

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 APR 2026 DAY: Thursday

TABLED BY:	Deputy Majority Whip Hon. Ngoni W. W. W. W.
CLERK-AT THE-TABLE:	Halima Ahmad

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

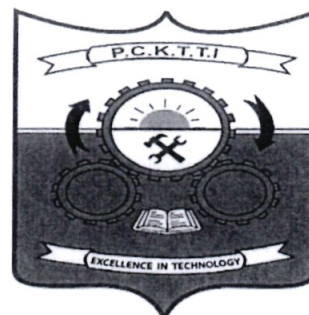
ON

PC KINYANJUI TECHNICAL TRAINING
INSTITUTE

FOR THE YEAR ENDED
30 JUNE, 2025



Revised 30th June 2025



PC KINYANJUI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2025

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

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**PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th
June 2025**

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
PC Kinyanjui TTI	Paramount Chief Kinyanjui Technical Training Institute
TVET	Technical and Vocational Education and Training
HELB	Higher Education Loans Board
KUCCPS	Kenya Universities and Colleges Central Placement Service

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Institution was incorporated and established under the TVET Act of 2013 on 20th July 2001. The Institute is under the Ministry of Education in the State Department of TVET. It is located in Nairobi West District, Dagoretti Constituency, Riruta Ward off Kabiria road. There are seven (7) academic and nine (9) non-academic departments as listed below:

(i) Academic departments:

1. Electrical and electronics Engineering
2. Building and Civil Engineering
3. Mechanical and Automotive Engineering
4. Agriculture, Environmental studies and Applied sciences
5. Hospitality and Tourism
6. Computing and Informatics
7. Business and Liberal Studies

(ii) Non-Academic departments:

1. Guidance & Counselling
2. Industrial Liaison Officer (ILO)
3. Office of career Services (OCS)
4. Finance
5. Procurement
6. Library
7. Internal Audit
8. Human Resource
9. ICT Support

(b) Principal Activities

The principal activities of the Institute are centred on the core mandate which is training for skills in technical and business courses.

Vision

To be a Centre of Excellence in Technical, Vocational Education and Training.

Mission

To produce Innovative and Industrious graduates with relevant technological knowledge and skills to fit in the dynamic labour market both locally and globally.

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Core Values

Transparency:	Committed to being honest and open to our stakeholders.
Innovation:	Committed to pursuing new creative ideas that have the potential to change the world.
Professionalism:	Committed to the highest levels of achievement obtainable through competencies and critical skills.
Accountability:	Committed to acknowledging and assuming responsibility for the Institutes' actions, services, decisions, and policies.
Integrity:	Committed to acting with honesty and honor without compromising the truth.
Relevance:	Committed to offering courses that are appropriate in the labor market.
Inclusivity:	Committed to providing a work environment with a diversity of ideas and people.

Quality Policy

The Institute is committed to be a Centre of excellence in Technical, Vocational, Education and Training by offering high quality training, for innovation, employability and job creation in support of vision 2030. In pursuit of this commitment, the Institute shall comply with all applicable requirements and continually improve the established Quality Management System based on ISO 9001:2015 Standard. This Quality Policy shall be reviewed annually for continuing improvement and sustainability.

(c) Key Management

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

1. Board of Governors
2. Principal
3. Management Team
4. Heads of Departments

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(d) Fiduciary Management

The key management personnel who held office during the period ended 30th September, 2024 and had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Lucy M. Anampiu
2.	Deputy Principal-Admin	Ruth Matanda
3.	Deputy Principal -Academics	Simon Gitau
4.	Registrar	Jane Gatacha
5.	Dean of Trainees	Ruth Muia
6.	Head of Finance	James Mugambi
7.	Procurement Officer	Joseph Mureithi
8.	Human Resource Officer	Mary Nyaga

(e) Fiduciary Oversight Arrangements

The Institute has formed board committees to carry out oversight functions for the following activities:

Audit and risk committee activities

1. Review the quality and effectiveness of the external audit process.
2. Providing input and approving the written charter for the internal audit function, including periodic review and updating.
3. Understanding, discussing and approving the Institute's risk assessment and internal audit plan.
4. Reviewing on-going activities of the internal audit function, including its reports, and inquire as to any other matters that should be brought to the committee's attention.
5. Directing the internal audit function, as necessary, to perform special reviews on behalf of management or the audit committee, including investigations of fraud or suspected fraud.

Finance and operations committee activities

1. Ensure accurate and complete financial records are maintained.
2. Approve and recommend financial statements to the board.
3. Advising the board on the Institute's finances.
4. Approve and review Institute budgets on quarterly basis.
5. Advise on matters relating to Human Resource to the board.
6. Advise on mobilization of funds.

Development partner oversight activities

1. Overseeing all aspects of the development program/project on behalf of the board.
2. Making recommendations to the board on governance policies, practices and procedures related to non-profit organizations.

Key Entity Information and Management (Continued)

Discipline and Academic Committee Activities:

3. Make recommendations, guide and direct on matters pertaining to academic programs.
4. Approve academic programs to be offered for the development and growth of the Institute.
5. Approve academics calendar and co-curricular activities for the Institute;
6. Approve funds for research and extension activities in the Institute;
7. Ensure quality education is offered in the Institute and approve accreditation of the Institute;

Advise on discipline matters related to staff and trainees

(f) Entity Headquarters

P.O. Box 21280-00505
Nairobi west District
Off Kabiria Rd-Riruta Satellite Nairobi, KENYA

(g) Entity Contacts

Cell: (254)721480199, (254)773829417
E-mail: info@kinyanjuitechnical.ac.ke
Website: www.kinyanjuitechnical.ac.ke

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

Co-operative Bank of Kenya, Kawangware
P.O. Box 46904
NAIROBI, KENYA

Equity Bank (Kenya) Limited, Kawangware
P.O. Box 27076
NAIROBI, KENYA

Kenya Commercial Bank Prestige Plaza
P. O. Box 41294-00100
NAIROBI, KENYA

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June 2025**

Key Entity Information and Management (Continued)

(i) Independent Auditors



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

(j) Principal Legal Adviser




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

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3.The Council/Board of Governors

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	 Dr Mary Clare Kidenda (Chairperson) D.o.B 1961	PhD-Design and Visual Arts Master of Arts in Design Bachelor of Education (Fine Art) Diploma in Advanced Graphic Arts Certificate in Electronic Publishing Certificate in Leadership Skills Training Certified Community Health Worker Certificate and Diploma Supplement Council of Europe and UNESCO Member of; <ul style="list-style-type: none"> • Design Association of Kenya (DeSK), • Arts Council of the African Studies (ACASA), Associate member UNESCO • University Twinning and Networking (UNITWIN) • Exploring Visual Cultures Panel of Experts. • Technical University of Kenya • Augsburg University of Applied Science DAAD • College of Arms; Attorney General's office in the Republic of Kenya • Basic Occupational Safety and Health • 3D Graphic Design and Multimedia.
2.	 Rev Nicholas Kimani Njoroge D.o.B 1979	MBA-Strategic management Bachelors of commerce -Finance) Certified public accountant (CPA II) Diploma in theological studies



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<p>3.</p>	 <p>Dr Gladys Wekesa Bunyasi D.o.B 1975</p>	<p>PhD-Entrepreneurship MBA -Finance Bed Arts -Business Studies Certificate in Ethics and Professional Skills module Member of;</p> <ul style="list-style-type: none"> • Association of Chartered Certified Accountants (ACCA) • ACCA Global Education Forum • University Senate, Dean’s Committee, Faculty Board and other university committees. • United Society of Friends Women Kenya (USFW)
<p>4.</p>	 <p>Godwin Karuga D.O.B</p>	<p>MBA-Marketing Communications and Retail (UoL), UK. Advanced Diploma (ABE) -Association of Business Executive, London, UK.</p>
<p>5.</p>	 <p>Molu Wato D. o. B 1978</p>	<p>PhD-Environmental Policy (UON) Masters-Climate Change and sustainability (KU) Bachelors-Natural Resources conservation and Social (Moi University) Diploma-Advanced Business English (Business Institute, Manchester).</p>

