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OF

THE AUDITOR-GENERAL

ON

**KATINE TECHNICAL
TRAINING INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2024**

Issued 30th June 2024



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.
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KATINE TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2024.**

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

Katine Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training College
TTI	Technical Training Institute
KTTI	Katine Technical Training Institute
B OG	Board of Governors
Fiduciary Management	Key Management personnel who have financial responsibility in the entity
OAG	Office of Auditor General

Katine Technical Training Institute

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2. Key Entity Information and Management

(a) Background information

The Katine Technical Training Institute is a public tertiary institution established under the TVET Act, 2013. The Institute is under the Ministry of Education, State Department of Vocational and Technical Training

Katine Technical Training Institute was established in 2013 as a result of upgrading from Katine Youth Polytechnic that had been established in 1972. The institution changed from a youth club to a village polytechnic under the then Ministry of Culture and Social Services. The Institution was then assessed and upgraded by Ministry of Higher Education, Science and Technology to a Technical Training Institute to offer Artisan, Certificate and Diploma courses. The institute currently sits on 12 acres parcel of land donated by the local community. Katine Technical Training Institute is located approximately 1km from Tala town next to Tala Girls High School, and approximately 60 km East of Nairobi – Kangundo road within Machakos County.

Katine Technical Training Institute currently has 8 academic departments namely: Electrical and Electronics Engineering, Mechanical Engineering, Building & Civil Engineering, Hospitality and Institutional Management, Business Studies, Liberal Studies, Agriculture and Environmental studies and Information Communication Technology Departments.

(b) Principal Activities

The Principal Activity of Katine Technical Training Institute is provision of training in Technical, Vocational, Entrepreneurial Management and Research

Mission

“To Provide High Quality Technical Training Education through Innovative Teaching, Research and Consultancy Services for Social, Environmental and Sustainable Economic Development”

Vision

“To Be a Leader in Academic Excellence for High Quality Competent Workforce and Globally Competitive Employable Human Resource”

Motto “Transforming Potential into Technical Expertise “

(c) Core Values

- i. **Professionalism;** The Institute demonstrates pride in work and achievements by demonstrating and maintaining high standards of professional competence and mastery of subject matter.
- ii. **Transparency;** The Institute upholds openness in the discharge of her duty
- iii. **Accountability;** The Institute takes ownership for all responsibilities and honours commitments by delivering outputs for which one has responsibility within prescribed time, cost and quality standards.
- iv. **Respect for Diversity;** The Institute works effectively with people from all backgrounds by treating all of them equally with dignity and respect
- v. **Impartiality;** The Institute upholds fairness in discharge of duty by treating all people equally, reasonably and consistently
- vi. **Teamwork;** The Institute adopts a participatory approach in discharging her mandate

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- vii. **Excellence:** The Institute upholds the practice and orientation for excellent performance within the Institute.
- viii. **Equity and Social Justice:** Upholds equal treatment to all and practice fair judgment in all matters of the Institute
- ix. **Innovation and Creativity:** The institute is a learning organization that continuously embraces change in up-to-date and most appropriate technology in achieving her objective
- x. **Integrity:** The institute undertakes its programmes and activities in an accountable, honest, transparent and impartial manner.

(d) Key Management

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

- (e) Board of Governors
- (f) Principal
- (g) Deputy Principals
- (h) Registrar
- (i) Dean of Students
- (j) Finance Officer

(k) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Justine K. Muindu
2.	Deputy Principal Administration & Finance	Anna Kiswii
3.	Deputy Principal Academic Affairs	Henry Omwebu
4.	Registrar	Kennedy Ojijo
5.	Dean of students	Simon Muendo
6.	Head of Finance	Moses Musyoka
7.	PC Coordinator	George Odhiambo

(Include the positions regarded as top management in your organization).

Key Entity Information and Management (Continued)

(l) Fiduciary Oversight Arrangements

Audit and risk committee responsibilities:

- Reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control.
- That risk is mitigated and monitored to an appropriate level to ensure achievement of objectives is not materially impacted.

