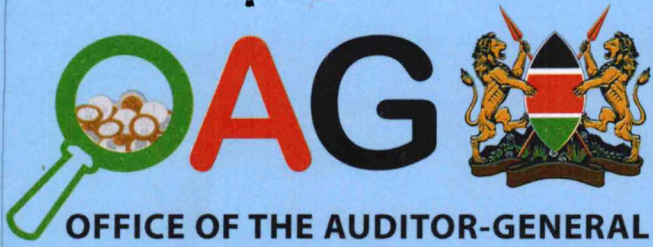


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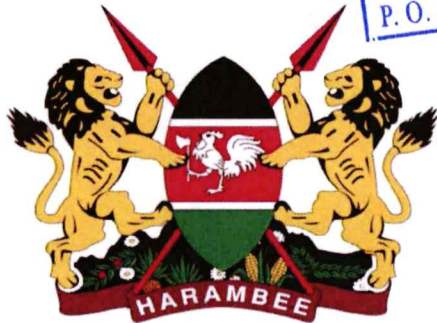
**FOR THE YEAR ENDED
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DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

Dedan Kimathi University of Technology
Annual Report and Financial Statements
For the year ended June 30, 2025

Dedan Kimathi University of Technology
Annual Report and Financial Statements
For the year ended June 30, 2025

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

AIA	Appropriation in Aid
BETA	Bottom-Up Economic Transformation Agenda
CBA	Collective Bargaining Agreement
CBES	Centre for Biomass Energy Studies
CEO	Chief Executive Officer
CUE	Commission for University Education
DeKUT	Dedan Kimathi University of Technology
DVC	Deputy Vice Chancellor
EBK	Engineers Board of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IGU	Internally Generated Income
IPSAS	International Public Sector Accounting Standards
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KUCCPS	Kenya Universities and colleges central Placement Services
KUCT	Kimathi University College of Technology
NFM	New Funding Model
OAG	Office of the Auditor General
PFM	Public Finance Management
RIMCL	Research, Innovation & Community Linkages
STEM	Science Technology engineering & Mathematics
STP	Science & Technological Park
VC	Vice Chancellor

B: Glossary of Terms

- i. **Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation
- ii. **Comparative Year-** Means the prior period.

2. Key Entity Information and Management

(a) Background information

Dedan Kimathi University of Technology (DeKUT) was established under the University's Act 2012 by the Government of Kenya in December 2012. It is a Public University that focuses exclusively on Technology and has a Campus based at the Nairobi Central Business District, Pension Towers, along Loita street. It is the successor of Kimathi University College of Technology (KUCT), a constituent college of Jomo Kenyatta University of Agriculture and Technology (JKUAT), which was established in 2007. The University offers a wide range of programmes both at the undergraduate and postgraduate level in various Schools and Institutes.

These include: Computer Science and Information Technology, Engineering, Applied Sciences, Food Science and Technology, Health Science, Business Management and Economics, Geothermal Energy Technology, Geomatics, Geospatial Information Systems and Remote Sensing, Tourism and Hospitality and Technical and Professional Studies. The University also offers diploma and Certificate courses for mid-level technical skills. The programmes offered by the University are approved by Senate and other designated bodies like the Engineers Board of Kenya (EBK) and the Commission for University Education (CUE).

(b) Principal Activities

Deku's mandate is derived from the overriding objectives of university education in Kenya as stipulated in the Universities' Act 2012. These include: -

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realization of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Dissemination of the outcomes of the research conducted by the university to the general community;
- g) Facilitation of life-long learning through provision of adult and continuing education;
- h) Fostering of a capacity for independent critical thinking among its students;
- i) Promotion of gender balance and equality of opportunity among students and employees.
- j) Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

In the discharge of her mandate, the University is further guided by the National Values and Principles of Governance as set out in Article 10 of the Constitution. The University also takes cognizance of other relevant legal, regulatory guidelines and Government Circulars.

Vision

The Vision of the University is to be a premier technological University excelling in quality education, research, and technology transfer.

Mission

The mission of the University is to provide academically stimulating, culturally diverse and quality learning environment that engenders research, innovation and technology transfer for national development.

Motto

Better life through Technology

Philosophy

Dedan Kimathi University of Technology is founded on the belief that self-actualization, and solutions to global challenges are attainable through a spirit of dedication, self-confidence, determination, and best utilization of resources. The Institution also believes in being globally competitive through the employment of global competency skills. To actualize its beliefs and goals, the University is committed to investing in facilities and services that ensure an internationally excellent environment for education and for the furtherance of its aims and objectives.

The ultimate goal of this philosophy is to mould Dedan Kimathi University of Technology into an Institution known for world class research, academic excellence, an exceptional student body, and one that harbours the highest level of innovation, creativity, scholarship and enterprises.

Core Values

Core values constitute the fundamental bedrock beliefs that drive the University. In pursuit of her mission, DeKUT is guided by the following core values: -

1. Innovation
2. Scholarship

3. Diversity
4. Reliability
5. Teamwork

Quality Policy

DeKUT's management and staff are committed to offering quality education, quality research and quality community services through timely and accurate provision of services to the satisfaction of customers and stakeholders.

In pursuit of this commitment, DeKUT has established and communicated a quality management system that complies with requirements of the international standard ISO 9001:2015 and other Government, statutory and professional requirements to all employees, customers and stakeholders. DeKUT continues to improve the effectiveness of the Quality Management System and its strategic objectives through regular review of its QMS in accordance with appropriate quality standards.

Quality Objectives

- 1) To produce quality graduates in line with the University's mandate.
- 2) To generate research and innovations outputs with impact on the national development goals.
- 3) To transfer and commercialize technology from the University, for the benefit of the students, the University and industry.
- 4) To mobilize financial resources to support the University's mandate.

(c) Key Management

Dedan Kimathi University of Technology undertakes its mandate through the following key organs:

- (a) University Council
- (b) Vice-Chancellor
- (c) Management Board; and
- (d) Senate

(d) Fiduciary Management

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

No.	Designation	Name
1.	Vice-Chancellor	Prof. Eng. Peter Ng'ang'a Muchiri
2.	Deputy Vice-Chancellor (Administration & Finance)	Prof. Esther Nkirote Magiri
3.	Deputy Vice-Chancellor (Academic & Research)	Prof. Eddy Elkana Owaga
4.	Registrar (Administration & Finance)	Dr. Paul Koigi Mbote
5.	Ag. Registrar (Academic affairs & Research)	Ms. Elizabeth Njeri King'ori
6.	Head of Finance	CPA. Abraham Mwangi Wachira
7.	Principal Legal Officer	Ms. Nelius Wanjiru Mwangi

(e) Fiduciary Oversight Arrangements

i) Audit Committee Activities

The University Council has an Audit Risk and Compliance Committee that meets every quarter to consider written audit reports by the Chief Internal Auditor. The reports are generated at the conclusion of each quarter and they examine University's strategies and operations. The Committee also discusses the management letter by the Kenya National Audit office and the responses by the University Management at the end of each financial year's audit. The Committee also ensures that corrective actions are taken on internal and external audit recommendations. They also monitor and ensure timely implementation of the recommended corrective actions.

The Committee is also responsible for the implementation of the risk management framework in the University and compliance to statutory laws, rules and regulations. The Committee approves the internal audit work plan for the year and supervises the plan's implementation. They also approve all relevant policies supporting the Audit Risk and Compliance Department.

DeKUT has an established Audit, Risk and Compliance Department which supports this oversight role.

ii) Finance committee activities

The University Council has a Finance Committee which provides oversight and advices on matters relating to the financial position of the University. The Committee meets in every quarter to monitor the University's financial key performance indicators and performance against the annual budget. It also advices Council on the financial performance and sustainability of the University. In the periodic meetings, the Committee also discusses and determines the University's financial policies and regulations that are to be applied in a fiscal year.

At the beginning of each financial year/ the Finance Committee recommends to Council the approval of the annual University's budget and the medium-term financial forecasts which are forwarded to the parent Ministry and to Treasury for approvals and funding. At the end of the financial year, the Committee receives the annual accounts of the University discusses them and recommends their approval to Council.

DeKUT has an elaborate staffing structure and facilities that support the finance operations of the University.

(f) Entity Headquarters

Dedan Kimathi University of Technology,
Resource Centre Building,
Along Nyeri-Mweiga Road
P.O Box 657 - 10100,
Nyeri, KENYA.

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(g) Entity Contacts

Tel: 061-2050000

Email: vc@dkut.ac.ke

Website: www.dkut.ac.ke

(h) Entity Bankers

1. Consolidated Bank Nyeri Branch
P. O. Box 935-10100,
Nyeri-Kenya.
2. Kenya Commercial Bank Nyeri Branch
P.O Box 215-10100,
Nyeri-Kenya.
3. Standard Chartered Bank Nyeri Branch
P. O. Box 1-10100,
Nyeri-Kenya.
4. Equity Bank Nyeri Kimathi Way Branch
P.O. Box75104-10100
Nyeri-Kenya.
5. Family Bank Nyeri Branch
P.O. Box 74145-10100
Nyeri-Kenya.

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

Other Legal Advisors

Ms. Nelius Mwangi
Principal Legal Officer
P.O Box 657 - 10100,
Nyeri, KENYA.

Mr. John Rukioyah
Assistant Legal Officer
P.O Box 657 - 10100,
Nyeri, KENYA.

3. The University Chancellor



General (Rtd) Dr Julius Waweru Karangi has had a distinguished career in the Kenyan military. He joined the Kenya Air Force in 1973, and after cadet training in the UK, he was commissioned as an officer in 1974. After qualifying as a Fight Navigator in October 1975 in the Royal Air Force in England, he was posted to Flying Wing Kenya Air Force, where he worked as a Navigator.

General (Rtd) Dr. Karangi has been trained in Kenya, the United Kingdom (UK), India, and the United States. He has served as an Officer in charge of managing the American Military Aid to Kenya, an Officer in Charge of the Research Department at Defence Headquarters, and Commander of an Air Defence Battalion in Kenya Air Force. He served as a Liaison Officer in Sarajevo (Bosnia), a Senior Military Liaison Officer in Belgrade (Serbia), and a Senior Military Observer in Belgrade and Croatia, all with the United Nations as a peacekeeper in 1992/93. He also served as a Staff Officer in the Kenya Air Force Headquarters in charge of Administration, Personnel and Logistics and as an Instructor at the Defence Staff College and Armed Forces Training College, Lanet.

In 1995, he was appointed the Commander of a Kenya Air Force Base, Moi Air Base. In 1997, he was appointed the Kenya Air Force Logistics Command Commander. In 1998, he was posted to Defence Headquarters. He was appointed Chief Procurement of the Kenya Defence Forces at Defence Headquarters in charge of Training, Doctrine and Procurement for the Kenya Defence Forces.

Gen (Rtd) Dr. Karangi was appointed as the Commandant of Defence Staff College Karen, where he worked between December 2000 and November 2003 in the rank of Major General, after which he was appointed as the Commander of Kenya Air Force and served from November 2003 to 10th August 2005. On 10th August 2005, he was promoted to Lieutenant General and appointed Vice Chief of Defence Force, Defence Headquarters. On 13th July


2011, he was again promoted to General and appointed as the New Chief of Defence Forces (CDF) by President H.E. Mwai Kibaki. His last four years as Chief of Defence Forces of Kenya were “Active-Duty Service” when Kenya deployed her troops in Somalia against Al-Shabaab for the first time in history. He retired from the Kenya Defence Forces (KDF) on 5th May 2015 after 42 years of distinguished military service.

After retirement from military service, General Karangi served as the Chairman of the Board of Directors of the Kenya Airports Authority (KAA) and was the Chairman of the Board of Trustees of the National Social Security Fund (NSSF), the largest pension Fund in the region until 23rd, December 2022 when he was appointed Chairman, National Council for Population and Development (NCPD). General Karangi is a Chairman of the Board of Directors of KCB South Sudan and is also a member of the Board of Directors of the National Bank of Kenya. The General enjoys farming.


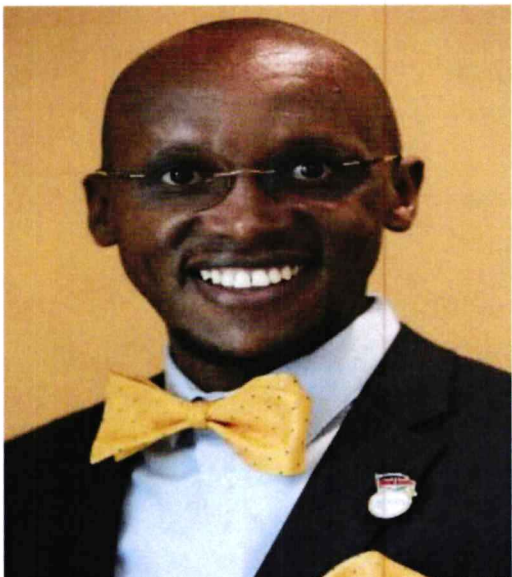
The General holds a Master of Science (MSc) in Security and Risk Management from the University of Leicester (UK). Honorary Doctorate of Humane Letters (Honoris Causa) from Kenyatta University and recipient of the United States of America Award of Degree of Commander, the Legion of Merit (LOM). He is one of the only three (3) Africans to hold this award, the other two being Emperor Haile Sellasie of Ethiopia, and Archbishop Desmond Tutu of South Africa. He also holds National Honours and Awards of Elder of the Order of the Golden Heart (EGH), Chief of the Order of the Burning Spear (CBS), and Distinguished Conduct Order (DCO).

On 1st November 2023, Gen (Rtd) Dr. Julius Karangi was appointed as the second Chancellor of Dedan Kimathi University of Technology by His Excellency the President of the Republic of Kenya, Dr. William Samoei Ruto C.G.H.


4. The University Council Members

Ref	Council Members	Details
1.	<p>Dr. James Kariuki - Council Chairperson</p>  <p>Dr. James Kariuki was born on 10th December 1973. He holds a Doctorate Degree (PhD) in Business Administration specializing in strategic management from Jomo Kenyatta University of Agriculture and Technology and a Master’s Degree in Business Administration specializing in strategic management from the University of Nairobi. In his undergraduate studies at the University of Nairobi, he attained a first-class</p>	<p>He has also undertaken a course on Fiscal Decentralization and Financial Management of Regional and Local Governments at Harvard University, John F. Kennedy School of Government in the USA focusing on expenditure responsibilities by devolved units of government, intergovernmental transfers, principles of financial accountability, transparency and participatory budgeting.</p> <p>He also holds a Diploma in Management Information Systems from the Kenya Institute of Management, skills level accounting qualifications, ACCA Professional Part 1 (The Association of Chartered Certified Accountants) from the KCA University and Desktop Publishing course from Apple Business School.</p> <p>He has over 25 years’ experience in diverse roles in management, 10 years of which he worked for a World Bank funded project in Kenya (Kenya Local Government Reform Programme) that was domiciled in the then Ministry of</p>


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	<p>honour in Mathematics specializing in statistics.</p>	<p>Local Government and over 15 years as a CEO and Business Development Executive of a regional paper converter and processing company.</p>
<p>2.</p>	<p>Ms. Esther Nyamoko Angwenyi- Independent Council Member</p> 	<p>Ms. Esther Nyamoko was born on 10th October 1959. She holds an MBA in International Development from Andrews University, USA, an undergraduate degree in English from University of East Africa, Baraton, Kenya.</p> <p>She has over 10 years' experience in strategic planning, designing academic and social programs. She has worked for University of East Africa, Baraton, Kenya in various roles.</p>
<p>3.</p>	<p>Dr. Davidson Mghanga Mwaisaka - Independent Council Member</p> 	<p>Dr. Davidson Mghanga Mwaisaka was born on 27th January 1983. He is a Certified Public Secretary and an Advocate of the High Court with a Doctor of Business Administration (DBA) (Specializing in Leadership, Corporate Governance and Organizational Change), Master's in Business Administration - Strategic Management and Finance, LL.M - Commercial and International Trade</p>


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		<p>Regulation, Postgraduate Diploma in Law and LL.B. (First Class).</p> <p>He has an experience of over 13 years in corporate and legal practice, 10 years in which he worked with Standard Chartered Bank.</p>
4.	<p>Ms. Pauline Jeruto Kurgat – Independent Council Member</p> 	<p>Ms. Pauline Jeruto Kurgat was born on 16th March 1974. She holds an MBA in Project Planning and Management from the University of Nairobi, an undergraduate degree in English and Literature from Moi University.</p> <p>She has over 23 years’ experience in diverse roles, 16 years’ experience in Policy Execution at National Hospital Insurance Fund and 2 years as a commissioner at the County Public Service Board.</p>