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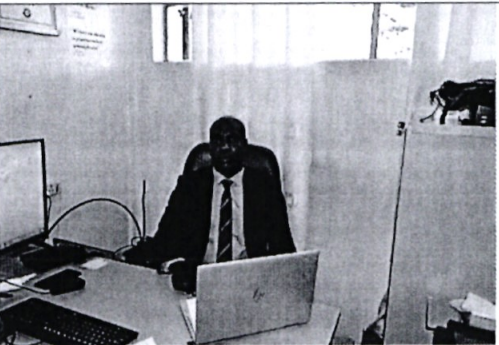
<p>6.</p>	 <p>Phyllis Ngaruiya D.o.B 1977</p>	<p>LLB graduate (Punjab University) Bsc-Applied Psychology (Kinnaird College, Pakistan) Managing Partner at Njaari Ngaruiya & Co. Advocates, Property Manager and Legal Advisor at Pinnacle Developments Ltd.</p>
<p>7.</p>	 <p>Maryan Abdi</p>	<p>Maryan Abdi is the County Director Nairobi. ME- Educational Planning & Administration (Catholic University of East Africa). Bachelor of Education-Science (KU) Diploma in Education -Science (Kagumo Teachers college) Diploma in Education Management (Kenya Education Management Institute).</p>

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<p>8.</p>	 <p>Eng. Clement Maiko</p>	<p>BTec-Mechanical & Production Engineering (Moi University) Diploma-Project Management (Alision Training college). Special Trainings;</p> <ul style="list-style-type: none"> • Solar energy design and applications- China, • Hydropower design and applications- Germany & Norway, • Occupational Health and safety - Kenya, Vibration Analysis- Switzerland, • NDT testing of materials-USA, Welding inspector specifically on high pressure vessels-Kenya, <p>Member of;</p> <ul style="list-style-type: none"> • Engineer’s Board of Kenya (EBK) • Institute of Engineers of Kenya (IEK).
<p>9.</p>	 <p>Lucy M. Anampiu (Mrs) (Chief Principal and Secretary to the board) D.o.B 1979</p>	<p>PhD -Corporate Governance (UON)-Ongoing Masters in project planning and management Bachelor of science (Maths and Chemistry) KeMU Diploma in science Education (KSTC) Senior Management course (KSG) Strategic Leadership and Development Program from (KSG)</p>

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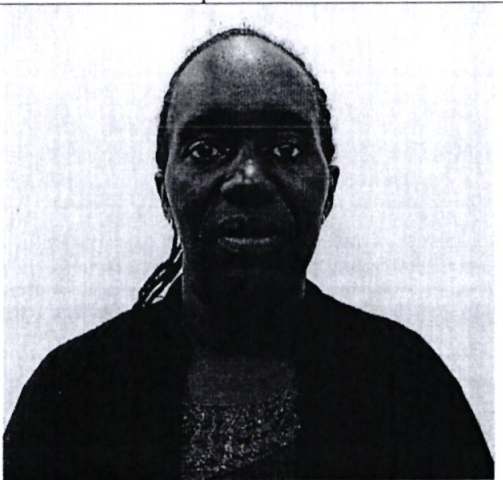
4. Key Management Team

<i>SN.</i>	<i>Member</i>	<i>DOB</i>	<i>Qualification</i>	<i>Details</i>
1.	 Lucy M. Anampiu (Mrs)	1979	PhD -Corporate Governance (UON)- Ongoing Masters in project planning and management Bachelor of science (Maths and Chemistry) KeMU Diploma in science Education (KSTC) Senior Management course (KSG) Strategic Leadership and Development Program from KSG	Chief Principal
2.	 Ruth Muia	1970	M.A(Communication Skills) B.A(English Literature) Senior Management Course	Deputy Principal-Administration
3.	 Simon Gitau	1974	Medical Laboratory Technology BSC (MLT) HND(MLT)	Deputy Principal-Academics

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4.	 <p>Jane Gatacha</p>	1970	<p>MSc Social Statistics BSc BIT Senior Management Course</p>	Registrar
5.	 <p>Mercy Kirimi</p>	1967	<p>Bsc Hotel and Restaurant Management HND in Catering and Accommodation Management Diploma in Technical Education Diploma in Institutional Management Senior Management Course</p>	Dean of Trainees
6.	 <p>James Mugambi</p>	1987	<p>MBA-Finance-ongoing Bachelor of Commerce (Accounting) CPA-K Member of;</p> <ul style="list-style-type: none"> • ICPAK • IIAK 	Chief Finance Officer

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7.	 <p>Joseph Mureithi</p>	1982	Bachelor of Purchasing & Supplies Management, ACCA Part 1	Procurement Officer
8.	 <p>Mary Nyaga</p>	1986	Higher Diploma (Human Resource Management), IHRM Registered Member Senior Management Course	Human Resource Officer

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5. Chairperson’s Statement



As we mark the close of the 2024/2025 financial year, I take this opportunity to sincerely thank God for His guidance and providence. It has been a year of growth, resilience, and renewed commitment to our vision and mission. I commend the Board for laying a solid foundation upon which we continue to build a vibrant institution that is responsive to the needs of our stakeholders.

Throughout the year, the Board has demonstrated unwavering dedication, which is clearly reflected in the rapid development of our infrastructure and the improvement in the quality of services we provide. These achievements have been made possible through the tireless efforts of the Institute’s management team, whose oversight of day-to-day operations

has been commendable.

Among the key milestones achieved during the year was the successful hosting of our 7th Graduation Ceremony in February 2025 — a proud moment that reflected the fruits of our collective efforts. In addition, the institution underwent a remarkable transformation, with professional landscaping enhancing the aesthetic appeal and creating a conducive learning environment for all.

We also undertook critical policy development and review initiatives aimed at streamlining operations and aligning our practices with emerging educational needs and standards. These efforts are essential in fostering an enabling environment for growth and excellence.

I wish to express my appreciation to the Ministry of Education for the opportunities extended to trainees in TVET institutions, especially through HELB loans and bursaries facilitated by political leadership. These interventions have made it possible for many needy trainees to access quality education. We are equally grateful to our external sponsors who continue to support and fully fund the studies of deserving trainees. Additionally, the new funding model (NFM), which includes capitation and scholarships for KUCCPS-placed students, has significantly eased the financial burden on parents, guardians, and sponsors.

Nonetheless, we have not been immune to the impact of the country’s economic challenges, which have hindered the full implementation of some of our planned projects. These difficulties have, however, motivated us to explore innovative income-generating opportunities within the Institute. Looking ahead, I am optimistic about the future of PC Kinyanjui Technical Training Institute. We are keen on launching additional income-generating activities to diversify our revenue streams and support our mission.

In conclusion, it is my prayer and firm belief that, despite the prevailing economic challenges, we shall continue to excel in our core mandate of imparting relevant skills and fostering positive attitudes among our trainees.

A handwritten signature in black ink, appearing to read 'Mary Claire Kidenda', written in a cursive style.

Dr. Mary Claire Kidenda
Board Chair
PC Kinyanjui TTI

6. Report of the Chief Principal



As we come to the end of the 2024/2025 financial year, I take this opportunity to thank the Almighty God for His guidance and grace throughout the period. I also extend my appreciation to the Board of Governors, whose visionary leadership and dedication have laid a solid foundation upon which we continue to build a vibrant and progressive institution.

Throughout the year, the Board and management have worked collaboratively, ensuring that PC Kinyanjui TTI remains aligned with its mission and vision. This synergy has been evident in the rapid growth in infrastructure, service delivery, and the continuous

improvement in institutional governance.

Among the key milestones achieved during the financial year was the successful hosting of the 7th Graduation Ceremony in February 2025, a proud moment that celebrated the achievements of our trainees and staff. The institution also received a notable facelift through professional landscaping works, enhancing the beauty and serenity of our environment for all stakeholders.

Furthermore, the Board initiated and finalized the development of several new policies while reviewing existing ones to streamline our operations and position the institution for future growth. These policy reforms are instrumental in improving service delivery and institutional efficiency.