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- Ensuring appropriate assurance is obtained both from internal and external sources.
- Supporting the review and agreement of the Annual Governance, Risk and Control statement in the annual financial statements.
- Oversight of internal audit and external audit.
- Escalating necessary issues to the Board of Trustees.

Finance & General Purposes committee activities

The Committee shall exercise all the powers of BOG in financial matters except in relation to the items which are reserved to BOG in these Standing Orders, on which the Committee shall advise BOG. Terms of Reference The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- To receive reports from the Principal and the Finance Officer.
- To monitor implementation of the strategy for the Institute.
- To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- To determine the fees and charges made for Institute services and facilities.
- To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- To supervise the arrangements for safeguarding the Institute's assets.
- To ensure the proper financial evaluation and control of projects.
- To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- To make recommendations to BOG on the financing of projects.

Senior Management Activities

The main purpose of the Senior Management Team is to:

- Ensure that Katine Technical Training Institute's BOG is able to take strategic decisions relating to Katine Technical Training Institute's activities.
- Provide leadership in communicating Katine Technical Training Institute's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;

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- (c) Be accountable for the development and implementation of Katine Technical Training Institute's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of Katine Technical Training Institute's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- ii. Agrees Katine Technical Training Institute's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of Katine Technical Training Institute, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors Katine Technical Training Institute joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing Katine Technical Training Institute staff to deliver the highest standards of performance and customer service.

Government oversight activities

The Government of Kenya's oversight role includes provision of Grants for both Capitation and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General

(m) Entity Headquarters

Katine Technical Training Institute
P.O Box 251-90131,
TALA-KENYA

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(n) Entity Contacts

Katine technical training institute
P.O Box 251-90131, Tala
Telephone :(254) 0719508039
E-mail info@katinetti.ac.ke
Website: www.katinetti.ac.ke

(o) Entity Bankers

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

Kenya Commercial Bank
P.O Box 173-90131
Tala

Co-operative Bank
P.O Box 645-90131
Tala

(p) Independent Auditors

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

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Key Entity Information and Management (Continued)

(q) 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 Board of Management







<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.		<p>Name: Gabriel N. Kioko Date of birth. 28/7/1978. Qualifications: BSC in Botany (Microbiology) BOG Chairperson Work Experience. Over 20 years of experience..</p>
2.		<p>Name: Noah Ogutu Date of birth. 1978. Qualifications: BSC in Civil Engineering Member: Infrastructure and Finance Sub-Committee Work Experience. Over 20 years of experience</p>
3.		<p>Name: Margaret Riungu Date of birth. 1962. Qualifications: MED Education Management Member : Education, Research and Training Sub-Committee Work Experience. Over 35 years of experience</p>
4.		<p>Name: Rufus Nyaga Date of birth.1986 Qualifications. Bachelor of Business-Information Technology Chairperson: Risk, Audit and Compliance Sub-Committee Work Experience.: Over 15 years</p>
5.		<p>Name: Mathew Mbyuki Date of birth. 1980 Qualifications. BSC (Food Science &Technology) Chairperson: Education, Research and Training Sub-Committee Work Experience. Over 18 years</p>

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6.		<p>Name: - Maryan Hassan Date of birth. 1977 Qualifications. Masters in Education and Planning. Regional Director of Tvet. Work Experience: 22 years</p>
7.		<p>Name: Kennedy M. Simiyu Date of birth. 01/01/1968. Qualifications: Bachelor of Arts Chairperson: Infrastructure and Finance Sub-Committee Work Experience. Over 20 years of experience</p>
8.		<p>Name: Joyce Mwikali Date of Birth- 5th Oct 1970 Qualification - Bachelor of Education Member- Audit and Risk Committee Experience - 25yrs Governor's representative- Machakos County Government</p>
9.		<p>Name Justine K. Muindu Date of birth. 1973 Qualifications: Bed Home Economics Principal/Secretary BOG Work experience: Over 19 years</p>