<p>5.</p>	<p>Ms. Lynette Washiali Muganda- Independent Council Member</p>  <p>Ms. Lynette Washiali Muganda was born in the year 1968. She holds MBA (HRM Specialization) from Kenyatta University, a Postgraduate Diploma in Human Resource Management from Maseno University; and a BA (Hons), Economics & Business Studies, from Kenyatta University.</p>	<p>She is a Certified Human Resource Practitioner (CHRP) K. Ms and has a vast experience in conducting HR audits and aligning HR and Administration policies, systems and processes with strategic plans; identifying and supporting change interventions; creating a motivating work environment as well as managing the commitment and contribution of employees in order to increase organisational effectiveness and secure high returns on HR investments.</p> <p>She has previously worked in the office of the Director General, Special Projects; Deputy Director, Human Capital, Kenya Wild Service; the Federation of Kenya Employers; Deloitte & Touché; Intra Health/USAID Funded Project; Kenya Red Cross - (National position); Kenya Sugar Research Foundation among others</p>
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<p>6.</p>	<p>Mr. Calleb Odhiambo Ogot - Council Member</p>  <p>Calleb O. Ogot was born on 18th September, 1965. He holds a Master of Business Administration with concentration in Finance from Kenyatta University; a professional Diploma in Procurement and Supplies from the Chartered Institute of Procurement and Supplies (UK); a bachelor's degree in Education (Economics/Business) from Kenyatta University.</p>	<p>He is a member of the CIPS/Chartered Institute of Procurement and Supplies (UK) and Kenya Institute of Supplies Management (KISM).</p> <p>Currently, serves at the National Treasury and Planning as Senior Deputy Director - Public Procurement Department; He previously worked at the Teacher Service Commission in various capacities including serving as Acting Head of Supply Chain Function, Deputy Director Finance among others. Before joining the TSC Secretariat, he served the Commission in the following capacities: District Staffing Officer; Lecturer, Kitale Technical Training Institute and Moi Institute of Technology. He had a brief stint as Senior Education Officer, Ministry of Education.</p>
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<p>7.</p>	<p>Ms. Christine Mwendu Minyuki - Council Member</p>  <p>Ms. Christine M Minyuki was born on 7th December 1972. She is currently undertaking an Msc. Nutrition at Kenyatta University. She holds a Bed. Home Science & Technology from Moi University and a higher Diploma in Human Resource from Institute of Personnel Development</p>	<p>Ms. Minyuki is Assistant Director of Education in the Ministry of Education, Directorate of Higher Education. She is the PS representative to the University Council</p> <p>She is a Career Educationalist with 25 years' experience as a teacher and Technical Trainer, a registered Trainer with Technical and Vocational Education and Training Authority (TVETA)</p> <p>She is the Current Principal of Kenya College of Supply Chain Management (KCSCM), a certified counsellor, Certified Internal Auditor and a Certified in contract management & negotiation</p> <p>A member of Kenya Women Teachers Association (KEWOTA) and Forum for African Women Educationalists (FAWE)</p>
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<p>8.</p>	<p>Prof. Peter Ng'ang'a Muchiri – Vice Chancellor</p>  <p>Prof. Peter Muchiri was born on 2nd April 1976 Prof. Peter Muchiri attained his PhD in Mechanical engineering from Arenberg Doctoral College in University of Leuven in Belgium.</p>	<p>Later, he did his Post-Doctoral studies in the same University. He holds a Master's Degree in Industrial Engineering & Management from University of Leuven, Belgium and a Bachelor of Science in Mechanical Engineering from Jomo Kenyatta University of Agriculture & Technology (JKUAT), Kenya. He is registered by the Engineers Board of Kenya (EBK) and is a member of Institutions of engineers of Kenya (IEK).</p> <p>Prof. Muchiri is the Vice Chancellor and the secretary to the Council of Dedan Kimathi University of Technology.</p>
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5. University Management Board

	Management	Details
1.	<p>Prof. Peter Ng'ang'a Muchiri - Vice Chancellor</p> 	<p>Prof. Peter Muchiri attained his PhD in Mechanical engineering from Arenberg Doctoral College in University of Leuven in Belgium. Later, he did his Post-Doctoral studies in the same University. He holds a Master's Degree in Industrial Engineering & Management from University of Leuven, Belgium and a Bachelor of Science in Mechanical Engineering from Jomo Kenyatta University of Agriculture & Technology (JKUAT), Kenya. He is registered by the Engineers Board of Kenya (EBK) and is a member of Institutions of engineers of Kenya (IEK).</p> <p>Prof. Muchiri is the Vice Chancellor in Dedan Kimathi University of Technology.</p>

<p>2.</p>	<p>Prof. Esther Nkirote Magiri - Deputy Vice Chancellor (Administration & Finance)</p> 	<p>Prof. Esther N. Magiri attended Tel Aviv University, Israel for her postdoctoral studies, having graduated with a PhD degree in applied Molecular Biology in Plant Pathology from Zhejiang University, PR, China. Before this, she had graduated with MSC in Biochemistry and BSc. (Biochemistry major and Zoology minor) from University of Nairobi. She is an associate member of Kenya Institute of Management (KIM).</p> <p>Prof. Magiri is the Deputy Vice Chancellor (Administration and Finance) in Dedan Kimathi University of Technology.</p>
<p>3.</p>	<p>Prof. Eddy E. Owaga -DVC Academic Affairs and Research.</p> 	<p>Prof. Eddy E. Owaga has been appointed DVC Academic Affairs and Research. He holds a PhD degree in Nutrition and Health Sciences (Taipei Medical University, Taiwan) and both MSc and BSc degrees in Food Science and Technology (Jomo Kenyatta University of Agriculture and Technology (Kenya). He is a registered member of the Kenya Institute of Food Science and Technologists (KIFST).</p> <p>Prof. Owaga has successfully served in various senior University management positions</p>

		<p>at DeKUT, including Director of the Institute of Food Bioresources Technology and Director of Coffee Technology Centre. Prof. Owaga has published widely in high-impact journals and provided innovative leadership in Entrepreneurial University initiatives.</p>
4.	<p>Ms. Elizabeth Njeri Kingori – Ag. Registrar (Academic Affairs and Research)</p> 	<p>Ms. Elizabeth Njeri Kingori holds an MA Master’s Degree and a Bachelor of Arts degree from University of Nairobi.</p> <p>Ms. Kingori is currently the acting Registrar Academic Affairs and Research, Dedan Kimathi University of Technology.</p>
5.	<p>Dr. Paul Koigi Mbote – Registrar (Administration and Finance)</p> 	<p>Dr. Paul K. Mbote holds a PhD in Business Administration from DeKUT, Master’s Degree in Computer Based Information System (MSc CBIS) (University of Sunderland) and Bachelor Science (Mathematics and Computer) degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT).</p> <p>Dr. Mbote is currently serving as the Registrar Administration and Finance at Dedan Kimathi University of Technology</p>

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<p>6.</p>	<p>Mr. Abraham Mwangi Wachira - Head of Finance</p> 	<p>Mr. Abraham Mwangi holds a Master's Degree in Business Administration (Finance) and a Bachelor's degree in Business Administration. He is also a registered member of ICPAK.</p> <p>Mr. Mwangi is currently serving as the Head of Finance at Dedan Kimathi University of Technology</p>
<p>7.</p>	<p>Ms. Nelius Mwangi - Principal Legal Officer</p> 	<p>Ms. Nelius Mwangi, holds a Bachelors of Laws degree from University of Nairobi, a Post Graduate Diploma from Kenya School of Law and a Masters in Laws degree from the University of Nairobi.</p> <p>She is also a member of the Law Society of Kenya.</p> <p>Ms. Mwangi is currently serving as the Dedan Kimathi University of Technology's Principal Legal Officer</p>

6. Chairman's Statement



On behalf of the University Council, I am honoured to present the financial statements for the year ended 30th June 2025. This year has been marked by exceptional progress and strong institutional performance, despite the challenges facing higher education institutions nationally and globally. The Council has remained steadfast in providing strategic oversight and ensuring that the University upholds the principles of good governance, accountability, and prudent resource utilization. Through robust policy direction and monitoring, the Council has guided Management in aligning operations with the University's strategic plan, the Constitution of Kenya, and the Ministry of Education's policy priorities.

This year, the University's national ranking by the Public Service Commission as the Best Performing Institution reinforced our governance standards. It is a clear demonstration that DeKUT's leadership, accountability structures, and commitment to public service values continue to set benchmarks for the sector.

Financial Position and Sustainability

The higher education sector continues to face challenges of declining exchequer funding, increased demand for quality services, and the need for infrastructure expansion. In this environment, the University has sustained its operations through prudent financial management, revenue diversification, and cost efficiency measures. The Council has supported Management in strengthening internal controls, ensuring compliance with regulatory frameworks, and pursuing strategic partnerships that provide alternative funding.

Investments in digital transformation, quality assurance systems, and revenue-generating projects have contributed to improved service delivery and long-term sustainability. The

Council also prioritised risk management and performance monitoring to safeguard the University's assets and ensure accountability in the use of public resources.

Strategic Achievements

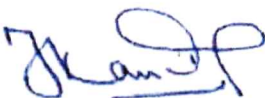
Beyond financial stewardship, the University recorded notable achievements that have a direct impact on students, staff, and national development. Program accreditations by professional bodies, successful curriculum reviews, and enhanced research capacity underscored our role as a leading institution of higher learning. The University's strategic emphasis on Fourth Industrial Revolution technologies, entrepreneurship, and innovation has further reinforced the competitiveness of our graduates in both local and global labour markets.

Outlook and Commitment

Looking to the future, the Council will continue to focus on financial sustainability, strategic partnerships, infrastructure development, and human capital growth. We remain committed to working closely with government, industry, and stakeholders to ensure that DeKUT not only sustains its performance but also expands its impact in line with national and international aspirations.

In closing, I extend my appreciation to the Ministry of Education, Vice Chancellor, Management, faculty, staff, students, and partners for their dedication and collaborative spirit.

It is through this collective effort that Dedan Kimathi University of Technology continues to thrive and uphold its reputation as a beacon of excellence.



.....
Dr. James Kariuki, PhD
DeKUT Council Chairman.

7. Report of the Vice Chancellor



It gives me great pride, on behalf of the University Management and community, to present the financial statements for the year ended 30th June 2025. This year has been one of tremendous progress, resilience, and strategic positioning for Dedan Kimathi University of Technology (DeKUT).

Institutional Performance and Recognition

DeKUT's recognition as the Best Performing Institution by the Public Service Commission (PSC) in the 2024/2025 Values and Principles Report remains a testament to our steadfast commitment to the constitutional values of transparency, inclusivity, and accountability as enshrined in Articles 10 and 232 of the Constitution of Kenya. This national accolade affirms that our investments in good governance and ethical leadership are bearing fruit.

We have also achieved major academic and professional milestones. Our Bachelor of Science in Mechatronics Engineering was fully accredited under the Washington Accord, guaranteeing international recognition of our engineering graduates. The Bachelor of Science in Nutrition and Dietetics program received full license recognition from the Kenya Nutritionists and Dieticians Institute (KNDI), while the Engineers Board of Kenya (EBK) accorded recognition to our BSc. Chemical Engineering and BSc. Telecommunications and Information Engineering programs. These achievements reflect our pursuit of excellence in curriculum design, teaching, research, and industry relevance.

Financial Stewardship

The financial year 2024/2025 was guided by prudent resource allocation, cost efficiency, and revenue diversification. Despite fiscal pressures in the higher education sector, the University maintained sound financial management practices. We continued to invest in digital transformation, modern infrastructure, and research capacity building, while optimizing expenditure to enhance value for money.

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Notably, the adoption of digital administrative systems streamlined operations, improved service delivery, and reduced transaction costs. We also intensified efforts to mobilize research grants, strengthen industry linkages, and expand income-generating projects – efforts that are central to ensuring long-term financial sustainability.

During the year, the University had an Income of Kshs. 2,241,709,631 made up of Kshs. 727,664,734 from government capitation, Kshs. 1,267,132,995 from students' fees and Kshs. 246,491,189 from other internally generated revenue. Against an expenditure of Kshs. 1,889,548,366 resulting to a surplus of Kshs. 352,161,265. As at the close of the year the University had Current assets of Kshs. 766,888,342, current liabilities of Kshs. 433,900,650 and a net asset base of Kshs. 6,319,671,405.

Strategic Achievements and Partnerships

The University continued to position itself as a hub of research and innovation. The visit by the Cabinet Secretary for Education, Hon. Julius Ogamba, during the Industrial Metaverse Stakeholders Workshop, reaffirmed DeKUT's strategic role in shaping Kenya's future workforce through Fourth Industrial Revolution (4IR) technologies, Artificial Intelligence (AI), and the Internet of Things (IoT). Our Siemens Mechatronic Systems Certification Program remained a regional centre of excellence, training engineers from leading institutions and industries.

Through partnerships with industry, government, and development agencies, we continued to equip students with globally competitive skills while contributing to Kenya's socio-economic development.

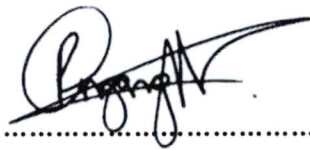
Outlook

Looking ahead, DeKUT remains committed to deepening its research and innovation ecosystem, strengthening financial sustainability, and aligning its programs to national development priorities such as the Bottom-Up Economic Transformation Agenda (BETA)

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and Vision 2030. We will continue to nurture graduates who are globally competitive, ethically grounded, and innovation-driven.

I extend my deepest appreciation to the Government of Kenya through the Ministry of Education, University Council, staff, students, partners, and stakeholders for their unwavering commitment to advancing our mission. Together, we will continue to uphold DeKUT's reputation as a centre of excellence in science, technology, and innovation.



.....
Prof. Eng. Peter Ng'ang'a Muchiri, PhD, EBS.

Vice-Chancellor & Secretary to the Council, DeKUT

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

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 University's performance against predetermined objectives.

Dedan Kimathi University of Technology has four strategic pillars and objectives within its Strategic Plan for the FY 2023-2028. These strategic pillars are as follows:

Pillar 1: Teaching

Pillar 2: Research

Pillar 3: Technology Transfer

Pillar 4: Resource Mobilisation

The University develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2024/2025 period for its four strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Teaching	To produce quality graduates in line with the University's mandate.	Increased students' completion rates	Timely completion of programmes and timely graduation	Graduated 19,205 cumulatively by June 2025
		Completed construction of Academic block	Construction of Academic Block	Construction of Academic block (3150SqM) completed and in use
		Introduce a blended mode of learning to optimize space and time	To upgraded and migrated Moodle, Developed e-learning platform and migrate to KENET	Included Class Point in addition to KENET Big Blue Button

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		Teaching software	Procure teaching software in Mechanical Engineering	Developed workman system Internally for workload management and as a teaching software
		Work-load management software	To develop a tool to improve productivity	Developed a staff Workload management software Internally through the Software development Centre. (Workman)
Research	To generate research and innovations outputs with impact on the national development goals.	Number of research.	Sensitise staff on research and proposal writing	Operationalized and sensitized staff on research policy
		Number of publications	Enhance and operationalize the research fund for research, publications and conferences Publications in peer referred journals Develop Msc. And PhD programmes	Cumulative 1490 publications in peer referred journals

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		Create Centres for increased funding	Financial independent centres created	24 Financially Independent Centre established as at June 2025
Technology Transfer	To transfer and commercialize technology from the University, other institutions and collaborators,	Built capacity for entrepreneurship	Offer consultancy services	39 Commercialized products as at June 2025
		University Income Generating Units	Commercialisation of DeKUT products	Products commercialized such as (13 products) <ul style="list-style-type: none"> - DeKUT hand wash soap - Yoghurt, - Sanitizers, - Detergents - Face Mask - Veenky Hair oil - Roasted coffee - Yacon Syrup - Chia Seeds - Yacon Seedlings - Hibiscus - Deffated flour
		Established the directorate of Research, innovation management	Set up the directorate of Research, innovation	The Directorate of RIMCL was established to work with departments

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		and linkages	management and linkages allocate funds for establishment of the Directorate of Research, Innovation Management and Linkage	
Resource Mobilisation	Increased revenue from training	Continuous improvement of revenue	Upscale income generation per annum in the next 5 years	
		Increase students' enrolment	Increase enrolment from the new post graduate programmes	The student's enrolment stands at 9,480 as at June 2025
		Increase DeKUT visibility	To make an effort to grow revenue generated as a result of increased number of students.	<ul style="list-style-type: none"> • An Open day every year • Robust Marketing happening • Use of University website for Marketing

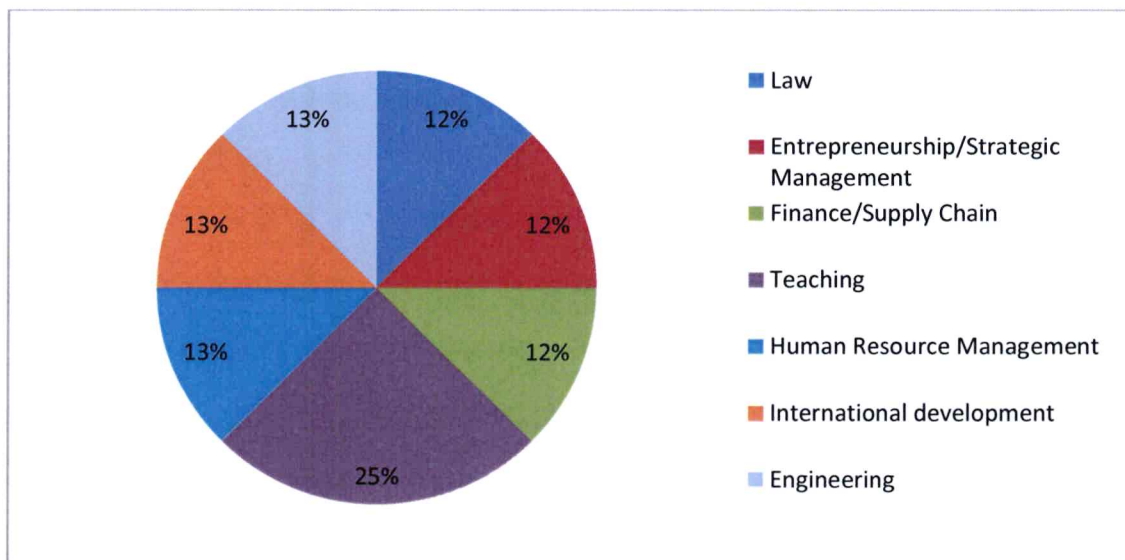
9. Corporate Governance Statement

Section 36(1) of the Universities Act provides that a University Council shall consist of nine persons appointed by the Cabinet Secretary being:- the Chairperson; the Principal Secretary in the Ministry for the time being responsible for the university education; the Principal Secretary in the Ministry for the time being responsible for Finance; five members appointed by the Cabinet Secretary through an open process in such a manner as may be prescribed in guidelines issued by the Cabinet Secretary; and the Vice-Chancellor who shall be an *ex officio* member of the Council.