Enrolment

Currently the student enrolment is at three thousand, five hundred and sixty-eight (3568), both boarders and non-boarders. The Institute has seven (7) Academic departments and the population per department is illustrated in the table below:

S/NO.	DEPARTMENT	TOTAL
1	Agriculture and Environmental Studies & Applied Sciences	175
2	Building and Civil Engineering	621
3	Business and Liberal Studies	241
4	Computing and Informatics	550
5	Electrical and Electronics Engineering	972
6	Hospitality and Tourism	531
7	Mechanical and Automotive Engineering	502
	TOTAL	3568

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Service delivery of P C Kinyanjui TTI to all stakeholders is supported by the following number of employees employed and paid by the Board of Governors besides those employed by the Government. The following is the category of employees within the Institute:

	Type	Number
1.	Public Service Commission Trainers	151
2.	BOG Trainers on Contract	39
3.	BOG Non-teaching Staff	24
4.	BOG Staff on Contract	19
5.	Interns	4

It is important to note that PC Kinyanjui TTI is **ISO 9001:2015** certified and therefore services offered meet international standards with our core mandate being training from Level 3 to Level 6. The BOG assisted and supported the development of the Internal Quality Assurance policy to enhance quality of service in conjunction with the Quality Management System (QMS) already in place.

Despite our progress, we encountered several challenges, most notably a shortage of funds. Disbursement of funds delayed, which affected various operational areas. While the Public Service Commission continues to post trainers to the institution, the numbers are still limited. To meet the increasing number of trainees, the Institution hired 39 trainers on contract, an expense that significantly impacted our operational budget.

Looking ahead, we remain focused on narrowing the country's skills gap through technical training and innovation. We anticipate that TVET institutions will play a crucial role in achieving Kenya's Vision 2030 through the development of a skilled and innovative workforce.

In conclusion, it is my strong belief and prayer that despite economic challenges, PC Kinyanjui Technical Training Institute will continue to excel in its core mandate of imparting technical skills and positive attitudes to our trainees. Let us remain steadfast in our mission, united in purpose, and hopeful for an even brighter future.



Lucy M. Anampiu
Chief Principal
PC Kinyanjui TTI

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7. Statement of Performance against Predetermined Objectives

PC Kinyanjui Technical Training Institute has 3 strategic institutional goals and objectives within the current Strategic Plan for FY 2023 - FY 2027. These strategic goals are as follows:

Goal 1: To improve the quality and relevance of programs offered.

Goal 2: To enhance equitable access to TVET programmes

Goal 3: To Enhance Institutional Governance and Management

Paramount Kinyanjui Technical Training Institute develops its annual work plans based on the above 3 pillars. Assessment of the Board's performance against its annual work plan is done every quarter. The Board achieved its performance targets set for the FY 2024/25 period for its 3 strategic goals, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Goal 1: Improve quality and relevance of programmes offered.	<ul style="list-style-type: none"> ➤ Enhance trainee welfare and extra-curricular activities. ➤ Enhance research and innovation ➤ Produce quality and competent graduates who fit in the dynamic labour market. 	<ul style="list-style-type: none"> • Enhance the quality of teaching and learning; • Establish career guidance and counselling in PCKTTI • Strengthen capacity for research and development at the Institute • Enhance participation in co-curricular activities • Establish partnerships between PCKTTI and the private sector • Participate in TVET Fairs 	<ul style="list-style-type: none"> • Engaged with the private sector to improve teaching and learning. • Plan and facilitate co-curricular activities. • Plan and facilitate trainees and staff for TVET fairs. • Facilitation of research and development activities in the Institution. 	<ul style="list-style-type: none"> • Partnerships brought about the donation of equipment for the CoE in Renewable Energy. • The Institution has facilitated trainees to participate in games, music and other co-curricular activities and TVET fairs. • The Institution has an established a Research and Innovation department

<p>Goal 2: To enhance equitable access to TVET programmes</p>	<p>➤ Develop priority Infrastructure (physical resources and facilities).</p>	<ul style="list-style-type: none"> • Improved training Facilities utilization • Renovation of infrastructure in the Institution • CCTV System installed 	<ul style="list-style-type: none"> • Installation of CCTV • Renovation and Improvement of Infrastructure 	<ul style="list-style-type: none"> • Repairs of learning facilities for better comfort in class and during learning. • Partners have donated learning equipment to enhance skills imparting from training using latest technology. • Continuous CCTV maintenance for better security
<p>Goal 3: To Enhance Institutional Governance and management</p>	<p>➤ Prioritize Human Resource Development and Customer Service Delivery.</p>	<ul style="list-style-type: none"> • Enhance the human capital of the Institution • Train Managers and Staff • Implement an attractive scheme of service 	<ul style="list-style-type: none"> • Employment of interns, staff on contract. • Facilitate Staff to attend trainings 	<ul style="list-style-type: none"> • Employed Interns in Procurement, ICT and Registry departments. • Employed BOG trainers on contract in the Academic Department enhancing training. • Facilitated staff to attend trainings for better service delivery.
	<p>➤ Enhance prudent utilization of institution's funds.</p>	<ul style="list-style-type: none"> • Broaden the financial base of the Institute • Strengthen trainee financing in the Institute 	<ul style="list-style-type: none"> • Creating of IGAs for Income Generation in the Institute 	<ul style="list-style-type: none"> • Enhanced available IGAs to generate more income for the Institution
	<p>➤ Strengthen PCKTTI's Corporate Identity</p>	<ul style="list-style-type: none"> • Develop a Strong reputation for PCKTTI's • Build cohesion in the Institution 	<ul style="list-style-type: none"> • Extensive marketing of the Institution 	<ul style="list-style-type: none"> • The Marketing department has been facilitated to carry out marketing of the Institution.

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8. Corporate Governance Statement

Corporate governance is a system of rules and practices and processes by which a company is directed and controlled. It identifies who has power and accountability and who makes decisions. The Board of Governors is mandated to make decisions and direct the running of the Institution.

(a) ANALYSIS OF BOARD MEETINGS WITHIN THE FINANCIAL YEAR 2024/2025

S/NO	DATE	ATTENDANCE	PURPOSE
1.	5 th July, 2024	3	Handing/Over Taking Over
2.	15 th July, 2024	3	BOG Audit Committee
3.	1 st August, 2024	3	BOG Audit Committee
4.	5 th August, 2024	9	Full BOG Meeting
5.	10 th September, 2024	4	BOG Academic & Disciplinary Committee
6.	7 th September, 2024	3	BOG Finance Committee
7.	13 th September, 2024	3	BOG Audit Committee
8.	23 rd September, 2024	4	BOG Finance Committee
9.	27 th September, 2024	9	Full BOG Meeting
10.	4 th October, 2024	3	BOG Finance Committee
11.	14 th October, 2024	4	BOG Finance Committee
12.	6 th December, 2024	3	BOG Audit Committee
13.	11 th December, 2024	9	Full BOG Meeting
14.	13 th January, 2025	3	BOG Finance Committee
15.	10 th February, 2025	5	BOG Academic & Disciplinary Committee
16.	21 st February, 2025	3	BOG Audit Committee
17.	21 st March, 2025	9	BOG Audit Committee
18.	25 th March, 2025	3	BOG Finance Committee
19.	26 th March 2025	3	BOG Audit Committee
20.	26 th May, 2025	4	BOG Finance Committee
21.	28 th May, 2025	7	BOG Academic & Disciplinary Committee
22.	29 th May, 2025	7	BOG Audit Committee

APPOINTMENT OF THE BOARD MEMBERS

The appointment of the Board of Governance is done in accordance with the second schedule of the Technical and Vocational Education and Training (TVET) ACT NO. 29 of 2013. The appointing authority is the Cabinet Secretary and in accordance with section 28 (3) and the second schedule part (1) and (2) (a) of the TVET Act. The term of office is three (3) years effective from the date of letter of appointment. The ACT also explains how a board member can be removed from office. The Board members sign a conflict of interest register before they hold meeting in case there is a need to declare a conflict of interest.

ROLE AND FUNCTIONS OF THE BOARD.

The functions of the Authority shall be to:

1. Regulate and coordinate training under this Act 2013 Technical and Vocational Education and Training No.29 Act.
2. Accredite and inspect programmes and courses.
3. Advice and make recommendations to the Cabinet Secretary on all matters related to training.
4. Determine the national technical and vocational training objectives.
5. Promote access and relevance of training programmes within the framework of the overall national socio-economic development plans and policies.
6. Prescribe the minimum criteria for admission to training institutions and programmes in order to promote access, equity and gender parity.
7. Recognize and equate qualifications awarded by local or foreign technical and vocational education institutions in accordance with the Standards and guidelines set out by the Authority from time to time.
8. Develop plans and guidelines for the effective implementation of the provisions of this Act;
9. Establish a training system which meets the needs of both the formal and informal. Sectors as provided under this Act.
10. Collect, examine and publish information relating to training.
11. Inspect, license, register and accredit training institutions. Advise on the development of schemes of service for trainers.
12. Assure quality and relevance in programmes of training.
13. Liaise with the national and county governments and with the public and the private sector on matters relating to raining.
14. Undertake, or cause to be undertaken, regular monitoring, evaluation and inspection of training and institutions to ensure compliance with set standards and guidelines.
15. Mobilize resources for development of training.
16. Ensure the maintenance of standards, quality and relevance in all aspects of training, including training by or through open, distance and electronic learning.
17. Approve the process of introduction of new training programmes and review existing programmes in Technical and Vocational Education and Training Board institutions.
18. Perform any other functions necessary for the better implementation of this Act.