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4. Key Management Team

<i>SN</i>	<i>Member/ Principal</i>	<i>Details</i>
1.		Name: Justine K. Muindu Qualification: Bed Home Economics Position: Principal /BOG Secretary
2.		Name: Anne Kiswii Qualification: MBA(Entrepreneurship) Position: Deputy Principal-Administration and Finance
3.		Name: Henry Omwebu Qualification: BED Position: Deputy Principal-Academic Affairs
4.		Name: Kennedy Ojijo Qualification: HND (Electrical & Electronics) Position: Ag. Registrar
5.		Name: Simon Muendo. Qualification: BED Econ. English Position: Dean of Students
6.		Name: Moses Musyoka Qualification: Certified Public Accountants of Kenya (CPAK). Position: Finance Officer

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7.	 A black and white portrait of a man with a mustache, wearing a plaid shirt, looking directly at the camera.	Name: George Odhiambo Qualification:HND Building & Civil Engineering Position: PC Coordinator
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5. Chairman's Statement

It's my pleasure to present the Institute's annual report and financial statement for the year ended 30 June 2024.

I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on Economic performance, Education sector changes, financial performance and Operations and risks associated with the Institution.

Economic Focus

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the Institution in line with vision 2030, the Big 4 Agenda and Sustainable Development Goals.

The institute recorded increased enrolment from 728 students in the previous financial year to 1,100 students. This was achieved through diverse marketing strategies devised by the institute. We however strive to increase the numbers to 1,300 students under normal programme and introduce new programme for short courses that will lead new students enrolment to 3,000 the in the subsequent year.

We thank the Government of Kenya for support through capitation funding and employment of Trainers by the Public Service Commission that has greatly contributed towards increased trainees' enrolment and improved quality of training to enable the institute align her graduates with regional and global trends and innovation.

Review of the Sector

During the financial year 2023/2024, we have witnessed an increase in student enrolment. With the government's approach to ensure 100% transition of students from secondary schools to Technical Vocational Education and Training (TVET), the future looks promising in terms of trainee development and increase in numbers.

Risk Management

The technical training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training. The appointment of the Risk and Audit committee with the mandate to ensure risks are identified and mitigated accordingly and the institutes activities are aligned to the strategic plan. The Board of Governors validated a Risk Management Policy during the year 2023 and regularly reviews risks identified

Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realizing the institute's objectives in line with its strategic plan and core mandate of training high quality technical skills and entrepreneurial workforce. Our Board has members with diverse qualifications and many years of experience in managing companies in public and private sector. I unreservedly assure all our Stakeholders that Katine Technical Training Institute shall remain focused, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward Katine Technical Training Institute is committed to working closely in collaboration with other like-minded entities, institutions, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training.

Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, Trainers, Trainees – and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.



.....
GABRIEL N. KIOKO
CHAIRPERSON BOARD OF GOVERNORS (B.O.G)

Katine Technical Training Institute Annual Report and Financial Statements for the year ended 30th June 2024

6. Report of the Principal

(Let me take this opportunity to present Katine Technical Training Institute's Financial Statement for the FY ended 30 June 2024 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With exemplary support of the Board of Governors we have put in place the necessary financial, procurement and internal control measures to ensure efficient and effective utilization of funds entrusted to us.

During the financial year, the institute managed to undertake the below enlisted projects;

i) Katine Technical Training Institute Gate

The Institute managed to complete the Institute Gate fully funded by the Board of Governors. The institute has currently started construction of the pathway connecting the Ultra-Modern gate with the Administrative block.



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ii) Other Internal Institute projects.

The Institute had several estimated projects that was Budgeted to be completed during the year. Nevertheless the institute did not realise the projected Board of Governors through its internally generated funds managed to complete the construction of a Poultry House, Bee keeping project among other capital involving undertakings like the valuation of the institute assets among others.

The CDF funded Electrical block project is currently underway and is expected to be completed within the first quarter of 2024-2025

The Institute is fully committed to ensuring the achievement of the Big Four Agenda, Vision 2030 flagship projects and Sector Performance Standards which include plans & strategies to provide the right courses and trainings with adequate practical so as to produce highly qualified graduates ready to join the labour market whilst ensuring the Health Regulations and Protocols as issued by the Ministry of Health are adequately adhered to.