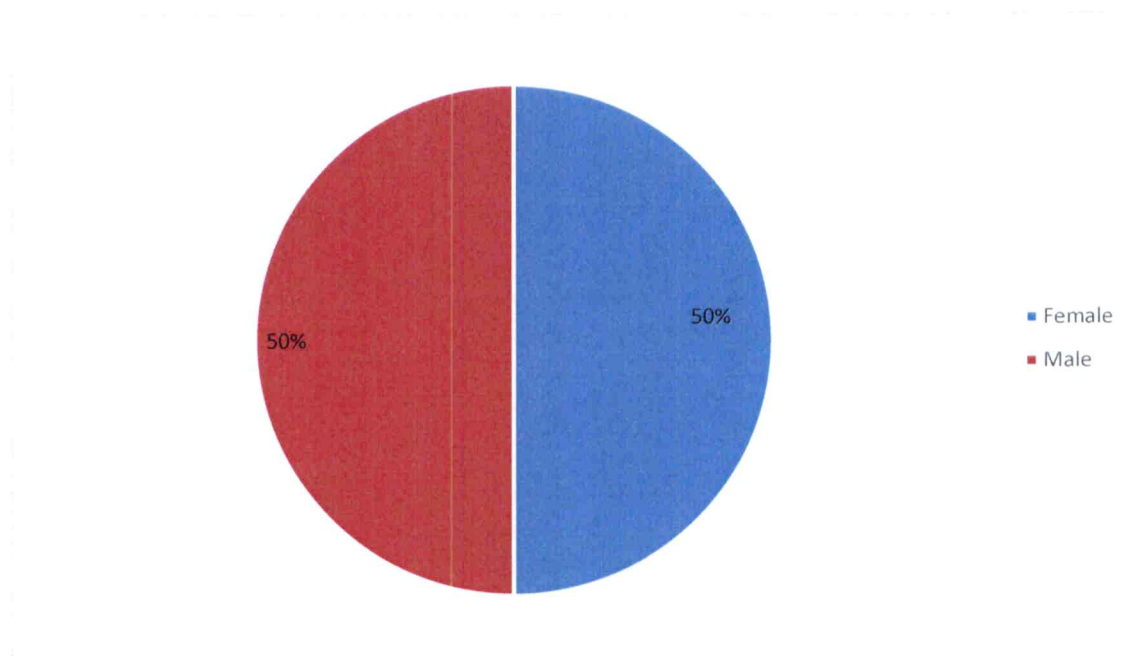
The DeKUT's Council comprises of the Chairman; 4 independent members; the Principal Secretary, National Treasury; the Principal Secretary, Ministry of Education and the Vice Chancellor as an *ex-officio* member and secretary to the Council.

The DeKUT's Board brings together members from different professional backgrounds with diverse skills, competences and complies broadly with the constitutional and gender balance requirements as shown in Pie Chart 1 and 2, below:

Pie Chart 1: Board Competences



Pie Chart 2: Board gender representation



Role of the Chairman

The Chairman utilises his expertise, experience, skills and leadership to facilitate the governance process. The Chairman is responsible for ensuring that meetings are conducted competently and ethically and is expected to provide effective leadership in formulating the strategic direction for the University.

The Chairman Chairs Council meetings.

Board Committees

There are four (4) standing committees and one (1) Ad hoc Committee of the Board, which assist the Chairman to discharge its functions and responsibilities effectively. The operations of each committee are defined in the Statutes and in the Board Charter. The Council Committees are as follows: -

Finance Committee

The Finance Committee is responsible for: -

1. the oversight of the University's entire finances and recommends to Council for approval, the University's annual budget and certain items of major expenditure;
2. the administration of special funds benefactions;

3. the investment policy;
4. the University's budget;
5. the quarterly financial reports and final accounts;
6. staff loan schemes;
7. Analysing the financial consequences of the decisions of the Terms of Service Committee;
8. considering reports on fee revisions;
9. ensuring the preparations of proper reports and records of accounts of income and expenditure, assets and liabilities of the University;
10. receiving and considering the University audit reports
11. fundraising for the University.

Its members are; Ms. Pauline Kurgat (Chairman), Mr. Calleb Ogot, Ms. Christine Minyuki, Prof. Eng. Peter N. Muchiri, EBS (Vice Chancellor).

Audit and Risk and Committee

The Audit and Risk Committee is mandated to: -

1. Independently monitor, review and report to Council on the processes of governance and, where appropriate, to facilitate and support through its independence, the attainment of effective processes.
2. Monitor, review, and report to the Council as to whether the University's processes in the following areas are efficient and effective: - internal control and risk management; internal audit; and financial reporting.
3. Review the management letter provided by the Auditor General on any weaknesses in internal accounting, organization and operating controls, and consider the recommendations made by the Auditor General and analyse the action taken by the Management Board in response to the suggestions.
4. Review the Audit, Risk and Compliance Department's reports on any weaknesses in internal accounting, organization and operating controls, and consider their commendations made by the Chief Internal Auditor and analyse the action taken by the Management Board in response to the suggestions.

5. Review and or initiate any other act necessary to ensure: - compliance with policies, plans, procedures, laws and regulations; safeguarding of University assets; Economic and efficient use of resources; and accomplishment of established objectives and goals for operations or programs.
6. Ensure that attention is drawn to any failure to take prompt remedial action relating to previously identified shortcomings.
7. Review the proposed scope of the internal and the external audit function.
8. Review performance of the internal audit function.
9. Appraise the effectiveness of the audit by discussing the approach to the examination and areas where special attention is considered necessary.
10. Approve annual audit plans for the year.
11. Identify, assess, and evaluate the University's risk areas and ensure that all the risks identified are mitigated and more so in the major risks which are: -
 - (a) Financial risks.
 - (b) Technical risks.
 - (c) Managerial risks.
 - (d) Behavioural risks.
 - (e) Legal risks.
12. To perform any other duty delegated to the Risk and Audit Committee by the Council.

Its members are; Dr. Davidson Mwaisaka (Chairman), Ms. Esther Nyamoko, Mr. Calleb Ogot and Robert Ngatia (Secretary).

Strategic Planning and Development Committee

The Strategic, Planning and Development Committee is responsible for: -

1. The management of the University's planning, building, farm development, and other development projects;
2. Receiving and considering progress proposals of development plans from the University Management Board on issues of development planning, academic affairs, income generating activities and cause them to receive approval by Council;

3. The general supervision of campus development including such issues as the use of planning and location of building;
4. Receiving, considering and processing proposals of development plans from the University Management Board;
5. Causing the University Development Plans to be prepared and approved by the Council; and
6. Receiving and reviewing performance contract reports.

Its members are; Ms. Linet W. Muganda (Chairman), Ms. Pauline Kurgat, Dr. Davidson Mwaisaka and Prof. Eng. Peter N. Muchiri, EBS (Vice-Chancellor).

Human Resource and Staff Welfare Committee

The Human Resource and Staff Welfare Committee is responsible for appointments, staff welfare and disciplinary matters as indicated below: -

1. Staff Appointment

- (a) To consider staff and recommend to Council for appointment and promotions into all established academic and administrative posts provided that the Vice-Chancellor can make temporary appointments to such posts for renewable contractual periods not exceeding one year. When this is done, due care should be taken regarding relevance and adequacy of qualification of the persons being so appointed.
- (b) To receive reports from the Staff Appointment Committees and recommend approval of staff appointments and promotions; with delegated mandate to make appointments and promotions.

2. Staff Welfare matters

- (a) To initiate and review amendments to the disciplinary procedure.
- (b) To review and approve those materials published either in the handbooks or other such compilation affecting the welfare of Administrative/Academic Staff for purposes of providing current and accurate information to staff.

3. Staff Housing matters

- (a) To set up and review the University's housing policies and schemes as and when necessary and make recommendations thereon to Council
- (b) To review staff entitlement to housing as and when necessary and make recommendations there on to Council.

4. Staff disciplinary matters - To consider charges and evidence of staff in disciplinary cases and recommend to Council appropriate action to be taken.

Its members are; Ms. Esther Nyamoko (Chairman), Ms. Linet W. Muganda Ms. Christine Minyuki, and Prof. Eng. Peter N. Muchiri, EBS (Vice Chancellor).

Sealing Ad hoc Committee

The Sealing Committee is mandated to authorise, on behalf of Council, the application of the University Seal on documents.

Its members are; Dr. James Kariuki (Chairman), Dr. Davidson Mwaisaka and Prof. Eng. Peter N. Muchiri, EBS (Vice Chancellor).

a) Board meetings held and the attendance to those meetings by members

Council holds meetings at least four times annually. The meetings are held on a quarterly basis, in accordance with the calendar of meetings approved by Council. Council has established four standing Committees which also meet quarterly. The Sealing Ad hoc Committee is convened as and when need arises. Council and its Committees held meetings as follows:

- Full Council - 4 meetings
- Special Full Council -2 meetings
- Human Resource & Staff Welfare - 4 meeting
- Finance - 4 meetings

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- Audit, Risk & Compliance - 4 meetings
- Strategic, Planning & Development - 4 meetings
- Sealing committee - 2 meetings

Period beginning 1st July 2024 to 30th June 2025

Council Member	Classification	Designation	HR& Staff Welfare	Finance	Audit, Risk & Compliance	Strategic, Planning & Development	Full & Special Council	Sealing
Dr. James Kariuki	Independent	Council Chairman, and Sealing	-	-	-		6	2
Ms. Linet W. Muganda	Independent	Chairperson, Strategic Planning & Development	4	-	-	4	6	-
Ms. Pauline Kurgat	Independent	Chairperson Finance	1	3	2	2	6	-
Dr. Davidson Mwaisaka	Independent	Chairman, Audit, Risk & Compliance	1	1	3	3	6	2
Ms. Esther Nyamoko	Independent	Chairman, Human Resource & Staff Welfare	3	-	3	2	6	-
Ms. Christine Minyuki	Rep. PS. Ministry of Education-	Council Member	3	4	1	-	6	-

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Roselida Owour									
Mr. Calleb Ogot	Rep. National Treasury	PS.	Council Member	-	4	3	4	6	-
Prof. Eng. Peter N. Muchiri, EBS	Vice-Chancellor		<i>Ex-officio</i>	4	4	4	4	6	2

Notably, the Council Committees membership rotation was effected from October 2024.

b) Succession Plan

Council has put in place a succession plan for top Management and staff across the University and reviews the same regularly. This is through the Succession Planning Policy, 2018, which focuses on ways of building capacity by ensuring that vacancies are filled from within the organisation while at the same time encouraging competitiveness in filling such positions. Some of the succession management strategies include:

- i. Replacement of retiring staff through promotion of serving staff, and recruitment in key service areas.
- ii. Introduction of management trainee programmes to facilitate annual recruitment at entry level for purposes of succession, through graduate assistantship programme, appointment of adjunct professors, mentorship and coaching, among others.
- iii. Addressing staff turnover through provision of conducive working environment and reviewing of terms and conditions.
- iv. Continuous human resource planning through workload analysis, reconciliation of staff establishment records and keeping of skills inventory.
- v. Addressing staff stagnation through reviewing of scheme of service, and strengthening of human resource audit.
- vi. Ensuring recruitment and selection process is competence-based and is supported by human resource plans.
- vii. Continuous training and development of the staff through upgrading of skills, induction and graduate assistantship programmes.

- viii. Introduction of leadership training and development programmes through bonding, benchmarking, sabbatical leave and secondment.
- ix. Reviewing of performance management framework, to effectively measure institutional and individual performance.
- x. Creation of knowledge and talent management systems, to help in attraction and retention of right employees.

c) Existence of a Board Charter

Council has an approved Board Charter, which serves as a reference guide on Council's operations. It seeks to expound and explain to each Council Member the collective and individual powers, duties, obligations, responsibilities and liabilities of Council. It also highlights the requirements of good corporate governance which are necessary to bring the level of standards of corporate governance in DeKUT to international best practice.

The Charter also helps Council in directing the University to maximise on the long-term value of services that are provided to all stakeholders. It assists the Council members to understand their individual and collective roles with the purpose of helping the University fulfil its mandate.

The Charter has been adopted by the University, acting in accordance with *Mwongozo, Code of Governance for State Corporations* ('the Code'), and is complementary to the statutory requirements of Council as contained in applicable Kenyan Laws and regulations.

d) Process of Appointment and removal of Council Members

Council members are appointed by the Cabinet Secretary and they hold office for a period of three years. They are eligible for re-appointment.

The office of a member of the Council shall become vacant if not being an ex-officio member, where the member resigns his/her office by writing to the Cabinet Secretary.

e) Roles and functions of the Board

Council has authority to exercise all the powers conferred upon it by the Universities Act 2012, the DeKUT Charter and the DeKUT Statutes.

Council also exercises leadership, enterprise, integrity, and sagacious judgment in directing DeKUT so as to achieve continuing prosperity and always acts in the best interest of DeKUT. Council is also responsible for ensuring that DeKUT is financially viable and properly managed so as to protect and enhance its (DeKUT) interests at all times. In achieving this purpose, Council carries out the following key tasks:

- (a) Subject to the provisions of the Act to make new or additional regulations, and alter, amend or revoke existing Statutes;
- (b) making and approving Statutes for gazettelement in accordance with the Act, for any purpose in respect of which Statutes are required;
- (c) Subject to the Act and the Statutes, to determine the method of recruitment, appointment and promotion of all staff of the University;
- (d) making the appointments authorized by the Act and the Statutes and to determine the terms and conditions of service for all staff of the University;
- (e) conferring after a report from the Senate, the title of Emeritus Professor, Visiting Professors, Honorary Professor, Honorary Lecturer or Honorary Fellow;
- (f) approving the budget;
- (g) promoting and to make financial provisions and facilities for execution of the functions of the University;
- (h) Subject to the laid down Government procedures, to approve the investment of any money belonging to the University including any unutilized income, in such stocks, funds, fully paid shares or securities as Council may from time to time deem fit, in accordance with the general Law for the investment of trust moneys or in the purchase of freehold or leasehold properties, including rents and subject to the Act with the powers of varying such investment from time to time by sale or re-investment or otherwise;

- (i) Subject to the laid down Government procedures, to approve sale, purchase, exchange, take on, or lease of movable and immovable property on behalf of the University;
- (j) Subject to the laid down Government procedures, to approve the borrowing of money on behalf of the university, and for that purpose and subject to the Act, to mortgage or charge all or any part of the property unless the conditions of the property so held provide otherwise, and to give such other security whether upon movable and immovable property or otherwise as the Council may deem fit;
- (k) On the recommendation of Senate to provide in accordance with the Statutes, for the creation of new Divisions, Faculties, Schools, Institutes, Departments, Centres or other bodies of learning, research and production in the University, whether formed by the sub-division of any one or more than one of any such new body or otherwise, and for the abolition from time to time of any such body, and to approve the establishment, abolition or subdivision of any such body however so described;
- (l) instituting on the recommendation of Senate fellowships, scholarships, studentships, exhibitions, bursaries, prizes and other aids to study and research;
- (m) To approve the terms and conditions upon which Internal and External examiners shall be appointed by Senate;
- (n) The Council may empower any such committees to act jointly with any Committees appointed by Senate, provided that Council shall not delegate to the Chairperson or to a Committee the powers to approve without further reference to the Council the annual estimates of expenditure;
- (o) Approve regulations governing the conduct and discipline of the students of the University;
- (p) Shall receive, on behalf of the University, donations, endowments, gifts, grants or other moneys and make legitimate disbursements wherefrom;
- (q) To approve the Constitution of the Students Organization and so far as is reasonably practicable, to ensure that the Students' Organization operates in a fair and democratic manner and is accountable for its finances;
- (r) Shall provide for the welfare of the staff and students of the University;

- (s) May, after consultations with the University Management Council approve regulations governing the recruitment, conduct and discipline of the staff of the University;
- (t) Subject to the Act, make recommendation for appointment of the Vice-Chancellor, Deputy Vice-Chancellors and Principals of constituent colleges after the competitive appointment process by the Public Service Commission.
- (u) Monitor and evaluate the implementation of strategies, policies, and the management criteria and plans of the University;
- (v) Constantly review the viability and financial sustainability of the University, and shall do so once every year;
- (w) Ensure that the University complies with all the relevant Laws, Regulations, governance practices, accounting and auditing standards;
- (x) Subject to the Act and the Statutes, the Council may refer any matters affecting the academic policy of the University to Senate for advice.
- (y) Undertake other functions as set out under the Universities Act 2012, DeKUT Charter and the DeKUT Statutes.

f) Induction and Training

Training and development programs are developed to equip Council with the necessary skills for effective discharge of their mandate. Members have undergone a detailed induction process that enhanced their understanding of the University's Mandate and their obligations under all Statutes underpinning the University's operations and the Mwongozo Code of Governance for State Corporations. Each Council member was provided with sufficient information on appointment to enable him perform his or her duties. These included copies of:

- a) The Constitution of Kenya 2010;
- b) The Universities Act 2012;
- c) The DeKUT Charter;
- d) The DeKUT Council Charter;
- e) The DeKUT Statutes;
- f) The DeKUT Code of Conduct and Ethics;
- g) The State Corporations Act;

- h) The Public Procurement and Disposal Act 2015;
- i) The Public Officer Ethics Act 2003;
- j) The Ethics and Anti-Corruption Act;
- k) The DeKUT Strategic Plan 2023-2028;
- l) The Performance Contracts between the Council and the Government of Kenya and Vice Chancellor; and
- m) The Council calendar and work plan for the year.

g) Board and Member performance

Board evaluation is key in assessing the performance, efficiency and effectiveness of an organisation. Council undertakes regular annual performance evaluation to enable it to review its strategies to ensure continuous growth and sustainability. This evaluation exercise is conducted by the State Corporation Advisory Committee (SCAC). The Council performance evaluation for the 2024/2025 financial year was held on 3rd September 2025.

h) Conflict of Interest

Council members and staff are obligated to fully disclose and declare any potential or real conflict of interest, which comes to their attention, whether direct or indirect. At any meeting of the University, Council members and staff are expected to declare any interest they may have in any agenda item under discussion. In case of conflict of interest, the affected member or staff is excluded from any discussion or decision on the matter in question.

i) Board Remuneration

Council Members are entitled to a sitting allowance for every meeting attended, lunch allowance (in lieu of lunch being provided), accommodation allowance and mileage reimbursement where applicable. This is done within the limits set by the Government for State Corporations. In addition, the Chairman is paid a monthly honorarium.

j) Ethics, Conduct and Governance Audit

Council ensures that a governance audit of the University is undertaken on an annual basis. The purpose of the governance audit is to ensure that the University conforms to the highest standards of good governance. The governance audit covers the following parameters among others: -

- (a) Leadership and strategic management;
- (b) Transparency and Disclosure;
- (c) Compliance with Laws and Regulations;
- (d) Communication with stakeholders;
- (e) Council independence and governance;
- (f) Council systems and procedures;
- (g) Consistent shareholder and stakeholders' value enhancement; and
- (h) Corporate social responsibility and investment

k) Internal Audit and Assurance

The University has an Internal Audit department whose main objective is to provide assurance of the risk management, internal control and governance processes. The assurance is meant to deepen good governance practices and support the achievement of the best internal controls through continual improvement and engagement. The University's system of internal controls has been defined by approved policies and procedures which contain operational and financial controls that ensure that the assets are safeguarded, transactions authorized and accurately recorded. Further, they ensure that material errors and irregularities are either prevented or detected within a reasonable time.

l) Corruption Prevention Strategies

The University continued to implement the Anti- Corruption Policy and Corruption prevention strategies through the guidance of the Corruption Prevention Committee. The main objectives of the anti-corruption policy is to marshal the efforts and resources of various stakeholders to progressively and systematically reduce to the extent possible, the causes and the destructive effects of corruption in the institution.