The Authority may, where appropriate, with approval of the Cabinet Secretary, delegate the performance of any of its functions to a suitably qualified person or body.

The Board remuneration is done based on attendance of the meetings where they sign the BOG attendance book.

There is an internal Auditor who represents and report to the Board members i.e. Audit committee. There is a conflict of interest register which is signed before any agendas are discussed.

9. Management Discussion and Analysis

The following is the overview of performance of the Institute for the period ended 30th June, 2025.

Section A

PCKTTI's operational and financial performance

The Institute is a public institution whose mandate is to provide quality and relevant technical training for skills for the achievement of Vision 2030. The source of revenue is from Government funds and collection of fees from trainees. It is a non-profit making entity.

Section B

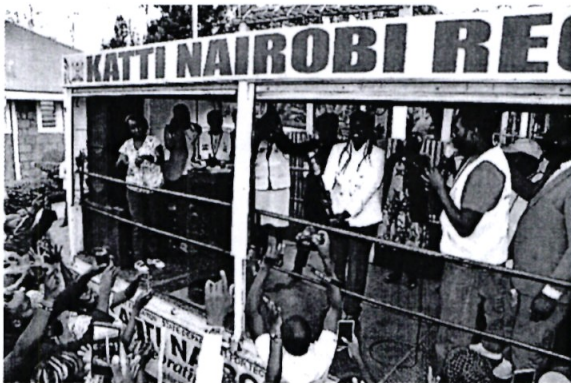
PCKTTI's compliance with statutory requirements

The Institute remains committed to compliance with remittance of statutory obligation.

Section C

Key projects and investments

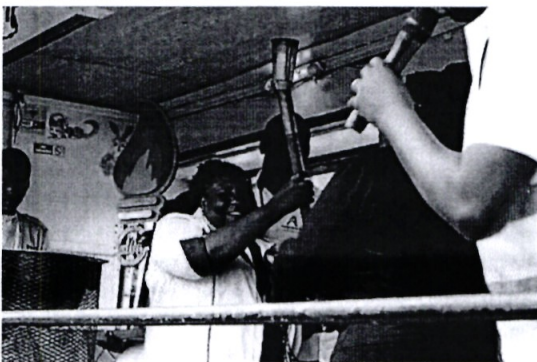
During the year, PCKTTI joined the country in the TVET at 100 centenary celebrations. The Institution participated in a caravan to sensitize the public on TVET and courses offered at the Institution.



Principal Lucy Anampiu receiving the Torch for the TVET at 100



Flag off of the Caravan for the TVET at 100 at PC Kinvaniui TTI



Handing over the TVET at 100 Torch to Kabete National Polytechnic

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

The Institution also went out to market the Institution with representatives from the Ministry of Education for the September, 2024 Intake. The Institution managed to get a large number of trainees ready to enrol for various courses within the Institution. The trainees were encouraged to apply for KUCCPS placement and HELB to enable the access government funding and loans. During the Year the Institution conducted its 7th Graduation Ceremony on the 28th of February, 2025. The Chief Guest for the Graduation was the PS SDTVET Dr. Esther Thaara Muoria, PhD.



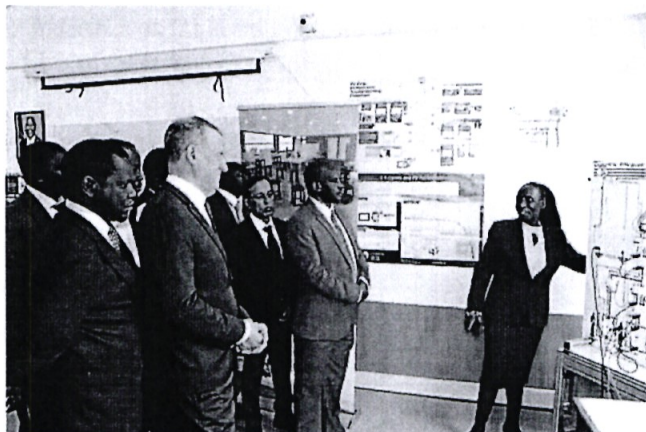
During the Year, the President of the Republic of Kenya H.E Dr. William Samoei Ruto visited the Institution on his tour of Nairobi County. During the visit the President commended members of staff and trainees for being part of the story of PC Kinyanjui TTI.



During the Year PCKTTI hosted the ADESK I closing ceremony on the renewable energy project. PCKTTI is grateful to all stakeholders that ensured the project was a success.



PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025



Dorcas Alal taking guests round the Renewable Energy Lab

During the Year PCKTTI held its cultural day to pic Miss and Mr. Kinyanjui 2025. The event was a success and Mr and Miss Kinyanjui 2025 were crowned.



Major risks facing PCKTTI

Liquidity risks

The source of revenue for PCKTTI is from government grants and collection of fees from trainees. Delay in disbursement of government grants and delay in remittance of fees by sponsors, guardians, and parents affects service delivery and timely execution of projects.

Operational risks

Shortage of trainers from PSC in relation to growth in trainees' enrolment necessitates the employment of BOG trainers which increases the monthly wage bill affecting the cost of operations. Increase in cost of training materials has resulted in high pending bills and amount of fees charged per trainee remains constant.

Fire and burglary may be a risk on assets in the Institute due to the nature of activities undertaken such as the hospitality department and the trainees' cafeteria where production of food is continuous by use of open flames. The Institute is surrounded by low-income settlement that may pose a threat to theft of the Institute's assets.

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Road accidents may also be a risk as the Institute's vehicles are always in use, practising driving school learners, commuting staff and trainees.

Trainees are also exposed to accident risks in labs and workshops where machines and equipment are used for training.

The Institute has developed a management risk policy which will help in mitigating operational risks.

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Our Institution has been actively pursuing sustainability initiatives in recent years. We have equipped our Centre of excellence in Renewable energy and Energy efficiency by engaging partners like fluke corporation, Schneider electric and Hydromatics to help with energy efficiency within our Institute and impacting those skills to trainees for the betterment of the community in terms of energy efficiency. Additionally, we continue to tap into renewable energy sources by setting up of security lights that are powered by solar energy in an effort to reduce on energy consumption.

Kenya's government has shown a commitment to sustainable development, with policies encouraging the integration of renewable energy sources and environmentally friendly practices in educational institutions. The government has provided our partners with the goodwill, by allowing them to showcase and share their knowledge.

Our key achievements include implementation of solar street lighting within the Institution, continuous planting of trees within the Institution which in the long term will contribute to reduction of the carbon footprint. We have also continued to engage local and international stakeholders to provide practicality in training to improve the employability of our graduates. Our most prominent challenge at this moment is space for expansion and funding for the projects that we have put in place.

As an Institution we maintain an ongoing dialogue with trainees, staff, and local organizations to gather feedback and identify areas for improvement. This feedback loop is integral to our commitment to continuous enhancement of our sustainability initiatives and educational programs.

Environmental performance

The Institution is committed to reducing the carbon footprint by the continuous planting of trees within and without the Institution in corporation with other partners.

Employee welfare

The Institution has put in place the HR manual that gives guidelines on the hiring process for employees. The HR manual considers the various aspects of employee well-being within the Institution including remuneration. This has enabled employees to understand the various processes involved in terms of appointments, dismissals and any other aspect of employee and employer relationship within the Institute. The HR manual is reviewed at intervals of 3 years.

Employees in the Institution are required to fill in performance appraisals. In this case, they set targets they would want to achieve within the year with consultation with their immediate

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

supervisors. This enables the supervisor to gauge an employee performance with regards to the set targets and achievements within the year. Employees are required to produce evidence of achievements to substantiate them.