I am greatly humbled by the support from the Institutes' Board of Governors, Management and all members of staff for their commitment and dedication to their work and effort that have seen Katine Technical Training Institute move forward in attaining her vision and mission.


P. O. Box 131, TALA
Email: info@katinetts.co.ke
Tel: +254 508 039

Justine K. Muindu

Principal/ B.O.G Secretary

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7. Statement of Performance against Predetermined Objectives

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

Katine Technical Training Institute has 3 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2024/2029. These strategic pillars are as follows:

Pillar 1: Programme Implementation;

Pillar 2: Institutional Development

Pillar 3: Resource Development & Management

Katine 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 on a quarterly basis. The Katine Technical Training Institute achieved its performance targets set for the FY 2021/2022 period for its 3 strategic pillars, as indicated in the diagram below

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Programme Implementation; I. Quality Technical Training;	Source and Implement of Market-Driven Programmes	To develop and implement relevant training programmes that facilitate acquisition of the necessary skills for improved service delivery and employability	1. Market intelligence reports	-Carry out market intelligence surveys	Information on courses being offered availed
			2. Number of programmes agreed upon	-Pre-training consultations with stakeholders	Decision made on market driven course by HODs
			3. Number of accredited programmes rolled out	-Implement accredited training programmes	-Food and Beverage courses started
			3. Number of CBET programmes rolled out.	Source and implement CBET programmes	

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	Harmonization and standardization of training	To develop and implement relevant training programmes that facilitate acquisition of the necessary skills for improved service delivery and employability	1.No. of harmonized training curricula 2.Operational standard admission guidelines 3.Number of Harmonized Exams 4.Number of students assessed on attachment 5.Number of practical's done during the term	Harmonize training curricula Standardize admission guidelines Harmonize Examination process and review Organize for industrial attachments for students Coordinate teaching of practical's	Validated academic policy Streamlined admission across departments Standardized exams though policy on quality assurance Over 300 students proceeded for attachment Coordinated teaching of practical's
	Implementation of Management Information System (MIS)	To develop and implement relevant training programmes that facilitate acquisition of the necessary skills for improved service delivery and employability	1.Operational MIS in place 2.Number of trained users of MIS 3.Operational data base for the trainees	Procure and install MIS Train users on the MIS Establish a data base for the trainees	Trained users of MIS Updated data base for the trainees
	Diversification of mode of teaching delivery	To develop and implement relevant training programmes that facilitate acquisition of the necessary skills for	1.No. of part-time programmes introduced 2.No. of E-learning programs mounted	Introduce part-time programmes Establish E-learning programs	LMS for E-Learning programs in progress more Accredited programmes to TVETA

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		improved service delivery and employability	3.No. of accredited programmes offered 4.Number of accredited trainers and facilitators	Ensure different programmes are offered in the institution Use accredited trainers and facilitators	Used accredited trainers and facilitators in teaching
ii. Research and Innovations development	Promote relevant research and innovation in the education and training in the institute	To promote and institutionalize Research and Innovation for informed decision-making in the institute and Kenya as large	1.Operational research and innovation policy for KTTI 2.Operational research and innovation policy for KTTI 3.Number of motivational activities that promote quality research and innovation undertaken Number of staff capacity built and trained on research and innovations	Develop a research and innovation policy for KTTI Implement research and innovation policy for KTTI Undertake motivational activities that promote quality research and innovation in KTTI Capacity build and train staff on research and innovation	Research and innovation policy development in progress. Participated in TVET Fair innovation and Research presentations
Pillar 2; INSTITUTIONAL DEVELOPMENT	Enhance Branding and Visibility	To enhance the institutional capacity, profile and corporate image to facilitate	1.No. of best practices implemented	Conduct a benchmarking exercise on the Best practice from TVETs	Upgraded and updated the institute's website Enhanced

