

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF




THE AUDITOR-GENERAL

ON

COAST INSTITUTE OF TECHNOLOGY

FOR THE YEAR ENDED

30 JUNE, 2023

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 06 MAR 2025	
DAY: Thursday	
TABLED BY:	Hon. Naomi Wago MP Deputy Majority Party Whip
CLERK-AT THE-TABLE:	A. Shabaka



COAST INSTITUTE OF TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2023

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

COAST INSTITUTE OF TECHNOLOGY

Annual Reports and Financial Statements for the Period ended June 30th, 2023

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
ITI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

Provide a list of Acronyms and glossary of terms used in the financial report as per above example (The list to be exhaustive)

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2. Key Entity Information and Management

(a) Background information

Coast Institute of Technology was incorporated/established under the TVET Act on 1981 by the government to provide business and technical skills. The Institute is domiciled in Kenya in Taita Taveta County, Voi town, just about 150km north of Mombasa and 350 km from the Nairobi City. The institute is under the Ministry of Education. CIT is built on a 42 acres piece of land registered by the TVETA as per the TVET Act 2013. The institute implements TVET-CDACC, KICD, KASNEB, ABE and City & Guilds curriculum in all its fields as developed and examined by TVET-CDACC, KNEC, KASNEB, ABE and City & Guilds respectively. CIT is staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET.

The expansion and reforms witnessed in technical and vocational training has been necessitated by Kenya's objective of industrialization as contained in the Vision 2030 and the MDGs. For these to be realized, it is imperative to develop and effectively utilize the country's human, physical and financial resources. The Kenya Vision 2030 blue print recognizes human resource development as key to rapid development. Highly trained and flexible human resource that has the relevant knowledge and skills requires sustained and continuous Training and training of content developed and implemented in close consultation with industry.

CIT has two campuses. The town campus is situated in the central business district of Voi Town. The main campus is situated in the rich tourism region of Tsavo and its proximity to the various hotels, Camps and The Tsavo National Park that makes CIT an ideal campus for the type of training it offers. The Main campus offers both residential and off Campus training. The institute has well equipped training restaurants, a tourist class hotel which is still under construction. This facility is intended to serve both as a training facility and as an incubation facility serving other clients in search of quality and affordable hospitality services. The institute has also established a food processing factory that produces food products to the local community at the same time offering the much-needed hands on experience to the hospitality and Institutional management trainees.

(b) Principal Activities

The principal activity of the Institute is to provide technical, vocational, entrepreneurship training and research.

Vision:

To be a Centre of Excellence in Technical Training, Education, Science and Technology in Kenya and beyond.

Mission:

To provide relevant high-quality education and training in science and Technology for sustainable development.

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Core Values

- i. Uprightness and honesty
- ii. Transparency and accountability
- iii. Integrity
- iv. Respect for change
- v. Prudent environmental management
- vi. Professionalism
- vii. Respect for cultural diversity
- viii. Provision of equal opportunities for all
- ix. Respect for human dignity

Motto

Skills for Self-reliance

Quality policy

As an ISO certified institution, Coast Institute of Technology is committed to providing affordable, accessible, and sustainable and quality training by ensuring our services are effective and efficient and meet the customer needs and expectations. The Institute is committed to complying with requirements of ISO 9001:2015 Quality Management Systems. To achieve this, the Institute has established Quality Objectives which shall be reviewed from time to time for continuous improvement.

The key Quality Objectives are to:

- Achieve and maintain a level of quality training which enhance the institutions' reputation with customers.
- Ensure compliance with the TVET Act 2013 and other relevant statutory and safety requirements.
- Endeavour to always maximize customer satisfaction.

The Mandate of CIT is to:

- i. Produce morally upright, relevant, high quality and competitive graduates to the job market.
- ii. Enhance the Training and working environment.
- iii. Optimize utilization of human and physical resources in the institute.
- iv. Increase capacity for training, research and consultancy services in line with changing technology.
- v. Improve exploitation of locally available resources for innovation.
- vi. Improve and maintain linkages and collaboration with industries.
- vii. Enhance the utilization of ICT in training and management of the institution.
- viii. Increase access taking into account gender balance and regional disparities.

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(c) Key Management

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

- Governing board
- Accounting officer
- Deputy principal administration
- Deputy principal academics
- Registrar
- Dean of students

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal.	Stephen Ngome Gofwah
2.	Deputy principal Administration, Finance and Planning.	Martin Makokha
3.	Deputy principal Academics.	Gloria Monikombo
4.	Registrar.	Geoffrey Nyambeche
5.	Dean of students.	Dickens Odum
6.	Head of Finance.	Nashon Mchemi
7.	Head of Procurement.	Asenath Bwana

(e) Fiduciary Oversight Arrangements

• Audit and Risk Management Committee

Roles.

Review Annual reports and financial statements.

Review the Quarterly Internal Audit reports, Internal Audit policies and Risk management policies.

• Administration, Finance and Human Resources Committee

Roles.

Review draft Annual budgets and report to the full Board.

Review Annual reports and quarterly financial statements.

• Academic, Research, Innovation and Student Affairs Committee

Roles.

Formulate, review and recommend academic policies for implementation.

• Planning, Estates and Infrastructure Committee

Roles.

Recommend infrastructural developments to be undertaken annually.

Review infrastructural implementation policies.

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Key Entity Information and Management (Continued)

(f) Entity Headquarters

Coast Institute of Technology
P.O. Box 34-80300
Sofia, Tsavo Road
Voi, Kenya

(g) Entity Contacts

Telephone: 0202169229/ 041 2011393
E-mail: voicampuscit@yahoo.com
Website: www.cit.ac.ke

(h) Entity Bankers

1. Kenya Commercial Bank
Voi Branch
P.O. Box 137-80300
Voi, Kenya.

3. Equity Bank
Voi branch
P.O Box 325-80300
Voi, Kenya

2. Co-operative bank
Voi Branch
P.O. Box 770-80300
Voi, Kenya.

4. Diamond Trust bank
Voi Branch
P.O. Box 055-80300
Voi, Kenya





(i) Independent Auditors

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

(j) Principal Legal Adviser





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

3. The Board of Governors

<p>1.</p> 	<p>Danson Woresha Mghenyi</p>	<p>Name: Danson Woresha Mghenyi DOB: 16/10/1951 Position: Chairman of the Board Qualifications: Bachelor of Science in Hospitality Management. Work Experience: Until His Appointment as a the Board Chair, He worked as an Office Manager at Voi Constituency, Hotel General Manager at Utalii, and has served many senior position in Hotel Industry Locally and Internationally.</p>
<p>2.</p> 	<p>Eugene Mdamu Maghanga.</p>	<p>Name: Eugene Mdamu Maghanga DOB: 30/04/1980 Position: Board Member. Qualifications: B.sc-Mechanical Engineering, Master of Engineering in Nuclear power plant engineering. Work experience: He is a Senior Engineer, Geothermal training centre at KENGEN Olkaria, He has also worked in the Kenya Defence Forces as a specialist technical officer and rose to the rank of a Captain. He is a registered with the Engineering board of Kenya, Institute of Engineers of Kenya and a member of Geothermal Association of Kenya.</p>
<p>3.</p> 	<p>Pamela Munala Ndengu, HSC</p>	<p>Name: Pamela Munala Ndengu DOB: 21/01/1964 Position: Board Member. Qualifications: B.A-Social Work, MA-Sociology, PhD (Ongoing). Work experience: She is currently the Deputy, compliance and quality Assurance, previously worked as Deputy director, board management services and has headed several Senior Position in Public Service Commission, Office of the President, Nairobi city Council, Ministry of Local Government and Office of the Attorney General.</p>
<p>4.</p> 	<p>Mr. Julius Mosoti.</p>	<p>Name: Mr. Julius Mosoti DOB: 19/06/1963 Position: Board Member. Qualifications: CPA (K), BA (Finance & Accounting Option), MBA. Work experience: He is a Lead consultant at Julmeric Management Consultancy Limited. Has vast experience in Audit and is also a member of IIA (Institute of Internal Auditors-Kenya)</p>



