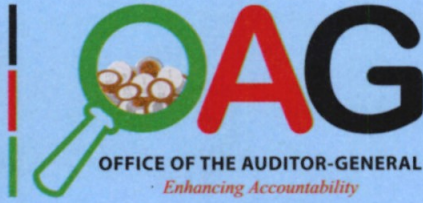


REPUBLIC OF KENYA



REPORT

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**KENYA COAST NATIONAL
POLYTECHNIC**

**FOR THE YEAR ENDED
30 JUNE, 2025**

KENYA COAST NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025



Kenya Coast National Polytechnic

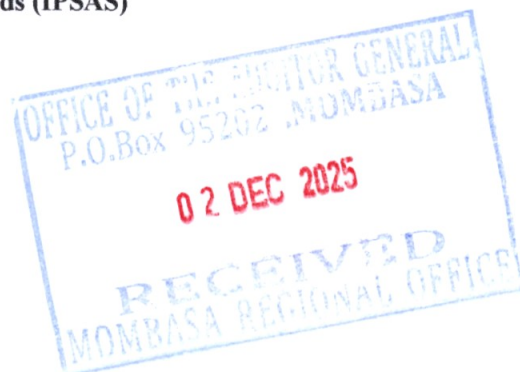
Kisauni Road, P O Box 81220-80100 Mombasa, Telephone 0712725554, 0710389727
Email: info@kenyacoastpoly.ac.ke Website: www.kenyacoastpoly.ac.ke



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025

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



KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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1. ACRONYMS AND GLOSSARY OF TERMS

1. BED – Bachelor of Education
2. BSE – Bachelor of Science
3. CBET- Competency Based Education and Training
4. CPAK (K) – Certified Public Accountants – Kenya
5. EASTRIP – East Africa skills for Transformation and Regional Integration
6. EACC – Ethics and Anti – Corruption Commission
7. HOD – Head of Department
8. ICPAK – Institute of Certified Public Accountant of Kenya
9. IPSAS – International Public Sector Accounting Standards
10. KCNP- Kenya Cast National Polytechnic
11. MBA – Masters in Business Administration
12. MOE- Ministry of Education
13. MOU-Memorandum of Understanding
14. NIT – National Institute of Transport
15. PFM – Public Financial Management
16. PIU – Project Implementation Unit
17. PSASB – Public Sector Accounting Standards Boards
18. PSC- Public Service Commission
19. RTI – Railways Technical Institute – Kisumu
20. SIT - Sychelles Institute of Technology
21. SMA - Sychelles Marine Academy
22. STA – Sychelles Technical Academy
23. TTI- Technical Training Institute
24. TVC – Technical Vocational College
25. TVET - Technical and Vocational Education and Training
26. WB – World Bank

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya Coast National Polytechnic (KCNP), formerly Mombasa Technical Training Institute (MTTI), is a public Technical and Vocational Education and Training (TVET) institution. It was established in 1950; then called Coast Technical High School. In 1958, it was renamed Technical High School of Mombasa. Upon the introduction of the 8-4-4 system of education in 1984, it was elevated to a Technical Training Institute and renamed Mombasa Technical Training Institute. In 2016, the institution acquired its National Polytechnic status through Kenya Coast National Polytechnic Order (2016) as published in the Legal Notice No. 88 and in conformity with the TVET Act No. 29 of 2013. The Polytechnic is managed by a Council which is appointed by the Cabinet Secretary of Education and the Chief Principal serves as the Secretary to the Council.

KCNP has seen tremendous growth in terms of courses offered and the student enrolment from an initial population of 23 students and 24 teaching staff in 1990 to over 6,000 students currently and 230 teaching staff (PSC teachers 117 and Council teachers 113 respectively). The current number of non-teaching staff is 102. This growth comes with challenges; the facilities are strained. Additionally, with changes in market demands and technology, the Polytechnic has to remain abreast and develop demand-driven curriculum. KCNP is implementing TVET reforms in line with the Government's Bottom Up Economic Transformation Agenda (BETA).

The Polytechnic is mandated to offer courses at Artisan to Higher National Diploma as well as Degree level in collaboration with a recognised University, plus a wide range of short-term certificate courses in the part-time programme.

KENYA COAST NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

Vision.

A leading centre of excellence in training.

Mission

To produce highly competent graduates for the modern world of work.

Mandate

To train highly skilled workforce that is suitable for further professional development through quality inclusive and equitable TVET programs responsive to national and global competitiveness

Core Functions

- To implement training in TVET programs.
- To carry out research programs.
- To develop and transfer science, technology and innovation into products and services.
- To benchmark with other institutions and liaise with industry
- To adopt programs that address the needs of the local community

Core Values

KCNP's Core Values include the following among others: -

- Honesty, integrity and transparency
- Quality leadership, excellence, innovativeness and creativity.
- Consultative decision-making
- World-class programmes and standards
- Respect for human and gender rights
- Professionalism, team spirit and discipline

(b) Key Management

Daily management is carried out under the following key divisions:

- Administration, Finance, Registrar and Academic

(c) 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.	Current Chief Principal	Mr Geoffrey Nyamweya Andama
2.	Deputy Principal-Adm.	Mr Elphase Muge
3.	Deputy Principal- Accad.	Ms Jane Kariuki
4.	Financial Controller	CPA Clerkson O. Bolo
5.	Senior Procurement Officer	Ms Dorothy Nyagitari
7.	Ag .Dean of Students	Mrs Magdalene Kituku

(d) Fiduciary Oversight Arrangements

- Finance and Human Resource and infrastructure Committee of the Council
- Audit and Risk Committee of the Council

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

- Education, Training and Research Committee of the Council
- Full Council
- Academic Board

(e) KCNP Headquarter

P.O. Box 81220- Code 80100
Kisauni Road- Tononoka
Mombasa, Kenya

(f) KCNP Contacts

Telephone: 0712725554, 0710389727

E-mail: info@kenyacoastpoly.ac.ke

Website: www.kenyacoastpoly.ac.ke

(g) KCNP Bankers

1. KCB Bank Kenya Ltd
Nkrumah Road
P.O. Box 902540
Treasury Square 4088
Mombasa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

KENYA COAST NATIONAL POLYTECHNIC




ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

3. THE COUNCIL/BOARD OF GOVERNORS

<p>1.</p>  <p>Dr.. Patricia Mwaka Mgogoh – Chairperson D O B 23/02/1972 Id No 14493095</p>	<p>Dr.Patricia Mwaka Mbogoh Resume is a holder of Doctor of Philosophy in Human Nutrition, M.,Sc in Foods, Nutrition and Dietetics, B,Ed in Home Science and Technology. She has over20yrs working experience in the field of nutrition studies both research and field work.Currently she is lecturing at Pwani University</p>
<p>2</p>  <p>Mr. Shukri Baramadi – Member D O B 20/12/1952 Id No 0452692</p>	<p>Mr. Shukri Baranadi is a holder of BA administration of justice, Associate in Public Administration Security analyst. He has over 30yrs experience in Public administration.</p>
<p>3</p>  <p>Mr. Albert Kagwa Macharia- Member D O B 16/03/1986 Id No 24166427</p>	<p>Mr Albert Kagwa Macharia is a holder of MBA and Bachelor of Arts.He has over 12 years working experience in various positions at Kenya Commercial Bank. Currently he is the Regional sales Manager in the same Bank</p>
<p>4</p>  <p>Dr Luciana Sanzua- Member D O B 16/05/1972 Id No 11641473</p>	<p>Dr. Luciana Jumwa Sanzua is a holder a PhD in Horticulture, Master of Science (Horticulture), Bachelor of Science (Horticulture) and Diploma in Project Management. She is a leader and manager with 25 years’ experience in the agricultural sector. She has diverse experience in the agricultural sector including; human and financial resource management, training, policy formulation and implementation; research and strategic management.</p>
<p>5</p>  <p>Eng. Nuru Bwanakombo- Member D O B 10/10/1974 Id No 11648666</p>	<p>Eng Nuru Bwanakombo is a holder of M. Eng in Coastal Engineering & Port Development, MSc. In Project Management and BSc. in Civil Engineering. She is a member of Institute of Engineers of Kenya, Engineers Board of Kenya. She has over 22 years working experience in various positions e.g., currently working as a Principal Project Civil Engineer</p>