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		effective positioning in the market	<p>2.Number of Produced and disseminated promotional materials</p> <p>3.Operational upgraded and updated institute's website</p> <p>4.Documented and operational institutional Marketing Strategy</p> <p>5.Number of exhibitions and open days participated in</p> <p>6.An operational alumni portal</p> <p>7.Public awareness index on the mandate and programmes of the institute</p> <p>8.Number of Corporate Social Responsibility programmes implemented</p>	<p>Production and dissemination of promotional materials</p> <p>Upgrade and update the institute's website</p> <p>Develop and implement institutional Marketing Strategy</p> <p>Participation in exhibitions and open days</p> <p>Create and manage alumni portal</p> <p>Undertake public sensitization on mandate and programmes of the institute</p> <p>Develop and Implement a Corporate Social Responsibility framework</p>	<p>institutional Marketing Strategy</p> <p>Alumni portal was not created</p> <p>Increased public awareness on the mandate and programmes of the institute</p>
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	Leverage on ICT	To enhance the institutional capacity, profile and corporate image to facilitate effective positioning in the market	<p>1.Operational ICT Policy and Strategy</p> <p>2.Number of staff trained on ICT</p> <p>3.Number of key processes automated</p> <p>4.Operational e-learning platform for KTTI courses</p> <p>5.Operational Data Recovery Plan</p>	<p>Develop and Implement an ICT Policy and Strategy Train staff in ICT</p> <p>Automate key processes</p> <p>Create e-learning platform for KTTI courses</p> <p>Develop Data Recovery Plan</p>	<p>ICT policy developed.</p> <p>32 members of Staff trained on ICT</p> <p>5 Key processes automated</p> <p>Created e-learning platform for KTTI courses</p> <p>Work is in progress derived from KTTI ICT policy</p>
Pillar 3: Resource Development & Management	Attract and retain high performing staff	To build human resource capacity for quality service delivery	<p>1.Operational Rewards and Sanctions Policy</p> <p>2. No. of adjunct staff engaged</p>	Develop and implement a Rewards and Sanctions Policy for BOG staff Recruitment of BOG teaching staff;	Improved staff motivation Recruited BOG teaching staff
	Foster a KTTI common work place culture	To build human resource capacity for quality service delivery	<p>1.Number of trainees</p> <p>2.Operational Code of Conduct</p> <p>3.No. of coaching and mentorship programmes implemented</p>	<p>Establish, develop and maintain a common culture</p> <p>Review and implement Code of Conduct</p> <p>Implement coaching and mentorship programmes</p>	<p>KTTI culture</p> <p>Code of Conduct reviewed and implemented</p> <p>Coaching and mentorship programmes implemented</p>

8. Corporate Governance Statement

Corporate governance comprises rules, procedures, regulations and processes through which the Institute is directed. It involves balancing the interests of the Institute in order to achieve long term strategic objectives of the Institute.

The roles and functions of the Board members are clearly defined and include giving the overall oversight of management and giving the strategic direction of the Institute. The Board members defines the Institute's strategies, objectives, values and ensures that procedures and practices are put in place to ensure effective control over strategic, financial, operational and compliance issues. The Board members develops short- and long-term goals of the Institute, develops strategies to achieve those goals and monitors the performance of the Institute against the set goals. The Board members also spearheads the preparation of financial statements and reports of the Institute, approves and reviews annual budgets and ensures that the Institute has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.

The BOG members provide oversight to the Institute's top management and have unrestricted access to timely and relevant information as well as advice and services of the Corporation Secretary to discharge its duties effectively.

Katine Technical Training Institute Board members operates in compliance with the Mwongozo code that offers corporate governance framework for all state corporations. The BOG Members have duly undergone training under this code.

The Board members prepares an annual almanac showing the schedule of meetings planned for each year. During the year, the Institute Board members held regular quarterly meetings, while special meetings were called when necessary.

The Board is headed by the Chairman and is composed of nine members inclusive of the principal who is the only executive member. The constitution of the Board members takes into consideration requirements of the sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the Institute. The Board members are appointed to various Board Members' Committees mandated to carry out specified functions. The Board members therefore bring their diverse experiences in deliberations during Board meetings. The Board members' committees have well defined terms of reference. The committees are intended to facilitate efficient decision making by the Board members in them discharging their duties and responsibilities.