The Institute is committed to compliance with OSHA (2007) and has developed the occupational safety and health policy and in line with the regulations of the Occupational Safety and Health Act of 2007, (OSHA).

Market place practices

The Institute has put in place a corruption prevention committee (CPC) that deals with matters anti-corruption. The Institution encourages fair competition by providing a neutral ground for provision of goods and services on merit. The Institution also gives equal opportunity for suppliers to provide goods and services, while choosing the best supplier at any given time with reference to public procurement. PCKTTI is committed to paying suppliers of goods and services as specified on the contracts signed among the suppliers and the Institution.

The Institution's core mandate is education and training and it engages with stakeholders to ensure that trainees get the best out of the Institution. The Institution also provides an environment for cocurricular activities where trainees are encouraged to participate in sports by organising interdepartmental sports day and also facilitating trainees to attend music festivals and regional sports activities.

Corporate Social Responsibility



On 12th October 2024 a group of 50 Red Cross members from PC Kinyanjui Technical Training Institute, accompanied by 2 trainers and 1 support staff, visited Sprouting Again Children's Home in Kitengela, Kajiado County. The primary goal of the visit was to engage with the children, provide assistance through various activities, and promote awareness of national values.

About Sprouting Again Children's Home
Sprouting Again Children's Home, located in Kitengela, Airview Estate, Kajiado County, was founded in July 2015.

Joshua Mutuku, driven by a calling from God, left his job to care for vulnerable children, starting with three kids from the streets. The home now houses 87 children, including orphans, abandoned children, and those from the streets. The organization aims to cultivate understanding, education, love, and eradicate poverty.

Activities Conducted During the Visit

- **Interactive Play:** The Red Cross members engaged in various games and activities with the children, fostering a fun and joyful environment.
- **Cleaning Activities:** The team assisted in cleaning the children's home, contributing to a healthier and more comfortable living space for the children.
- **Dance and Music:** A lively dance session was organized, encouraging interaction and creating a memorable experience for everyone involved.
- **Awareness on National Values:** The team conducted an awareness session on the national values of unity and non-discrimination, emphasizing the importance of these principles in fostering a harmonious society.

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

Impact and Observations

The visit had a positive impact on both the children and the Red Cross members. The children were visibly happy and engaged, benefiting from the attention and care provided. The Red Cross members gained valuable experience in community service and a deeper understanding of the challenges faced by vulnerable children.



PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

11. Report of the Council/Board of Governors

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

(a) Principal activities

The principal activities that enable the institution to produce knowledgeable graduates, skilled and equipped with a positive attitude that will enable them to cope with the challenges of the fast fast-changing world are:

1. Provide a conducive environment for teaching and learning and adequate training materials.
2. Promote leadership by providing opportunities for students' representation in clubs and classes
3. Provide adequate training materials.
4. Adhere to the Government regulations and policies.
5. Ensure syllabus coverage by optimizing time utilization.
6. Ensure all industrial attaches are posted and assessed.
7. Ensure standard evaluation through continuous assessment tests and examination.
8. Conduct annual staff performance appraisal.
9. Ensure prompt payments for supplies and services.
10. Remain updated on modern technology by facilitating services courses and industrial attachments for the staff.
11. Make the institution a centre of interest for all through enhanced publicity, high levels of performance, quality service and integrity.
12. Improve the rate of conveying information adequate communication channels.
13. Provide timely response to all enquiries.
14. Provide quarterly and annual performance reports to the Ministry of Education Science and Technology.

Results

The results of P C Kinyanjui TTI for the year ended June 30th, 2025 are set out on pages 1 to 9


Board of Governors

The members of the Board who served during the year are shown on page viii to xiv. During the year 2024/2025 no director retired/ resigned and none was appointed.

Auditors

The Auditor General is responsible for the statutory audit of PC Kinyanjui TTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Office of the Auditor General staff were nominated by the Auditor General to carry out the audit of PC Kinyanjui TTI for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board

Nairobi

Date:

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

12. Statement of Board of Governors/ Council’s Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the council members to prepare financial statements in respect of PCKTTI, which give a true and fair view of the state of affairs of PC Kinyanjui Technical Training Institute at the end of the financial year/period and the operating results of PCKTTI for that year/period. The Board members are also required to ensure that PCKTTI keeps proper accounting records which disclose with reasonable accuracy the financial position of PC Kinyanjui Technical Training Institute. The council members are also responsible for safeguarding the assets of PCKTTI.

The Board members are responsible for the preparation and presentation of PCKTTI’s financial statements, which give a true and fair view of the state of affairs of PCKTTI 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 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 PCKTTI, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for PCKTTI 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 TVET Act. The Board members are of the opinion that PCKTTI’s financial statements give a true and fair view of the state of PC Kinyanjui TTI’s transactions during the financial year ended June 30, 2025, and of PCKTTI’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Institution, which have been relied upon in the preparation of the PCKTTI’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed PCKTTI’s ability to continue as a going concern. Nothing has come to the attention of the board members to indicate that PCKTTI will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

PC Kinyanjui TTI’s financial statements were approved by the Board on 4/11/2025 and signed on its behalf by:



.....
Name: Dr. Mary Clare Kidenda
Chairperson of the Board



.....
Name: Lucy M. Anampiu
Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON PC KINYANJUI TECHNICAL TRAINING INSTITUTE 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 the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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 PC Kinyanjui Technical Training Institute set out on pages 1 to 49, 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 PC Kinyanjui Technical Training Institute 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. Inaccuracies in the Financial Statements

Review of the financial statements revealed unreconciled variances between the statement of cash flows and the statement of comparison of budget and actual amounts as analysed below;

Components	Statement of Cash Flows (Kshs.)	Statement of Comparison of Budget and Actual Amounts (Kshs.)	Variance (Kshs.)
Rendering of Services – Fees from Students	194,506,166	251,412,461	(56,906,295)
Use of Goods and Services	135,295,859	179,794,347	44,498,488
Other Income	2,133,600	0	2,133,600

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

2. Inaccuracy in the Statement of Cash Flows

The statement of cash flows reflects net cash flows from operating activities of Kshs.42,932,725 as disclosed in Note 25 to the financial statements. However, Note 25 to the financial statements discloses contributed assets and impairment amounts of Kshs.30,141,199 and Kshs.60,877,763 respectively, which were not supported or explained. In addition, Note 25 discloses increase in payables of Kshs.30,116,205 while a re-computation reveals Kshs.30,181,038 resulting to an unexplained variance of Kshs.64,833.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

3. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.834,574,889 as disclosed in Note 19 to the financial statements includes land balance of Kshs.320,000,000. However, the ownership documents and valuation for the land where the Institute is domiciled were not provided for audit. Further, a re-computation of balances under Note 19 to the financial statements revealed a property, plant and equipment balance of Kshs.837,777,208 resulting to an unreconciled variance of Kshs.3,202,319. In addition, review of the assets register revealed that some assets were not tagged for ease of identification.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.834,574,889 could not be confirmed.

4. Expenditure Incurred on Behalf of Kibra Technical and Vocational College

The statement of financial performance reflects use of goods and services amount of Kshs.193,804,154 which as disclosed in Note 10 to the financial statements includes other expenses totalling Kshs.87,428,230. Included in other expenses amount is Kshs.13,210,590 relating to Kibra Technical and Vocational College. Although Kibra Technical was mentored by the Institute, it was not clear why the Institute incurred the expenditure on behalf of the College which was reporting as a separate entity in the year under review.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.193,804,154 could not be confirmed.

5. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.28,950,877 held in six (6) commercial bank accounts as disclosed in Note 16 to the financial statements. However, cash books in support of two local (2) bank accounts with balances of Kshs.7,000,522 and Kshs.1,857,906, respectively were not provided.

In addition, Management did not submit bank reconciliation statements to The National Treasury with a copy to the Auditor-General by 10th of the subsequent month contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015 which requires Accounting Officers to ensure bank accounts reconciliations are completed for each bank account held by that Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor- General

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.28,950,877 could not be confirmed.

6. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.57,872,564 as disclosed in Note 21 to the financial statements. The balance includes student prepayments and Kibra Technical and Vocational College balances of Kshs.19,986,958 and Kshs.20,498,677, respectively which were not supported with respective ledgers.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.57,872,564 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.365,670,811 and Kshs.301,930,206 respectively, resulting to an underfunding of Kshs.63,740,605 or 17% of the budget. However, the Institute spent an amount of Kshs.267,827,346 against actual revenue of Kshs.301,930,206 resulting to an under-utilization of Kshs.34,102,860 or 11% of the actual revenue.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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.

