethical and Effective Governance
2. Sustainable Wealth Generation
3. The Dignity of the Household

GTAP develops its annual work plans based on the above 3 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *party* achieved its performance targets set for the *FY 2022/23* period for its strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Ethical and Effective Governance	Ensure nomination of Candidates with high social and ethical morals	Procedures	Vigorous Nomination Process	One Elected Member
Sustainable Wealth Generation	Effective Party Manifesto	Manifesto	Reviewing Party Manifesto	Good Manifesto
The Dignity of the Household	Effective Party Manifesto	Manifesto	Reviewing Party Manifesto	Good Manifesto

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GREEN THINKING ACTION PARTY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Green Thinking Action Party set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net

Report of the Auditor-General on Green Thinking Action Party for the year ended 30 June, 2023

assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Green Thinking Action Party as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Errors in the Financial Statements

Review of the financial statements prepared and presented for audit revealed the following anomalies:

- i. The annual report and financial statements were not numbered sequentially in Roman numbers.
- ii. The page with acronyms, abbreviations and a glossary of terms was omitted.
- iii. The Chairman, Secretary General and Treasurer of the Party did not sign the statement of changes in net assets and the statement of cash flows.
- iv. The annual report and the financial statements were signed using electronic signatures of the Secretary General, National Chairman and the National Treasurer of the Party.
- v. The financial statements do not have information and appendices on the projects implemented and transfers from other Government entities.

In the circumstances, the financial statements do not comply with the disclosure requirements of the Public Sector Accounting Standards Board (PSASB) template.

2. Lack of Bank Reconciliation Statements

The statement of financial position reflects cash and cash equivalents balance of Kshs.123,990 as disclosed in Note 17 to the financial statements. However, the bank reconciliation statements to support the balance were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.123,990 could not be confirmed.

3. Unreconciled Variance in Rent Expenses

The statement of financial performance reflects rent paid amount of Kshs.1,705,460 as disclosed in Note 13 to the financial statements. However, the rent schedule provided for

audit indicated an amount of Kshs.1,736,400 resulting to an unexplained variance of Kshs.30,940. Further, the respective invoices and receipts to support the rent paid were not provided.

In the circumstances, the accuracy and completeness of rent paid amount of Kshs.1,705,460 could not be confirmed.

4. Unsupported Expenses

The statement of financial performance reflects election expenses of Kshs.969,588 as disclosed in Note 10 to the financial statements. The expenditure includes an amount of Kshs.500,000 paid as agent fees, which lacked signed schedules by the agents. Further, as disclosed in Note 11 to the financial statements, the expenditure for the year includes an amount of Kshs.1,658,480 for the purchase of promotional materials, out of which Kshs.500,000 was in respect to advertisement expenses. However, procurement records used in identification of suppliers, evaluation and awarding of the contract were not provided for audit.

In the circumstances, the accuracy and completeness of election and advertisement expenses amounting to Kshs.1,000,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget income of Kshs.7,129,960 and actual on comparable basis of Kshs.4,540,069 resulting to an under-funding of Kshs.2,589,891 or 36%. Similarly, the Party spent Kshs.4,782,369 against budgeted expenditure of Kshs.7,042,360, resulting to an under-expenditure of Kshs.2,259,991 or 32% of the budget.

The underfunding and the under-expenditure may have affected the planned activities of the Party.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements were submitted on 19 January, 2024 which is later than the expected submission date of 30 September, 2023 by approximately four (4) months. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires Accounting Officers to prepare and submit the annual financial statements for each financial year to the Auditor-General within three months after the end of the financial year to which the accounts relate.

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

2. Failure to Open Party Branch Offices

Audit inspection carried out revealed that the Party has only eleven (11) functional offices. This was contrary to Section 7(f)(iii) of the Political Parties Act, 2011 which requires a political party to be fully registered if it has submitted to the Registrar the location and addresses of branch offices of the political party, in more than half of the Counties.