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5.	<p>Elizabeth Katio Ndonge.</p> 	<p>Name: Elizabeth Katio Ndonge. DOB: 23/01/1983 Position: Board Member Qualification: Diploma IMIS (Kenya School of Monetary Studies), International Advanced Diploma in Computer Studies (IADCS) (Computer Pride Training Centre), B.Sc. Business Information System (Middlesex University), M.Sc. Public Health-Health Information Management (ongoing) (KU). Work experience: She is currently doing business, but she has previously worked as an ICT Supervisor at Kenya National Bureau of Statistics (KNBS) during the census period, as well as Data Officer at the Population Services Kenya (PSK) and Family Health International as a Data Assistant.</p>
6.	<p>Simon Omondi Oloo</p> 	<p>Name: Simon Omondi Oloo DOB: 22/08/1972 Position: Board Member. Qualifications: HND-system analysis, BA (Political science and Sociology), MA (Resource mobilisation and Project Management) and PhD (Education Governance). Work experience: Assistant direct of research-ICF, Chapter Leader- Kenya Red Cross, Administrator-Umbrella Widows and Orphans and Director Technology and innovation- Dell Masters.</p>
7.	<p>Peter Kiama Maina</p> 	<p>Name: Peter Kiama Maina DOB: 1960 Position: Board Member. Qualifications: Higher National Diploma, mechanical Engineering- Plant option, Executive MBA. Work Experience: Currently managing his Business in Nairobi.</p>
8.	<p>Pamphil Mwakio Mwashinga</p> 	<p>Name: Pamphil Mwakio Mwashinga DOB: 07/09/1970 Position: Board Member Qualifications: Bachelors of Arts Work experience: He is a Representative of the County Government of Taita Taveta and the Chief of Staff. Has vast experience in Teaching and Management. He was the Principal Sagalla International Talent Academy (SITA)</p>

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9.	Mr. Edward Mburu. 	Name: Edward Mburu DOB: 09/11/1965 Position: PS Representative to the Board Qualifications: MSc IT Management, BSc Electrical Engineering Work experience: Serves as the Deputy Director TVET and Chair of KEBS National tertiary committee.
10.	Mr. Stephen Ngome. 	Name: Stephen Ngome Position: Principal/CEO Qualifications: Bachelor's Degree Work experience: Served previously as the Principal at Ahmed Mwidani TVC, Mombasa

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4. Management Team

1	<p>Mr. Stephen Ngome</p> 	<p>Name: Stephen Ngome Position: Principal/CEO Qualifications: Bachelor's Degree Work experience: Served previously as the Principal at Ahmed Shahame Mwidani TVC, Mombasa.</p>
2	<p>Mr. Martin Makokha</p> 	<p>Name: Martin Makokha Position: Deputy Principal Administration, Finance and Planning Qualifications: Masters Degree Work experience: Served previously in the capacity of HOD Business department at CIT.</p>
3	<p>Md. Laura Machi Abedi</p> 	<p>Name: Md. Laura Machi Abedi Position: Deputy Principal Academics Qualifications: Masters Degree Work experience: Served previously as the Deputy Dean of students, Deputy Coordinator Performance Contract (PC) and Head of Department Hospitality and Tourism Department at Coast Institute of Technology.</p>
4	<p>Mr. Geoffrey Nyambeche</p> 	<p>Name: Geoffrey Nyambeche Position: Registrar. Qualifications: Bachelor degree Work experience: Served previously as the Deputy registrar at Coast Institute of Technology.</p>
5	<p>Mr. Dickens Odum</p> 	<p>Name: Dickens Odum Position: Dean of Students. Qualifications: Masters Degree. Work experience: Served previously as the HOD Tourism Department, CIT.</p>
6	<p>Mr. Nashon Mchemi, CPA</p> 	<p>Name: Mr. Nashon Mchemi, CPA Position: Finance officer. Head of Finance Department. Qualifications: B Com (Finance option), CPA (K), Accountancy Diploma. Work experience: Served for seven years as the CIT finance officer.</p>

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7	Mrs. Asenath Bwana 	Name: Asenath Bwana Position: Procurement Officer. Head of Procurement and stores Department. Qualifications: B.Sc. Procurement Work experience: She has over several years' experience in Procurement, having worked at the Kisii Teaching & Referral Hospital and the Institute of Human Resource Management (IHRM).
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5. Chairman's Statement

On behalf of the Institute Board of Governors, I am pleased to present to you the Coast Institute of Technology Annual Reports and financial statements for the year ended 30th June 2023. During the period, the institute continued to deliver on our core mandate of provision of quality technical educational and training (TVET), research and community outreach, that is market driven and well aligned with the big four agenda.

The government of Kenya has embarked on a comprehensive reform on technical and vocational training in order to develop highly skilled manpower to provide the technical skills needed by the industry. The national plans and other strategic priorities have consistently placed emphasis on development of skills that match the industry requirements. Coast Institute of Technology reviewed the strategic plan (2019 - 2023) on the basis of the vision 2030 and the BETA agenda of the government as outlined in the constitution of Kenya 2010. I recognize with much appreciation the critical role that TVET's play in building the foundation which will move this country to a fully industrialized economy.

During the F/Y year 2022/2023, the Institute projected to focus on increasing student enrollment, improvement of infrastructure and human resource to support teaching, learning and research. In that spirit the institute completed and launched a 12 no Classroom Project which has eased congestion in the existing classrooms. There have been improvements including tiling and replacement of asbestos roofs of the classroom blocks and installation of whiteboards to replace the traditional blackboards. This has made the classrooms more conducive for learning.

Finally, I wish to acknowledge with gratitude the Government of Kenya, through the Ministry of Education for its goodwill and immense support to the institute as it strives to implement its strategic goals and objectives. I also wish to appreciate the vital support that we have continued to receive from our development partners, students, customers, staff and sponsors. The Board of Governors shall continue to provide the much-needed resources, advice and foresight to support the Institute and ensure it grows to the next level.

D.M.W

.....
Mr. Danson Woresha Mghenyi

Chair of the Board of Governors

DATE *12/02/2025*

6. Report of the Principal

Dear Stakeholder,

Coast Institute of Technology has positioned itself as a leading technical training institution in the region. In line with the Institute growth aspirations, the strategic plan (2019-2023) was reviewed in the year 2019 based on the vision 2030 and the BETA agenda of the Government of Kenya as outlined in the constitution of Kenya 2010. Our commitment is to improve service delivery, efficiency and leadership.

The Institute's core values of uprightness, honesty, transparency, accountability, integrity, and respect for change, prudent environmental management, professionalism, respect for cultural diversity, provision of equal opportunities for all and respect for humanity have played a great role in realizing the Institute's dream of impacting skills for self-reliance.

The college planned for and embarked on infrastructural development in order to increase access to technical education. This was achieved by the completion and the commissioning of the 12 no classroom project, improvements in the classrooms and installation of ICT equipment to help curb the increasing number of students and facilitate the introduction of e-learning through the Jitume Project.

Key project

The institution is currently not undertaking any major project but is planning on continuing with the Phase III placing and paving of roads and Major Construction of the Proposed Modern Administration block this depend on funding from external partners majorly; The Government of Kenya, County Government, CDF and other Donors

Operational and Financial Performance

The Institute is committed to deliver on its key mandate of provision of quality education, training, and research. The financial year 2022/2023 recorded a surplus of **Kshs 35,205,768** compared to the financial year 2021/2022 which recorded a surplus of **Kshs 78,311,463**. The net surplus for the year reduced due to failure of GoK to disburse Quarter 4 capitation funds

Compliance with Statutory Requirements

During the Financial Year under review, the Institute complied with most of its statutory obligations including compliance with Public Procurement and Regulatory Authority (PPRA) requirements; and remittance of PAYE, NHIF, NSSF, Pensions and HELB recovery within the stipulated deadlines. However, the College had compliance issues for the year under review on the Standard levy penalties where the penalty stands at **Kshs 994,169.85** after paying the first instalment of Kshs 150,000 this was KEBS for the bakery.