Other Matter

Unresolved Prior Year Matters

In the report of the previous year, several issues were raised under the Report on the Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of PC Kinyanjui Technical Training Institute in 2024/2025 revealed that the following matters remained unresolved;

	Financial Year	Audit Issue
1	2023/2024	Unconfirmed Bank Balances
2	2023/2024	Receivables from Exchange Transactions
3	2023/2024	Inconsistencies in Inventory Valuation and Account Balance
4	2023/2024	Non-Submission of Bank Reconciliation Statements
5	2023/2024	Inefficiency of the ERP System and Impact on Financial Reporting
6	2023/2024	Lack of Land Ownership Documents
7	2023/2024	Lack of Imprest Register

Other Information

The Management is responsible for the Other Information set out on pages iii to xxix which comprise of Key Entity Information and Management, the Board of Governors, Key Management Team, Chairperson's Statement, Report of the Chief Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Council/Board of Governors and Statement of Board of Governors/ Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect 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. Non-Compliance with Affirmative Action on Ethnicity and Regional Distribution

Review of personnel records and payroll database provided for audit revealed that the Institute had forty (40) members of staff on contract and permanent basis out of which seventeen (17) or 42% were from the same ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides 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. Non-Compliance with Employment Quotas for Persons with Disability

Review of payroll data provided for audit revealed that out of forty (40) employees on contract and permanent basis, there was no representation of persons with disability. This was contrary to Section 21(2)(a) of the Persons with Disabilities Act, 2025 which require

an employer with at least twenty employees to reserve at least five per cent direct employment opportunities for persons with disabilities to secure employment.

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 THE 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 effect of the matters described in the Basis for Conclusion on the 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. Inefficiency of the ERP System and Impact on Financial Reporting

The statement of financial position reflects intangible assets net book value of Kshs.2,408,770 as disclosed in Note 20 to the financial statements which represents an ERP system acquired at a cost of Kshs.3,202,320. However, the ERP system was not capable of generating essential reports, such as a trial balance, bank reconciliation statements and income ledgers, which are critical for accurate financial reporting.

In the circumstances, the reliability of the ERP System to produce accurate and reliable financial reports and value for money invested could not be confirmed.

2. Lack of Administrative Control Over ERP System

The Institute procured Campus Cura ERP System which was covering several modules including; Finance, Procurement, Registry and Student Accommodation modules. However, the vendor did not surrender the administrator credentials for the database to the Institute. Further, the Institute did not have direct administrative control over the ERP database and relied entirely on the vendor for system administration, updates, modifications, and data backup.

The lack of access restricts the Institute's ability to independently manage its data, conduct system customizations, or implement security measures without vendor intervention and further exposes the Institute to risks of unauthorized access to data, data manipulation and service disruption in case of contractual disputes.

3. Understaffing Against the Approved Staff Establishment

Review of the Institute's staff records provided for audit revealed that the recommended and approved number of staff members to be employed on permanent basis was fifty (50) in various departments within the Institute. However, the actual number of staff members in-positions were forty (40) resulting to understaffing of ten (10) or 20% of staff.

In the circumstances, internal controls on staffing were not effective and this may hinder effective delivery of services by the Institute.

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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

Those charged with governance are responsible for overseeing the Institute'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

16 December, 2025

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance For The Year Ended 30 June 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from National Government Entities	6	50,259,850	40,526,662
Revenue from non-exchange transactions		50,259,850	40,526,662
Revenue from exchange transactions			
Rendering of services- Fees from students	7	378,130,947	274,522,508
Sale of goods	8	257,895	62,140
Other income	9	2,133,600	
Revenue from exchange transactions		380,522,442	274,584,648
Total revenue		430,782,292	315,111,310
Expenses			
Use of goods and services	10	193,804,154	184,717,267
Employee costs	11	35,341,351	42,648,957
Remuneration of directors	12	4,548,706	3,464,248
Depreciation and amortization expense	13	35,730,873	38,562,131
Repairs and maintenance	14	29,038,869	22,772,670
Finance cost	15	1,774,861	2,764,518
Total expenses		300,238,814	294,929,790
Other gains/(losses)			
Impairment loss		60,877,763	
Total other gains/(losses)		60,877,763	
Net Surplus for the Period		69,665,715	20,181,519

(The notes set out on pages 10 to 48 form an integral part of the Annual Financial Statements).

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025


The Financial Statements set out on pages 1 to 9 were signed by:



.....

Chairman of Council/Board

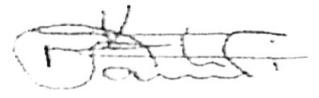
Date 04/11/2025



.....

Principal

Date 04/11/2025



.....

Chief Finance Officer

ICPAK No 29958

Date 04/11/2025

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025


15. Statement of Financial Position As At 30th June 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	28,950,877	10,274,208
Current portion of receivables from exchange transactions	17	192,697,790	69,355,189
Receivables from non-exchange transactions			-
Contingency			13,850,070
Inventories	18	5,923,944	4,175,053
		227,572,612	97,654,520
Non-current assets			
Long term receivables from exchange transactions			
Investments			
Property, plant and equipment	19	834,574,889	852,877,950
Intangible assets	20	2,408,770	2,126,411
		836,983,658	855,004,361
Total assets (A)		1,064,556,270	952,658,881
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	57,872,564	27,756,353
Refundable deposits from customers	22	9,153,412	9,087,607
Payments received in advance	23	8,468,500	8,469,479
Social Benefit			
		75,494,477	45,313,439

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

Non-current liabilities			
Borrowings	24	8,694,927	10,840,292
		8,694,927	10,840,292
Total liabilities (B)		84,189,404	56,153,731
Net assets (A-B)		980,366,866	896,505,150
Represented By:			
Revaluation Reserves		48,840,356	48,840,355
Loan(Borrowing)		14,196,000	-
Accumulated surplus		166,488,231	96,822,516
Capital fund		750,842,279	750,842,279
Total net assets and liabilities		980,366,866	896,505,150


The Financial Statements set out on pages 1 to 9 were signed by:



.....

Chairman of Council/Board

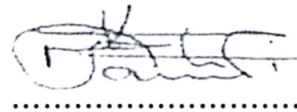
Date 04/11/2025



.....

Principal

Date 04/11/2025



.....

Chief Finance Officer

ICPAK No: 29958

Date 04/11/2025

16. Statement of Changes in Net Assets for The Year Ended 30 June 2025

	Accumulated Surplus	Reserves	Capital Fund	Total
As at July 1, 2024	96,822,516	48,840,356	750,842,279	896,505,151
Surplus/ deficit for the period	69,665,715			130,543,478
Less: Returns to exchequer				
Additions to reserves				
Other changes (specify)				
As at 30 June 2025	166,488,231	48,840,356	750,842,279	966,170,866

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows For The Year Ended 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government entities	6	50,259,850	
Rendering of services- Fees from students		194,506,166	
Other income		2,133,600	
Sale of goods	8	257,895	
Total Receipts		247,157,511	
Payments			
Employee Costs	11	35,341,351	
Use of goods and services		135,295,859	
Remuneration of directors	12	4,548,706	
Repairs and maintenance	14	29,038,869	
Total Payments		204,224,785	
Net cash flows from operating activities		42,932,725	14,039,939
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets	19	(20,335,830)	
Proceeds from sale of property, plant and equipment		-	
Net cash flows used in investing activities		(20,335,830)	(20,997,080)
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings		(3,920,226)	(3,920,226)
Net cash flows used in financing activities		(3,920,226)	(3,920,226)

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

Net increase/(decrease) in cash and cash equivalents		18,676,669	(10,877,367)
Cash and cash equivalents at beginning of the period	16	10,274,208	21,151,575
Cash and cash equivalents at end of the period	16	28,950,877	10,274,208