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

3. Irregular Direct Procurement

The statement of financial performance reflects election expenses amount of Kshs.969,588, promotional materials amount of Kshs.1,658,480 and party programs expenses of Kshs.190,000. However, the expenditure was incurred using direct procurement method without justification, contrary to the provisions of Section 103(2) of the Public Procurement and Asset Disposal Act, 2015. Further, Management did not provide evaluation committee minutes and professional opinions contrary to Section 84 of the Public Procurement and Asset Disposal Act, 2015.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis of Conclusion on Effectiveness of Internal Controls, Risk Management and Governance of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis of Conclusion

Lack of Internal Audit Function

A review of the Party's internal controls and governance revealed that an internal audit unit was not in place during the year. Review of the Party's internal controls and governance structure revealed an internal audit unit was not in place during the year under review. This was contrary to Section 73(1) and 3(b) of the Public Finance Management Act, 2012 which requires every National Government entity to maintain internal auditing arrangements.

In the circumstances, the effectiveness of the internal controls and risk management systems of the Party could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Party's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Party or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit 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 my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable 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 Party's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Party to cease to sustain its services.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Party to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 June, 2024

GREEN THINKING ACTION PARTY
Annual Report and Financial Statements
for the year ended June 30, 2023

12. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Membership Fees	5	11,600	-
Nomination Fees	6	50,000	-
Public contributions and donations	7	4,129,400	-
Political Party Fund	8	349,069	-
		4,540,069	-
Revenue from exchange transactions			
Other income		-	-
Total revenue		4,540,069	-
Expenses			-
Administration Expenses	9	64,580	
Election expenses	10	969,588	-
Promotional Materials	11	1,658,480	-
Depreciation and amortization expense	12	72,169	-
Rent Paid	13	1,705,460	-
Party Programs	14	190,000	-
Audit fees		58,000	-
Transport & Travel	15	33,000	-
Finance costs	16	31,092	-
Total expenses		4,782,369	-
Other gains/(losses)			-
Surplus/ (deficit) before tax			
Taxation		-	-
Surplus/(deficit) for the period/year		(242,300)-	-
Net Surplus for the year			-
Attributable to:		-	-
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling Entity			-
		(242,300)	-

The notes set out on this page form an integral part of these Financial Statements.


Secretary General
Lone Felix

GREEN THINKING ACTION PARTY
Annual Report and Financial Statements
for the year ended June 30, 2023

13. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	17	123,990	-
Receivables from Non-Exchange Transactions	18	57,799	-
Total Current Assets		181,789	-
Non-Current Assets			
Property, Plant and Equipment	19	423,981	-
Total Non- Current Assets		423,981	-
Total Assets		605,770	-
Liabilities			
Current Liabilities			
Trade and Other Payables	20	58,000	-
Total Current Liabilities		58,000	-
Non-Current Liabilities			
Total Liabilities		58,000	-
Net Assets		547,770	
Reserves		-	-
Accumulated Surplus		(242,300)	-
Capital Fund		790,070	-
Total Net Assets		547,770	-
Total Net Assets and Liabilities		547,770	-

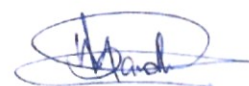
The financial statements set out on these pages were signed on behalf of the National Executive Council on 14th September 2023 by:



Secretary General
Lone Felix



National Chairman
James Otieno Oketch



National Treasurer
Anthony Mbandi

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14. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2023

Description	Ordinary share capital	Reserves	Fair value adjustment reserve	Retained earnings	Capital Fund (Founder Members)	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2021	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-
Founder Member contributions	--	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	-	-	-
As at June 30, 2022	-	-	-	-	-	-
As at July 1, 2022	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-
Founder Member contributions	-	-	-	-	790,070	790,070
(Deficit) Surplus for the year	-	-	-	(242,300)	-	(242,300)
As at June 30, 2023	-	-	-	(242,300)	-	547,770