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

<p>6</p>  <p>Mr. Peter Munyao Kimilu- Member D O B 28/08/974 Id No 12955338</p>	<p>Mr. Peter Munyao is a holder of MBA (Accounting option), Master of Arts Degree in Project Planning and Management, Bachelor of science Degree in Applied Accounting. He is a Certified Public Accountant (CPA), a Certified Credit Professional (CCP) and Association of Chartered Certified Accountants. He has been a lecturer for over 22 years and Financial/Management Consultant for over 10 years.</p>
<p>7.</p>  <p>Mr. Ephraim Munene Njeru-Member D O B 1968 Id No. 10333372</p>	<p>Mr. Ephraim Munene Njeru is a holder of Masters in Project Management and Bachelor of Education. He has a wide experience in Education sector and he has held a position of Assistant Director/ Principal Technical Accreditation and quality assurance officer. Currently he is the officer representing PS in the council.</p>
<p>8.</p>  <p>Chief Principal/Secretary D O B 14/5/1970 Id No 10693846</p>	<p>Mr. Geoffrey Andama joined the Polytechnic in December 2024 as the Chief Principal. He holds a Master of Project Planning and Management Degree from the University of Nairobi, a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 31 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, Principal, Siaya Institute of Technology and Nyamira National Polytechnic. He is the Polytechnic's Accounting Officer and Secretary to the Governing Council.</p>

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

4. MANAGEMENT TEAM

 <p>Chief Principal/Secretary D O B 14/5/1970 Id No 10693846</p>	<p>Mr. Geoffrey Andama joined the Polytechnic in December 2024 as the Chief Principal. He holds a Master of Project Planning and Management Degree from the University of Nairobi, a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 31 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, Principal, Siaya Institute of Technology and Nyamira National Polytechnic. He is the Polytechnic's Accounting Officer and Secretary to the Governing Council.</p>
 <p>Ms Elphase Muge – Deputy Principal-Administration D O B 28/08/1971 Id No 11605342.</p>	<p>Deputy Principal- Administration. A holder of a degree in Supplies chain Management</p>
 <p>Ms Jane Kariuki – Deputy Principal- Academic DO B 5/1/1971 Id No 10889552</p>	<p>Deputy Principal in charge of Academic. A holder of M Ed</p>
 <p>CPA Clerkson Onyango Bolo- Financial Controller Reg. No. 5067 D O B 4/3/1968 Id No 9418429</p>	<p>Financial Controller in charge of Account /Finance department. A holder of MBA</p>

5. CHAIRPERSON'S STATEMENT

Kenya Coast National Polytechnic (KCNP) has passed through four transitional levels. The various phases it has undergone so far reflect the Government of Kenya's concerted efforts in promoting education and training in line with the dynamic technological and industrial growth in Kenya and in Africa.

The transition of the Polytechnic has seen the growth of its programmes, the staff student's population, physical infrastructure and ICT. The increase of these resources without a balanced growth in financial support from the exchequer has however come with a number of challenges. It has been difficult to provide commensurate teaching resources with the growth in student numbers. The Polytechnic has also not been able to concentrate on the key area of research, innovation and technology transfer as required.

While the mandate of the Polytechnic provides for training highly skilled workforce that is suitable for further professional development through quality, inclusive and equitable TVET programs responsive to national and global competitiveness, there have been challenges related to the infrastructural developments as the government has not been providing the requisite capital expenditure. The financial statements reflect the financial status of the Polytechnic. More personnel are required for both teaching and non-teaching staff and that has necessitated Council to contract more teaching and non-teaching staff to alleviate the shortage. Government funding and capitation needs to be enhanced to cushion the challenge of cash inflow which may cripple the Polytechnic due to the increase in operation costs. The Polytechnic Council looks forward to supportive collaboration with the Government of Kenya to ensure continued development of the Polytechnic.



Dr. Patricia Mwaka Mbogoh.
Chairperson of Council

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

6. REPORT OF THE PRINCIPAL

Kenya Coast National Polytechnic, as part of its expansion strategy, has developed market driven programmes that address national priority areas in the fields of Business, Engineering, Science and Technology. Currently, the Polytechnic is offering one hundred and twenty-two (122) academic programmes in the said priority areas and continues to develop new CBET programmes. KCNP is committed to the advancement of knowledge through responsible research and scholarship addressing important current scientific, economic, social, and cultural questions. Further, Our strong linkages and collaboration with various stakeholders in TVET and the industry improve our visibility nationally and beyond. Moreover, to balance the development of new programmes and demand for Polytechnic education, the Polytechnic management, in consultation with the Governing Council, has continued to develop and retool its human resource especially the teaching staff.

The Polytechnic has developed and implemented work place policies to nurture holistic students and staff. Towards this end, KCNP has complied with gender and disability mainstreaming, alcohol and drug abuse prevention and intervention.

Valuation of Non-Current Assets

Fixed assets have been valued and the cost has been incorporated in the Financial Statement.

Variances

The Council observed that unfavourable variances on revenue were due to unpaid capitation by the Government. On the other hand, positive variances on expenditure especially on general, operating, use of goods expenses and repairs were due to strict control mechanism application that made most of the activities to be scaled down as a precautionary measure based on the actual revenue received. But for employment cost, the Polytechnic establishment for employees is yet to be met. Despite these variations, the council members noted that the general performance had a negative variance/deficit which came as a result of expenses on examination and teaching materials that were never factored. Therefore this caused the Polytechnic to realise a deficit of Ksh 31,341,310

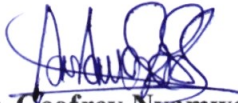
Sundry Creditors

By the end of the fiscal period, the Polytechnic had unpaid supplies amounting to ksh. 13,106,401. This was due to careful and rigorous processing of documents to facilitate payments by the accounts department and also goods and services acquired at the end of the fiscal period. The Polytechnic does not have any pending bill.

KENYA COAST NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Development Projects

The Polytechnic received a total of ksh. 20,000,000 from Nyali and Kilifi South CDF ksh 10,000,000 each for the construction of Kilifi South TVC and Nyali TVC. The Polytechnic currently constructing academic block at a cost of ksh 146,734,556 of which at the close of financial year had a completion of 65%



Mr. Geoffrey Nyamweya Andama
Chief Principal/Council Secretary

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The statement is based on East Africa Skills for Transformation and Regional Integration Project (EASTRIP). The EASTRIP predetermined key objective is to increase the access and improve the quality of TVET programs in the Polytechnic and to support regional integration in East Africa. The Polytechnic Industrial Advisory board was established to assist improvement of the quality of the programmes offered and also to enhance recruitment of both local and regional students. Members of the project implementation unit were appointed by the Project Manager. Achieved objectives of the project as per the program plan are as follows:

1. Strengthening Governance & Management

- Strategic development plan developed and approved
- Project Implementation unit established
- Training for Council and top Management was done (corporate governance)
- Strategic plan revised, Sustainability plan developed
- Policy on Scholarship developed
- Guidelines for Staff attachment and foreign exchanges developed.
- Project office established and furnished
- Benchmarking was done with (RTI Kisumu, Egerton University, Caribbean Maritime University, NIT Tanzania, Arab Academy for Science Technology and Maritime Transport and Seychelles (SIT, SMA and STA)

2. Institutionalizing Industry Linkages

- Eight stakeholder forums were conducted
- Industrial Advisory Board was established with 86% representation from the industry
- Eleven Memorandum of Understandings (MOUs) were signed
- Thirty-one members of Staff underwent for staff attachment
- Student attachment is continuously being conducted
- Tracer studies conducted annually and representatives from all departments trained
- One hundred and eleven regional students enrolled.