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original annual Budget	Adjustments	Final Annual Budget	Actual on a comparable basis	Budget utilization difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	C=(a+b)	D	E=c-d	F=d/c*100
Revenue						
Transfers from National Government entities	35,490,000	-	35,490,000	50,259,850	(14,769,850)	41.6%
Rendering of services- Fees from students	326,180,811	-	326,180,811	251,412,461	74,768,350	-22.9%
Sale of goods	4,000,000	-	4,000,000	257,895	3,742,105	-93.5%
Other income						0
Total Revenue	365,670,811	-	365,670,811	301,930,206	63,740,605	
Expenditure						
Use of goods and services	242,622,197	-	242,622,197	179,794,347	64,059,590	-26.4%
Employee costs	54,519,600	-	54,519,600	35,341,351	19,178,249	-35.2%
Remuneration of directors	5,540,000	-	5,540,000	4,548,706	991,294	-17.9%
Repairs and maintenance	32,066,800	-	32,066,800	29,038,869	3,027,931	-9.4%
Total Recurrent Expenses	334,748,597	-	334,748,597	248,723,273	87,257,081	
Capital items						
Acquisition of PPE	30,922,214	-	30,922,214	20,335,830	10,586,384	-34.2%
Total expenses Development	30,922,214	-	30,922,214	20,335,830	10,586,384	
Total expenses	365,670,811	-	365,670,811	267,827,346	97,843,465	
Surplus/deficit	-	-	-	34,102,860		

Budget notes

- Increase in transfers from national government was due to disbursement of capitation accrued previous year.
- Employment of austerity measures has triggered underutilization of budgeted in some vote heads while for Employees cost was due to deployment of new PSC trainers thus reducing wage bill

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	32,871,103
	Loan repayment	(3,920,226)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	28,950,877

19. Notes to the Financial Statements

1. General Information

Pc Kinyanjui Technical Training Institute is established by and derives its authority and accountability from TVETA 2013 Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is train trainees.

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 judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes 19 . The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Kshs*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

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

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: Leases	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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: 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i>

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<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> <ol 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

	<p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

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

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 or Board on **29/01/2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of - on the FY 2024/2025 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule **CAP 470 section 10(1)** of the **income tax Act**.

Sales tax/ Value Added Tax

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

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

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

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

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 entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial

PC KINYANJUI TTI Annual Report and Financial Statements for the year ended 30th June 2025

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.

Financial assets

Classification

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

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.

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.

Impairment

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

Financial liabilities

Classification

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

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:

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

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.

Inventories (Continued)

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 *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

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 entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

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

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 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.

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.

6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	50,259,850	40,526,662
Operational Grant	-	-
Development grants	-	-
Other Grants	-	-

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Total unconditional Grants	50,259,850	40,526,662
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	50,259,850	40,526,662

(a)Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department for Tvet	50,259,850	-	-	50,259,850	40,526,662
	-	-	-	-	-
Total	50,259,850	-	-	50,259,850	40,526,662

The details of the reconciliation have been included under appendix

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7. Rendering of Services

Description	2024/2025	2023/2024
	KShs	KShs
Tuition fees	202,568,988	171,705,552
Activity fees	26,798,489	10,415,749
Examination fees	22,209,420	28,158,320
Library fees	15,432	20,580
Facilities and materials	694,300	
Registration fees	11,035,100	2,853,700
Personal emolument	73,879,913	
Others Charges	40,929,305	61,368,606
Total revenue from the rendering of services	378,130,947	274,522,508

Other charges include: Boarding fees, RMI fees, EW&C fees, and Insurance fees, among others

8. Sale of Goods

Description	2024/2025	2023/2024
	KShs	KShs
Sale of goods		
Hospitality Sales	257,895	62,140
Total revenue from the sale of goods	257,895	62,140

Meals sold by hospitality trainees during the practical session.

9. Miscellaneous Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	2,133,600	-
Bad debts recovered	-	-
Total other income	2,133,600	-

10. Use of Goods and Services

Description	2024/2025	2023/2024
	KShs	KShs
Teaching and learning materials	13,980,801	36,161,518
Industrial attachment costs	3,183,800	6,540,825
Electricity	4,016,504	3,316,607
Water	1,572,210	1,115,618
Security	5,214,000	3,884,897
Advertising	4,714,700	1,200,554
Examination fees	29,321,890	39,330,783
Audit fees	504,460	500,000
Catering, Conferences, and delegations	14,957,618	11,385,973
Travelling and accommodation	14,354,385	10,872,201
Fuel and oil	2,156,875	2,268,400
Insurance-trainees	644,230	1,385,050
Insurance- MV & Fixed assets	2,056,920	2,245,458
Postage	1,855,450	
Printing and stationery	5,359,762	9,586,105
Telephone expenses		1,769,608
Internet expenses	2,482,319	2,311,214
loan recovery		
Other expenses	87,428,230	50,842,456
	-	
Total good and services	193,804,154	184,717,267

11. Employee Costs

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	35,341,351	42,648,957
Employee costs	35,341,351	42,648,957

12. Board Expenses

Description	2024/2025	2023/2024
	KShs	KShs
Director's emoluments	4,548,706	3,464,248.00
Total director emoluments	4,548,706	3,464,248.00

13. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant, and equipment	35,463,232	38,089,595
Intangible assets	267,641	236,268
Total depreciation and amortization	35,730,873	38,325,863

14. Repairs and Maintenance

Description	2024/2025	2023/2024
	KShs	KShs
Property	19,629,999	13,786,404.00
Water Draianage system	547,555	796,948.00
Equipment and machinery	327,070	1,309,104.00
Vehicles	2,404,791	1,321,298.00
Furniture and fittings	4,350,100	300,070.00
Computers and accessories	682,200	3,555,131.00
Other	1,097,154	1,703,715.00
Total repairs and maintenance	29,038,869	22,772,670.00

15. Finance Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	1,774,861	
Total Finance Costs	1,774,861	-

16. Cash and Cash Equivalents

Description		
	2024/2025	2023/2024
	Kshs	Kshs
Current account	28,950,877	10,274,208.00
On - call deposits		
Fixed deposits account		
Staff car loan/ mortgage		
Others(specify)		
Total cash and cash equivalents	28,950,877	10,274,208.00

16 (a). Detailed Analysis of Cash and Cash Equivalents

		Period ended	Audited prior
		June	year
		2025	
Financial institution	Account number		Kshs
a) Current account			
Kenya Commercial bank(1209950898)		1,474,112	1,496,602
Equity Bank(0630272454874)		1,857,906	6,411,136
Co-op bank(01100002940600)		17,737,615	204,153
Co-op bank(01120081068500))		7,000,522	1,185,200
Co-op bank(01129081445700)		680,649	687,199
Co-op bank(01139081068501)		200,073	288,985
Cash in hand		0	933
Grand total		28,950,877	10,274,208

17. Receivables from Exchange transactions

17 (a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	KShs	KShs
Current receivables		
Student debtors	192,697,790	69,355,189
Rent debtors		
Consultancy debtors		
Other exchange debtors		
Less: impairment allowance		
Total current receivables	192,697,790	69,355,189

17 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	192,697,790	100	69,355,189	100
Between 1- 2 years			-	
Between 2-3 years				
Over 3 years				
Total (a+b)	192,697,790		69,355,189	

18. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable stores	1,936,716	1,811,848
Maintenance stores	1,539,713	1,549,655
Electrical stores	1,459,312	532,750
Cleaning Materials stores	539,743	-
Catering stores	448,460	280,800
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	5,923,944	4,175,053

Detailed disclosure on inventories

	2024/2025	2023/2024
Opening balance	4,175,053	-
Additional Inventory in the year	3,497,782	4,175,053
Inventory expensed in the year	(1,748,891)	-
Write-downs in the year		
Others specify		
Closing balance	5,923,944	4,175,053

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19. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2.50%	25%	12.50%	33.30%	15%	
At 1 July 2023	320,000,000	515,459,586	28,506,000	26,083,375	22,214,375	57,982,395	972,149,231
Additions	-	8,203,140	-	510,890	2,541,850	11,913,468	23,918,168
Disposals							
Transfers/Adjustments							
Revaluation							
At 30 June 2024	320,000,000	523,662,726	28,506,000	26,594,265	24,756,225	69,895,863	996,067,399
Additions	-	-	-	9,025,000	4,360,390	6,400,440	20,335,830
Disposals							
Transfer/Adjustments							
Revaluation							
At 30 June 2025	320,000,000	523,662,726	28,506,000	35,619,265	29,116,615	76,296,303	1,016,403,229
Depreciation And Impairment							
At 1 July 2024	-	(108,852,664)	(8,462,719)	(4,037,500)	(9,477,337)	(12,332,568)	(143,162,788)
Depreciation for the period	-	(10,370,252)	(5,010,820)	(3,947,721)	(6,539,880)	(9,594,560)	(35,463,233)
Disposals	-	-	-	-			
Impairment	-	-	-	-			
At 30 Jun 2025		(119,222,916)	(13,473,539)	(7,985,221)	(16,017,217)	(21,927,128)	
Depreciation	-						

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Disposals							
Impairment							
Transfer/Adjustment							
Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 Jun 2025	320,000,000	523,662,726	28,506,000	35,619,265	29,116,615	76,296,303	1,016,403,229
Net Book Values							
At 30 Jun 2024	320,000,000	414,810,062	20,043,281	22,556,765	15,278,888	57,563,295	852,378,702
At 30 Jun 2025	320,000,000	404,439,810	15,032,461	27,634,044	13,099,398	54,369,175	834,574,889

The previous year's property, plant, and equipment were depreciated using the straight-line method, unlike the current year, where the reducing method was used as per the institution's policy, thus leading to a decrease in depreciation from Ksh. 42,648,957 to Ksh. 35,463,233.