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Major risks and challenges facing the institute

Coast Institute of Technology continues to face pressure on existing resources due to inadequate learning infrastructure caused by the increase in student enrollment. The teaching and non-teaching staff to student ratio remains low. Budgetary constraints have contributed to stalled projects including the Phase II of the Centre of Excellence Complex comprising of 2 restaurants and 4 conference facilities, which is in dire need of funding to realize the aspired benefits. Inadequate funds arising from failure by the government to remit the capitation for Quarter Four and also the reduced capitation disbursement from Kshs 7,500 per quarter to Kshs 5,000, and Kshs 4,000 for quarter 1st, 2nd and 3rd respectively contributed greatly in failure to achieve some of the budgetary plans for the year.

Future outlook

We look forward to harnessing the ISO 9001:2015 certification and strategic plan (2019 - 2023) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrollment in the future, attain adequate staffing levels, teaching and non-teaching and improve learning infrastructure. Our ultimate objective is to acquire National polytechnic status. CIT as a result of the Covid-19 pandemic through the help of the Board of Governors has managed to roll out an e-learning platform to benefit residential and ODEL students. This has also been facilitated by training of teaching staff and technicians on the needs of the online platforms.

Conclusion

I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

I commend the Board, Management and staff for their tireless efforts and commitment to the attainment of the institute goals. I am truly honored to serve alongside you as we endeavor to redefine the role played by CIT and TVETs and drive the Institute towards realizing its vision, strategic goals and objectives.

On behalf of Board, Management, Staff and Students, I would like to appreciate the support accorded to Coast Institute of Technology by the GOK through The National Treasury & the Ministry of Education, State Department for Vocational and Technical Training. We look forward to your continued support and commitment.


Mr. Stephen Agome Gofwa
Principal/Secretary BOG

Date.....12/2/2025

7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Coast Institute of Technology develops its annual work plans based on 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2022/2023 period for its 4 strategic pillars, as indicated in the table below:

Strategic Pillar		Objective	Key Performance Indicators.	Activities	Achievements
Pillar 1:	Human Resource Development	To improve human resource capacity	Number of additional BOG staff engaged.	Employ more BOG staff	Additional BOG staff employed.
Pillar 2:	ICT	To fully integrate ICT in the Institute.	Number of ICT Equipment purchased and installed.	Purchase additional ICT equipment for the Institute. Train staff on needs of ICT.	ICT equipment purchased. More staff and technicians trained under the ODEL/LMS project.
Pillar 3:	Gender and youth development	To develop responsible youth to contribute to national development.	Number of Drug and substance Abuse and HIV/AIDS sensitization forums conducted.	Conduct Free medical camps, talks on Drug abuse Put free condoms at every strategic point in the institution	Information on drugs and substance abuse and HIV/AIDS provided by the Guidance and Counselling office.
Pillar 4:	Education and training	New and modern methods of Training enhanced	Introduce modern ICT learning and training methods.	New modern methods of Training enhanced.	Modern Training techniques in place such as online classes.

8. Corporate Governance Statement

Coast Institute of Technology is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Governors, management, staff and students conduct the business of the organization. As a public organization dedicated to providing quality service to its stake holders, the Institutes decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, Corporate Governance Guidelines Board and Board Committee Charters. The Institute endeavors to develop, strengthen and sustain the trust that the Government, employees, students and general public has placed in it. The Board of Governors is committed to regular evaluation of national and international emerging standards in a responsible, transparent and efficient management, with a view of enhancing corporate governance at the Institution and consistently deliver on its statutory mandate.

Role of the Board of Governors

The primary function of the Board of Governors is to provide effective strategic leadership and direction to enhance the long-term achievement of the Institute's strategic plan. The strategic plan overall objective is to enhance the achievement of the institute's objectives on priority basis and in line with the policies of the Ministry of Education (MOE), the Vision 2030 and the BETA agenda of the government.

The Board Size, Composition and Independence

The Board of Governors is made up of 10 members. Its composition draws a perfect mix of Qualifications, skills, experience, training and proficiencies in various fields.

Board Remunerations

The non-executive Board members earn sitting allowances for every meeting attended. Governor's fees are paid to non-executive Board members who do not represent any Government institution.

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The Board had four committees constituted as follows:

Name of the Committee	Members
1. Audit and Risk Management committee.	1. Pamela Munala Ndengu- Chairman 2. Simon Omondi -member 3. Eugene Maghanga-member
2. Administration, Finance and Human Resources Management committee.	1. Julius Mosoti – Member 2. Peter Kiama –member 3. Elizabeth Katio Ndongye -member
3. Academic, Research, Innovation and Student Affairs Committee	1. Simon Omondi Oloo- chairman 2. Pamphil Mwakio -member 3. Julius Mosoti-member.
4. Planning, Estates and Infrastructure Committee.	1. Peter Kiama- Chairman 2. Eugene Maghanga- member 3. Elizabeth Katio Ndongye- member

Board members are appointed by the Ministry of Education and serve a maximum of two terms of three years each. Board remuneration is in the form of sitting allowances for physical and virtual meetings attended. Subsistence/per Diem and transport allowances are paid depending on their geographical locations.

9. Management Discussion and Analysis

Coast Institute of Technology continues to be the leading technical training institution in the region. In line with the Institute growth aspirations, the strategic plan (2019-2023) was reviewed in 2019. The strategic plan was reviewed on the basis of the vision 2030, the BETA Agenda and other strategic priorities of the government as outlined in the constitution of Kenya 2010.

The Institute's core values have played a great role in realizing the Institute's dream of impacting skills for self-reliance. The college has since embarked on infrastructural development in order to increase access to quality technical education. The Institute has completed and opened a 12 no. Classroom project that has helped to ease congestion. Other repair and maintenance works have also been done in the existing classrooms and hostels to ensure that the students stay in a conducive environment.

During the Financial Year, the Institute complied with its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF, Pension and HELB within the stipulated deadlines. However, the College had compliance issues for the quarter under review on the Standard levy penalties where the penalty stands at **Kshs 994,169.85** after paying the first instalment of Kshs. 150,000 this was KEBS for the bakery.

Coast Institute of Technology continues to face pressure on existing resources due to inadequate learning infrastructure caused by the increasing student enrolment. Budgetary constraints have contributed to stalled projects. Phase II of the Centre of Excellence Complex comprising of 2 restaurants and 4 conference facilities are in dire need of funding to realize the aspired benefits. Inadequate funding from the Ministry of Education also led to some of the projects being unachievable.

The teachers and non-teaching staff to student ratio remains low. The College has since completed the Construction of a 12 number Classroom Project which has helped accommodate the increasing number of students. The college also runs a bakery and has introduced a driving school to help raise additional income to the institute.

We are looking forward to harnessing the ISO 9001:2015 certification and strategic plan (2019 - 2023) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrolment, attain adequate staffing levels and improve learning infrastructure. Our ultimate objective is to acquire Polytechnic status. CIT as a result of the Covid-19 pandemic through the help of the Board of Governors has rolled out an e-learning platform to benefit both residential and ODEL students.

I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

10. Environmental and Sustainability Reporting Statement

Coast Institute of Technology exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant technical and practical training, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

The management of Coast Institute of Technology through its Board of Directors is committed towards achieving sustainability in its operations. They have put in measures to ensure minimal interference and maximum focus towards achieving its strategic goals. The management has put in great strides to gain political goodwill that is vital for the existence, growth and expansion of the institution. There have been engagements with local leaders on issues affecting the institute.