3. Development of Market Relevant CBET Curriculum

- Labour Market Survey Conducted
- Eleven curriculums have been developed, 3 Short term and 4 long term.
- Four other curriculums have been developed and awaiting approval
- E learning platform established

4. Training School Managers and Trainers

- Training Needs assessment for Staff.
- Ten Heads of sections trained on supervisory skills development.
- Thirteen Members of Staff were trained on Project Management PMP (PIU & 6 others)
- Six Staff members trained on Public Relations & Customer care
- Six staff members trained on sign language course.
- Nineteen members of staff (HODs) trained on senior management course (SMC)
- Four staff members trained on sign language course

5. Upgrade of Key Training Facilities and Infrastructure

- Project Bus procured and delivered
- Contract for supply of equipment signed and delivered in full.
- All consignments of equipment have been delivered.
- Designs for Buildings Complete including ESIA
- Evaluation for construction done.
- Contract for construction signed and construction at 80% as per the progress implementation report while as per as per Financial statement, based on actual payment, it is 45.69%
- Grievance Redress Committee established and trained
- Grievance reporting system adopted.

6. Outreach to Non Project National TVET

- Needs for support has been received from Ukunda Youth
- Fifteen Institutions have been trained and allowed to use our Learning Management System

8. CORPORATE GOVERNANCE STATEMENT

The Kenya Coast National Polytechnic is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Governing Council and management accountability and helps build public trust in the Polytechnic.

The Governing Council is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Governing Council serves as the ultimate decision making body of the Polytechnic, except for those matters reserved to or shared with the Government of Kenya. The Governing Council selects and oversees the members of senior management, who are charged by the Governing Council with conducting the business of the Polytechnic in line with the Technical, Vocational, Education Training Act of 2013 and the constitution of the Republic of Kenya.

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The Governing Council has established Corporate Governance Guidelines which provide a framework for the effective governance of the Polytechnic. The guidelines address matters such as the Governing Council's Vision and mission, overall strategy, members' responsibilities, Governing Council committee structure, recommendation of the Chief Executive Officer, Over-sighting the performance and evaluation of management. The Governing Council regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The council provides leadership through oversight, review and guidance whilst setting the strategic direction. It is the primary decision-making body for all matters considered as material to the service. The council is composed of skilled and experienced persons and carry out their functions effectively. Full council meetings are held quarterly while council committees are held frequently as needs may arise.

General Responsibilities

The council has a duty to the people of Kenya to ensure that the Kenya Coast National Polytechnic achieves its objectives efficiently and effectively and in compliance with PFM Act 2012, TVET Act 2013 and Polytechnic order 2016. Some of the statutory powers of the polytechnic are:

- To ensure that proper management structure is in place and the management maintain the corporate integrity, reputation and responsibility.
- To monitor and evaluate the implementation of strategies, policies and management plans of the polytechnic.
- To consistently review the viability and financial sustainability of the polytechnic.
- To ensure that The Polytechnic complies with all the relevant laws.

Council Remuneration

The council members are paid a sitting allowance and travelling expenses for meeting attended.

Risk Management and Internal Controls

The council has overall responsibility for the establishment and oversight of The Polytechnics risk management frameworks. The risk management policies are established to identify and analyse the risk faced by The Polytechnic and to set appropriate risk limits and controls to monitor adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in operating conditions, legislations and services offered. The polytechnic identifies and manage risk through in-house risk review enhanced by compliance, internal and external audits.

Conflict of Interest

All council members are under a duty to avoid conflict of interest. This entails not engaging, directly or indirectly in any business that competes or conflicts with The Polytechnic business transactions.

Compliance

The council confirms that it is satisfied that The Polytechnic has adequate resources to continue operating for the foreseeable future. Because of this, The Polytechnic continues to adopt the Going Concern basis when preparing the financial statements.

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The council is satisfied that The Polytechnic has to the best of their knowledge, comply with all relevant laws and conduct its business affairs in accordance with the law in particular to the PFM Act 2012, TVET Act 2013 and Polytechnic order 2016.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Management noted that the Polytechnic realized deficit compared with the previous financial year that had a surplus of Ksh 89,057,810. They noted that the deficit was ksh 31,341,310.

10. REPORTS ON PROJECTS IMPLEMENTED AND INTER-ENTITY TRANSFERS

The Management of Kenya Coast National Polytechnic since 2014 was tasked to mentor nine (9) Technical Training Institutions. These institutions are: Ahmed Shahame TVC, Kaloleni TVC, Likoni TVC, Lungalunga TVC, Weru TVC, Lamu East TVC, Lamu West (Mpeketoni) TVC, Godoma TVC and Kilifi North TVC. Ahmed Shahame TVC, Kaloleni TVC, Likoni TVC, Lungalunga TVC, Weru TVC, Lamu East TVC, and Godoma TVC have all been completed and the Ministry has already posted Principals to manage them.

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

11. REPORT OF THE COUNCIL

The Governing Council submit their report together with the audited financial statements for Period ended June 30, 2025 which show the state of The Kenya Coast National Polytechnic's affairs.

Principal activities

The principal activity of the Polytechnic is training

Results

The results of the entity for the year ended 30th June, 2025 are set out on page 1.

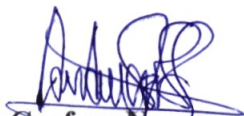
COUNCIL OF GOVERNORS

The members of the Council who served during the year are shown on page.vi to vii

Auditors

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

By Order of the Board



Mr. Geoffrey Nyamweya Andama
Chief Principal/Council Secretary

Date: 28/11/2025

12. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 and Section 14 and 15 (1) of the State Corporations Act, require Council members to prepare financial statements in respect of the Polytechnic, which give a true and fair view of the state of affairs of the Polytechnic at the end of the financial year and the operating results of the Polytechnic for that period. The Council are also required to ensure that the Polytechnic keeps proper accounting records which disclose with reasonable accuracy the financial position of the Polytechnic. The Council is also responsible for safeguarding the assets of the Polytechnic.

The Council is responsible for the preparation and presentation of the Polytechnic financial statements, which give a true and fair view of the state of affairs of the Polytechnic for and as at the end of the financial year ended on 30 June, 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the Polytechnic financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the Polytechnic financial statements give a true and fair view of the state of Polytechnic transactions during the financial year ended June 30, 2025, and of the Polytechnic financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the Polytechnic, which have been relied upon in the preparation of the Polytechnic 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 Polytechnic 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 Polytechnic financial statements were approved by the Council on 14/7/2025 and signed on its behalf by:



Dr. Patricia Mwaka Mbogoh.
Chairperson of Council



Mr. Geoffrey Nyamweya Andama
Chief Principal/Council Secretary

13. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Kenya Coast National Polytechnic Management has designated an area to temporarily store garbage from the kitchen and Food & Beverage Department, that is collected within two days by a licensed NEMA waste handler for disposal at a registered dumping site

The Polytechnic has outsourced gardening contractor responsible for watering & plant trees, pruning, naming trees and propagating endangered species of trees. The polytechnic is keen to increase forestry, gardens, grass and avoiding cutting of trees.

The polytechnic is served by municipal water though ground water is the main source of water supply. We have one borehole at the centre of the Polytechnic meeting our water demands. We also collect rain water in underground & surface tanks combined at Building & Civil Engineering block, administration block, applied science block and Chandaria hall. An effort to allow ground water to recharge and avoid depletion.

The polytechnic is not sewered. we have septic tanks for management of sewage. Much waste water is generated from hostels, kitchens and toilets. We have upgraded our system to include battle tanks for effective waste disposal from septic tanks to soak pits to meet water quality regulations. We have no water treatment plant. We are working closely with sewage companies to exhaust any overflows.

We are served by Kenya Power lines. We have a standby generator to meet the power supply demands within the facility. We are wishing on moving to blue economy to utilize solar energy in future to conserve on use of petroleum fuel backups

Key sustainability strategic themes

Sustainability strategic themes refers to the key elements for sustainability that lead to the achievement of the goals of Kenya Coast National Polytechnic –EASTRIP project sustainability. It includes the fundamental forces that will propel the Kenya Coast National Polytechnic –EASTRIP project towards its intended objectives, vision, mission, strategies, and core values, all developed from situational analysis of the organization. The result of situational analysis yields strategies and integrated activities, which are allocated scarce resources within the institutional environment so as to meet the present objectives. It is with this background, that Kenya Coast National Polytechnic –EASTRIP project leadership team will propel all the elements of the sustainability strategic themes to generate synergy and positive morale in Kenya Coast National Polytechnic –EASTRIP project wellbeing and sustainable growth. 4.2 EASTRIP Sustainability Strategic Theme

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA COAST NATIONAL POLYTECHNIC 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 ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Coast National Polytechnic set out on pages 1 to 27, which comprise of 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 Kenya Coast National Polytechnic 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 (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance Between Approved Budget Amount and the Financial Statements

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.640,506,500. However, review of the approved budget by the State Department for Technical and Vocational Education and Training revealed an approved budget of Kshs.429,044,922 resulting in a variance of Kshs.211,461,578.