1. Corporate governance statement

- a) Good corporate governance is the key to integrity and corporations and central to the institute stability
- b) Corporate governance their fore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The Board of Governors follows principles of transparency and accountability in its stewarding institute's affairs'
- d) The role of the Board of Governors is to ensure conformity by focusing and providing the institutes strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the institutes which are revised and improved from time to time

2. Institutes Board of Management

- a) The Board of Governors constitutes of chairman Board of Governors and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least three times a year and or any other time when need arises
- b) Board of Governors is responsible for setting the direction of the institute through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- c) The Board of Governors is actively involved and bring strong independent judgement on its deliberations and discussions
- d) The Board of Governors members have diverse skill set, wide range of knowledge and experience of the institute in objectives and decision making.
- e) The Board of Governors meets regularly and retains full and effective control over the institutes in all strategic financial operation and compliance areas

3. Related party disclosure

Related parties for the purposes of this report include:

- a) The Government
- b) The Board of Governors
- c) The Management

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9. Management Discussion and Analysis

SECTION A

Operational and Financial Performance

At the Institution level, activity-based costing method has been adopted both as a tool for activity planning and financial control. This serves the role of ensuring that the Institution allocates resources based on planned and prioritized activity. This means that the cost of each activity is traced to the product or service as per the Institution plan.

To further enhance service delivery through effective financial management, the Institute will concentrate on eliminating wastages. In this regard, the Institution will lobby and mobilize financial resources for Technical Training, Innovation and Research on Technical fields.

SECTION B

Compliance with Statutory Requirements

Katine Technical Training Institute complies for all statutory deductions and remittances as required by the Kenyan laws.

SECTION C

Key Projects and Investment Decisions

Key projects and investment decisions Katine technical training institute planned to implement for the FY 2023/2024 project as follows.

PROJECT NAME	FUNDING
1. Construction of Septic Tank	Funded by BOG
2. Equipping of Katine Technical Training Institute Library	Funded by BOG)
3. Katine Technical Training Institute Gate	Funded by BOG
4. College driving Van-Automotive Engineering Department	Funded by BOG

The above Projects was to be funded as illustrated above, though due financial challenges the institution was able to implement one project fully(The Construction of the Institute Gate) and partially did the second project that involved equipping the Library.

SECTION D

Financial and Management risks

Major risks facing the Institute include

- i. Inadequate funding by the Ministry of Education- on capitation/operation and development grant
- ii. Delayed funding.

Katine Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

iii. Poor fees payments by students.

Due to the above factors the institution is facing serious challenges in meeting its operations obligation fully.

SECTION E

Material arrears in Statutory and Financial Obligations

There were no material arrears in statutory and financial obligations for the period ended June 30, 2023

SECTION F

Governance

The term for Katine Technical Training Institute Board of Governors expired on 13th November, 2022. The institute nominated new BOG during the First quarter and forwarded to the Ministry of Education for approval. The New BOG members were appointed on 5th May 2023 and inaugurated on 30th May 2023.

10. Environmental And Sustainability Reporting Statement

Katine Technical Training Institute is geared to transform lives as its driving force behind anything we do. It is the guide to us to deliver our strategy, which is founded on strategic pillars.

i. Sustainability strategy and profile

The institute is guided by a strategic plan 2024-2029, which outlines the key strategic pillars aimed at achieving the set goals and objectives. The strategies are for five year period and reviews are done after every two years.

ii. Environmental performance

The institute conducts an environmental impact analysis within the institute operates in. The institute is better located in terms of space which is 5 ha piece of land which aids growth and development in terms of development. It is well watered in terms of water provision. The institute greening champions spearheads greening exercise within the institute and its environs. This enables the institute to overcome harsh dry spells in the lower Eastern parts of Machakos county.