Environmental performance

Coast Institute of Technology continues to take an interest in environmental conservation and management. It boasts a strong department managing environmental conservation, engaging in activities such as tree planting activities at least once every term, an activity that brings on board both the management and the students.

The students also participate in tree planting and waste collection and management activities within the surrounding environments including Voi town area especially during the college community days in an attempt to speed up environmental conservation and keep the environment safe.

The Institute is also in the process of developing an extensive Environmental management QMS manual that will serve to guide its operations and seek to fill the gaps in management of the environment.

Employee welfare

Human Resource development remains a major strategic pillar of Coast Institute of Technology. The institute has a strong Human Resource department that works closely with the administration and board of directors to ensure quality staff additions to the institution. Staff are hired on merit through a thorough recruitment process starting from the advertisements to shortlisting to interviews.

The Institute staff gender ratio is balanced with people with disabilities and women given priority during the recruitment process. Staff are continually appraised as this helps to improve their efficiency with promotions done when necessary. Outstanding members of staff are awarded during the college open days for their performances.

Members of staff operating in essential areas such as food processing and food handling undergo medical examinations and certification annually, funded by the organisation in an attempt to comply with the health and safety Act. The institute also undergoes Health and safety checks done

by the County Government department of health services to ensure its environments are fit for stay.

Market place practices.

a) Responsible competition practice.

The institute ensures adherence to principles of fair competition as outlined in the constitution. It also creates awareness and has made tremendous efforts in the fight against corruption through sensitization forums and corruption reporting boxes installed at strategic places. The institute conducts its activities and engagements in respect to the community values but does not bend to any political influence as it seeks to provide equal opportunities to all. There is an open and transparent registration and recruitment process.

b) Responsible Supply chain and supplier relations.

The institute has committed to maintain good working relationships with its creditors by ensuring equal and fair treatment when it comes to award of tenders. It also operates in line with the public procurement laws. Creditors are paid on time following availability of funds. The creditors are however required to provide high quality goods and services.

c) Responsible marketing and advertisement.

The Institute has continued to conduct extensive marketing of its services through legal and reputable print, audio and visual media sources. There has also been road shows and door to door distribution of brochures as it strives to have a personal touch with the outside community and clients. Prompt feedback and good customer relationships also enables the institute to maintain a good relationship with its customers

d) Product stewardship.

The institute offers high quality accredited academic programs and has highly qualified trained personnel. Students are given an equal opportunity to participate in sports, games and other extra-curricular activities. The institute has a dispensary and a trained nurse in an attempt to ensure access to emergency healthcare. Staff are given an equal opportunity in their career advancements by attending seminars, workshops and trainings.

Corporate Social Responsibility / Community Engagements

In line with its mission and values, Coast Institute of Technology is sensitive to the impact of our activities on our students, employees, partners and other stakeholders, as well as on the community and its environment.

The College is committed to maintaining standards, respect and accountability across all its activities, including: treating employees fairly and with respect, support staff development through allowing staff to attend trainings and workshops, volunteering in community, county, and national government activities

The college has the founders' seed bursary, an initiative that seeks to empower needy students from within Taita Taveta County. The bursary allocates Kshs 500, 000 towards the selected beneficiaries.

The student council has a budget allocated towards a community day where students visit children's homes within Voi and the Coast region. The students also engage in cleaning exercises and tree planting within and around Voi town during environmental days in coordination with partners such as the KWS, Lumo Conservancy and the Red Cross.

Most of the students reside within Sofia and around Voi town. This has boosted local investments especially through construction of more hostels, rental houses and food joints.

The College purposes to continue collaborating with all stakeholders on issues that benefit the development of the country, growth of industries as well as giving back to the society. CIT therefore shall continue to play its crucial role towards attainment of vision 2030 and the BETA Agenda as spelt out clearly in the Government priorities areas under the social, political and economic pillars.

COAST INSTITUTE OF TECHNOLOGY

Annual Reports and Financial Statements for the Period ended June 30th, 2023

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Institute's affairs.

Principal activities

The principal activity of the entity is to provide relevant and high-quality technical education, training and research.

Results

The results of the entity for the year ended June 30 2023 are set out on page xiii.

Board of Governors

The members of the Board who served during the year are shown on page viii and ix. During the year 2023 the board term expired three members were retained to serve second term they include; Mr Julius Mosoti, Mr Simon Oloo and Peter Kiama, new members included Pamela Munalo, Elizabeth Ndengu, Eugene Maghanga and Mr Pamphil Mwashinga

Auditors

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

By Order of the Board

.....
Mr Stephen Ngome Gofwa *S. Kalama*
Secretary of the Board

Date... *12/2/2025*

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act of 2013 require the board to prepare financial statements in respect of Coast Institute of Technology, which give a true and fair view of the state of affairs of Coast Institute of Technology at the end of the financial year and the operating results of the entity for that year. The board is also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Coast Institute of Technology. The board is also responsible for safeguarding the assets of the College.

The board is responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of Coast Institute of Technology 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 Coast Institute of Technology; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board accepts responsibility for Coast Institute of Technology 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 Technical and Vocational Education and Training Act of 2013. The board is of the opinion that Coast Institute of Technology financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the Institute's financial position as at that date. The board further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the Coast Institute of Technology financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

COAST INSTITUTE OF TECHNOLOGY

Annual Reports and Financial Statements for the Period ended June 30th, 2023

Approval of the financial statements

Coast Institute of Technology financial statements were approved by the Board on 28/09/2023 2023 and signed on its behalf by

Name: Mr. Danson Woresha Mghenyi

Signature..... 

Chairperson of the Board

Name: Mr. Stephen Ngome Gofwa

Signature..... 

Accounting Officer/Principal 12/2/2025

REPUBLIC OF KENYA



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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COAST INSTITUTE OF TECHNOLOGY 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 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 Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

The accompanying financial statements of set out on pages 1 to 44, which comprise the statement of financial position as at 30 June, 2023 and the statement of financial

performance statement of changes in net 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, have been audited on my behalf by EJ & Associates LLP, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Coast Institute of Technology 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 do not comply with the and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Cash and Cash Equivalents

The statement of financial position and Note 16 to the financial statements reflects a balance of Kshs. 40,423,214 in respect of cash and cash equivalents. Review of bank reconciliation statements for the three (3) bank accounts reflects deposits in the bank statement not in the cash book totalling Kshs.476,570 consisting of KCB main account Kshs.413,960, Cooperative bank account Kshs.11,500 and Equity bank account Kshs.51,110. However, no explanation was provided for failure to capture the transactions in the cash book as recorded in the bank reconciliation statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.40,423,214 could not be confirmed.

2. Inaccurate General Ledger and Trial Balance

The statement of financial position reflects total assets and total net assets and liabilities of Kshs.982,826,485. However, review of the general ledger and trial balance shows that all the items in the statement of financial position were omitted and the general ledger was not updated. Further, the trial balance as at 30 June, 2023 erroneously includes the opening balances of cash and cash equivalents as at 1 July, 2022 of Kshs.29,021,442 held in seven (7) bank accounts.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed

3. Inaccurate Balance for Receivables from Exchange Transactions

The statement of financial position and Note 17 to the financial statements reflects current portion of receivables from exchange transactions of Kshs.283,465,766. Review of the

balance as reported in the previous year shows that receivables totalling Kshs.35,176,307 had been outstanding for over three (3) years. However, the balance was omitted from the current year's closing balance and no evidence was provided to show that the amount was received in full or written off as bad debts during the year.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.283,265,766 could not be confirmed.