The specific objectives are; -

1. To involve all departments and stakeholders in fighting and preventing corruption where they are, wherever it is or is expected to surface.
2. To create awareness of the causes and terrible effects of corruption and the role of the stakeholders in the prevention and eradication.
3. To promote good governance in all the functional departments of the institution in order to fight and prevent corruption.
4. To encourage all functional departments to develop their strategies for preventing and fighting corruption.
5. To encourage all departments and stakeholders to contribute towards the evaluation, improvement and reinforcement of the policy.
6. To create an environment where corrupt activity is seen and expressed as a social aberration.
7. To enhance collaboration among all stakeholders in ensuring that all corruption cases are reported, effectively and expeditiously investigated and prosecuted.

Further, the University carried out a Corruption Risk Assessment in all its functional areas, developed and implemented appropriate mitigation plans. As a result, zero cases of corruption were reported during the year under review.

m) Whistle Blowing Policy

The University is committed to protecting the identity and well-being of all employees and stakeholders when they provide information regarding corruption related activities or participate in investigations towards this, it has established reporting channels through which anonymous reports on unethical/fraudulent behaviour can be made without fear of retaliation from the suspected individuals. The channels are the corruption reporting hotline, email and corruption reporting boxes.

n) Code of Conduct

Council has developed and put in place a code of ethics outlining the values, ethics and beliefs that guide the policy and behaviour of DeKUT and define the ethical standards applicable to it and to all who deal with it.

o) Risk Management

Risk Management is one of the strategic functions and is applied in the day -today operations of the University. This ensures that all risks are managed optimally. In the year under review, the University continued to implement the various mitigation strategies to ensure that the risk levels were minimised

10. Management Discussion and Analysis

(a) (Operational performance of the University as at 30th June 2025)

Introduction

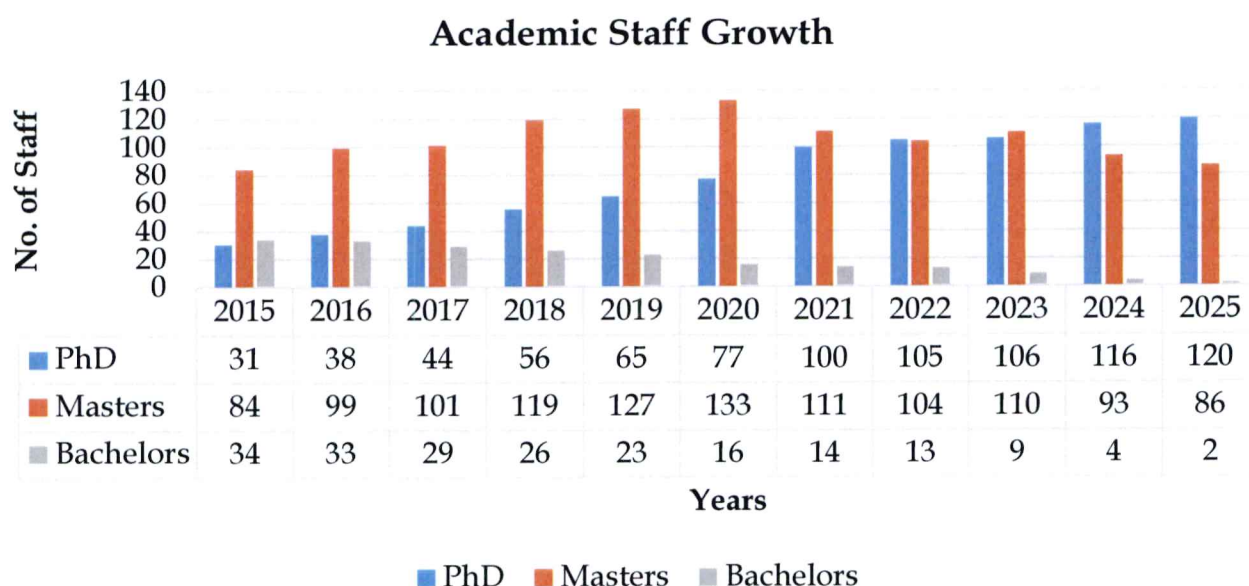
The work of Human Resource entails planning, coordination, implementation, monitoring and controlling of human resource functions in the University. These functions include; Performance and Productivity Management, Staff Recruitment, Selection and Placement, Industrial Relations, Payroll Management, Staff Training and Development, Staff Welfare, Staff Communication, Human Resource Compliance, HR Budget and Work Environment.

Human Resource Capacity

The University currently has a total of five hundred and thirty-seven (537) staff members. The staff data comprise of two hundred and seven (207) academic staff, one hundred and eighty-two (182) technical and library staff and one hundred and forty-eight (148) Administrative staff. This number include ten (10) staff living with a disability. Seven (7) staff are on unpaid leave of absence and two (2) are on secondment.

Staff Training and Development

Through the University Staff Training and Development Committee, the University continues to sponsor staff to pursue PhDs in line with the goals, objectives, and mandates of the University. As of 30th June, 2025, the number of Ph.D. holders stood at 120.



Appointments and Promotions

In 2024/2025 FY six (6) academic staff were appointed to complement the academic department which had short fall of staff. At the same period, five (5) administrative staff were replaced to support critical areas in the University. The University, during the period, reviewed and promoted sixteen (16) members of staff. Promotions ensure the retention of serving staff in addition to recognizing academic staff with notable achievement in research and innovation.

Graduate Students, Internships and Industrial Attachments

In the year 2024/2025, the University recruited 15 Graduate students who complement the teaching departments. The recruitment of GAs has ensured the University succession planning strategy, ethnic and regional balance and further bridging the gender balance equation. The University offered 68 attachments position. PSC deployed 15 interns but only 10 reported and deployed to various departments across the University.

Disability Matters

The University has a conducive environment for people living with disability by, representation in the students' leadership, construction of a ramp at the Resource Centre III and the Lecture theatre and procurement of a Tuk-tuk for ferrying by the PWDS. During the year that ended, a sensitization workshop on disability issues was also conducted.

Gender and diversity

DeKUT adhered to the provisions of the Constitution of Kenya 2010 and the National Cohesion and Integration Act on Ethnic Diversity and the rights of the minorities and marginalised groups. The University has embraced strategies like coming up with an Affirmative Action Policy and taking steps to institutionalise diversity in the University

Further, the University has an established Gender, Disability and Equity Affairs Directorate which handles upcoming issues on ethnic diversity and inclusivity. This office has accomplished the following: -

1. Trained 30 gender violence and recovery champions
2. Conducted a Peer counsellor's gender mainstreaming awareness.
3. Established a clear Gender Violence reporting and recovery mechanism
4. Review of the curriculum on HIV aids to handle reproductive health and sexuality
5. Conducted quarterly Seminars to students on reproductive health
6. Mentorship to High schools on inclusion of Female in STEM.
7. Senate Representation:
8. Empowered mom graduates

Gender diversity in the university is compliant

GENDER	Requirement by the Law (2/3 gender rule)	STATUS 2024/2025
Female	179 (33.33)	189 (35.19%)
Male	358 (66.67%)	348 (64.80 %)
Total	537 (100%)	537 (100%)

i) Automation

In view of leveraging on ICT to improve service delivery, efficiency of internal operations and engagement with stakeholders and the general public, the University continued to implement automation process. A dedicated team from the University is in the process of adopting the 365-business central system which will increase efficiency and a high level of integration and automation of all the University processes. During the period of implementation, the University will continue using the current ERP software (NAV 2018).

Quality Management System

The University was certified to ISO 9001:2015. The Quality Management System (QMS) has been maintained and continually improved through regular internal audits as well as surveillance audits done by certifying body, SGS.

(b) Financial performance of the University as at 30th June 2025

The University's financial performance during the year under review was significantly impacted by both national and global economic challenges. Key factors include the implementation of the New Funding Model (NFM), increased costs of goods and services, and under-financed Collective Bargaining Agreements (CBAs). These challenges have led to high operational costs and constrained many students' ability to pay fees.

Under the New Funding Model, the University has experienced substantial delays in the remittance of student loans and scholarships, resulting in an accumulation of student debt. This has been a major contributor to the financial strain.

In addition, the existing 2017–2021 CBA continues to exert financial pressure. While CBAs increase operational costs once negotiated, universities are often not allocated additional funds for subsequent periods. Consequently, internally generated funds have to be utilized to finance these obligations, which negatively affects the University's financial performance.

Despite these challenges, the University, through a collaborative effort between management and staff, and with the full support of the University Council, has consistently worked towards meeting its financial obligations and sustaining operations.

For the year under review, the University recorded a surplus of Kshs. 352,161,265. However, this surplus primarily reflects the changes in fee structures under the NFM. The realization of this income remains a significant challenge due to delays in fee collection. Comprehensive details of the financial performance are provided in the accompanying financial statements starting on page 1.

Looking ahead, the University remains committed to diversifying revenue sources and implementing cost-control strategies to balance limited cash flows against the demands of a growing budget, ensuring sustainability and future expansion as a not-for-profit institution.

Resource Mobilisation

With the transition from institutional funding to a student-centred funding model, concerns have emerged regarding student enrolment, retention, and completion rates. To address this, the University Council and Management are prioritizing strategies to enhance the visibility, attractiveness, and competitiveness of the University.

In addition to tuition fees, the University has established research centres designed to attract external funding to support operations. During the year under review, the University secured Ksh. 117.3 million in research funds. This income was further supplemented by internally generated revenues, primarily from student fees and investment income.

The University also received:

Government Allocation: Ksh. 727,664,734

Appropriation in Aid (AIA): Ksh. 1,396,232,953

As the sector adjusts to reduced capitation under the New Funding Model (NFM), the University remains committed to financial sustainability. This involves:

- Exploring alternative revenue streams
- Implementing cost optimization measures
- Prioritizing resource allocation based on impact analysis
- Enhancing internal systems for efficiency, accountability, and effectiveness

Through these measures, the University aims to maintain financial stability while continuing to deliver quality education and research services.

(c) Key projects/investments decision implemented/ongoing

The university has one ongoing project which is financed through the AIA and expected to be completed during 2024/2025 FY, completion rate is given as below:

- i) Construction of the University access road 60%

(d) Compliance with statutory requirements

The University Internal Audit department conducts quarterly statutory compliance audits and tables the reports to the Audit, Risk and Compliance Committee and subsequently to the Full Council. Further, the University is also audited by the office of the Auditor General and is compliant with all her statutory requirements.

a) Major risks facing the University

The University's activities are exposed to a variety of financial risks including; Credit risk, Market risk and Liquidity risk. The University's overall risk management frameworks focus on unpredictability of changes in the business environment and seeks to minimise the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The specific details of each risk component have been discussed below:

(i) Credit risk

The University has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due resulting in financial loss to the University. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University Management based on prior experience and their assessment of the current economic environment. Credit risk on liquid funds with financial institutions is low because the counter parties are banks with high credit ratings and students whose balances are manageable since students are not allowed to sit for examinations or graduate with outstanding fees balances.

The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the University has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The University Council sets the credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Liquidity risk is the risk to the University's financial condition or safety and soundness arising from her inability (whether real or perceived) to meet her conditional obligation. To manage this risk, Dedan Kimathi University ensures availability of funds before committing an expenditure or collateral to fulfil those

needs at the appropriate time. The University manages liquidity risk by maintaining banking facilities and through continuous monitoring of forecasts and actual cash flows.

Ultimate responsibility for liquidity risk management rests with the University's management, who have built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements.

(iii) Market risk

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 University'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 University's Internal Audit Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Committee of Council) and for the day-to-day implementation of those policies. There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

Effective risk management and control are essential pillars for the sustainable growth of the University. The role of risk management is to evaluate, respond to, and monitor risks in the execution of our strategy. The University Council is responsible for determining the system of internal control operated by the University and for monitoring its adequacy and effectiveness. Risk management is also a significant ongoing part of the University's system of internal control.

The University has implemented a global risk-based approach to the design, application and review of its risk management systems and internal controls. The risk assessment practices are incorporated into planning, budgeting and financial reporting processes through risk registers which have been developed for all of the University operations. The risk register identifies, evaluates and manages all the material risks facing the University. A department that deals with Audit risk and compliance is fully operationalized.

The University's objectives for Audit risk and compliance are

1. Promoting constructive change and accountability through continuous appraisal of internal controls, processes and procedures
2. Managing the principal risks to the efficient and effective achievement of the University's aims and objectives;
3. Determining that systems have been established to ensure compliance with policies, procedures, plans, laws, regulations and controls

The University Council accepts that it is neither possible nor desirable to build a control environment that is free from risk. The University's system of internal control therefore only provides reasonable but not absolute assurance over the governance, operational, compliance, management, reputational and financial risks to the University. The University has established policies and supporting structures designed to prevent and detect corruption, fraud, bribery and other irregularities.

DeKUT's Council recognises that risk management cannot eliminate all risk, particularly where risks are outside the University's control. The following processes have been established to review the adequacy and effectiveness of the system of internal Control for the University:

- Each operational unit in the University assess risks inherent in its operations and records them in the list Register

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- The University's risk working committee aggregates risks to a university wide register and is in charge of implementing the Enterprise Risk Management initiative
- The University council meets at least four times in the year to discuss reports on audit risk and compliance
- The council reviews the effectiveness of the University's system of internal control risk management and compliance to ensure systems have generally operated as intended up to the date of approval of the audited financial Statements.
- The University monitors areas of high risk and has set in place a programme of activities to minimize the impact of these risks.

11. Environmental and Sustainability Reporting

Dedan Kimathi University of Technology (DeKUT) continues to integrate sustainability into its academic mission, operations, and community engagement. The University's sustainability efforts are aligned to the triple bottom line (financial, social, environmental) and contribute to the United Nations Sustainable Development Goals (SDGs).

Key Achievements for the Year

Environmental Sustainability

- ✓ 10,000 trees planted under the Tanyai Forest Rehabilitation Programme in support of the national greening agenda (SDG 13).
- ✓ Solar-powered infrastructure introduced in new buildings, alongside natural lighting and pedestrian walkways.
- ✓ Community sewer connections established, improving sanitation for surrounding communities.
- ✓ Two flagship climate projects implemented by the Centre for Biomass Energy Studies (CBES):
 - ✓ Climate-Friendly Cooking Project (Kenya & Senegal).
 - ✓ Water & Energy for Food (WE4F) Project in Kenya's tea value chain.

Employee Welfare

- ✓ Staff gender ratio: 60% male: 40% female, meeting constitutional threshold (SDG 5).
- ✓ Medical and pension schemes in operation, alongside new staff reward policy.
- ✓ University Disability Mainstreaming Committee established to ensure inclusivity for Persons with Disabilities (PWDs).
- ✓ Staff development supported through training, mentoring, and welfare initiatives across 37 counties.
- ✓ Staff training and upskilling

🏢 Marketplace Practices

- ✓ Transparent and competitive procurement with supplier payments within 90 days.
- ✓ Ethical student admissions and inter-university transfers via KUCCPS.
- ✓ All academic programmes accredited by the Commission for University Education (CUE) and relevant professional bodies.

🍌 Corporate Social Responsibility (CSR) & Community Engagement

- ✓ CHIAM Project – deployment of chia-oyster mushroom systems to enhance food security and climate resilience.
- ✓ Coffee Value Chain Development – production of improved seedlings, farmer training, and partnership with Mukurwe-ini Wakulima Dairy Ltd. to launch Royal Coffee-Flavoured Yoghurt (now available nationally).
- ✓ Enhanced security partnerships with local police posts, reducing crime in areas surrounding student residences.

Conclusion

DeKUT's sustainability performance demonstrates its commitment to responsible corporate citizenship, operational excellence, and innovation in education and research. The University continues to deliver impact through environmentally sound practices, employee empowerment, ethical marketplace engagement, and meaningful community partnerships.