In the circumstances, the accuracy and completeness of the final budget of Kshs.640,506,500 could not be confirmed.

2. Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.1,835,492,790 as disclosed in Note 20 to the financial statements. The balance includes Kshs.968,070,000 in respect of land which was not supported by land ownership documents for the main campus in Kisauni Road, Tononoka Mombasa.

In the circumstances, the accuracy, completeness and ownership of land valued at Kshs.968,070,000 could not be confirmed.

3. Long Outstanding and Inaccurate Trade and Other Payables from Exchange Transactions Balance

The statement of financial position and Note 23 to the financial statements reflects total current liabilities balance of Kshs.280,508,656. However, the balance includes provision for bad debt of Kshs.80,721,818 erroneously classified as a liability. In addition, trade and other payable balance of Kshs.199,786,838 includes caution money of Kshs.11,357,513. Aging analysis provided for audit indicates that caution money had been outstanding for over five (5) years and no reason was provided for failure to refund monies owed to students who had finished their studies.

In the circumstances, the accuracy and completeness of current liabilities balance of Kshs.280,508,656 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Coast National Polytechnic 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 effect of 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.

Unresolved Prior Year Matters

In the prior year's audit report, three issues were raised under the Report on Financial Statements and Lawfulness and Effectiveness in Use of Public Resources. These include unsupported cash and cash equivalents balance, long outstanding receivables from exchange transactions and irregular payment of sitting allowances. Review of the status during audit of the Polytechnic in 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xviii which comprise of Key Entity Information and Management, The Council Members, Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Report on the Projects Implemented and inter entity Transfer, Report on the Council, Statement of Council Members' Responsibilities and Environmental and Sustainability Reporting. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Polytechnic'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 matter 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

Unapproved Fees

Review of the fees structure for certificate and diploma courses provided revealed that both levels were charged Kshs.71,689 and Kshs.70,289 in year one (1) and two (2) respectively for diploma courses. The charges were over and above the recommended Kshs.68,589 and Kshs.65,789 by the State Department for year one and two resulting in extra charge of Kshs.3,100 and Kshs.4,500 respectively. This was contrary to the State Department for Technical Vocational Education and Training circular Ref: No.5/2023 on new fees structures for TVET institutions dated 1 September, 2023 which reflects fees payable by students in diploma and certificate courses at all TVETS in Kenya.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 Management and the Council

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

In preparing the financial statements, Management is responsible for assessing the Polytechnic'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 Council is responsible for overseeing the Polytechnic'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 ISSAIs 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

05 December, 2025

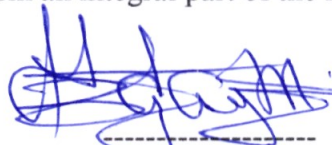
15. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government–Capitation	5	41,710,050	75,722,500
Transfers from the National Government–PSC	5		12,377,625
Transfers from the National Government–Grant	5		29,324,000
		41,710,050	117,424,125
Revenue from exchange transactions			
Rendering of services- Fees from students	6	447,792,658	299,018,476
Other Services Rendered	7	50,824,127	45,280,804
Rental revenue from facilities and equipment	8	1,088,560	1,126,300
Other income	9	5,730,454	20,113,774
Total Revenue from exchange transactions		505,435,799	365,539,354
Total revenue		547,145,849	482,963,479
Expenses			
Employee costs	10	85,088,566	84,632,065
Remuneration of Council Members	11	10,365,344	13,854,305
Depreciation	12	53,037,974	56,052,591
Repairs and maintenance	13	33,643,821	42,648,999
General Expenses	14	274,029,082	88,021,362
Operating Expenses	15	89,862,470	77,496,283
Use of Goods and Services	16	32,459,902	31,200,064
Total expenses		578,487,159	393,905,669
Net Surplus/Deficit for the year		(31,341,310)	89,057,810

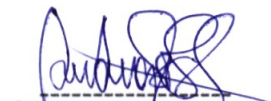
The notes set out on pages 6 to 20 form an integral part of the Annual Financial Statements.



Chairperson of Council



Financial Controller



Chief Principal/Council Secretary

ICPAK No 5067

Date. 28/11/2025

Date 28/11/2025

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

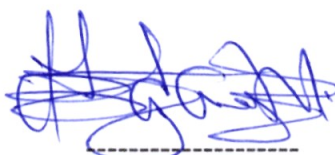
16. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	243,440,524	421,776,024
Receivables from exchange transactions	18a	225,754,297	173,497,102
KCNP-EASTRIP expenses	18b	916,189,415	533,587,741
Inventory	19	7,855,801	10,583,333
Total current assets		1,393,240,037	1,139,444,200
Non-current assets			
Property, plant and equipment	20	1,835,492,790	1,711,229,232
Intangible assets	21	13,478,888	18,168,502
Mentored Institutions Projects/works	22	185,940,995	429,862,145
Total Non-current assets		2,034,912,673	2,159,259,879
Total assets		3,428,152,710	3,298,704,079
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23a	199,786,838	271,851,342
Provision for Bad Debt	23b	80,721,818	-----
Non-current liabilities			
Total liabilities		280,508,656	271,851,342
Net assets		3,147,644,054	3,026,852,737
Mentored Institutions Grants	24	180,550,801	456,910,442
Reserves	25	72,586,325	71,150,384
Accumulated surplus	26	311,535,104	342,876,414
Capital Fund	27	1,604,842,376	1,604,842,376
World Bank- EASTRIP	28	978,129,448	551,073,121
Total net assets and liabilities		3,147,644,054	3,026,852,737

The Financial Statements set out on pages 1 to 5 were signed on behalf of The Polytechnic Council by



Chairperson of Council



Financial Controller



Chief Principal/Council Secretary

ICPAK No 5067

Date. 28/11/2025

Date 28/11/2025

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

17. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR END 30 JUNE 2025

	Mentored TTI Fund	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At 30 June, 2021	382,220,743	40,764,257	209,689,795	1,628,350,187	2,261,024,982
Surplus for the year	-----	-----	15,570,950	-----	15,570,950
Reserve for the year	-----	11,402,936			11,402,936
Development grant for Mentored Institutions- Kilifi TTI- MOHEST	12,573,440	-----	-----	-----	12,573,440
Development grant for Mentored Institutions- Kilifi Noth CDF	10,000,000	-----	-----	-----	10,000,000
Development grant for Mentored Institutions- lamu East CDF	11,400,000	-----	-----	-----	11,400,000
Monitor & Evaluation Expenses	-----	-----	-----	(1,035,800)	(1,035,800)
Interest Earned –transferred back to EASTRIP from KCNP	-----	-----	(4,102,713)	-----	(4,102,713)
Decrease in Land & Swimming pool Valuation	-----	-----	-----	(107,080,075)	(107,080,075)
Increase of valuation of other assets	-----	-----	-----	74,589,805	74,589,805
Increase in valuation of Intangible assets	-----	-----	-----	10,018,259	10,018,259
At 30 June, 2022	416,194,183	52,167,193	221,158,032	1,604,842,376	2,294,361,784
Development grant for Mentored Institutions- Kilifi TTI- MOE	5,316,152	-----	-----	-----	5,316,152
Development grant for Mentored Institutions- Lamu West TTI- MOE	4,000,000	-----	-----	-----	4,000,000
Reserve for the year	-----	9,958,622		-----	9,958,622
Surplus for the year	-----	-----	37,383,508	-----	37,383,508
At 30 June, 2023	425,510,335	62,125,815	258,541,540	1,604,842,376	2,351,020,066
Development grant for Kilifi	13,586,774				13,586,774