4. Property, Plant and Equipment

The statement of financial position and Note 19 to the financial statements reflects property, plant and equipment's balance of Kshs.651,507,977. Review of the documents provided for audit revealed the following:

4.1. Capitalization of Non-qualifying Assets

The entity's finance policy states that qualifying assets whose values fall below Kshs.10,000 are not to be capitalized but recognized as part of the institute's inventory. However, a total of 31 items from the list of additions during the year with a cumulative value of Kshs.192,475 each costing below Kshs.10,000 were capitalized against the Institute's finance policy.

4.2. Application of Incorrect Depreciation Rates

The Institute's finance policy stipulates specific depreciation rates which should be applied to determine depreciation charge on fixed assets. However, it was noted that Management applied erroneous depreciation rates from those in the finance policy on plant and equipment and motor vehicles at 15% and 20% instead of 10% and 25% respectively. The use of incorrect rates resulted to overstatement of depreciation of plant and machinery by Kshs.4,626,060 and understatement of motor vehicles by Kshs.418,966 resulting to overall misstatement of property, plant and equipment by Kshs.4,207,094.

4.3 Omission of Library Books from the Assets

The balance of property, plant and equipment excludes an unknown value of books held in the Institute's library. Management explained that the value of books has never been determined or estimated for financial reporting purposes.

In the circumstances, the accuracy, completeness and valuation of property, plant and equipment's balance of Kshs.651,507,977 could not be confirmed.

5. Overstatement of Use of Goods and Services Expenses

The statement of financial performance and Note 11 to the financial statements reflect Kshs.164,095,458 in respect of use of goods and services expenses. However, the expenditure includes Kshs.315,405 relating to the financial year 2021/2022 erroneously

reported as expenditure for the current financial year contrary to the accrual basis of accounting used to prepare the financial statements.

In the circumstances, the accuracy and completeness of the use of goods and services balance of Kshs.164,083,055 could not be confirmed.

6. Unsupported Expenditure on Use of Goods and Services

The statement of financial performance and Note 11 to the financial statements reflects expenditure of Kshs.164,083,055 on use of goods and services. The amount includes Kshs.643,000 which was not supported by payment vouchers, invoices, delivery notes, receipts and stores invoice vouchers.

In the circumstances, the accuracy and completeness of the use of goods and services expenditure of Kshs.164,083,055 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Coast Institute of Technology 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 adverse opinion.

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. Except for the matters described in the basis of adverse opinion section, I have determined that there were no other key audit matters to report in the year under review

Other Information

The Board of Governors are responsible for the other information set out on page v to xxvi which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors, Statement of Board of Governors Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required

to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Adverse Opinion, I confirm that the Other Information is materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Encroachment on Institute's land

The statement of financial position and Note 18 to the financial statements reflects property, plant and equipment balance of Kshs. 126,000,000 in respect to land measuring approximately 42 acres. However, review of records and discussion with management, revealed that a portion of the land has been encroached by squatters. Although Management explained that the matter has been reported to the parent Ministry for legal

assistance, no evidence of action taken by the Ministry was provided for audit confirmation.

In the circumstances, the Institute risks losing land which might hinder its operations and future expansion plans thus impacting negatively on service delivery to the public.

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

Responsibilities of the Management and the Board of Governors

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 controls 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 governance.

In preparing the financial statements, the Management is responsible for assessing the Institute'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 Management is aware of the intention to cease operations.

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

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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 February, 2025

COAST INSTITUTE OF TECHNOLOGY

Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for the year ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	126,771,200	158,701,200
Total Revenue from non-exchange transactions		126,771,200	158,701,200
Revenue from exchange transactions			
Rendering of services- Fees from students	7	221,214,556	215,335,594
Sale of goods	8	24,566,387	25,865,427
Rental revenue from facilities and equipment	9	87,600	408,350
Other income	10	2,127,375	1,922,435
Revenue from exchange transactions		247,995,918	243,531,806
Total revenue		374,767,118	402,233,006
Expenses			
Use of goods and services	11	164,083,055	130,008,869
Employee costs	12	137,269,481	141,212,370
Remuneration of directors	13	4,931,000	4,987,600
Depreciation and amortization expense	14	29,209,688	32,956,835
Repairs and maintenance	15	4,068,126	14,755,868
Total expenses		339,561,350	323,921,542
Surplus/(Deficit) for the Year		35,205,768	78,311,464

The Financial Statements set out on pages 1 to 44 were signed by:

D.M.W
.....
Chairman of Council/Board

[Signature]
.....
Finance Officer
ICPAK No 25495

[Signature]
.....
Principal *S. Kalama*

Date *12-02-2025*

Date *20/12/2024*

Date *12/2/2025*

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

15. Statement of Financial Position as at 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	40,423,214	29,021,441
Current portion of receivables from exchange transactions	17(a)	283,465,766	235,134,201
Inventories	18	4,631,747	1,853,005
		328,520,727	266,008,647
Non-current assets			
Property, plant and equipment	19	651,204,977	673,680,493
Intangible assets	20	3,100,781	4,134,375
		654,305,758	677,814,868
Total assets		982,826,485	943,823,515
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	33,248,669	29,998,369
Refundable deposits from customers	22	4,046,616	3,498,716
Total liabilities		37,295,285	33,497,085
Net assets			
Capital Reserves		311,637,296	311,637,296
Accumulated funds		291,891,841	256,687,074
Revaluation reserve		317,207,202	317,207,202
Capital fund		24,794,858	24,794,858
Total		945,531,197	910,326,430
Total net assets and liabilities		982,826,482	943,823,515

The Financial Statements set out on pages 1 to 44 were signed by:

D. M. W

Chairman of Board

D. M. W

Finance Officer
 ICPAK No 25495

S. Kalang

Principal

Date: *12/02/2025*

Date: *20/12/2024*

Date: *12/12/2025*

16. Statement of Changes in Net Asset for the year ended 30 June 2023

	Capital Reserves	Accumulated surplus	Revaluation Reserve	Capital fund	Total
At July 1, 2019	321,039,780	128,368,760	-	24,794,858	474,203,398
Revaluation gain	-		317,207,202	-	317,207,202
Fair value adjustment on quoted investments					-
Total comprehensive income	-	(12,589,432)		-	(12,589,432)
Capital/Development grants received during the year					-
Transfer of depreciation/amortization from capital fund to retained earnings	(9,402,484)	-	-	-	(9,402,484)
At June 30, 2020	311,637,296	115,779,328	317,207,202	24,794,858	769,418,684
At July 1, 2020	311,637,296	115,779,328	317,207,202	24,794,858	769,418,684
Revaluation gain	-			-	-
Fair value adjustment on quoted investments	-			-	-
Total comprehensive income	-	62,596,282		-	62,596,282
Capital/Development grants received during the year	-			-	
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	-
At June 30, 2021	311,637,296	178,375,610	317,207,202	24,794,858	832,014,966
At July 1, 2021	311,637,296	178,375,610	317,207,202	24,794,858	832,014,966
Revaluation gain	-			-	

COAST INSTITUTE OF TECHNOLOGY**Annual Reports and Financial Statements for the Period ended June 30th, 2023**

Fair value adjustment on quoted investments	-			-	
Total comprehensive income	-	78,311,463		-	78,311,463
Capital/Development grants received during the year	-			-	
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	-
At June 30, 2022	311,637,296	256,687,073	317,207,202	24,794,858	910,326,429
At July 1, 2022	311,637,296	256,687,073	317,207,202	24,794,858	910,326,429
Revaluation gain	-			-	
Fair value adjustment on quoted investments	-			-	
Total comprehensive income	-	35,204,768		-	35,204,768
Capital/Development grants received during the year	-			-	
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	-
At June 30, 2023	311,637,296	291,891,841	317,207,202	24,794,858	945,531,197