12. Report of the Council Members

The Council members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the University's affairs.

i. Principal activities

The principal activities of the University are as follows: -

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realisation of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Dissemination of the outcomes of the research conducted by the university to the general community;
- g) Facilitation of life-long learning through provision of adult and continuing education;
- h) Fostering of a capacity for independent critical thinking among its students;
- i) Promotion of gender balance and equality of opportunity among students and employees.
- j) Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

ii. Results

The results of the University for the Year ended June 30, 2025 are set out from page 1 to 64

ii. Council Members

The Council members who served during the year are as shown on page xiii - xviii. During the year, the Council had five independent members who were appointed on 24th April 2023 for a period of three years.

iv. Surplus remission

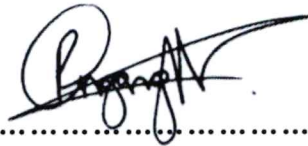
In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

Dedan Kimathi University of Technology is a public university which is not profit making thus not required to remit surplus to the Consolidated Fund.

v. Auditors

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

By Order of the Council



.....
Prof. Eng. Peter Ng'ang'a Muchiri, PhD. EBS
Vice-Chancellor & Secretary to the Council, DeKUT

13. Statement of Council Members Responsibilities

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

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

The Council members accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act, 2012. The Council members are of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2025, and of the University's financial position as at that date.

**Dedan Kimathi University of Technology
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for the year ended June 30, 2025**

The Council members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

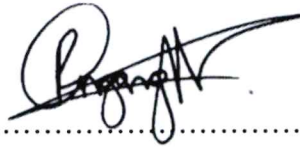
Nothing has come to the attention of the Council to indicate that the University will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The University's financial statements were approved by the Council on 21st July, 2025 and signed on its behalf by:



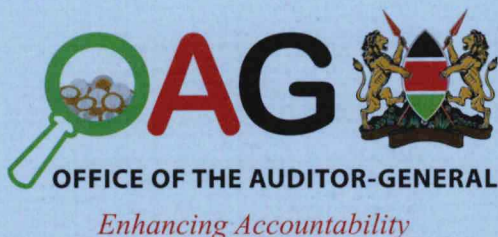
.....
Dr. James Kariuki, PhD
DeKUT Council Chairman



.....
Prof. Eng. Peter N. Muchiri, PhD, EBS
Vice-Chancellor, DeKUT

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

Report of the Auditor-General on Dedan Kimathi University of Technology for the year ended 30 June, 2025

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Dedan Kimathi University of Technology set out on pages 1 to 67, which comprise the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Dedan Kimathi University of Technology as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The financial statements reflects an amount of Kshs.106,031,562 in respect of cash and cash equivalents as disclosed in Note 24(b). Included in this is an account that has been dormant for a period exceeding six (6) months for which the University had not taken steps towards its closure. Further, the University is operating a TVET account that was not disclosed in the financial statements and which was also noted to have been dormant without any measures taken to close it.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 106,031,562 as at 30 June, 2025 could not be confirmed.

2. Long Outstanding Trade and Other Payables

The financial statements reflect Kshs.225,889,864 in respect of trade and other payables from exchange transactions as disclosed in Note 32. Included in this balance was Kshs.66,257,211 relating to unpaid dues to part time teaching lecturers and which has been outstanding for the period between May, 2012 and June, 2024. However, no explanation was provided on why the University continues to hold payments for staff and

why the dues did not form a first charge on the University budgets for subsequent years contrary to Section 94(1) of the Public Finance Management Act, 2012 which provides that factors, singly or in combination, indicate that a State organ or public entity is in serious material breach or persistent material breach of the measures established under Public Finance Management Act if there is failure to make any payments as and when due and default on financial obligations for financial reasons

In the circumstances, the accuracy and completeness of the Kshs.225,889,864 amount of trade and other payables could not be confirmed.

3. Unrecovered Long Outstanding Student Debtors

The financial statements reflects an amount of Kshs.651,497,427 in respect of receivables from exchange transactions as disclosed in Note 25(a). Included in this is an amount of Kshs.584,211,370 in respect of student debtors, out of which an amount of Kshs.125,207,393 dates back to periods between 2010 and 2021 and the amount have not been recovered in accordance with Clause 5.1 of the University Student debt management policy which provides that all fees debt will be collected and payable in full before the commencement of a semester or in installments.

In the circumstances, the university failure to implement the debt management policy may lead to losses to the Institution and can adversely affecting cash flow and the ability to fund ongoing operations.

4. Long Outstanding Rent Arrears

The financial statements reflects an amount of Kshs.651,497,427 in respect of receivables from exchange transactions as disclosed in Note 25 (a). Included in this is an amount of Kshs.68,985,824 in respect of sundry debtors, which further include Kshs.16,258,820 in rent arrears owed by one company that has been outstanding since 2023. It was established that the Company was permitted to vacate the University premises without clearing the said rent arrears and it is apparent that inclusion of the amount in the financial statements unnecessarily overstates the receivables balance by an amount whose recoverability is questionable.

In the circumstances, the accuracy, recoverability and completeness of the Kshs. 16,258,820 amount of rent arrears could not be confirmed.

5. Long Outstanding Students Creditors

The statement of financial position and as disclosed in Note 35 to the financial statements reflects Kshs.115,352,885 in respect of payments received in advance with explanations

provided revealing that these were school fees received from University's students. Included in this amount is Kshs.47,549,521 relating to balances held by the University between the period 2007 and 2020 received from past university students who have completed their course. The fact that payments received since 2007 have not been resolved poses a great risk that these liabilities may be inaccurately reported or improperly accounted for, potentially distorting the University's financial position.

In the circumstances, the validity, accuracy and completeness of Kshs.115,352,885 amount for payments received in advance could not be confirmed.

6. Property Plant and Equipment

The statement of financial position and as disclosed in Note 28 to the financial statements reflects Kshs.5,973,843,613 in respect of property, plant and equipment. Review of the University assets revealed that it is in possession of an Eco Pulper Machine of undetermined value and one(1) tractor both of which are not in use and are deteriorating without the University taking any corrective action to stop further loss. Explanation provided was that the eco pulper machine was abandoned due to a technicality in operation and failure to sort coffee as per the grades required. It is clear that the University did not undertake a need basis and technical capability assessment of the machine before its purchase.

It was not explained why the university has not disposed these assets that are not in use contrary to Section 72(1) of the Public Finance Management Act, which provides that the accounting officer for a national government entity shall be responsible for the management of the entity's assets and liabilities and manage those assets in a way which ensures that the national government entity achieves value for money in acquiring, using and disposing of those assets.

In the circumstances, the accuracy and completeness of the property plant and equipment balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Dedan Kimathi University 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Dedan Kimathi University in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Long Outstanding Receivables from Exchange Transactions
2	2023/2024	Long Outstanding Trade and Other Payables
3	2023/2024	Long Outstanding Student Creditors
4	2023/2024	Non-Compliance with Minimum Requirements on Employee Ethnic Composition
5	2023/2024	Failure to Adhere to One-Third Basic Salary Rule
6	2023/2024	Failure to Meet Recruitment Thresholds for Persons with Disabilities
7	2023/2024	Manual Inventory Reports

Other Information

The Management is responsible for the Other Information set out on page iii to lxiv which comprise of Key Entity Information and management, The University Chancellor, The University Council Members, University Management Board, Chairman's Statement, Report of the Vice Chancellor, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council Members, and the Statement of Council Members Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Staff Ethnic Diversity

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects Kshs.1,329,449,162 in respect of employee costs. Review of the human resource records revealed that the University held a staff capacity of five hundred and forty-five (545) employees out of which three hundred and sixty-two (362) or 66% of the total staff were from the same ethnic community contrary to Section 7(1) and (2) of National Cohesion and Integration Act, 2008 which requires public entities to ensure that their establishments seek to represent the diversity of the people of Kenya and that no public establishment shall have more than one third of its staff from the same ethnic community..

In the circumstances, Management was in breach of the law

2. Payment of Irregular Acting Allowances

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects Kshs.1,329,449,162 in respect of employee costs. Review of the University payrolls between July, 2024 and June, 2025 revealed that the University engaged an officer to the position of Chief Technologist in the Department of Electrical and Electronics Engineering in an acting capacity for the period between 25 January, 2021 and 24 January, 2023. However, despite the lapse of the acting period on 24 January, 2023, the officer continued to receive the acting allowance at the rate of Kshs. 9,890 all totaling Kshs.276,920 between 24 January, 2023 and 31 May, 2025 without an active acting appointment.

In addition, the University also engaged an officer in an acting capacity for the position of Registrar, Academic Affairs and Research from 1 August, 2022 to 31 January, 2023 after which, and without any appointment, the officer continued to draw acting allowance up to 31 May, 2025 translating into irregular acting allowances for a period of 28 months totaling Kshs.751,576. This is contrary to Paragraph 2.5(7) (d) of the Salaries and Remuneration Commission Allowances policy guidelines for the public service which states that task-related allowances shall only be paid for a temporary period to public officers and shall, therefore, be paid only to employees appointed to carry out assignments outside the scope of their responsibilities.

In the circumstances, Management was in breach of public service policy guidelines.

3. Over Commitment of Salaries

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects Kshs.1,329,449,162 in respect of employee costs. Examination of the University payroll for the month of June 2025 revealed that eighty-eight (88) employees received a net pay which was below 1/3 of their basic pay contrary to Section 19 (3) of the Employment Act, 2007 which provides that the total amount of deduction on the wages of an employee shall not exceed 2/3 of such wages.

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

4. Non-compliance with Fiscal Responsibility Principles

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects an amount of Kshs.1,329,449,162 in respect of employee costs. The amount is approximately 59% of the total University revenue for the year of Kshs.2,241,288,918, thereby exceeding the thirty-five percent (35%) set limit of under

Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations 2015 which provides that the compensation of employees including benefits and allowance shall not exceed 35 percent of the revenue raised. The high wage bill is an indication that most of the University's resources are spent on staff salaries at the expense of development projects and thus impacting negatively on service delivery

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Manual Inventory Reports

The statement of financial position and as disclosed in Note 27 to the financial statements reflects an amount of Kshs.9,359,352 in respect of inventories. However, the inventory valuation report provided for audit was manually prepared. Additionally, it was disclosed upon enquiry that the University's inventory control management system had not been upgraded to assist with the processing of inventory reports contrary to Section 161. (1) of the Public Procurement and Asset Disposal Act 2015 which provides that an accounting officer shall set up an inventory management system for the purpose of control and managing its inventory, stores and assets.

In the circumstances, the effectiveness of the inventory management system could not be confirmed.

2. Lack of an Approved Endowment Policy

The financial statements reflects a balance of Kshs.22,754,272 in respect of trade and other payables from non-exchange transactions as disclosed in Note 33. Included in this amount is Kshs.10,381,765 in respect of the Endowment Fund. Review of documents provided revealed that the University commenced soliciting and collection of funds under the Endowment Fund, an entity which had not been legally constituted. Provided information revealed that the formal policies and procedures governing the management, investment, and purpose of the Endowment Fund are still at the draft stage.

In the circumstances, the fund is exposed to the risk of financial impropriety due to weak internal controls and ineffective governance.

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

Responsibilities of the Management and the University Council

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards 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, Management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

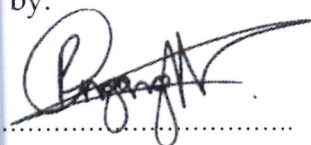
21 October, 2025

Dedan Kimathi University of Technology
Annual Report and Financial Statements
for the year ended June 30, 2025

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

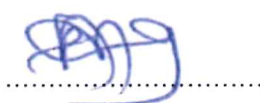
	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Government	6	727,664,734	707,698,875
Revenue from exchange transactions			
Rendering of services (tuition and other fees)	7	1,267,132,995	962,183,914
sales of goods	8	106,411,431	62,695,403
Rental revenue from facilities and equipment	9	8,073,699	7,922,023
Finance income	10	4,235,545	1,224,233
Other income	11	127,770,514	114,953,796
Total revenue		2,241,288,918	1,856,678,243
Expenses			
Use of Goods and Services	12	99,633,990	114,850,987
Employee Costs	13	1,329,449,162	1,213,887,773
Remuneration of Council	14	12,441,642	10,449,193
Depreciation and Amortization	15	73,000,382	62,882,010
Repairs and Maintenance	16	12,618,329	13,945,706
Contracted Services	17	27,267,460	24,472,300
Grants and Subsidies	18	119,191,518	98,965,707
Academic costs	19	66,835,496	57,456,047
General Expenses	20	116,091,277	124,768,941
Farm expenses	21	32,233,863	33,275,420
Total expenses		1,888,763,119	1,754,954,083
Other Gains/losses			
Gain on Disposal of Fixed Asset	22	420,713	0
Loss on foreign exchange transactions	23	(785,247)	(205,221)
Net Surplus/(deficit) for the year		352,161,265	101,518,939

The notes set out on pages 10 to 64 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 64 were signed on behalf of the Board of Directors by:



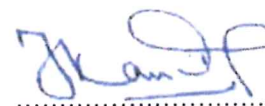
Prof. Eng. Peter N. Muchiri
Accounting Officer

Date: 18th Sept, 2025



CPA. Abraham Mwangi
Head of Finance
ICPAK Mbr. No. 9164

Date: 18th Sept, 2025



Dr. James Kariuki, PhD
Chairman of Council

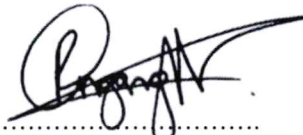
Date: 18th Sept, 2025

Dedan Kimathi University of Technology
Annual Report and Financial Statements
for the year ended June 30, 2025


16. Statement of Financial Position as at 30th June 2025

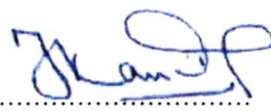
	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash & Cash Equivalents	24 (a)	106,031,562	92,108,580
Receivables from exchange Transactions	25 (a)	651,497,427	341,474,564
Receivables from non-exchange Transactions	26 (a)	0	58,974,907
Inventories	27	<u>9,359,352</u>	<u>5,618,433</u>
		766,888,342	498,176,484
Non-current assets			
Property Plant and Equipment	28	5,973,843,613	5,975,913,272
Investments	30	0	0
Biological assets	31	<u>12,840,100</u>	<u>13,059,100</u>
		5,986,683,713	5,988,972,372
Total assets		6,753,572,054	6,487,148,856
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	32	225,889,864	237,677,634
Trade and other payables from non-exchange transactions	33	22,754,272	30,736,475
Employee benefit obligations	34	69,903,628	136,296,309
Payments received in advance	35	<u>115,352,885</u>	<u>114,709,298</u>
Total liabilities		433,900,650	519,419,716
Net asset		6,319,671,405	5,967,729,140
Represented by:			
Accumulated surplus/(deficit)	36	62,271,961	(289,889,303)
Revaluation reserve	37	3,590,732,437	3,590,951,437
Capital fund	38	<u>2,666,667,006</u>	<u>2,666,667,006</u>
		6,319,671,405	5,967,729,140

The Financial Statements set out on pages 1 to 64 were signed on behalf of the Council by:


Prof. Eng. Peter N. Muchiri
Accounting Officer

Date: 18th Sept, 2025


CPA. Abraham Mwangi
Head of Finance
ICPAK Mbr. No. 9164
Date: 18th Sept, 2025


Dr. James Kariuki, PhD
Chairman of Council
Date: 18th Sept, 2025

17. Statement of Changes in Net Assets for the year ended 30th June 2025

	Capital Fund	Revaluation reserve	Accumulated Surplus	Total
Balance as at 01/07/2023	2,659,167,006	3,590,681,437	(391,408,243)	5,858,440,200
Surplus/(deficit) for the period	0	0	101,518,939	101,518,939
Revaluation additions	0	270,000	0	270,000
Capital development grants	7,500,000	0	0	7,500,000
Capital Donation	0	0	0	0
Balance as at 30/06/2024	2,666,667,006	3,590,951,437	(289,889,304)	5,967,729,139
Balance as at 01/07/2024	2,666,667,006	3,590,951,437	(289,889,304)	5,967,729,139
Surplus/(deficit) for the period	0	0	352,161,265	352,161,265
Revaluation losses	0	(219,000)	0	(219,000)
Capital development grants	0	0	0	0
Capital Donation	0	0	0	0
Balance as at 30/06/2025	2,666,667,006	3,590,732,437	62,271,961	6,319,671,405

18 Statement of Cash Flows for the year ended 30th June 2025

		2024-2025	2023-2024
	Notes	Kshs	Kshs
Cash-flows from operating activities			
Receipts			
Transfers from Government		786,639,641	648,723,968
Rendering of services (tuition and other fees)		945,343,678	783,325,575
Sales of goods		91,228,320	59,224,733
Rental revenue from facilities and equipment		7,064,270	4,417,508
Finance income		4,113,735	756,458
Other income		<u>116,554,083</u>	<u>122,575,581</u>
Total Receipts		<u>1,950,943,727</u>	<u>1,619,023,823</u>
Payments			
Use of Goods and Services		80,551,483	126,336,085
Employee Costs		1,388,242,063	1,116,404,215
Remuneration of Council		12,328,870	10,355,165
Repairs and Maintenance		11,375,107	11,853,850
Contracted Services		25,006,270	22,432,942
Grants and Subsidies		115,621,764	98,965,707
Academic costs		65,224,478	48,837,640
General Expenses		134,247,604	99,815,153
Farm expenses		<u>33,913,097</u>	<u>29,947,878</u>
Total Payments		<u>1,866,510,735</u>	<u>1,564,948,635</u>
Net cash flows from operating activities		84,432,992	54,075,188
Cash-flows from investing activities			
Proceeds from Sale of Fixed Asset	22	450,500	
Investing in fixed assets	28	<u>(70,960,510)</u>	<u>(17,065,002)</u>
Net cash-flows used in investing activities		<u>(70,510,010)</u>	<u>(17,065,002)</u>
Cash-flows from financing activities			
Development grant	38	<u>0</u>	<u>7,500,000</u>
Net cash-flows used in financing activities		0	7,500,000
Net increase/(decrease) in cash and cash equivalents		<u>13,922,982</u>	<u>44,510,186</u>
Cash and cash equivalents as at 1 st July	21	92,108,580	47,598,394
Cash and cash equivalents as at 30 th June	21	106,031,562	92,108,580