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Mentored TTI Fund	Fair value adjustmen t reserve	Retained earnings	Capital/ Development Grants/Fund	Total
Development grant for Lamu West	17,813,333				17,813,333
Reserve for the year		9,024,569			9,024,569
Surplus for the year			89,057,810		89,057,810
Previous year payments Adjustment			(4,722,936)		(4,722,936)
At 30 June, 2024	456,910,442	71,150,384	342,876,414	1,604,842,376	2,475,779,616
Development Fund for Nyali TVC	10,000,000				10,000,000
Development Fund for Kilifi South TVC	10,000,000				10,000,000
Reserve for the year		1,435,941			1,435,941
Surplus/Deficit for the year			(31,341,310)		(31,341,310)
Adjustment for Mentored Institutions Note 24	(296,359,641)				(296,359,641)
	180,550,801	72,586,325	311,535,104	1,604,842,376	2,169,514,606

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

18. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

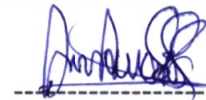
	Notes	2024-2025	2023-2024
		Ksh	Kshs
Cash flows from operating activities			
Receipts			
Government grants-PSC Short listing	5	0	12,377,625
Government grants	5	0	29,324,000
Government Capitation	5	41,710,050	75,722,500
Rendering of services- Fees from students	6	378,686,580	299,018,476
Other Services Rendered	7	50,824,127	45,280,804
Rental revenue from facilities and equipment	8	1,088,560	1,126,300
Other income	9	5,730,454	20,113,774
Mentored Institution CDF	24	20,000,000	31,400,107
Decrease/Increase in payables	23	-----	(53,712,688)
Internal Development Fund/Reserve	25	1,435,941	4,024,569
World Bank- EASTRIP	28	424,056,875	112,307,751
Fixed deposit Interest	28	2,999,452	0
Total Receipts		926,532,039	576,983,218
Payments			
Compensation of employees	10	85,088,566	84,632,065
Remuneration of Council Members	11	10,365,344	13,854,305
Repairs and maintenance	13	32,443,756	42,648,999
General Expenses	14	264,163,209	88,021,362
Operating Expenses	15	87,360,472	77,496,283
Use of Goods and Services	16	31,097,702	31,200,064
Decrease/Increase in receivables	18	-----	25,312,859
KCNP-EASTRIP expenses	18b	382,601,674	196,416,645
Decrease/Increase in inventory	19	-----	3,456,294
Mentored Institution projects/works	22	52,438,491	22,561,953
Total Payments		945,559,214	585,600,829
Net cash flows from operating activities		(19,027,175)	(8,617,611)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(159,308,325)	(102,347,563)
Net increase/(decrease)in cash and cash equivalents		(178,335,500)	(110,965,174)
Cash and cash equivalents at 1 JULY 2024	17	421,776,024	532,741,198
Cash and cash equivalents at 30 JUNE 2025	17	243,440,524	421,776,024



Chairperson of Council



Financial Controller



Chief Principal/Council Secretary

ICPAK No 5067

Date. 28/11/2025

Date 28/11/2025

KENYA COAST NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	Original budget	Adjustment	Final Budget	Actual on comparable basis	%Performance difference
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025
Revenue	Kshs			Kshs	
Government recurrent grants-PSC-Shortlisting	31,000,000	(31,000,000)	0	0	0
Government grants/Capitation				41,710,050	
Rendering of services- Fees from students	586,016,500		586,016,500	378,686,580	(35.38%)
Other services rendered, Rental income and Other Incomes	54,490,000		54,490,000	57,643,141	5.8%
Mentored Institution CDF				20,000,000	
Internal Development Fund/Reserve				1,435,941	
World Bank- EASTRIP				424,056,875	
Fixed deposit Interest				2,999,452	
Total income	671,506,500	(31,000,000)	640,506,500	926,532,039	
Expenses					
Compensation of employees	128,204,700	(28,204,700)	100,000,000	85,088,566	(14.9%)
Council Members allowances	15,600,000	(5,600,000)	10,000,000	10,365,344	3.6%
General, Operating and Use of Goods Expenses	366,126,100	(94,081,178)	272,044,922	382,621,383	40.7%
Repairs and Maintenance	63,500,000	(16,500,000)	47,000,000	32,443,756	(30.9%)
KCNP-EASTRIP expenses				382,601,674	
Mentored Institution projects/works				52,438,491	
Total expenditure	573,430,800	(144,385,878)	429,044,922	945,559,214	
Surplus/Deficit for the period	98,075,700		211,461,578	(19,027,175)	
Capital Expenditure	740,377,200		740,377,200	159,308,325	(78.5%)

RECONCILIATION OF BUDGET AND ACTUAL EXPENSES FOR THE YEAR ENDED JUNE 2025

Final Budget	640,506,500
EASTRIP-World Bank	424,056,875
Fixed Deposit Interest	2,999,452
Actual recurrent expenses	(510,519,049)
KCNP-EASTRIP expenses	(382,601,674)
Mentored Intitution projects/works	(52,438,491)
Budgetory surplus	122,036,613
Amount not received	(141,030,788)

KENYA COAST NATIONAL POLYTECHNIC**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

	(19,027,175)
Actual capital expenditure	<u>(159,308,325)</u>
Actual surplus/deficit for the year	(178,335,500)
Cash and Cash equivalent as at 1 July 2024	421,776,024
Cash and Cash equivalent as at 30 June 2025	243,440,524

Explanations on the variances

- Negative Variance on general, operating and use of goods was due to examination fee not factored and training materials were very costly.
- Repairs were scaled down to aid escalating cost of training in the new curriculum.
- For employees cost, the Polytechnic yet to meet employee establishment.
- For Capital expenditure underperformance was due to insufficient funds.

20. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kenya Coast National Polytechnic is established by and derives its authority and accountability from the Public Finance Management Act, 2012. KCNP is wholly owned by the Government of Kenya and is domiciled in Kenya. The Polytechnic principal activity is Training.

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 KCNP accounting policies.

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

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards- Accrual (IPSAS). The Polytechnic adopted IPSASA-Accrual in the FY 2023/2024. The accounting policies adopted have been consistently applied to all the years presented.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The Polytechnic 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council Members on 29th January, 2024. Some revisions or additional appropriations were made to the approved budget.

The Polytechnic 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.

c) 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 Polytechnic 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.

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

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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.

e) 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 Kenya Commercial Bank.

f) Comparative figures

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

4. 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 14

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2024/2025	2023/2024
	KShs	KShs
Unconditional grants		
Operational grant- PSC Short listing		12,377,625
Operation grants		29,324,000
GOK Capitation received	41,710,050.00	75,722,500
	41,710,050.00	117,424,125
Conditional grants		
Monitoring and Evaluation grant		
Development grant- Kilifi TTI		13,586,774
Development grant- Lamu West TTI		17,813,333
Kilifi South CDF	10,000,000	
Nyali CDF	10,000,000	
Total government grants and subsidies	20,000,000	31,400,107

KCNP received Capitation totalling to Ksh 41,710,050. Ksh 20,000,000 that was received from Nyali CDF and Kilifi South CDF was for mentoring Kilifu South TVC and Nyali TVC, as indicated above.