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iii. Employee welfare

The Institute is in its initial stages of implementing its newly developed and validated Hr Policy, That has clearly outlined recruitment process, gender ratio, Give account of the policies guiding the hiring process and whether they take into account the gender ratio, employees appraisals and also safety measures at the work place.

iv. Marketplace practices-

The institute signed a performance contract for the year 2022-2023 with the ministry of Education, state department of vocational & Technical Training to fight corruption. The institute advertised for prequalified suppliers for supply of works, goods and services for the entity. The institute promotes educational trips, Sports, healthcare, good labour relations, staff Training and skills and development initiatives.

v. Corporate Social Responsibility / Community Engagements

Katine Technical training Institute embraces corporate social responsibility (CSR) The Institute achieves this by: Supporting the needy students, Promoting the community by provision of casual labour and ensuring the casuals are selected from the community, Mentoring the youth, Offering internship and industrial attachment opportunities to the youth and in addition the institute took an initiative to build a Bodaboda shed at Tala Town to serve the local community



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Annual Report and Financial Statements for the year ended 30th June 2024

11. Report of the Council/Board of Management

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Katine TTI affairs.

Principal activities

The principal activities of the institute continue to be to Produce Competent Employable Graduates by Facilitating Learning, Research and Innovative Dissemination of Knowledge, Skills and Productive Work Attitudes to Meet Socio-Economic and Cultural Needs of the Citizens of Kenya and Beyond through offering quality tertiary education in the authorized areas of training.

Results

The results of the college for the year ended June 30 2024 are set out on page 1-5 of this financial report for the FY 2023/2024.

Council/Board of Governors

The members of the Board who served during the year are shown on page viii & ix. During the year ended 30th June 2024, there was neither resignation nor retirement recorded.

Auditors

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

By Order of the Board

Secretary of the Board



12. Statement of Board of Management Responsibilities

Section 164 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 that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial period and the operating results of the entity for that period. The council members are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The council members are also responsible for safeguarding the assets of the entity.

The council members are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial period ended on 30 June, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The BOG members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013. The council members are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the period ended 30 June, 2023, and of the entity's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Approval of the financial statements

The institute financial statements were approved by the Board on 08/05/ 2025 and signed on its behalf by:

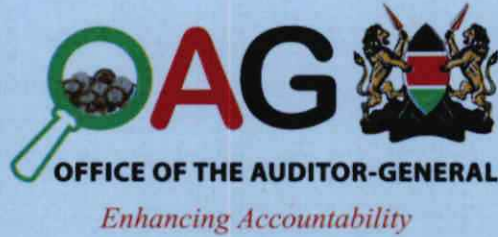


.....
Name: Gabriel N. Kioko
Chairperson of the Board/Council

.....
Name: Justine K. Muindu
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 KATINE TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Katine Technical Training Institute set out on pages 1 to 64, which comprise of the statement of financial position as at 30 June, 2024, 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 Katine Technical Training Institute as at 30 June, 2024 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

1.0 Inaccuracies in the Statement of Cash flows

The statement of cash flows reflects net cash flows from operating activities amount of Kshs.9,566,298 as disclosed in Note 41 to the financial statements. However, review of records revealed that cash generated from operating activities excluded Kshs.22,206,892 relating to increase in receivables from exchange transactions. In addition, the statement of financial position reflects increase in receivables amount of Kshs.2,977,060, resulting to unexplained variance of Kshs.19,229,832.

Further, the statement of cash flows reflects fees from students amount of Kshs.28,850,067. However, audit analysis of documents revealed an amount of Kshs.35,224,361 resulting to unexplained variance of Kshs.6,374,294.

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

2.0 Unconfirmed Property, Plant and Equipment

The statement of financial position and as disclosed in Note 31 to the financial statements reflect property, plant and equipment balance of Kshs.180,072,494. The balance includes land and buildings valued at Kshs.17,790,000 and Kshs.77,631,000 respectively. Although, Management explained that the process of transfer of title from the previous owner is ongoing, no evidence was provided for audit review.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.95,421,000 could not be confirmed.