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15. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Membership fees		11,600	-
Nomination Fees		50,000	-
Political Party Fund		349,069	-
Donations/ Contributions		4,129,400	-
Other income		-	-
Total receipts		4,540,069	-
Payments			
Administration expenses		64,580	-
Election expenses		969,588	-
Promotional materials		1,658,480	-
Rent paid		1,705,460	-
Party Programs		190,000	-
Transport & Travel		33,000	-
Finance costs		31,092	-
Depreciation		72,169	-
Audit Fees		58,000	-
Total payments		4,782,369	-
Cash flows from operating activities		(242,300)	-
Depreciation		72,169	-
Increase in Payables		58,000	-
Decrease in Receivables		(57,799)	-
Net cashflow from operating activities		(169,930)	-
Cashflow from Investing activities			
Purchase of Furniture, Fittings and Computers		(496,150)	-
Net cashflow from investing activities		(496,150)	-
Cash flows from financing activities			
Member contributions in Kind		790,070	-
Net cash flows from financing Activities		790,070	-
Net increase/(decrease) in cash & Cash equivalents		123,990	-
Cash and cash equivalents at 1 July		-	-
Cash and cash equivalents at 30 June		123,990	-

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16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2023

	Original budget	Adjustments	Final budget	Actual on Comparable basis	Performance Difference	Over / Under
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Membership Fees	398,960	-	398,960	11,600	387,360	3%
Nomination Fees	1,240,000	-	1,240,000	50,000	1,190,000	4%
Contributions	5,491,000	-	5,491,000	4,129,400	1,361,600	75%
Political Parties Fund	-	-	-	349,069	(349,069)	-
Total Income	7,129,960	-	7,129,960	4,540,069	2,589,891	64%
Expenses						
Administrative and General expenses	1,788,260	-	1,788,260	64,580	1,723,680	4%
Election Expenditure	2,081,500	-	2,081,500	969,588	1,111,912	47%
Promotional Materials	1,063,000	-	1,063,000	1,658,480	(595,480)	(56%)
Rent	1,736,400	-	1,736,400	1,705,460	30,940	98%
Transport / Travel	373,200	-	373,200	33,000	340,200	9%
Party Programs	-	-	-	190,000	(190,000)	-
Audit fees	-	-	-	58,000	(58,000)	-
Depreciation	-	-	-	72,169	(72,169)	-
Finance costs	-	-	-	31,092	(31,092)	-
Total Expenditure	7,042,360	-	7,042,360	4,782,369	2,259,991	-
Surplus for the period	87,600		87,600	(242,300)	329,900	68%

17. Notes to the Financial Statements

1. GENERAL INFORMATION

Green Thinking Action Party Entity was formed by and derives its authority and accountability from Political Parties Act. The Entity is wholly domiciled in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note pages.

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

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41,</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

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Standard	Effective date and impact:
Financial Instruments	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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Notes to the Financial Statements (Continued)

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

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

- iii. *Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year.

Notes to the Financial Statements (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The *Party* recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities 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 *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 *Entity*.

Interest income

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

Dividends

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

Rental income

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the *Entity* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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 a 30-year period

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Property, plant and equipment

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

e) Leases

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Intangible assets

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

g) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Financial instruments

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

a) Financial assets

Classification of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Provisions

Provisions are recognized when the *Entity* 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 *Entity* 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) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

l) Contingent liabilities

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

m) Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Borrowing costs

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

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

s) Related parties

The *Entity* regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *Entity*, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers

t) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) 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, 2023.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. MEMBERSHIP FEES

Description	2022-2023	2021-2022
	KShs	KShs
Membership Fees		
Ordinary Membership Fees	600	-
Bronze Membership Fees	1,000	-
Gold Membership Fees	10,000	-
Total Membership Fees	11,600	-

6. NOMINATION FEES

Description	2022-2023	2021-2022
	KShs	KShs
Nomination Fees		
Elgeyo Marakwet By-election Nomination fees	50,000	-
Total Nomination Fees	50,000	-

7. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2022-2023	2021-2022
	KShs	KShs
Public Contributions and donations		
Party leader donation	800,000	-
Founding Members contributions	2,724,100	-
National Executive Council Contribution	300,000	-
Other donations	305,300	-
Total Contributions & Donations	4,129,400	-

8. POLITICAL PARTY FUND (GOVERNMENT)

Description	2022-2023	2021-2022
	KShs	KShs
Political Party Fund		
Government Political Fund received	291,270	-
Owing from Government As at 30.06.2023	57,799	-
Total Political Party Fund	349,069	-

GREEN THINKING ACTION PARTY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. ADMINISTRATION EXPENSES

Description	2022-2023	2021-2022
	Kshs	Kshs
Mobile transaction charges	28,500	-
Phone Airtime	36,080	-
Total Administration expenses	64,580	-

10. ELECTIONS EXPENSES

Description	2022-2023	2021-2022
	Kshs	Kshs
Sound system	170,000	-
Purchase of helmets	54,288	-
Agent Fees	500,000	-
Secretariat Meals & Accommodation	63,300	-
Nomination Fee Refund	50,000	-
County Representative Airtime	72,000	-
Nairobi Road Show	60,000	-
Total Election cost	969,588	-

11. PROMOTIONAL MATERIALS

Description	2022-2023	2021-2022
	Kshs	Kshs
Payment for Reflectors	602,040	-
Payment of Aprons	290,000	-
Payment for Flyers	256,000	-
Advertisement	500,000	-
Gazette notice	10,440	-
Total	1,658,480	-

12. DEPRECIATION & AMORTIZATION EXPENSES

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant & Equipment	72,169	-
Total Depreciation & Amortization	72,169	-

GREEN THINKING ACTION PARTY
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13. RENT PAID

Description	2022-2023	2021-2022
	Kshs	Kshs
July 2022- June 2023	1,705,460	-
Total Rent Expense	1,705,460	-

14. PARTY PROGRAMS

Description	2022-2023	2021-2022
	Kshs	Kshs
Purchases of Lessos & Aprons	72,000	-
Tree seedlings	50,000	-
Preparation of Holes	20,000	-
Venue & refreshments	38,000	-
Secretariat fuel	10,000	-
Total Party program expenses	190,000	-

15. TRANSPORT & TRAVEL

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of Landcruiser	30,000	-
Car Fuel	3,000	-
Total Transport & Travel	33,000	-

16. FINANCE COSTS

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank charges	31,092	-
Total Finance Costs	31,092	-

GREEN THINKING ACTION PARTY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. CASH AND CASH EQUIVALENTS

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balance	123,990	-
Cash in Hand	-	-
Total Cash and Cash Equivalents	123,990	123,990

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Ecobank		123,990	-
Grand Total		123,990	-

18. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Receivables		
Accrued Transfers from Government	57,799	-
Total Current Receivables	57,799	-

The party was owed Kshs 57,799 as at 30.06.2023, receivable from the Political Parties Fund through the Registrar of Parties.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At July 1 2021	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 30th June 2022	-	-	-	-	-	-
Additions	-	-	-	438,150	58,000	496,150
Disposals	-	-	-	-	-	-
As at 30th June 2023	-	-	-	438,150	58,000	496,150
Depreciation And Impairment						
At 1 July 2022	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
As At 30th 2023	-	-	-	-	-	-
Depreciation	-	-	-	54,769	17,400	72,169
Disposals	-	-	-	-	-	-
As at 30th June 2023				54,769	17,400	72,169
Net Book Values						
As at 30th June 2022	-	-	-	-	-	-
As at 30th June 2023	-	-	-	383,381	40,600	423,981

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. TRADE PAYABLES & ACCRUALS

Description	2022-2023	2021-2022
	Kshs	Kshs
Audit Fees	58,000	-
Trade Payables & Accruals	58,000	-