**Dedan Kimathi University of Technology
Annual Report and Financial Statements
for the year ended June 30, 2025**

The Financial Statements set out on pages 1 to 64 were signed on behalf of the Board of Directors by:



Prof. Eng. Peter N. Muchiri
Accounting Officer

Date: 18th Sept, 2025



CPA. Abraham Mwangi
Head of Finance
ICPAK Mbr. No. 9164

Date: 18th Sept, 2025



Dr. James Kariuki, PhD
Chairman of Council

Date: 18th Sept, 2025

19. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	d	e=(c-d)	F=d/c*100
Revenue						
Transfers from Government	740,931,708	(89,795,901)	651,135,807	727,664,734	(76,528,927)	112
Rendering of services (tuition and other fees)	512,094,614	657,419,087	1,169,513,701	1,267,132,995	(97,619,294)	108
Sales of Goods	46,800,000	28,700,000	75,500,000	106,411,431	(30,911,431)	141
Rental revenue from facilities and equipment	7,431,600	(93,577)	7,338,023	8,073,699	(735,676)	110
Finance income	800,000	500,000	1,300,000	4,235,545	(2,935,545)	326
Other income	<u>8,873,786</u>	<u>62,683,569</u>	<u>71,557,355</u>	<u>127,770,514</u>	<u>(56,213,159)</u>	179
Total income	<u>1,316,931,708</u>	<u>659,413,178</u>	<u>1,976,344,886</u>	<u>2,241,288,918</u>		
Expenses						
Use of Goods and Services	92,236,933	9,430,404	101,667,337	99,633,990	2,033,347	98
Employee Costs	989,472,033	335,988,782	1,325,460,815	1,329,449,162	(3,988,347)	100
Remuneration of Council	8,244,000	4,684,000	12,928,000	12,441,642	486,358	96
Depreciation and Amortization	30,124,675	42,291,704	72,416,379	73,000,382	(584,003)	101
Repairs and Maintenance	9,050,000	3,825,846	12,875,846	12,618,329	257,517	98
Contracted Services	27,934,240	1,405,760	29,340,000	27,267,460	2,072,540	93
Grants and Subsidies	4,016,160	92,023,280	96,039,440	119,191,518	(23,152,078)	124
Academic costs	33,662,000	36,691,154	70,353,154	66,835,496	3,517,658	95
General Expenses	65,957,700	51,306,216	117,263,916	116,091,277	1,172,639	99
Farm expenses	<u>16,233,967</u>	<u>17,766,033</u>	<u>34,000,000</u>	<u>32,233,864</u>	1,766,136	95
Total expenditure	<u>1,276,931,708</u>	<u>595,413,178</u>	<u>1,872,344,886</u>	<u>1,888,763,120</u>		
Gain on Disposal of Fixed Asset				420,713		

**Dedan Kimathi University of Technology
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	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Loss on foreign exchange transactions				(785,247)		
Surplus/(Deficit) for the period				352,161,265		
Capital Expenditure	40,000,000	64,000,000	104,000,000	70,960,510	(33,039,490)	68

Budget notes

1. Changes from Original Budget to Final Budget

Adjustments between the original and final budget figures were attributable to supplementary appropriations and revisions duly authorised by the National Treasury during the financial year.

2. Transfers from Government

The increase in transfers is as a result of the special grant to fund the negotiated 2021 -2025 CBA.

3. Rendering of services (tuition and other fees)

The University received more self-sponsored students as a result of the aggressive marketing campaigns which has resulted in more income from tuition fee

4. Sale of Goods

The positive variance in the sale of goods is attributed to a bountiful coffee harvest in the current financial year.

5. Rental revenue from facilities and equipment

The increased rental revenue was a result of escalation of lease rates.

6. Finance Income

The University received donor funding to support research projects carried out by financially independent centres. Before these funds are utilized, they are placed in call accounts at the bank, thereby generating interest.

7. Other Income:

The Increase in other incomes is as a result of the increased funding to research projects conducted by academic staff in various financial independent centres within the year

8. Depreciation and Amortization

The increased expenditure is as a result of capitalization of Academic Block Phase I and II after receiving certificate of completion and the council resolution to pay the outstanding certificates.

9. Grants and Subsidies:

The rise in Grants and Subsidies expenditure is as a result of increased research activities within the various financial independent centres within the year. The expenditure is dependent on the research funds attracted through grant proposals and implementation timelines.

10. Capital Budget:

The university was expecting to receive funds from Universities Fund and HELB in time to finance its capital expenditure but there were delays in remittance as some funds were received after the end of the financial year thus affecting the absorption.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	0
1	Opening cash and cash equivalent	92,108,580
2	Transfers from Government	135,503,834

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3	Rendering of services (tuition and other fees)	(224,170,023)
4	Sales of goods	15,728,320
5	Rental revenue from facilities and equipment	(273,753)
6	Finance income	2,813,735
7	Other income	44,996,728
8	Use of Goods and Services	42,398,517
9	Employee Costs	(102,652,740)
10	Remuneration of Council	599,131
11	Depreciation and Amortization	55,500,000
12	Repairs and Maintenance	24,124,893
13	Contracted Services	4,333,730
14	Grants and Subsidies	(53,339,201)
15	Academic costs	17,475,522
16	General Expenses	121,307,396
17	Farm expenses	86,903
18	Proceeds from Sale of Fixed Asset	450,500
19	Investing in fixed assets	(70,960,510)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	106,031,562

20 Notes to The Financial Statements

1. General Information

Dedan Kimathi University of Technology was established by and derives its authority and accountability from University Act 2012 (No 42 of 2012). The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is to provide education, research and effective application of knowledge and skills to life, work and welfare of citizens of Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University'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 of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University.

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

3. Adoption of New and Revised Standards

- When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025
- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

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

Dedan Kimathi University of Technology
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- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

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

Dedan Kimathi University of Technology
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p>

Mineral Resources	<ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

The University did not early - adopt any new or amended standards in financial year 2024/2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. 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 University 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 University.

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.

Notes to The Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

ii) Revenue from exchange transactions

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024-2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget.

The University'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.

Notes to The Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 5 of these financial statements.

c) Taxes

Current income tax

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it

is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Entity and the same taxation authority.

Sales tax

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

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

Notes to The Financial Statements (Continued)

Summary of Significant Accounting Policies (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 an *xx*-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. 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 University 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)

Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. 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 University 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 University 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 University. 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.

Notes to The Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for

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

a) Financial assets

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 University determines the classification of its financial assets at initial recognition.

Classification of financial assets

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

through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Notes to The Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

The University 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:

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

b) 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.

k) Inventories

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

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

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

l) Provisions

Provisions are recognized when the University 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 University 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.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The university did not have any social benefit expenses in the year.

n) Contingent liabilities

The University does not recognize a contingent liability but discloses details of any contingencies in the Notes to The Financial Statements (Continued), unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

o) Contingent assets

The University 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 University in the Notes to The Financial Statements (Continued). 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)

Summary of Significant Accounting Policies (Continued)

p) Nature and purpose of reserves

The University creates and maintains reserves in terms of specific requirements. The University did not maintain any reserves for the current financial year.

q) Changes in accounting policies and estimates

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

r) Employee benefits

Retirement benefit plans

The University operates a contributory pension scheme for eligible employees. The assets of the scheme are held separately in a trustee administered fund that is funded by both employees and the University. The University also contributes to the National Social Security Fund (NSSF). Contributions to this fund are determined by the local statutes.

The contributions made to the above schemes by the University are charged to the income statement during the year in which they relate.

s) Foreign currency transactions

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

Notes to The Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

t) 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.

u) Related parties

The University 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 University, or vice versa. Members of the University Council, University management board and the University Senate are regarded as related parties.

v) Service concession arrangements

The *University* 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 *University* 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 *University* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w) 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 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 officers which were not surrendered or accounted for at the end of the financial year.

x) Comparative figures

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

y) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 32(d).

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. e.g. provision for doubtful debts.

Going Concern

The University like any other sector of the economy is on the recovery period after being heavily affected by the COVID-19 pandemic, increased basic salaries, pension and gratuity as a result of the 2017-21 CBA and the high cost of goods and services due to inflation. This has negatively affected the operations of the University in a great way; thus, the University was not in a position to balance her current assets with the current liabilities. (For example, the effect of the CBA is way above 100 million per year). However, the University has come up with innovative ways to make sure that the University is operating as a going concern, the following strategies have been applied and it is expected that they will work in the coming years.

- i. As a strategy to increase the student population, the University management is considering increasing and improving the existing infrastructural development, this will be achieved

through construction of an additional laboratory and Academic block. All processes are complete and the necessary documentation forwarded to treasury for approval and inclusion in the budget for 2024-2025. This strategy will enable the University serve additional 1,000 students who will bring an additional revenue of Kshs. 250 million.

The university has over the last three years realized savings on human resources operational costs which has been achieved through implementation of a restructuring strategy which merged administrative units from the initial three to two divisions. These strategies are helping the university improve on the working capital through cost savings amounting to more than ten million per year. This is a process that will see the University save and boost her working capital.

- iii The university has also embarked on increasing the student population under STEM in order to attract more funding under the University's new funding model. Currently the University is offering over 70% of her programs under STEM, and with the new funding model implementation, the University will comfortably meet all her obligations as well as improve on the working capital. With this strategy working, the University is therefore expected to raise an additional 100 million per year.

These among other strategies has the indication that the University will remain a going concern for at least the next twelve months and beyond.

Notes to The Financial Statements (Continued)

6. Transfers from Other Government Entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional grants		
Operational grant	651,135,804	707,698,875
Special grants	76,528,930	0
Total Unconditional Grants	0	0
Conditional grants	0	0
National housing grant	0	0
National infrastructure grant	0	0
Provincial health grant	0	0
Social services grant	0	0
Basic services subsidy	0	0
Transportation fund (international funding)	0	0
Other organizational grants	0	0
Total government grants and subsidies	727,664,734	707,698,875

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total transfers 2024/2025 KShs	Prior year 2023/2024 KShs
Ministry of Education Science and Technology	727,664,734			727,664,734	707,698,875
Ministry of Education Science and Technology				0	0
Total	727,664,734			727,664,734	707,698,875

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Notes to The Financial Statements (Continued)

7. Rendering of Services

Description	2024-2025	2023-2024
	KShs	KShs
Tuition and other fees	1,267,132,995	962,183,914
Short courses training	<u>0</u>	<u>0</u>
Total revenue from the rendering of services	1,267,132,995	962,183,914

Tuition and other fees are the fees collected from the students who have enrolled in the programs offered by the University.

8. Sale of Goods

Description	2024-2025	2023-2024
	KShs	KShs
Sale of goods		
Kitchen sales	31,607,831	28,387,027
ToHM Deli Café	3,050,087	3,157,559
Farm sales (8b)	<u>71,753,513</u>	<u>31,150,817</u>
Total revenue from the sale of goods	<u>106,411,431</u>	<u>62,695,403</u>

b) FARM SALES

Description	2024-2025	2023-2024
	KShs	KShs
Coffee	59,816,846	17,851,941
Milk	2,366,690	2,786,180
Horticulture	1,541,968	2,460,098
Livestock Sales	978,175	851,225
Corn Sales	1,527,502	3,986,674
Hay Sales	60,210	50,000
Piggery Sales	114,200	168,250
Coffee seedlings	4,852,320	2,671,009
Charcoal Sales	86,460	222,860
Miscellaneous	<u>409,142</u>	<u>102,580</u>
	71,753,513	31,150,817

Notes to The Financial Statements (Continued)

9. Rental Revenue from Facilities and Equipment

Description	2024-2025	2023-2024
	KShs	KShs
Staff Quarters Rent	705,600	1,215,600
Science and Technologically Park	7,368,099	6,706,423
Total rentals	8,073,699	7,922,023

10. Finance Income

Description	2024-2025	2023-2024
	KShs	KShs
Interest from call deposit	4,235,545	1,224,233
Total finance income-external investments	4,235,545	1,224,233

11. Other Income

Description	2024-2025	2023-2024
	KShs	KShs
Miscellaneous income (11b)	5,975,695	12,736,888
DeKUTES Management fees	4,403,588	5,355,395
Research grants	117,391,231	96,861,512
Total other income	127,770,514	114,953,796

(b) Miscellaneous Income

Description	2024-2025	2023-2024
	KShs	KShs
Academic Research Conference	883,982	313,500
Coffee Sales	0	19,481
Coffee Tech Centre (IFBT)	77,546	242,915
Conservancy Sales	279,102	100,740
Donations	112,000	0
Contingent rental - Facilities Income	0	4,150,000
Cultural Vistas Income	0	1,221,718
De-hub Income	0	75,000
Film Hub Income	252,852	302,200
Hawking Fee	69,500	48,000
Innovation Income	969,335	0

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Kenya Music Festival	0	3,171,183
Library Services Income	49,254	58,829
Medical fee	199,279	167,191
Project Administrative Fee	1,259,177	1,407,301
Sale of tree seedlings	3,600	13,304
Sewer Fees	60,400	185,800
Payment in Lieu of Notice	22,440	0
Training Bond Liquidation	631,233	0
Contingent rental of bus	252,502	71,467
Utility fee	<u>853,493</u>	<u>1,188,259</u>
Total	<u>5,975,695</u>	<u>12,736,888</u>

12. Use of Goods and Services

Description	2024-2025	2023-2024
	KShs	KShs
Purchase of Drugs	4,410,716	6,176,429
Medical expenses	39,504,494	44,904,750
Optical and Dental	7,066,549	7,660,807
Electricity expenses	27,672,809	34,952,919
Water expenses	6,592,696	6,190,167
Utensils and Crockery	423,270	228,259
Bank charges/ interest	452,495	541,388
Contracted professional services	31,005	128,110
Internet services	9,516,965	9,511,396
Subscription to professional bodies	449,620	732,904
Gas and fuel	2,151,710	1,593,050
Fumigation Services	0	469,500
Marketing Expenses	1,357,661	1,042,572
Security expenses	4,000	
Income Tax Paid	<u>0</u>	<u>718,736</u>
Total Goods and services	<u>99,633,990</u>	<u>114,850,987</u>

13. Employee Costs

	2024-2025	2023-2024
	KShs	KShs
Basic Salaries	705,412,899	604,913,052
House allowances	241,370,235	246,400,250
House to Office allowance	54,841,841	58,177,898
Other personal allowances	76,927,028	79,711,240

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Leave allowance	2,919,980	2,977,620
Pension (employer)	80,288,224	70,088,618
NSSF (Employer)	18,815,120	9,862,559
Gratuity	37,292,988	39,660,451
Group life insurance	18,617,362	16,913,189
Casual workers	24,703,882	24,995,666
Part time teaching	26,320,715	19,495,000
Passage and baggage	596,278	183,790
NITA Training Levy	448,000	402,350
Graduate Assistants Stipend	20,819,452	21,741,726
Housing Levy-Employer	16,317,006	15,082,787
Locum	<u>3,758,152</u>	<u>3,281,576</u>
Total Employee costs	1,329,449,162	1,213,887,773

14. Remuneration of Council Members

Description	2024-2025	2023-2024
	KShs	KShs
Council Sitting Allowances	3,817,790	3,190,300
Council Travelling & Accommodation	4,757,128	4,547,871
Chancellor Honoraria	1,301,235	1,132,880
Council Chairman Honoraria	1,057,935	1,044,000
Council Insurance	498,364	534,142
Council training	<u>1,009,190</u>	<u>0</u>
Total Council emoluments	12,441,642	10,449,193

15. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant and equipment	<u>73,000,382</u>	<u>62,882,010</u>
Total Depreciation and Amortization	73,000,382	62,882,010

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16 Repairs and Maintenance

Description	2024-2025	2023-2024
	KShs	KShs
Computers and Accessories	1,493,764	824,058
Buildings	6,463,823	5,831,073
Water and sewerage	353,259	3,389,873
Roads and Grounds	439,980	1,259,035
Motor Vehicle	3,258,598	1,571,540
Equipment, Furniture and Fittings	409,405	1,070,127
Asset tagging	199,500	0
Total Repairs and Maintenance	12,618,329	13,945,706

17 Contracted Services

Description	2024-2025	2023-2024
	KShs	KShs
Security Services	7,040,040	6,999,034
Legal expenses	0	159,888
ISO Certification Expenses	133,180	0
Hygiene Services	714,240	931,860
Cleaning Services	12,600,000	11,874,950
Ground Maintenance Services	6,780,000	4,506,568
Total Contracted Services	27,267,460	24,472,300

18 Grants and Subsidies

Description	2024-2025	2023-2024
	KShs	KShs
International Research Conference	303,845	908,028
Internal Research Grants	1,170,200	510,365
Innovation And Technology	288,750	50,974
Consultancy Expense	0	0
CIPE Centre For Industrial	0	0
CMED Centre For Mechanical Eng. & Design	30,352	411,528
DeHUB Expenses	7,140	223,300
International Foundation of Science (Dennis)	5,072	0
ENET Project (Dr Paul Wanyeki)	0	287,680
Data Science Africa Project	16,434,568	11,410,128