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Icon Professional Valuers on march 2023. These amounts were adopted in the financial statements on 2023.

19 (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:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	320,000,000	-	320,000,000
Buildings	523,662,726	(119,222,916)	404,439,810
Plant And Machinery	76,296,303	(21,927,128)	54,369,175
Motor Vehicles including Motoreycles	28,506,000	(13,473,539)	15,032,461
Computers and Related Equipment	29,116,615	(16,017,217)	13,099,398
Office Equipment, Furniture, And Fittings	35,619,265	(7,985,221)	27,634,044
Total	1,013,200,909	178,626,021	834,574,888

20. Intangible Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At beginning of the year	2,652,320	1,903,500
Additions	550,000	748,820
At end of the year	3,202,320	2,652,320
Additions-internal development	-	-
At end of the year	3,202,320	2,652,320
Amortization and impairment		
At beginning of the year	(525,909)	(289,642)
Amortization	(267,641)	(236,267)
At end of the year	(793,550)	(525,909)
Impairment loss	-	-
At end of the year	(793,550)	(525,909)
NBV	2,408,770	2,126,411

21. Trade and Other Payables

Description	2024/2025		2023/2025	
	Kshs		Kshs	
Trade payables	57,872,564		27,756,352	
Fees paid in advance	-			
	-			
	-			
Total Trade and Other Payables	57,872,564		36,225,831	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	57,872,564	100	36,225,831	100
1-2 years				
2-3 years				
Over 3 years				
Total (to tie to totals above)	57,872,564		36,225,831	

22. Refundable Deposits from Students

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Caution money	9,153,412		9,087,607	
Other refundable deposits				
Total Deposits	9,153,412		9,087,607	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,067,712	22.6	2,413,207	26.55
1-2 years	2,234,000	24.4	1,933,000	21.27
2-3 years	4,851,700	53	4,741,400	52.17
Over 3 years	-		-	
Total (to tie to total deposits above)	9,153,412	100	9,087,607	100

This is caution money for trainees which ought to be refunded upon completion a course.

23. Payments received in advance.

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Fees received in advance	8,468,500		8,469,478	
Total	8,468,500		8,469,478	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	8,468,500	100	8,469,478	100
1-2 years				
2-3 years				
Over 3 years				
Total	8,468,500	100	8,469,478	100

24. Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance at beginning of the year	10,840,292	12,588,248
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	(2,145,365)	(1,747,956)
Balance at end of the year	8,694,927	10,840,292

24 a) Analysis of Domestic Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Domestic borrowings		
Kenya shilling loan	8,694,927	10,840,292
Total balance at end of the year	8,694,927	10,840,292

24 b) Breakdown of Long and Short-Term Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	8,694,927	10,840,292
Total	8,694,927	10,840,292

25. Cash generated from operations.

Surplus for the period before tax	Period ended June 2025	Prior period audited
	KShs	KShs
Adjusted for:	69,665,715	20,181,520
Depreciation	35,730,873	38,562,131
Contributed assets	(30,141,199)	
Impairment	60,877,763	(53,360)
Gains and losses on disposal of assets		(49,206,973)
Contribution to provisions		(5,223,606)
Contribution to impairment allowance		
Finance cost	1,774,861	
Working Capital adjustments		
Increase in inventory (less)	(1,748,891)	(53,360)
Increase in receivables(less)	(123,342,601)	(49,206,973)
Increase in deferred income		(5,223,606)
Increase in payables	30,116,205	
Increase in payments received in advance		7,367,021
Net cash flow from operating activities	42,932,725	14,039,939

26. Financial Risk Management

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

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

(i) Credit risk

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	69,355,189	69,355,189	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	10,274,208	10,274,208	-	-
Total	79,629,397	79,629,397	-	-
At 30 June 2025				
Receivables from exchange transactions	192,697,790	192,697,790	-	-
Receivables from non-exchange transactions	0	0	-	-
Bank balances	40,456,843	40,456,843	-	-
Total	233,154,633	233,154,633	-	-

Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	-	27,756,353	27,756,353
Current Portion Of Borrowings	-	-	10,840,292	10,840,292
Total	-	-	38,596,645	38,596,645
At 30 June 2025				
Trade Payables	-	-	57,872,564	57,872,564
Current Portion Of Borrowings	-	-	8,694,927	8,694,927
Total	-	-	66,567,491	66,567,491

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-		
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The entity 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.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company’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.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2024			
Euro	10%	-	-
Usd	10%	-	-
2025			
Euro	10%	-	-
Usd	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2024: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2025 – Kshs)

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	48,840,356	48,840,356
Retained Earnings	130,543,478	96,822,516
Capital Reserve	750,842,279	750,842,279
Total Funds	930,226,113	896,505,151
Total Borrowings	8,694,927	10,840,292
Less: Cash and Bank Balances	(40,456,843)	(10,274,208)
Net Debt/(Excess Cash and Cash Equivalents)	(31,761,916)	566,208
Gearing	0%	0.06%

27. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies		
Rent income from govt. agencies		
Water sales to govt. agencies		
Others (<i>specify</i>)		
Total		
B) Purchases from related parties		
Purchases of electricity from kplc		
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. agencies		
Others (<i>specify</i>)		
Total		
b) Grants /Transfers from the Government		
Grants from National Govt	50,259,850	40,526,662
Grants from County Government	-	-
Donations in Kind	-	-
Total	50,259,850	40,526,662
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees		
Total		

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Description	2024/2025	2023/2024
	Kshs	Kshs
d) Key Management Compensation		
Directors' emoluments		
Compensation to Key Management		
Total	-	-

28. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting 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)

29. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements		
Assets arising from determination of Court Cases		
Reimbursable Indemnities and Guarantees		
Others (<i>Specify</i>)		
Total	-	-

Contingent Liabilities

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Contingent Liabilities		
Court Case Xxx against (<i>The Entity</i>)		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from Contracts including PPPs		
Others (<i>Specify</i>)		
Total	-	-

(Give details)

30. Capital Commitments

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised for		
Authorised and Contracted for		
Total		

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

31. Events After The Reporting Period

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

32. Ultimate And Holding Entity

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

33. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/PCKTTI/2023 – 2024/(16)	Unconfirmed Bank Balances	The management has obtained the bank statements for the two accounts for Bank Balance confirmation.	Resolved	
OAG/NRO/PCKTTI/2023 – 2024/(16)	Receivables from Exchange Transactions	Management has made tremendous efforts to collect receivables by encouraging the trainees to register HELB/KUCCPS.	Not resolved	
OAG/NRO/PCKTTI/2023 – 2024/ (16)	Inconsistencies in Inventory Valuation and Account Balance	The management is with consultation with the Board of Governors to procure ERP system in order to obtain accurate and reliable figures.	Not resolved.	



Name: Lucy M. Anampiu
 Accounting Officer
 Principal
 Date: 4/11/2025

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.Appendix II: Projects Implemented by (The Entity)

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)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. 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							
2							
3							

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....

Name of beneficiary entity.....


Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP/43 (35)	23/09/2024	12,053,425		12,053,425	
MOE/DTE/CAP/46 (32)	14/02/2025	38,206,425		38,206,425	
Total				50,259,850	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name **James Kaibiru Mugambi** Sign  Date: **4/11/2025**

Appendix IV: Reporting of Climate Relevant Expenditures

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

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

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