6. RENDERING OF SERVICES-FEE FROM STUDENTS

Description	2024/2025	2023/2024
	KSHs	KSHs
Tuition fees	304,962,750	239,823,006
Activity fees	28,112,000	8,235,933
Teaching Material fees	422,053	334,629
Equipment fees	14,550	54,250
Local Transport and Travelling fees	21,591,996	5,122,112
Contingencies fees	1,543,269	432,599
Part time fees	71,920	217,193
Registration fees	357,422	433,836
Application fees	621,808	631,759
College Identity Cards fees	975,609	1,144,244
Centre fees	10,650	36,600
Electricity fees	21,592,050	7,235,568
Repairs Maintenance and Improvement	4,771,159	6,232,778
Personal Emoluments fees	21,694,461	20,865,483
Attachment fees	1,129,991	2,467,992
Educational tour fees	875,616	802,274
Studio Fees	195,069	102,177
Internet fees	198,504	106,185
Insurance fees	1,372,863	1,160,269
T/Shirts fees	640,370	830,746
Project fees	64,150	83,465
Laboratory /Facility Fees	380,353	284,450
Matriculation	2,000	227,785

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KMLTTB Fees	3,663	93,253
Admission fee	6,447,715	2,059,890
Examination fees	29,625,767	
Driving school	114,900	
Total revenue from the rendering of services	447,792,658	299,018,476

7. OTHER SERVICES RENDERED

Description	2024/2025	2023/2024
	KSHs	KSHs
Chandaria Hall/Conference income	997,600	1,878,000
Corner Restaurant	37,451,918	38,255,679
Clothing P. Unit	266,750	915,350
KCNP Hostel	3,959,209	4,231,775
Tourism Fund	8,148,650	
Total revenue from other services rendered	50,824,127	45,280,804

8. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2024/2025	2023/2024
	KSHs	KSHs
Swimming Pool	771,060	671,300
KCNP Mini shops	317,500	280,000
Students shop rent		175,000
Total rentals	1,088,560	1,126,300

9. OTHER INCOME

Description	2024/2025	2023/2024
	KSHs	KSHs
Transcript/Supplementary		
Library charges	14,750	7,370
Graduation	263,450	1,785,200
Disposal income	300,285	209,665
KUCCPS Registration	80,164	482,620
KMLLT Registration	6,500	
Food and Beverage Training	241,500	368,710
Fixed Deposit Interest	4,632,953	17,003,009
Board Registration	10,662	23,870
Students Passport	28,000	15,260
Cosmology	1,690	10,070
Hire of facilities	68,500	28,000
Carpentry		4,000
Hire of Bus	82,000	176,000
Total other income	5,730,454	20,113,774

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**10. EMPLOYEE COSTS**

	2024/2025	2023/2024
	KSHs	KSH
Salaries and wages	65,578,524	66,362,191
Employee related costs-contributions to pensions and medical aids	4,816,464	3,165,889
Commuting allowances	4,684,903	3,762,000
Housing benefits and allowances	7,359,121	6,107,985
Provision for retirement benefit		5,000,000
Leave and responsibility allowance	2,649,554	234,000
Employee costs	85,088,566	84,632,065

11. REMUNERATION OF COUNCIL MEMBERS

Description	2024/2025	2023/2024
		KSH
Chairman's Honoraria	920,000	960,000
Sitting and Transport allowances	7,542,525	12,894,305
Medical insurance cover	1,294,109	
Other expenses	608,710	
Total Council emoluments	10,365,344	13,854,305

12. DEPRECIATION AND AMORTIZATION EXPENSE (ALSO SEE NOTE 20)

Description	2024/2025	2023 -2024
	KSHs	KSHs
Property, plant and equipment	47,261,308	48,266,090
Intangible assets	5,776,666	7,786,501
Total depreciation and amortization	53,037,974	56,052,591

13. REPAIRS AND MAINTENANCE

Description	2024/2025	2023-2024
	KSHs	KSH
Buildings-Property	22,128,049	22,941,744
Equipment and machinery	8,077,387	16,925,767
Vehicles	1,909,705	1,250,320
Furniture and fittings	766,989	565,721
Computers and accessories	761,691	965,447
Other		
Total repairs and maintenance	33,643,821	42,648,999

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. GENERAL EXPENSES

Description	2024/2025	2023-2024
	KSHs	KSHs
Transport Travelling and Subsistence	31,531,639	19,702,096
International Travel	7,657,149	1,620,875
Marketing and Graduation	7,368,366	5,781,969
Benchmarking		7,281,920
General Insurance	7,000,982	1,485,221
Staff medical insurance	14,477,376	2,898,570
Legal expenses	345,000	300,000
Staff Capacity Building	19,014,910	6,096,990
Consumables	52,202,341	15,413,001
Staff and Students activity	13,557,011	8,859,770
MMUST Program	1,074,400	160,500
Provision of Audit fee	600,000	600,000
Research and Innovation	443,630	62,500
EASTRIP-Project Support	1,806,532	7,749,235
Cleaning services	6,970,102	5,965,681
Sanitary Services	936,466	1,254,031
KMLTTB	1,332,819	
ISO expenses	363,018	891,000
Postages	24,848	20,823
CBET Curriculum	6,133,648	1,877,180
Examination expenses	95,635,465	
Driving school	222,130	
Upskilling	4,020,000	
Quality Assurance	1,311,250	
Total	274,029,082	88,021,362

15. OPERATING EXPENSES

Description	2024/2025	2023/2024
	KSHs	KSHs
Contingencies Expenses	16,930,728	12,841,448
Stationary	4,920,552	1,562,820
Attachment	4,681,151	3,259,994
Corner restaurant	26,970,655	20,958,120
Part Time expenses	17,624,895	16,195,962
Education tour	2,296,200	453,990
Responsibility allowance	6,994,728	6,789,916

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Internal committee allowance	848,000	821,000
Corporate Social Responsibility	524,760	834,690
Bank charges	1,216,216	1,330,248
Radio licenses	47,500	45,000
Staff welfare fund	3,750,275	3,660,921
Administration expenses	812,500	6,738,725
Conference charges	1,653,430	2,003,449
Text Book	590,880	
Total	89,862,470	77,496,283

16. USE OF GOODS AND SERVICES

Description	2024/2025	2023/2024
	KSHs	KSH
Internet services	3,693,425	4,094,573
Water and Electricity	10,545,259	10,002,625
Security costs	7,964,973	5,630,860
Clothing P.U	545,065	933,247
Board Registration		10,000
Students identity	408,330	1,259,280
Hire of classroom	378,000	519,750
Air time allowance	67,055	144,500
Subscriptions	1,818,709	2,857,900
Design and Printing	4,241,140	1,203,923
Show exhibition	503,700	666,613
Swimming pool	473,103	663,460
Generator fuel	531,140	411,130
KENHA	695,770	320,950
Carpentry		163,000
Tree planting	461,200	172,650
Chandaria hall expenses	133,033	2,145,603
Total	32,459,902	31,200,064

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. CASH AND CASH EQUIVALENTS

Description	2024-2025	2023-2024
	KSH	KSH
Current account	34,681,792	242,888,616
Others- Savings account and Cash in hand	<u>146,543,349</u>	<u>175,792,007</u>
	181,225,141	418,680,623
World Bank EASTRIP	61,816,533	3,095,401
Mentored Institutions	398,850	
Total cash and cash equivalents	243,440,524	421,776,024

17(a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2024-2025	2023-2024
		KShs	
a) Current account			
Kenya Commercial bank			
Main Account- A/C 1	1106525027	15,395,834	125,976,979
College Fund Account – A/C 2	1106525183	14,750,226	49,805,296
Production Unit- A/C 3	1106525051	4,535,732	65,543,117
Lamu West (Mpeketoni) TTI	1106496795	-----	1,216,775
Kaloleni TTI	1160510067	-----	346,449
		34,681,792	242,888,616
b) Equity Bank			
KCNP (EASTRIP-Project)	0250279469130	61,816,533	3,095,401
KCNP (Nyali TVC)	0250285557323	199,425	
KCNP (Kilifi South TVC)	0250285557584	199,425	
		<u>96,897,175</u>	<u>245,984,017</u>
c) Others(specify)			
Savings Accounts			
Kenya Commercial bank			
Reserve Fund	1104912325	35,263,533	34,513,109
Capital Development	1104913992	82,255,309	114,414,059
Caution Money	1104950367	27,242,104	26,660,664
		<u>144,760,946</u>	<u>175,587,832</u>
d) i. Cash in hand -KCNP			
		1,658,904	160,191
ii .Cash in hand -EASTRIP			
		123,499	43,984
Grand total		1,782,403	204,175