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BMBF Project- Dr. Bartholomew	185,758	17,881,504
CBES - Water & Energy GIZ Project (P Kimari)	0	1,558,249
Siegen Universiatet Project - Prof Karuri	391,128	1,284,000
CBES - Energy Saving Stoves GCF Project (P Kimari)	15,171,356	26,799,527
MC2FM Project - Dr Bartholomew	3,134,841	874,312
Dekut Kenya mental Health Project (Simon Githui)	1,282,120	1,692,000
Start Up Centre - DeSTaC	695,694	98,800
KENET Project (Dr Waweru Njeri)	0	496,150
Geo-Africa Project (Prof. Mariita)	551,700	127,888
World Skills Fund (Prof Jean Bosco)	3,595,822	13,673,193
CHIAM NRF Project - Dr Monica	2,980,922	1,100,916
Outdoor Leadership Program Project	15,565	678,548
Mozilla Foundation Grant - Dr. G Musumba	1,484,150	3,526,179
Coffee Technology Centre - Agroparistech	0	1,317,234
IPAR - A. I. Research Network (Dr Musumba)	615,762	1,275,836
University of Botswana SME2KE Project - Dr Ollengo	4,451,491	3,323,456
Africa Centre for Tech Studies - Dr. Tanui	10,061,038	4,420,624
Leather Goods & Foot Wear(Dr. Tanui)	1,512,805	978,310
Research to Commercialization(Dr. Tanui)	600,000	0
Origin Lab(Prof. Kioni)	4,185,730	235,076
SIFA (AUDA-NEPAD) PROJECT	18,641,725	3,821,902
NRF Fund- Prof Mariita & Prof . Bosco	3,179,046	0
DSAIL - LACUNA Project (Meridian Inst.)	6,204,640	0
Engage Project - Dr Jane Kuria	416,750	0
Chemical Security Project (Dr E. Nthiga)	1,477,196	0
Carnrgie Mellon Uni Project - Prof. Bosco	1,875,601	0
DSAIL-IDRC Multidisciplinary A. I. Lab Project	4,088,267	0
KijaniBox - Project	7,942,884	0
EMORY DEKUT PROJECT - DR. GITONGA	542,100	0
NRF - Prof. Kioni	680,000	0
UK-Kenya AI Fund-Dr Gikunda	1,900,000	0
Colouring Kenya-Dr. Juliet	3,087,500	0
Total Grants and subsidies	119,191,518	98,965,707

19. Academic Costs

Description	2024-2025	2023-2024
	KShs	KShs
CUE Institutions Accreditations	960,000	1,260,000
TVET Expenses	420,000	385,700
Library Books & Resources	965,607	1,918,376
Renewal of Software Licenses Subscriptions	807,646	769,515

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Coffee Centre Expenses	0	212,540
Final Year Projects	2,792,761	1,105,149
Siemens Certification Centre expenses	2,537,342	3,078,279
External examinations	4,497,296	5,130,061
Attachment expenses	8,587,412	7,687,741
Teaching materials	5,977,769	6,237,870
Field courses / Academic Trips	2,158,556	1,198,790
Examination Materials	6,287,752	6,145,665
QUE Quality Assurance Expenses	2,951,500	2,019,000
Curriculum Development	233,495	106,780
Purchase of Graduation Gowns	551,000	1,537,200
KUCCPS Admission Expenses	2,703,000	2,215,500
Graduate Assistants Fees Sponsorship	5,699,676	6,004,922
Graduation expenses	7,532,183	2,890,240
Teaching Practicum Expenses	8,151,950	5,278,930
Film Hub Centre Expenses	0	158,355
HoHM Deli Cafe Expenses	<u>3,020,551</u>	<u>2,115,435</u>
Total academic costs	66,835,496	57,456,047

20 General Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Vehicle fuel and oil	7,889,997	8,939,971
Travelling and accommodation (DSA)	4,237,669	4,562,305
External travelling	455,739	3,220,694
Postage & Courier expenses	33,200	64,567
Telephone expenses	1,267,934	1,529,804
Staff Entertainment	572,205	187,264
Purchase of uniforms	546,744	362,700
Publishing & Printing	2,533,762	853,140
Conferences Workshops and Seminars	3,989,758	5,040,761
Stationery and stores	2,210,522	6,365,805
Advertising and Publicity	20,000	1,209,228
Provision for Audit Fees	870,000	870,000
Licences and Levies	176,570	404,526
Insurance premiums	2,617,337	6,959,902
Training expenses	4,660,697	5,222,799
Catering Expenses	27,104,850	29,620,016
Cleaning materials	222,980	742,291
Newspapers/Journals/Magazines	245,000	390,480

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ICT infrastructure & Maintenance	563,715	868,922
Public celebrations / Demise	384,007	854,070
Linkages	0	1,209,879
Vehicle licenses & insurance	1,178,662	1,556,749
Performance Contract	126,688	289,429
Booked Meals	7,776,180	6,380,175
Rent and rates	2,361,426	7,859,995
Staff Welfare	1,851,920	2,137,621
University Public Functions	0	525,371
Corporate Social Responsibility	10,500	110,744
Conservancy Expenses	2,170,211	239,450
Sports Equipment	128,000	300,220
Alumni association	2,199,727	811,800
Committee Facilitation expenses	319,485	599,364
Exchange Programme	561,395	272,595
Work Permits	1,551,080	425,839
DeKUT Affiliation Associations	1,695,384	378,830
Drama and Music Festival Activities	794,660	3,325,973
Patents	19,160	7,500
Admissions & Orientation Expenses	163,322	0
Provision for Doubtful Debt	15,666,646	3,638,674
Staff Dependant's Fees Waiver	2,372,844	1,543,008
UNESCO Chair	16,100	0
Climb to Educate	922,281	27,865
Counselling Expenses	196,922	221,235
Work-study	576,345	525,805
Students insurance	1,076,825	1,227,538
DEKUTSO Expenses	3,095,147	2,393,647
Students Entertainment	524,090	490,781
Sports and Games	3,294,940	2,635,777
Student Benevolent Fund	387,305	312,185
Students Award	487,390	512,480
Student Bursary Fund	1,091,395	2,048,349
Science & Technology Park	2,872,561	4,446,635
National Cancer Hospital	0	44,185
Total general expenses	116,091,277	124,768,941

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21 Farm Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Seeds-Horticulture	239,370	420,780
Horticulture - Labour	2,419,859	2,767,657
Chemicals-Horticulture	162,125	330,600
Fertilizers-Horticulture	86,806	28,960
Banana Ripening Expenses	0	800
Corn/Maize Expenses	587,310	0
Certified coffee seeds	58,480	0
Farm Nursery inputs	134,040	0
Coffee hole digging	0	0
Farm inputs	0	534,820
Coffee Labour	9,611,350	7,426,788
Coffee picking expenses	2,932,000	1,276,000
Fertilisers-coffee	92,120	2,625,070
Fungicides-coffee	229,825	228,500
Insecticides-coffee	38,876	623,545
Herbicides-Coffee	1,679,866	2,160,070
Coffee nylex & sisal twine	82,710	264,259
Farm tools	107,300	18,470
Feeds/Fodder	1,295,425	2,993,495
Labour - Livestock	2,826,897	2,715,240
Veterinary bills & A.I	236,152	476,511
Grooming and local treatment	51,784	138,221
Piggery feeds	108,050	183,900
Acaricides	37,784	99,900
Polythene & Twine -Daily	4,300	137,130
Fish rearing expenses	81,910	18,600
Buildings maintenance	698,773	352,984
Machinery maintenance	650,433	750,968
Machinery plant and equipment	255,388	151,510
Electricity-irrigation	51,838	656,778
Electricity-wet mill	194,784	79,557
Electricity- office/stores/dairy	399,782	314,266
Travel & Subsistence	519,959	286,394
Stationery & printing	47,074	52,310
Security	45,000	18,000
Licences and legal fee	26,000	26,000
Insurance	0	94,926

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Staff welfare/entertainment	32,033	41,364
Hired transport	40,000	26,700
Fuel and oils	2,125,167	1,652,079
Telephone	0	2,800
Protective clothing	191,592	189,531
Cleaning Materials	39,063	42,812
Packaging materials	12,345	29,860
Printing & Publishing	0	168,000
Indirect labour	3,800,293	2,869,265
Total Farm Expenses	32,233,864	33,275,420

22. Gain on Sale of Assets

Description	2024-2025	2023-2024
	KShs	KShs
Motor Vehicle	420,713	0
Intangible assets	0	0
Other assets not capitalised	0	0
Total gain on sale of assets	420,713	0

23. Gain/Loss on foreign exchange transactions

Description	2024-2025	2023-2024
	KShs	KShs
Gain on foreign exchange transactions	0	117,965
Loss on foreign exchange transactions	(785,247)	(323,186)
Total Loss	(785,247)	(205,221)

24. (a) Cash and Cash Equivalents

Description	2024-2025	2023-2024
	KShs	KShs
Current account	68,531,562	27,908,580
On- call deposits	37,500,000	64,200,000
Fixed Deposit Accounts	0	0
Total cash and cash equivalents	<u>106,031,562</u>	<u>92,108,580</u>

Notes to The Financial Statements (Continued)

24 (b) Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2024-2025 KShs	2023-2024 KShs
Standard chartered bank			
EKUT Fee collection A/C	0102045131200	2,162	0
EKUT Fee collection A/C	0102045131201	9,518	145,525
EKUT Farm Operating A/C	0102045131202	1,697,351	202,935
EKUT Fee collection A/C	0102045131203	1,400,285	301,756
Consolidated bank			
EKUT Payment main A/C	10061200000061	33,256,077	1,251,181
EKUT Fee collection A/C	10061200000062	25,156,593	5,767,314
EKUT Project A/C	10061203000003	3,463,797	5,611,407
Call Deposit	10061200000061	35,000,000	15,000,000
EKUT USD A/C	10062200000004	3,735	3,421,966
Family Bank			
EKUT Payment A/C	055000028807	205,608	493,351
EKUT Mathira TTI A/C	055000031309	824,124	570,260
EKUT Farm Operating A/C	055000032397	17	10
Kenya commercial bank			
EKUT Fee collection A/C	1121318274	824,810	1,148,863
EKUT Coffee research Fund A/C	1158874847	138,717	116
Call Deposit	1158874847	0	9,200,000
Equity bank			
EKUT Fee collection A/C	1150297300480	1,548,768	8,993,897
Call Deposit	1150297300480	2,500,000	40,000,000
Cash at Hand			
Cash balances		0	0
TOTAL		106,031,562	92,108,580

25. Receivables from Exchange Transactions

25 (a) Receivables from Exchange Transactions (Current)

Description	2024-2025 KShs	2023-2024 KShs
Current receivables		
Student Debtors	584,211,370	270,878,441
Provision/Release of Provision for Doubt-Full Debt	(29,210,569)	(13,543,922)
	555,000,802	257,334,519

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Sundry Debtors	68,985,824	57,485,076
Utility Deposits	4,023,356	4,023,356
Kenya AIST	0	7,283,733
E-Citizen	3,579,541	7,085,858
Interest Receivable	589,586	467,775
Research Grants CBES - Water & Energy	1,489,563	1,489,563
Research Grants CBES - Energy Saving Stoves	2,279,720	
Research Grants SIFA	13,996,877	3,821,902
Research Grants World Skills	1,552,159	1,130,745
Farm Debtors (Coffee Sales)	0	1,038,776
Staff Debtors	0	313,260
V.A.T. Arrears	2,985,164	2,985,164
Impairment Of VAT Receivables	(2,985,164)	(2,985,164)
Total Current Receivables	<u>651,497,427</u>	<u>341,474,564</u>

NB: Breakdown of student debtors

Description	2024-2025
	Kshs
HELB & Universities Funding	344,023,544
House hold -New Funding Model Students	40,861,313
House hold - Continuing Students	199,326,513
Total Student Debtors	<u>584,211,370</u>

25. (b) Receivables from Exchange Transactions (Long-term)

Description	2024-2025	2023-2024
	Kshs	Kshs
Total receivables		
Service, water and electricity debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
	0	0
Current portion transferred to current receivables	(0)	(0)
Total non-current receivables	<u>0</u>	<u>0</u>
Total receivables (a+b)	<u>651,497,427</u>	<u>341,474,564</u>

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25 (c) Ageing analysis for Receivables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	410,443,379	63%	206,134,189	60%
Between 1- 2 years	91,209,640	14%	37,196,334	11%
Between 2-3 years	26,059,897	4%	16,234,556	5%
Over 3 years	123,784,511	19%	81,909,485	24%
Total (a+b)	<u>651,497,427</u>		<u>341,474,564</u>	

25 (d) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment Allowance/ Provision	2024-2025	2023-2024
	KShs	KShs
At the beginning of the year	13,543,922	9,905,249
Additional provisions during the year	15,666,646	3,638,674
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	<u>29,210,569</u>	<u>13,543,922</u>

26 (a) Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Capitation Grants	0		58,974,907	
Development Grants	0		0	
Other debtors (non-exchange transactions)	0		0	
Less: impairment allowance	(0)		(0)	
Total receivables from non- exchange transactions	0		58,974,907	
	2024-2025	% of the total	2023-2024	% of the total
Ageing Analysis- Receivables from non-exchange transactions				
Less than 1 year	0	0%	58,974,907	100%

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Between 1-2 years	0	%	0	%
Over 3 years	0	%	0	%
Total	<u>0</u>	100%	<u>58,974,907</u>	100%

26. (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2024-2025	2023-2024
	KShs	KShs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	0	0

27. Inventories

Description	2024-2025	2023-2024
	KShs	KShs
Farm stocks	3,746,039	5,618,433
Catering	381,970	0
Stationery & Stores	3,579,800	0
Maintenance of Buildings & stations	655,544	0
Maintenance of sewer& Water & Sewer	209,320	0
Maintenance of Equipment, Furniture & Fittings	786,679	0
Total inventories at the lower of cost and net realizable value	<u>9,359,352</u>	<u>5,618,433</u>

Notes to The Financial Statements (Continued)

28. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Computers	Plant and machinery	Tractor	Furniture and equipment	Capital Work in progress	Total
	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
Depreciation rates	NIL	2%	25%	30%	12.5%	37.5%	12.5%	NIL	
Cost									
At 30th June 2023	3,432,000,000	1,262,192,778	78,859,199	95,765,089	24,992,766	12,887,572	598,466,526	1,312,134,946	6,817,298,876
Additions	0	0	0	2,413,225	0	0	2,603,844	12,047,933	17,065,002
Disposals	0	0	0	0	0	0	0		0
Valuation	0	665,455,644	0	0	0	0	0	(665,455,644)	0
At 30th June 2024	3,432,000,000	1,927,648,422	78,859,199	98,178,314	24,992,766	12,887,572	601,070,370	658,727,235	6,834,363,878
Additions	0	0	0	742,200	0	0	4,292,421	65,925,889	70,960,510
Disposals	0	0	(2,229,000)	0	0	0	0	0	(2,229,000)
Valuation	0	0	0	0	0	0	0	0	0
Transfer/ Adjustment	0	718,179,748	0	0	0	0	0	(718,179,748)	0
At 30th June 2025	3,432,000,000	2,645,828,170	76,630,199	98,920,514	24,992,766	12,887,572	605,362,791	6,473,376	6,903,095,388
Depreciation and impairment									

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	Land	Buildings	Motor vehicles	Computers	Plant and machinery	Tractor	Furniture and equipment	Capital Work in progress	Total
	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
Depreciation rates	NIL	2%	25%	30%	12.5%	37.5%	12.5%	NIL	
At 30th June 2023	0	181,377,409	75,986,222	84,792,553	21,219,891	12,766,251	419,426,271	0	795,568,596
Depreciation	0	34,925,420	718,244	4,015,728	471,609	45,495	22,705,512	0	62,882,010
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0	0
At 30th June 2024	0	216,302,829	76,704,467	88,808,281	21,691,500	12,811,747	442,131,783	0	858,450,606
Depreciation	0	48,590,507	531,236	3,033,670	412,658	28,435	20,403,876	0	73,000,382
Disposals	0	0	(2,199,213)	0	0	0	0	0	(2,199,213)
Impairment	0	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0	0
At 30th June 2025	0	264,893,336	75,036,490	91,841,951	22,104,158	12,840,181	462,535,659	0	929,251,775
Net book values									
At 30th June 2025	3,432,000,000	2,380,934,834	1,593,709	7,078,563	2,888,608	47,391	142,827,132	6,473,376	5,973,843,613
At 30th June 2024	3,432,000,000	1,711,345,593	2,154,732	9,370,033	3,301,266	75,825	158,938,587	658,727,235	5,975,913,272

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Valuation

Land was valued by Ministry of Land and physical planning (Kirinyaga county) independent valuer. The new land value was established at KShs 3,432,000,000 from the initial value of Kshs 435,000,000. These amounts were adopted on financial year 2019/2020

28 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	435,000,000	0	435,000,000
Buildings	0	0	0
Plant and machinery	0	0	0
Motor vehicles, including motorcycles	0	0	0
Computers and related equipment	0	0	0
Office equipment, furniture, and fittings	0	0	0
	435,000,000	0	435,000,000

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and machinery	0	0
Motor vehicles, including motor cycles	0	0
Computers and related equipment	0	0
Office equipment, furniture and fittings	0	0
Total	0	0

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29. Work-In Progress

Description					
WORK-IN-PROGRESS	Description	BAL B/F	ADDITIONS	Transfer to building	TOTAL
Academic Block P1	Buildings	385,679,549	0	(385,679,549)	0
Academic Block P2	Buildings	268,999,754	63,500,445	(332,500,199)	0
Access Roads	Buildings	4,047,933	2,425,444	0	6,473,377
Bal c/d		<u>658,727,236</u>	<u>65,925,889</u>	<u>(718,179,748)</u>	<u>6,473,377</u>

30. Investment Property

Description	2024-2025	2023-2024
	KShs	KShs
i) One (1) ordinary share of Kshs. 20.00 in Kenya Farmers Association	20	20
ii) 130175 redeemable ordinary shares of Kshs. 10.00 each with Kenya Planters Co-operative Union Ltd.	1,301,750	1,301,750
Impairment of investment	<u>(1,301,770)</u>	<u>(1,301,770)</u>
	<u>0</u>	<u>0</u>

31. Biological Assets

Description	2024-2025	2023-2024
	KShs	KShs
Livestock	4,493,000	4,712,000
	0	
Coffee trees	0	
Number of coffee trees 166,942 @ 50	<u>8,347,100</u>	<u>8,347,100</u>
Total	<u>12,840,100</u>	<u>13,059,100</u>

This is stated at the net realisable value

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Notes to The Financial Statements (Continued)

32. Trade and Other Payables from Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	162,861,621		184,079,112	
Provisions (audit fees)	870,000		870,000	
Insurance Compensation	18,149,580		20,758,820	
Rent Deposit	1,637,386		1,637,386	
Research grants	<u>42,371,278</u>		<u>30,332,317</u>	
Total trade and other payables	225,889,864		237,677,634	
Ageing analysis: (Trade and other payables)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	151,911,218	67%	225,937,699	82%
1-2 years	12,770,453	6%	7,563,611	12%
2-3 years	1,722,856	1%	1,301,092	4%
Over 3 years	<u>59,485,337</u>	26%	<u>2,875,234</u>	2%
Total (tie to above total)	225,889,864		<u>237,677,636</u>	

33. Trade and other payables from non-exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Prepayment (Alumnae, HELB, Bursaries)	10,542,867		19,642,842	
Endowment Fund	10,381,765		0	
Chancellors Fund	160,000		0	
Capital Development Retention Funds	<u>1,669,640</u>		<u>11,093,633</u>	
Total deposits	22,754,272		<u>30,736,475</u>	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	16,881,682	74%	19,642,842	67%
1-2 years	1,741,300	8%	0	0%
2-3 years	1,741,800	8%	0	0%
Over 3 years	<u>2,389,490</u>	11%	<u>11,093,633</u>	33%
Total	22,754,272		<u>30,736,475</u>	

Notes to The Financial Statements (Continued)

34. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2024-2025	2023-2024
	KShs	KShs	KShs	KShs	KShs
Pension arrears	0	0	0	0	13,117,921
CBA Salary Arrears	0	0	0	0	0
Salary & Salary deductions	0	0	0	69,903,628	123,178,388
Total				69,903,628	136,296,309

Retirement benefit Asset/ Liability

The University operates a contributory pension scheme for eligible employees. The assets of the scheme are held separately in a trustee administered fund that is funded by both employees and the University.