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

17. Statement of Cash Flows for the year ended 30 June 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		49,250,000	81,180,000
Rendering of services- Fees from students		186,048,370	86,765,010
Sale of goods		24,632,494	20,134,974
Rental revenue from facilities and equipment			308,350
Other income			1,922,435
Total Receipts		259,930,864	190,310,769
Payments			
Compensation of employees		59,748,281	63,369,350
Use of goods and services		173,778,105	104,587,788
Remuneration of Directors		4,931,000	4,987,600
Repair and maintenance		4,068,126	14,755,868
Total Payments		242,525,513	187,700,606
Net cash flows from operating activities	23	17,405,351	2,610,163
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(6,003,579)	(42,120,024)
Net increase/(decrease) in cash and cash equivalents		11,401,772	(39,509,861)
Cash and cash equivalents at 1 JULY 2022	16	29,021,441	73,751,627
Cash and cash equivalents at 30 JUNE 2023	16	40,423,214	29,021,441

The Financial Statements set out on pages 1 to 44 were signed by:

<i>D.M.W</i>	<i>[Signature]</i>	<i>[Signature]</i>
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No 25495	
Date: <i>12/02/2025</i>	Date: <i>20/12/2024</i>	Date: <i>12/2/2025</i>

COAST INSTITUTE OF TECHNOLOGY

Annual Report and Financial Statements for the year ended 30th June 2023

18. Statement of Comparison of Budget & Actual amounts for the year ended 30th June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2022-2023	2022-2023	2022-2023	2020-2021	2020-2021	2020-2021
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	96,000,000		96,000,000	126,771,200	(30,771,200)	(24)
Rendering of services- Fees from students	160,420,000		160,420,000	219,155,407	(58,735,407)	(27)
Sale of goods	44,720,000		44,720,000	23,845,794	20,874,206	88
Rental and hire of facilities income	624,000		624,000	87,600	536,400	612
Other income	3,750,000		3,750,000	2,127,375	1,622,625	76
Total income	305,514,000		305,514,000	371,987,376	(66,473,376)	(18)
Expenses						
Compensation of employees	51,516,000	-	51,516,000	137,269,481	(85,753,481)	(62)
Use of Goods and services	233,398,000		233,398,000	164,095,458	69,302,542	42
Repair and maintenance	15,600,000		15,600,000	4,068,126	11,531,874	283
Remuneration of directors	5,000,000		5,000,000	4,931,000	69,000	1
Total expenditure	305,514,000		305,514,000	310,364,066	(4,850,066)	(2)
Surplus for the period				61,623,310		

19. Notes to the Financial Statements

1. General Information

Coast Institute of Technology is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of Technical Education.

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and Impact.
<p>IPSAS 41: Financial Instruments</p>	<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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <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.

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<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> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>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.</p> <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 guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p>

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	<ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
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>
<p>IPSAS 44:</p> <p>Non- Current Assets Held for Sale and Discontinued Operations</p>	<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 institute did not early-adopt any new or amended standards in year 2023.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income 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.

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.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on **31st January 2022**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section **XVII** of these financial statements.

c) Taxes

Current income tax

The Institute is exempt from paying taxes.

Sales tax/ Value Added Tax

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

- 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.
- 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.

Notes to the Financial Statements (Continued)

d) 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 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.

e) 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Institute. 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 Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) 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.

h) Research and development costs

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- 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)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) 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:

- Raw materials: purchase cost using the weighted average cost method
- 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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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.

k) Provisions

Provisions are recognized when the Institute 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 Institute 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.

Contingent liabilities

The Institute 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.

Contingent assets

The Institute 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 Institute 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)

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

The Institute 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.

o) 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.

p) 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

The Institute 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 principal and senior managers.

r) Service concession arrangements

The Institute analyses all aspects of service concession arrangements that it enters into 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.

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Institute'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.

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 Institute 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 values

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

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

Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

COAST INSTITUTE OF TECHNOLOGY**Annual Report and Financial Statements for the year ended 30th June 2023****Notes to the Financial Statements (Continued)****6. Transfers from other National Government entities**

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional grants		
Capitation grants	49,250,000	73,407,500
Operational grant		15,955,000
Grant In Kind	77,521,200	-
Total government grants and subsidies	126,771,200	89,362,500

The grant in kind is the amount recognised for trainers of PSC VTT Department as salaries

(a) Transfers from other Government entities (Categorized)

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2022-2023
Ministry of Education	-	-	-	-	126,771,200
Total					126,771,200

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7. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition fees	71,153,982	73,214,118
Activity fees	7,427,000	7,935,350
Industrial attachment fees	6,759,050	7,176,180
Library fees	17,930	8,700
Registration fees	272,300	268,900
Boarding fees	5,778,790	4,627,115
Centre fees		10,300
Course uniform	16,800	21,000
Development fund	4,608,300	4,646,730
E.W.C	7,141,730	7,736,580
Field practical fees	1,150,300	1,473,500
L.T& T	6,728,100	7,245,660
Personal emolument	19,153,370	20,518,360
Practical's	7,373,350	6,573,982
R.M. I	4,002,830	3,892,215
Tour	28,800	224,000
Tuition-P	70,300	110,000
Application fees	98,100	130,620
Damages	314,575	158,526
Graduation Fees	1,315,500	1,426,370
Student ID	410,023	398,800
Graduation	1,000	582,030
Teaching practice	4,600	16,500
Library fine	68,444	99,405

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Data bundle-online classes	14,700	9,600
Packages	676,650	614,250
Student benevolent	1,562,750	1,458,000
Student council	2,093,900	2,189,510
Examination	25,531,141	20,447,110
Bursary Fund	47,425,541	41,871,043
ICT Fees		150,000
Miscellaneous	13,700	101,140
Total revenue from the rendering of services	221,214,556	215,335,594

These are amounts charged to students based on an approved fee structure. The amount paid by each student depends on the nature of the course and the module.

8. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Seminars	9,709,443	13,331,815
Bakery	6,375,195	6,944,677
Catering	3,245,885	2,537,757
Farm income	196,653	473,773
Other production units	204,181	-
Project income		
hairdressing sales		1,900
IM Sales	111,865	145,480
Poultry Sales	915,495	1,459,585
Dairy Farm	11,930	19,440
Driving School Income	3,717,590	951,000
Meals & Accommodation fee	78,150	
Total revenue from the sale of goods	24,566,387	25,865,427

These are revenue received from the institute's production units.

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9. Rental revenue from facilities and equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of facilities and equipment	33,600	234,350
Rent Income	54,000	174,000
Total	87,600	408,350

10. Other Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Disposal of assets	68,455	
Tender sales		7,000
KATTI regional activity	2,017,670	1,748,855
Other income	41,250	10,080
KATTI Coast Regional TVET Fair		78,000
Clubs		78,500
Total other income	2,127,375	1,922,435

11. Use Of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Development fund expenses	-	-
Teaching and learning materials	6,149,193	9,490,691
Industrial attachment costs	5,004,700	6,697,673
Electricity, Water and fuel	10,801,334	9,142,651
Subscriptions	687,100	1,062,290
Advertising- Enrollment and marketing	3,794,866	3,093,468
Exam expenses	471,000	1,616,873
Audit fees	500,000	1,000,000
Catering, Conferences, and delegations	7,793,585	7,883,434
Conferences, and delegations-seminar expenses	7,564,159	11,241,423

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TVET fairs and shows	288,120	1,217,096
Insurance	1,080,395	852,975
Tours expenses		159,816
Grant expenditure	3,700,821	-
Medical expenses	2,065,845	2,828,755
Tuition-P expenses	1,020,000	
Internet expenses-telecommunication	1,718,957	1,701,680
Boarding equipment and stores	2,041,185	2,981,652
Farm expenses	432,381	1,587,562
Bakery expenses	5,827,584	5,512,119
practical expense	8,467,711	14,338,035
Student Activity expense	4,176,017	2,589,498
Production unit expenses	1,841,796	1,550,352
Mentee	370,000	10,031,536
Town campus expenses	2,800,820	3,816,293
Graduation expenses	330,101	1,701,394
Tender expenses	60,000	61,500
Covid response expenses	899,354	4,554,049
Miscellaneous	517,125	1,209,775
Driving school	1,145,750	767,438
Student council	4,886,259	5,758,278
Examination fees	23,317,930	-
Bursary Funds	42,583,398	
Students IDs		415,650
KATTI Regional activity expenses	1,638,140	1,473,100
Student Benevolent fund expenses	856,700	52,800