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2024-2025	2023/2024
	KSH	KSH
Current receivables		
Student debtors-Fees	158,336,969	61,739,431
Mombasa County Government (students fees)	30,159,105	30,159,105
Advances	347,777	13,000
KCNP Mini Shop	299,500	299,500
Swimming Pool	1,862,000	1,862,000
GUS Training MSA County Government	5,143,195	5,143,195
Weru TTI Operations	2,361,788	2,132,535
Ahmed Shahame Operations	3,007,601	3,007,601
Dishonoured Cheque	497,816	514,500
Lunga Lunga TTI	1,413,589	1,413,589
Kaloleni TTI	717,147	2,252,478
Kilifi North TTI	2,584,966	798,191
Likoni TTI	847,560	2,702,323
Lmu East TTI	1,199,397	1,216,799
Lamu West	1,361,836	663,096
Mentored Institution grant- Ministry	5,564,690	-----
North Eastern Polytechnic	-----	408,000
Medical and general insurance prepayments	9,514,802	18,900,739
Previous year invoice payments	-----	-----
Previous year creditors	-----	-----
KCNP-Contingencies	-----	7,996,422
Students Union Fund	270,564	357,236
EASTRIP-Advance certificate recoverable	-----	31,917,362
Mvita TVC	237,695	-----
Nyali TVC	25,725	-----
Kilifi South TVC	575	-----
Total current receivables	225,754,297	173,497,102

18b. KCNP-EASTRIP-PROJECTS EXPENSES

Description	2024/2025	2023-2024
	KSHs	KSH
EASTRIP Expenses b/f 1/7/2024	533,587,741	337,171,096
Expenditure for the period	382,601,674	196,416,645
Total Expenses	916,189,415	533,587,741

9. INVENTORIES

Description	2024/2025	2023-2024
	KSHs	KSHs
Food and Beverage Training stores	481,695	154,753
Corner restaurant stores	80,921	1,550,863
Main Store-Procurement	2,679,546	1,795,430
Clothing Section	1,519,878	-----
Health Science	526,225	-----
Applied science/Medical	991,811	1,253,894
Electrical	564,941	2,048,325
Mechanical	468,353	1,120,699
Building and Civil engineering		252,274
Cosmetology	542,431	2,407,095
Masonry		
Total inventories	7,855,801	10,583,333

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets S. Pool	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 30 June 2022	968,070,000	499,700,000	28,750,000	26,145,777	20,224,154	5,700,000	136,151,105		1,684,741,136
Depreciation And impairment		50,826,806	15,764,629	8,626,460	23,354,870	820,876	103,243,957		212,637,598
Cost At 1 July 2022	968,070,000	550,526,806	44,514,629	34,772,237	43,579,024	6,520,876	239,395,062		1,887,378,634
Additions			5,739,310	8,140,694			8,797,893		22,677,897
Depreciation for the year		9,994,000	8,622,328	4,285,809	6,067,246	142,500	18,118,625		47,230,508
Net At 30 June 2023	968,070,000	489,706,000	25,866,982	30,000,662	14,156,908	5,557,500	126,830,373		1,660,188,525
Depreciation And impairment		60,820,806	24,386,957	12,912,269	29,422,116	963,376	121,362,582		249,868,106
Cost At 1 July 2023	968,070,000	550,526,806	50,253,939	42,912,931	43,579,024	6,520,876	248,192,955		1,910,056,631
Additions		39,409,007	2,560,000			5,805,333	51,532,457		99,306,797
Depreciation for the year		10,582,762	7,106,746	3,750,083	4,247,074	284,071	22,295,354		48,266,090
Net At 30 June 2024	968,070,000	518,532,245	21,320,236	26,250,579	9,909,834	11,078,762	156,067,476		1,711,229,232
Depreciation And impairment		71,403,568	31,493,703	16,662,352	33,669,190	1,247,447	143,657,936		298,134,196
Cost At 1 July 2024	968,070,000	589,935,813	52,813,939	42,912,931	43,579,024	12,326,209	299,725,412		2,009,363,428
Additions		45,714,609			489,660	2,500,000	35,177,904	87,642,693	171,524,866
Depreciation for the year		11,284,937	5,330,059	3,281,322	3,119,848	339,469	23,905,673		47,261,308
Net At 30 June 2025	968,070,000	552,961,917	15,990,177	22,969,257	7,279,646	13,239,293	167,339,707	87,642,693	1,835,492,790

Building 2%
Swimming Pool 2.5%
Plant and Equipment 12.5%

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Motor Vehicles	25%
Computers and Other Electronics	30%
Motor Vehicles	25%
Furniture and Fittings	12.5%



NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. INTANGIBLE ASSETS- SOFTWARE

Description	2024/2025	2023-2024
	KSHs	KSHs
At beginning of the year 1 July 2024	18,168,502	22,527,163
Additions: Software	1,087,052	1,994,040
Addition: ICT Upgrade		1,433,800
Amortization 30%	(5,776,666)	(7,786,501)
Increases of valuation of Intangible assets		
At end of the year 30 June 2025	13,478,888	18,168,502

22. MENTORED INSTITUTIONS PROJECTS/WORKS

	Ahmed Shahame TTI	Weru TTI	Lamu East TTI	Lamu West TTI	Kaloleni TTI	Likoni TTI	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 June 2016							
	58,943,101	42,122,695	34,957,061	12,543,287	17,172,341	10,553,020	176,291,505
Additional certificates	8,816,168	9,292,537	20,393,127	26,529,083	29,267,107	30,749,617	125,047,639
At 30th June 2017							
	67,759,269	51,415,232	55,350,188	39,072,370	46,439,448	41,302,637	301,339,144
Additional certificates	-----	-----	-----	8,624,966	-----	-----	8,624,966
At 30th June 2018							
	67,759,269	51,415,232	55,350,188	47,697,336	46,439,448	41,302,637	309,964,110
Additional certificates	-----	-----	-----	-----	-----	16,741,106	16,741,106
At 30th June 2019							
	67,759,269	51,415,232	55,350,188	47,697,336	46,439,448	58,043,743	326,705,216
Furniture Purchase	-----	-----	-----	-----	-----	-----	10,424,900
At 30th June 2020							
	67,759,269	51,415,232	55,350,188	47,697,336	46,439,448	58,043,743	337,130,116
Additional certificates Kilifi	-----	-----	-----	-----	-----	-----	11,106,390
Additional certificates	-----	-----	2,497,896	-----	-----	-----	2,497,896
At 30th June 2021							
	67,759,269	51,415,232	57,848,084	47,697,336	46,439,448	58,043,743	350,734,402
Additional certificates Lamu E.	-----	-----	1,893,364	-----	-----	-----	1,893,364
Additional certificates Kilifi	-----	-----	-----	-----	-----	-----	22,763,352
At 30th June 2022							
	67,759,269	51,415,232	59,741,448	47,697,336	46,439,448	58,043,743	375,391,118
Additional certificates Kilifi	-----	-----	-----	-----	-----	-----	3,460,912
Additional certificates Kilifi	-----	-----	-----	-----	-----	-----	11,192,505

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Furniture Purchase Lamu East Tvc	-----	-----	-----	-----	-----	-----	1,404,885
Additional certificates	-----	-----	11,400,000	-----	-----	-----	11,400,000
Additional certificates				4,560,772			4,560,772
At 30th June 2023	67,759,269	51,415,232	71,141,448	52,258,108	46,439,448	58,043,743	407,410,192
Additional certificates				6,449,235			6,449,235
Additional certificates				8,997,632			8,997,632
Additional certificates Kilifi							5,444,585
Additional certificates					1,560,501		1,560,501
At 30th June 2024	67,759,269	51,415,232	71,141,448	67,704,975	47,999,949	58,043,743	429,862,145
Nyali certificates							9,800,000
Kilifi South certificates							9,800,000
Additional certificates				15,653,918			15,653,918
Kilifi North certificates							17,184,573
Adjustment from grant Note 24	(67,759,269)	(51,415,232)	(71,141,448)		(47,999,949)	(58,043,743)	(296,359,641)
At 30th June 2025	NIL	NIL	NIL	83,358,893	NIL	NIL	185,940,995