	2024-2025	2023-2024
	KShs	KShs
Discount rates	0	0
Future salary increases	0	0
Future pension increases	0	0
Mortality (Pre- retirement)	0	0
Mortality (Post- retirement)	0	0
Withdrawals	0	0
Ill health	0	0
Retirement	0	0

Recognition of Retirement Benefit Asset/ Liability

- a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

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	2024-2025	2023-2024
Description	KShs	KShs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial gains/ losses arising from changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (Specify)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Re measurement of the net defined benefit liability (asset)	0	0

b) Amounts recognised in the Statement of Financial Position

	2024-2025	2023-2024
Description	KShs	KShs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded Status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net Asset or liability arising from defined benefit obligation	0	0

The University also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The University's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 2,160 per employee per month. Other than NSSF the University also has a defined contribution scheme operated by Dedan Kimathi University of Technology Staff Retirement Benefit Pension Fund. Permanent and Pensionable Employees contribute 7.5% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

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Notes to The Financial Statements (Continued)

35. Payment received in advance

Description	2024-2025	2023-2024
	KShs	KShs
Students' creditors	<u>115,352,885</u>	<u>114,709,298</u>
Total	<u>115,352,885</u>	<u>114,709,298</u>

36. Accumulated Surplus

Description	2024-2025	2023-2024
	KShs	KShs
Bal as at 1/7/2024	(289,889,303)	(391,408,242)
University Surplus for the period	352,161,265	101,518,939
Prior year adjustment	<u>0</u>	<u>0</u>
Bal as at 30/6/2025	<u>62,271,961</u>	<u>(289,889,303)</u>

37. Revaluation Accounts

Description	2024-2025	2023-2024
	KShs	KShs
Bal as at 01/07/2024	3,590,951,437	3,590,681,437
Addition in the year	<u>(219,000)</u>	<u>270,000</u>
Bal as at 30/06/2025	<u>3,590,732,437</u>	<u>3,590,951,437</u>

38. Capital Fund

Description	2024-2025	2023-2024
	KShs	KShs
Bal as at 01/07/2024	2,666,667,006	2,659,167,006
Donations	0	0
Development fund	<u>0</u>	<u>7,500,000.00</u>
Bal as at 30/06/2025	<u>2,666,667,006</u>	<u>2,666,667,006</u>

39. Cash Generated from Operations

Description	2024-2025	2023-2024
	KShs	KShs
Surplus for the year before tax	352,161,265	101,518,939
Adjusted for:		
Depreciation	73,000,382	62,882,010

Description	2024-2025	2023-2024
	KShs	KShs
Gain on disposal	(420,713)	<u>0</u>
	424,740,934	164,400,949
Working Capital adjustments		
Increase in inventory	(3,740,920)	(187,222)
Increase in receivables	(251,047,957)	(113,960,741)
Increase in payables	(86,162,654)	(9,571,105)
Increase in payments received in advance	<u>643,588</u>	<u>13,393,307</u>
Net cash flow from operating activities	84,432,992	54,075,188

40 Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University'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 University 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 University's financial risk management objectives and policies are detailed below:

i) Credit risk

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

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The carrying amount of financial assets recorded in the financial statements representing the University'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 2025				
Receivables from exchange transactions	651,497,427	651,493,585	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	106,031,562	106,031,555	0	0
Total	757,528,989	757,525,140	0	0
At 30 June 2024				
Receivables from exchange transactions	341,474,564	341,474,564	0	0
Receivables from non-exchange transactions	58,974,907	58,974,907	0	0
Bank balances	92,108,580	92,108,580	0	0
Total	492,558,051	492,558,051	0	0

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 University has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Council sets the University'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 University's directors, who have built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The

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University manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the University 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
As at 30 June 2025				
Trade payables	60,068,492	14,593,214	110,954,187	185,615,893
Provisions(Audit fees)	870,000	0	0	870,000
Insurance compensation	7,449,780	0	10,699,800	18,149,580
Rent Deposit	0	0	1,637,386	1,637,386
Research grants	42,371,278	0	0	42,371,278
Student Prepayments	0	115,352,885	0	115,352,885
Employee benefit obligation	69,903,628	0	0	69,903,628
Total	180,663,178	129,946,099	123,291,373	433,900,650
As at 30 June 2024				
Trade payables	52,428,499	12,415,724	318,279,184	383,123,407
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	123,178,388	0	13,117,921	136,296,309
Total	175,606,887	12,415,724	331,397,105	519,419,716

iii) Market risk

The *University* 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.

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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 University's internal audit Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Committee of Council) and for the day-to-day implementation of those policies. There has been no change to the University's exposure to market risks or the way it manages and measures the risk.

iv) Foreign Currency risk

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

The carrying amount of the *University's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

The following table demonstrates the effect on the University's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	0	0
USD	10%	0	0
Previous FY			
Euro	10%	0	0
USD	10%	0	0

v) Interest rate risk

Interest rate risk is the risk that the University's financial condition may be adversely affected as a result of changes in interest rate levels. The University's interest rate risk arises from bank deposits. This exposes the

University to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the University'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.

Sensitivity analysis

The University 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 University did not have any debt obligations during the year and therefore the analysis is not applicable.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the University's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The University considers relevant and observable market prices in its valuations where possible.

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The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
Total	0	0	0	0
As at 30th June 2025				
Financial Assets				
Quoted Equity Investments	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
Total	0	0	0	0

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

vi) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	3,590,732,437	3,590,951,437

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Retained Earnings	62,271,961	(289,889,303)
Capital Reserve	2,666,667,006	2,666,667,006
Total Funds	6,319,671,405	5,967,729,140
Total Borrowings	433,900,650	519,419,716
Less: Cash and Bank Balances	(106,031,562)	(92,108,580)
Net Debt/(Excess Cash and Cash Equivalents)	327,869,088	427,311,136
Gearing	5.2%	7.2%

41. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the University include those parties who have the 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.

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Council Members
- iv) DeKUTES

Related Party Disclosures

	2024-2025	2023-2024
	KShs	KShs
Transactions with related parties		
a) Sales to related parties		
DEKUTES		
Sales of goods	-	-
Sales of services	4,403,588	5,355,395
Total	4,403,588	5,355,395

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	2024-2025	2023-2024
	KShs	KShs
b) Grants from the Government		
Grants from National Government	727,664,734	715,198,875
Grants from County Government	0	0
Donations in kind	0	0
Total	727,664,734	715,198,875
c) Expenses incurred on behalf of DEKUTES		
Payments of salaries and wages	4,403,588	5,355,395
Payments for goods and services		
Total	4,403,588	5,355,395
d) Council Members		
Council' emoluments	12,441,642	10,449,193
Compensation to the CEO		
e) Compensation to key management		
Total	12,441,642	10,449,193

42 Segment Information

Dedan Kimathi University of Technology does not operate in different geographical regions or in departments, thus not subject to IPSAS 18 on segmental reporting which requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments

43 Contingent Assets and Contingent Liabilities

Contingent Assets

	2024-2025	2023-2024
Contingent Assets	KShs	KShs
Insurance Reimbursements	0	0
Assets Arising from Determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Receivables From Other Government Entities	0	0

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Others (Specify)	0	0
Total	0	0

Contingent Liabilities

	2024-2025	2023-2024
	KShs	KShs
Contingent Liabilities	0	0
Court Case against the Entity	0	0
Bank Guarantees in Favour of Subsidiary	0	0
Contingent Liabilities arising from Contracts Including PPPs	0	0
Others (Employment cases)	0	0
Total	0	0

As at 30th June 2025, the University had twenty (25) litigations filed on 16th May 2022 where applicants who were casual employees in the University sued claiming unlawful termination, unpaid claims of overtime worked, house allowance, annual leave, and one month's salary in lieu of notice totalling to Kshs. 39,097,249. However, the outcome of these cases cannot be determined at the moment.

44. Capital Commitments

Capital Commitments	2024-2025	2023-2024
	KShs	KShs
Authorised for	0	0
Authorised and contracted for	0	0
Total	0	0

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

45. Events after the Reporting Period

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

46 Ultimate and Holding Entity

The University is a State Corporation under the Ministry of Education and Technology. Its ultimate parent is the Government of Kenya.

47 Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

21. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
A1	Long Outstanding Receivables from Exchange Transactions	The University Management is actively pursuing the recovery of outstanding fees through demand letters to students and their sponsors. Management is also seeking approval for the write-off of bad and doubtful debts.	Partially resolved	June 30 th , 2026
A2	Long Outstanding Trade and Other Payables	With the introduction of the new funding model, the university expects an improved revenue collection that will help to reduce and eradicate the long outstanding payables.	Partially resolved	Dec 31 st , 2025
A3	Long Outstanding Student Creditors	These are unclaimed refunds resulting from overpayments by former students, the University proactively reminds them through letters, emails, and phone calls to complete the necessary refund procedures.	Partially resolved	Dec 31 st , 2025
A4	Receipts Outside Reporting Period	This was a result of timing difference, the billing of students has since been modified to apportion revenue as the services are being rendered.	Resolved	December 31 st , 2024

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A5	Going Concern/Sustainability of Services	With the introduction of the new funding model the University now is on a financial recovery path . This initiative has significantly contributed to the university's financial recovery, resulting in an accumulated surplus of Kshs 109 million in the current financial year.	Resolved	June 30 th , 2025
A6	Expenditure Outside Reporting Period	The University acknowledges part-time expenses under employee costs in its financial statements for each financial year, whereas payments for part-time services made in the current financial year but pertaining to prior periods are deducted from the part-time payables reported under trade payables for that year.	Resolved	June 30 th , 2025
B1	Non-Compliance with Minimum Requirements on Employee Ethnic Composition	The University developed diversity policy which was approved by the University Council in 2018 for implementation. We advertise job vacancies in a manner that reach the diverse ethnic groups including using government newspaper (MyGov), internet and notices to staff members to encourage people from marginalized communities to apply for job at DeKUT.	Partially resolved	June 30 th , 2026
B2	Failure to Adhere to One-Third Basic Salary Rule	Members of staff have been advised to visit the Banks where they have the loan facilities and request for an extension of the loan period which in turn will lower the monthly deduction and thus improve the basic pay.	Partially resolved	Dec 31 st , 2025
B3	Failure to Meet Recruitment Thresholds for Persons with Disabilities	DeKUT has adopted measures aimed at facilitating the realization of the constitutional principles of ensuring an inclusive University and that at least five per cent (5%) of appointments in the University comprise persons with disabilities. The University has taken various measures, including adopting	Partially resolved	June 30 th , 2025

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		affirmative action programmes to ensure progressive realization.		
B4	Failure to Remit and Late Remittance of Staff Pension	On August 15, 2023, the University Management resolved to address the arrears through monthly instalments of no less than Kshs. 1,000,000. The University Management made the last payment to clear the outstanding balance in June 2025.	Resolved	June 30 th , 2025
B5	Delayed Completion of Academic Block and Access Road	The University Management has received the final account certificate for this capital project, signifying its completion. In the 2024/25 financial year, the building has been reclassified from Work in Progress to Buildings. Additionally, provisions were included in the 2024/25 budget to settle the pending bills associated with this project.	Resolved	June 30 th , 2025
C1	Manual Inventory Reports	The University is in the process of upgrading its existing ERP system to the newer version of Microsoft Dynamics 365 Business that has the capability of generating detailed Inventory reports following the laid down Procurement processes prescribed in the Public Procurement and Asset Disposal Act of 2015.	Not resolved	Dec 31 st , 2025
C2	University Council Not Properly Constituted	The Chairman of the Council and the Vice Chancellor have engaged with the Cabinet Secretary and the Permanent Secretary of the parent Ministry to address the appointment of the independent council member.	Partially resolved	Dec 31 st , 2025



Vice-Chancellor
27th August, 2025

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Appendix II: Projects Implemented by the University

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1 Resource III		GOK	3 Years	100%	NO	YES
2 Lecture Theatre		GOK	3 Years	100%	NO	YES
3 Academic Block P1		GOK	3 Years	100%	NO	YES
4 Academic Block P2		GOK	3 Years	100%	NO	YES

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1 Academic Block P1	385,679,549	385,679,549	100%	0	0	N/A
2 Academic Block P2	285,899,378	332,500,199	100%	54,000,000	63,500,445	AIA
3 Access Road	6,473,377	6,473,377	60%	7,5005,000	2,425,444	AIA

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Appendix III: Transfers from Other Government Entities

ENTITY NAME:		DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY		
Breakdown of Transfers from the State Department of Higher Education and Research				
a.	Recurrent Grants			
		Bank Statement Date	Amount (KShs)	FY 2024/2025
	July 2024	01-07-2024	58,974,907.00	2023/2024
	July 2024	13-08-2024	54,261,317.00	2024/2025
	August 2024	11-09-2024	54,261,317.00	2024/2025
	September 2024	08-10-2024	54,261,317.00	2024/2025
	October 2024	08-11-2024	54,261,317.00	2024/2025
	November 2024	05-12-2024	54,261,317.00	2024/2025
	December 2024	06-01-2025	54,261,317.00	2024/2025
	January 2025	07-01-2025	54,261,317.00	2024/2025
	January 2025	10-02-2025	54,261,317.00	2024/2025
	February 2025	13-03-2025	54,261,317.00	2024/2025
	March 2025	10-04-2025	54,261,317.00	2024/2025
	April 2025	02-05-2025	54,261,317.00	2024/2025
	May 2025	12-06-2025	54,261,317.00	2024/2025
	June 2025	27-06-2025	76,528,930.00	2024/2025
		Total	786,639,641	
b.	Development Grants			
		Bank Statement Date	Amount (KShs)	FY 2024/2025
		Total	0	
c.	Direct Payments			
		Bank Statement Date	Amount (KShs)	FY 2024/2025
		Total	0	

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Appendix IV- Inter-Entity Confirmation Letter

Name of Transferring entity STATE DEPARTMENT OF HIGHER EDUCATION & RESEARCH,
MINISTRY OF EDUCATION

Name of Beneficiary entity DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY P.O BOX 657, 10100,
NYERI, KENYA

Dedan Kimathi University of Technology wishes to confirm the amounts disbursed to us as at 30th June 2025 as indicated in the table below. Actual amounts received are shown in column E in the table below.

Confirmation of amounts received Dedan Kimathi University of Technology as at 30th June 2025

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2025			Total (D)=(A+B+C)	Amount Received by DeKUT] (KShs) as at 30th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
	01-07-2024	58,974,907			58,974,907	58,974,907	0
	13-08-2024	54,261,317			54,261,317	54,261,317	0
	11-09-2024	54,261,317			54,261,317	54,261,317	0
	08-10-2024	54,261,317			54,261,317	54,261,317	0
	08-11-2024	54,261,317			54,261,317	54,261,317	0
	05-12-2024	54,261,317			54,261,317	54,261,317	0
	06-01-2025	54,261,317			54,261,317	54,261,317	0
	07-01-2025	54,261,317			54,261,317	54,261,317	0
	10-02-2025	54,261,317			54,261,317	54,261,317	0
	13-03-2025	54,261,317			54,261,317	54,261,317	0
	10-04-2025	54,261,317			54,261,317	54,261,317	0
	02-05-2025	54,261,317			54,261,317	54,261,317	0
	12-06-2025	54,261,317			54,261,317	54,261,317	0
	27-06-2025	76,528,930			76,528,930.00	76,528,930	0
Total		786,639,641	0	0	786,639,641	786,639,641	0

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In confirm that the amounts shown above are correct as of the date indicated.

Head of Finance

Name: CPA. Abraham Mwangi

Sign:



Date: 18th Sept, 2025

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Appendix V: Reporting of Climate Relevant Expenditures

Deedan Kimathi University of Technology

Telephone: 061-2050000

Email: vc@dkut.ac.ke

Name of CEO: Prof. Eng. Peter N. Muchiri

Name and contact details of contact person (in case of any clarifications) Prof. Eng. Peter N Muchiri
vc@dkut.ac.ke

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

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Appendix VI: Report on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disaste r Type	Category of disaster related Activity that require expenditure reporting (response/re covery/mitig ation/prepar edness)	Expendi ture item	Amou nt (Kshs.)	Comme nts
				0	0	