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KATTI Coast Regional activity exp	60,000	431,821
Solar Power		412,830
Other general exp		1,122,948
Staff development	223,520	2,363,949
ISO	467,570	1,067,300
Club expenses	137,600	23,000
Capacity building	1,568,531	6,602,535
Student refund		656,000
Seminar		23,500
Library expenses	87,975	
Gender mainstreaming	103,089	
Guiding & Counselling	1,583,250	
Poultry expense	2,183,906	915,130
Performance Contract exp	154,530	
Foods and Refreshments	29,425	
Newspapers, Airtime, Postage and DSTV/ZUKU EXPENSES	686,317	
Office of Career Services	194,520	
Tagging of Assets and master plan, vehicle inspection & PSV	1,423,500	
Staff Uniform	172,090	
Security	445,535	
Total good and services	164,083,055	130,008,869

These comprise expenses incurred in the daily running of the institute.

COAST INSTITUTE OF TECHNOLOGY**Annual Report and Financial Statements for the year ended 30th June 2023****12. Employee Costs**

	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	34,451,843	31,302,087
Employee related costs - contributions to pensions and medical aids-Nssf, Nhif and paye	13,335,310	24,178,397
Travel, motor car, accommodation, subsistence and other allowances-LT T	11,961,128	8,210,686
Salaries for PSC Trainers	77,521,200	77,521,200
Employee costs	137,269,481	141,212,370

Includes wages and other employee costs.

Amount recognized for trainers of PSC VTT Department as salaries.

13. Board of Governors Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria		
Directors' emoluments	4,931,000	4,987,600
Other allowances		
Total director emoluments	4,931,000	4,987,600

These are payments made to the Board of Governors as allowances.

14. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	28,176,094	30,317,164
Intangible assets	1,033,594	1,378,125
Total depreciation and amortization	29,209,688	31,695,289

These constitute depreciation and amortisation charged on assets at approved rates.

15. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, equipment and machinery	1,857,510	10,448,921
Electricals and mechanicals	784,277	1,853,005
Motor Vehicles	1,101,881	854,156
Environment and beautification	324,458	771,777

COAST INSTITUTE OF TECHNOLOGY

Annual Report and Financial Statements for the year ended 30th June 2023

Other		88,019
Total repairs and maintenance	4,068,126	14,015,878

Expenses include repair, maintenance and improvement costs incurred.

16. Cash and Cash Equivalents

		2022-2023	2021-2022
Financial institution	Account number	Kshs	Kshs
a) Current account			
Co-operative bank-	01129220357100	6,403,722	1,796,921
Diamond trust bank-	0255123001	4,028,645	2,560,249
Equity Bank-	0790299323142	10,464,201	4,399,361
Kenya commercial bank-	1104806185	1,302,469	1,263,000
Kenya commercial bank-	1119962285	18,014,236	17,345,862
Sub- total		40,213,273	27,365,392
e) Others			
Cash in hand	0	102,160	600
Mobile Money account-	4030613	107,781	1,655,449
Sub- total		209,941	1,656,049
Grand total		40,423,214	29,021,441

17. Receivables from Exchange transactions

17(a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current receivables		
Student debtors	274,689,376	230,625,644
Rent debtors	100,000	100,000
Trade debtors	7,465,896	3,200,840
Imprest	1,210,494	1,207,717
Total current receivables	283,465,766	235,134,201

These include fee arrears from students, rent arrears from staff and Imprests.

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Annual Report and Financial Statements for the year ended 30th June 2023

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	83,307,872	29	106,266,956	45
Between 1- 2 years	106,266,956	38	35,244,512	15
Between 2-3 years	35,244,512	12	58,446,426	25
Over 3 years	58,446,426	21	35,176,307	15
Total (a+b)	283,265,766	100	235,134,201	100

18. Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Catering stores	364,685	-
Bakery	395,940	151,973
Farm stores	332,683	379,381
Consumable stores	1,815,969	1,241,211
Electrical stores	135,492	
Laboratory stores	276,375	
Health unit stores	148,711	90,440
Seminar stores	159,183	
Building dept stores	180,510	
Hair dressing & beauty dept	28,280	
Hospitality dept	387,139	
Boarding	34,030	
Grounds	163,600	
Repair & maintenance	192,600	
Library	16,550	
Total inventories at the lower of cost and net realizable value	4,631,747	1,853,005

These constitute estimates of closing inventory at year end.

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

	Land	Building	Pavement s	Computer s	Furniture	Plant M.E	Motor Vehicles	Textbook s	Work-in- Progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
	0%	2%	2%	30%	10%	15%	20%			
Cost or valuation										
At 1 July 2019	126,000,000	408,000,000		12,194,620	11,962,935	135,950,159	5,321,000		-	699,428,714
Additions									-	
Disposals									-	
Transfers/adjustments									-	
At 30th June 2020	126,000,000	408,000,000		12,194,620	11,962,935	135,950,159	5,321,000		-	699,428,714
Additions										
Disposals										
Accumulated Depreciation	-	8,160,000		3,658,386	1,196,294	20,392,524	1,064,200		-	34,471,403
At 30th June 2020	126,000,000	399,840,000		8,536,234	10,766,642	115,557,635	4,256,800		-	664,957,311
.2020/2021										

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At 1 July 2020	126,000,000	408,000,000	-	12,194,620	11,962,935	135,950,159	5,321,000	-	-	699,428,714
Additions during the year	-			2,356,070	99,500	100,000	3,892,105		23,063,945	29,511,620
at 30 June 2021	126,000,000	408,000,000	-	14,550,690	12,062,435	136,050,159	9,213,105	-	23,063,945	728,940,334
Accumulated Depreciation										
At 1st July 2020	-	8,160,000		3,658,386	1,196,294	20,392,524	1,064,200	-		34,471,404
Depreciation	-	7,996,800		3,267,691	1,086,614	17,348,645	1,629,781			31,329,532
At 30 June 2021		16,156,800		6,926,077	2,282,908	37,741,169	2,693,981			65,800,936
At 30th June 2021	-									
Net book values										
At 30th June 2021	126,000,000	391,843,200	-	7,624,613	9,779,527	98,308,990	6,519,124	-	23,063,945	663,139,398
2021/2022										
Cost										
At 1st July 2021	126,000,000	408,000,000	-	14,550,690	12,062,435	136,050,159	9,213,105	-	23,063,945	728,940,334
Additions during the year	-	36,041,230		4,436,898	934,376	8,255,111	3,955,027		23,063,945	30,558,697

COAST INSTITUTE OF TECHNOLOGY

Annual Report and Financial Statements for the year ended 30th June 2023

Additions during the year	-	4,516,892	6,886,185			158,250			-	11,561,327
At 30 June 2022	126,000,000	448,558,122	6,886,185	18,987,588	12,996,811	144,463,520	13,168,132	-	-	771,060,358
Accumulated depreciation										
At 1 July 2021	-	16,156,800	-	6,926,077	2,282,908	37,741,169	2,693,981	-	-	65,800,936
Depreciation	-	8,648,026	137,724	3,618,453	1,071,390	16,008,353	2,094,830	-	-	31,578,776
At 30th June 2022	-	24,804,826	137,724	10,544,530	3,354,298	53,749,522	4,788,811	-	-	97,379,712
Net book values										-
At 30th June 2022	126,000,000	423,753,296	6,748,461	8,443,058	9,642,513	90,713,998	8,379,321	-	-	673,680,646
2022/2023										
Cost										
At 1 July 2022	126,000,000	448,558,122	6,886,185	18,987,588	12,996,811	144,463,520	13,168,132	-	-	771,060,358
Additions during the year	-			2,010,285	1,443,300	2,281,975		268,019		6,003,579
	-								-	-
At 30 June 2023	126,000,000	448,558,122	6,886,185	20,997,873	14,440,111	146,745,495	13,168,132	268,019	-	777,063,937