23a. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2024/2025	2023-2024
	KSHs	KSHs
Suppliers	13,106,401	14,278,065
Provision of Audit fee	600,000	1,162,169
Provision of Bad debt	-----	80,721,818
Examination	-----	12,849,802
Caution Money	11,357,513	11,114,427
Retention for Construction works/VAT	19,357,693	16,735,918
Prepaid Fees	106,336,748	58,507,073
NYS Sponsored Students	46,029,187	76,482,070
Lamu TVC grant	999,654	
Kilifi North TVC grant	1,499,815	
Mvita TVC	499,827	
Total trade and other payables	199,786,838	271,851,342

23b PROVISION OF BAD DEBT

Description	2024/2025	2023-2024
	KSHs	KSHs
Balance b/f	80,721,818	-----

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24. MENTORED INSTITUTIONS GRANTS

Cost	Ahmed Shahame TTI	Weru TTI	Lamu East TTI	Lamu West TTI	Kaloleni TTI	Likoni TTI	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 June 2016	48,291,819	41,644,485	45,392,523	39,700,000	36,702,488	10,000,000	221,731,315
Grants from MOHEST	3,902,760	-----	4,366,327	-----	2,832,792	21,121,825	32,223,704
Grants from NG-CDF	10,000,000	10,000,000	10,000,000	-----	10,000,000	10,000,000	50,000,000
At 30th June 2017	62,194,579	51,644,485	59,758,850	39,700,000	49,535,280	41,121,825	303,955,019
Grants from MOHEST	-----	-----	-----	15,141,082	-----	10,000,000	25,141,082
At 30th June 2018	62,194,579	51,644,485	59,758,850	54,841,082	49,535,280	51,121,825	329,096,101
At 30th June 2019	62,194,579	51,644,485	59,758,850	54,841,082	49,535,280	51,121,825	329,096,101
Grants from MOHEST	-----	-----	-----	-----	-----	8,776,681	8,776,681
Grants for Furniture	-----	-----	-----	-----	-----	-----	12,500,000
MOHEST grant for Kilifi TTI	-----	-----	-----	-----	-----	-----	11,847,961
At 30th June 2020	62,194,579	51,644,485	59,758,850	54,841,082	49,535,280	59,898,506	362,220,743
Development grant- Kilifi	-----	-----	-----	-----	-----	-----	20,000,000
At 30th June 2021	62,194,579	51,644,485	59,758,850	54,841,082	49,535,280	59,898,506	382,220,743
Development grant CDF- Lamu East	-----	-----	11,400,000	-----	-----	-----	11,400,000
Development grant CDF- Kilifi North	-----	-----	-----	-----	-----	-----	10,000,000
Development grant MOHEST- Kilifi TTI	-----	-----	-----	-----	-----	-----	12,573,440
At 30th June 2022	62,194,579	51,644,485	71,158,850	54,841,082	49,535,280	59,898,506	416,194,183
Development grant MOHEST- Kilifi TTI	-----	-----	-----	-----	-----	-----	5,316,152
Development grant	-----	-----	-----	4,000,000	-----	-----	4,000,000
At 30th June 2023	62,194,579	51,644,485	71,158,850	58,841,082	49,535,280	59,898,506	425,510,335
Development grant	-----	-----	-----	17,813,333	-----	-----	17,813,333
Development grant MOHEST- Kilifi TTI	-----	-----	-----	-----	-----	-----	13,586,774
At 30th June 2024	62,194,579	51,644,485	71,158,850	76,654,415	49,535,280	59,898,506	456,910,442
Kilifi CDF	-----	-----	-----	-----	-----	-----	10,000,000
Nyali CDF	-----	-----	-----	-----	-----	-----	10,000,000
Adjustment from grant Note 22	(67,759,269)	(51,415,232)	(71,141,448)	-----	(47,999,949)	(58,043,743)	(296,359,641)
Adjustment to receivable Note 18	5,564,690	229,253	(17,402)	-----	(1,535,331)	(1,854,763)	
	NIL	NIL	NIL	76,654,415	NIL	NIL	180,550,801

NOTE: Mentored Institutions such as Ahmed Shahame TVC, Weru TVC, Lamu East TVC, Kaloleni TVC and Likoni TVC are now removed from the Financial statement having been Independent. The ones still remaining are Lamu West TVC, Kilifi North TVC, Kilifi South TVC and Nyali TVC since their constructions are not yet over.

25. RESERVE

Description	2024/2025	2023-2024
	KSHs	KSH
Balance b/f 1/7/2024	71,150,384	62,125,815
Retirement Provision		
Add provision for the period		5,000,000
Less Payments		
Development Fund		
Add receipt for the period	1,435,941	4,024,569
Total reserve	72,586,325	71,150,384

26. ACCUMULATED SURPLUS

Description	2024/2025	2023-2024
	KSHs	KSHs
Balance b/f 1/7/2024	342,876,414	258,541,540
Surplus/Deficit for the period	(31,341,310)	89,057,810
Previous year payments Adjustment		(4,722,936)
Total Accumulated surplus	311,535,104	342,876,414

27. CAPITAL FUND

Description	2024/2025	2023-2024
	KSHs	KSHs
Balance b/f 1/7/2024	1,604,842,376	1,604,842,376
Development grant		-----
Add receipt for the period		-----
Monitor and Evaluation expenditure		-----
Decrease in valuation of Land and Swimming pool		-----
Increase in valuation of other assets		-----
Increase in intangible assets valuation		-----
Total Capital fund	1,604,842,376	1,604,842,376

28. WORLD BANK- EASTRIP

Description	2024/2025	2023-2024
	KSHs	KSHs
Equity Bank Account-0250279469130	551,073,121	438,765,370
Balance b/f 1/7/2024		
Balance b/f Interest Earned	2,999,452	-----
Receipt during the year	424,056,875	112,307,751
Total	978,129,448	551,073,121

29. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2024-2025	2023-2024
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	-----	-----	-----	-----	-----
Non-current benefit obligation	-----	-----	-----	-----	-----
Total employee benefits obligation	-----	-----	-----	-----	-----

The Polytechnic has not started operating defined benefit scheme for full-time employees.

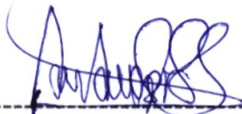
	2024-2025	
	KShs	
Valuation at the beginning of the year	-----	
Changes in valuation during the year	-----	
Valuation at end of the year	-----	

The Polytechnic contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1080 per employee per month.

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21. APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CR/AUD/7/2021/2022(18)	Ownership documents for town Land	Still awaiting for the issuance of title deed Land by the Commissioner	Chief Principal/Council	Not Resolved	Exact date not clear
"	Budgetary control and performance	Under disbursement of Capitation as the main course has been conveyed to the Ministry	Chief Principal/Council	Not Resolved	Exact date not clear
"	Underutilized Driving School Truck	Driving school has been commissioned and has started	Chief Principal/SPO	Resolved	N/A
OAG/CR/AUD/1/6/2022/2023(14)	Long outstanding receivable	These are school fees and is being reduced by the sponsored, NYS students and during collection of academic documents	Financial Controller- Mr Bolo	Resolved	N/A
"	Delay in completion of Kilifi TVC	The issue of the approval of variation is been sorted out by the Ministry	Chief Principal/Council	Resolved	N/A
OAG/CR/AUD/7/2023/2024(13)	Unsupported cash and cash equivalent	This has been supported by producing the schedules	Financial Controller- Mr Bolo	Resolved	N/A
"	Irregular payment of sitting allowance	This has been stopped as advised	Chief Principal/FC	Resolved	N/A



Chief Principal/ Secretary to the Council

Date. 28/11/2025

22. APPENDIX II: PROJECTS IMPLEMENTED BY THE POLYTECHNIC

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 EASTRIP	6334-KE	W.ORLD BANK	5 YEARS	1,080,000,000	YES	YES
2.						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1.	EASTRIP	1,080,000,000	916,189,415	85%	1,080,000,000	916,189,415	WORLD BANK
2	-----	-----	-----	-----	-----	-----	-----
3	-----	-----	-----	-----	-----	-----	-----

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23. APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Mentored Inst. grants	Receivables	Others - must be specific	
CDF Kilifi South	19/9/2025	Development	10,000,000			10,000,000	-----	-----	-----
CDF Nyali	19/9/2025	Development	10,000,000			10,000,000	-----	-----	-----
							-----	-----	-----