COAST INSTITUTE OF TECHNOLOGY
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Accumulated depreciation										
At 1 July 2022	-	24,804,826	137,724	10,544,530	3,354,298	53,749,522	4,788,811	-	-	97,379,712
Depreciation	-	8,475,066	134,969	3,136,003	1,108,581	13,949,396	1,675,864			28,479,879
At 30th June 2023	-	33,279,892	272,693	13,680,533	4,462,880	67,698,918	6,464,675	-	-	125,859,591
Net book values	-	-								
At 30th June 2023	126,000,000	415,278,230	6,613,492	7,317,340	9,977,231	79,046,577	6,703,457	268,019	-	651,204,346

**Property, plant and Equipment's were valued in June 2020 by GoInvest Limited, Independent Valuers, on the basis of Current market value. The carrying amount of the assets was credited to the Revaluation reserve in line with Accrual basis of Accounting method under the International Public sector accounting standards (IPSAS) During the year the College recorded new assets and work in progress(W-In-P) was recognised as part of the building since the classroom project was 100% complete, the college renovated the dining hall, Caterers office, kitchen and classrooms this were recognised as part of building as per IAS 16.16(b). The college uses the following rates for its depreciation; Building -2%, Pavements- 2%, Computers- 30%, Furniture's- 10%, Plant ME- 15%, and Motor vehicles- 20%, the College applies reducing balance method of depreciation*

Included in this amount is Kshs 126,000,000 recorded as land owned by the institution measuring 46 acres under leasehold for 99 years. A portion measuring approximately 0.604 Ha (1.5 Acres) had been encroached by private developers. This is a major potential risk on the Asset.

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

20. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost	25%	25%
At beginning of the year	5,512,500	5,512,500
Additions		
At end of the year	<u>5,512,500</u>	<u>5,512,500</u>
Accumulated Amortization		
At 1 July	1,378,125	0
Amortization	<u>1,033,594</u>	<u>1,378,125</u>
At end of the year	<u>2,411,719</u>	<u>1,378,125</u>
Net book amount		
At end of the year	<u>3,100,781</u>	<u>4,134,375</u>

A record of the intangible assets held at year end.

21. Trade and Other Payables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade payables	(315,405)	2,948,097
Trade payables for previous	-	4,577,288
Fees paid in advance	33,564,074	21,972,984
Employee advances		-
Audit fees	-	500,000
Other payables		
Total trade and other payables	33,248,669	29,998,369

These include amounts owed to creditors, fee prepayments and audit fee.

Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	13,570,061	40	14,086,832	47
1-2 years	4,082,476	12	15,911,537	53
2-3 years	15,911,537	47		

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

Over 3 years	-	0	-	
Total (to tie to totals above)	33,564,074	100	29,998,369	100

22. Refundable Deposits from Customers/Students

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumer deposits		
Caution money	4,046,616	3,498,716
Other refundable deposits		
Total deposits	4,046,616	3,498,716

These include funds held as refundable deposits from students.

Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	572,900.00	14	498,716	14
1-2 years	472,100.00	12	3,000,000	
2-3 years	3,001,616.00	74		
Over 3 years				
Total (to tie to totals deposits above)	4,046,616.00	100	3,498,716	100

23. Cash generated from operations

	2022-2023	2021-2022
	Kshs	Kshs
	32,413,622	78,311,463
Adjusted for:		
Depreciation	29,209,688	32,956,835
Working Capital adjustments		
Increase in inventory	-	11,713,115
Increase in receivables	(48,331,565)	(128,394,625)
Increase in payables	4,113,605	2,803,049
Net cash flow from operating activities	17,405,350	(2,610,163)

24. Financial Risk Management

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

The institute's financial risk management objectives and policies are detailed below:

(i) Credit risk

The institute has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by

COAST INSTITUTE OF TECHNOLOGY**Annual Report and Financial Statements for the year ended 30th June 2023****Notes to the Financial Statements (Continued)**

The institute's management based on prior experience and their assessment of the current economic environment.

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	247,137,972	247,137,972		
Bank balances	29,021,441	29,021,441		
Total	276,159,413	276,159,413		
At 30 June 2023				
Receivables from exchange transactions	283,465,766	283,465,766		
Bank balances	40,423,214	40,423,214		
Total	323,888,980	323,888,980		

44. Financial Risk Management (Continued)**(i) Credit risk (continued)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	8,025,385		-	8,025,385
Other payables	21,972,984		-	21,972,984
Total	29,998,369			29,998,369
At 30 June 2023				
Trade payables	10,349,107		-	10,349,107
Other payables	23,214,967		-	23,214,967
Total	33,564,074			33,564,074

(iii) Market risk

The institute has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The institute's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the institute's exposure to market risks or the manner in which it manages and measures the risk.

COAST INSTITUTE OF TECHNOLOGY
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Notes to the Financial Statements (Continued)

a) Interest rate risk

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

Management of interest rate risk

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

b) Interest rate risk(continued)

Sensitivity analysis

The institute analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

IV) Capital Risk Management

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

	2022-2023	2021-2022
	Kshs	Kshs
Capital Reserves	311,637,296	311,637,296
Accumulated funds	289,100,695	256,687,074
Revaluation reserve	317,207,202	317,207,202
Capital fund	24,794,858	24,794,858
Total	942,740,051	910,326,430

25. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

Government of Kenya

The Government of Kenya is the principal shareholder of the institute, holding 100% of the institute's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

The transactions and balances with related parties during the year are as

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
B) Purchases from related parties		
Purchases of electricity from KPLC & Tavevo water	7,141,730	9,142,651
Total	7,141,730	9,142,651
a) Grants /Transfers from the Government		
Grants from National Govt	49,250,000	81,180,000
Grants in Kind- PSC Trainers Salaries	77,521,200	77,521,200
Total	126,771,200	158,701,200
b) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for PSC Trainers Employees	77,521,200	77,521,200
Total	77,521,200	77,521,200
c) Key Management Compensation		
Directors' emoluments	4,931,000	4,987,600
Total	4,931,000	4,987,600

COAST INSTITUTE OF TECHNOLOGY

Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

26. Events After The Reporting Period

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

27. Ultimate And Holding Entity

The entity is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

28. Currency

The financial statements are presented in Kenya Shillings (Kshs).

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

20. Appendices

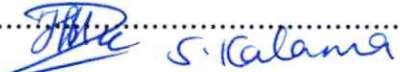
Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

.....

Mr. Stephen Ngome Gofwa 12/2/2025
Accounting Officer
Principal/Secretary BOG
Date

COAST INSTITUTE OF TECHNOLOGY
Annual Report and Financial Statements for the year ended 30th June 2023

Appendix III- Inter-Entity Confirmation Letter



COAST INSTITUTE OF TECHNOLOGY
P. O BOX 34-80300
VOI

The Ministry of Education wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.


Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education (Kshs) as at 30th June 2023				Total (D)=(A+B+C)	Amount Received by CIT (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
FT22297SQPCG	24.10.2022	18,730,000	0	0	18,730,000	18,730,000	0	
FT23026QPFBS	26.01.2023	15,260,000	0	0	15,260,000	15,260,000	0	
FT23180M21G8	29.06.2023	15,260,000	0	0	15,260,000	15,260,000	0	
Total		49,250,000	0	0	49,250,000	49,250,000	0	

COAST INSTITUTE OF TECHNOLOGY
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I confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of CIT:

Name: Nashon Luge Mchemi

Sign:  **Date:** 20/12/2024