3.0 Inaccuracies in Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.43,437,211 which, as disclosed in Note 27(a) to the financial statements includes student debtors balance of Kshs.43,227,610. However, analysis of

the student billing data, the fees payments as per the bank/cashbook and the balance brought forward revealed a balance of Kshs.53,154,362 resulting to unexplained variance of Kshs.9,926,752.

In addition, Note 27(c) reflects Kshs.3,195,092 being student debtors outstanding for more than two (2) years. However, analysis provided for audit review revealed a balance of Kshs.23,796,466 resulting to unexplained variance of Kshs.20,601,374. Further, Management did not explain mechanisms put in place to recover the debts, despite the risk of loss of revenue accruing from non-recovery of the debts.

In the circumstances, the accuracy and completeness of current portion of receivables from exchange transactions balance of Kshs.43,437,211 could not be confirmed.

4.0 Unsupported Travelling and Accommodation Expenditure

The statement of financial performance and as disclosed in Note 15 to the financial statements reflect use of goods and services amounting to Kshs.58,050,763. Included in the amount are sampled payment vouchers totalling Kshs.1,081,900 which were not supported with work tickets showing proof of travel and imprest warrants.

In the circumstances, the regularity and accuracy of travelling and accommodation expenditure of Kshs.1,081,900 could not be confirmed.

5.0 Irregular Expenditure on Contracted Services

The statement of financial performance and as disclosed in Note 20 to the financial statement reflect contracted services payments totalling Kshs.1,922,900. However, there was no budget provision in support of the expenditure. This is contrary to Regulation 31(2a) and (2b) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to ensure all services which can be reasonably foreseen are included in the estimates and they are within the capacity of his or her National Government entity and the estimates prepared to be complete and accurate as possible.

Further, additional information provided in relation to adjustments for purpose of supplementary budget did not indicate whether the expenditure formed part of the approved supplementary budget.

In the circumstances, the regularity and accuracy of contracted services amounting to Kshs.1,922,900 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Katine 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 actual expenditure of Kshs.73,573,426 against actual receipts of Kshs.117,073,815 resulting to under-utilization of Kshs.43,500,389 or approximately 37% of the actual receipts.

The 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 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 Audit Matters

In the audit report of the previous year, several issues were raised under the report on Financial Statements, Report on lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of internal Controls, risk Management and Governance which have remained unresolved as at 30 June, 2024.

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 Management, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement , Report of the Board of Management and Statement of Board of Management's 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion. 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. Failure to Provide for Gratuity to the Board of Governors (BoG) Staff

Review of staff records revealed that BoG staff on contractual terms did not have a provision for gratuity in their contracts at the rate approved by the Board of Governors. This is contrary to Section 3.5.3 of Katine Technical Training Institute Human Resource & Procedures Manual on appointment on contract which stipulates that an employee serving on contract shall be governed by the contract of service signed by the individual and shall be eligible for service gratuity at the rate approved by the Board of Governors.

In the circumstances, Management was in breach of Human Resource and Procedures Manual.

2. Officers Acting Beyond the Allowable Period

Review of staff establishment and staff records revealed that key positions were held by fifteen (15) officers on an acting capacity. The officers had acted beyond the stipulated period of six (6) months. This is contrary to Section C.14(1) of the Public Service Commission Human Resource Policies Manual, 2016 which stipulates that when an officer is eligible for appointment to a higher post and is called upon to act in that post pending advertisement of the post, he is eligible for payments of acting allowance at the rate of 20% of his substantive basic salary. Acting allowance will not be payable to an officer for more than six (6) months.

In the circumstances, Management was in breach of the Public Service Commission Human Resource Policies Manual.

3. Non-Compliance with Law on Ethnic Diversity

Review of the payroll records for the year under review revealed that the total number of employees of the Institute was seventy-seven (77), out of which forty-four (44) or approximately 57% were members of the dominant ethnic community in the County. Further, out of sixteen (16) Board of Governors staff recruited during the year, twelve (12) or approximately 75% were from the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya

in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community”.

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 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion, 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

Failure to Evaluate the Performance of the Board

Review of documents revealed that annual evaluation for the Board's performance was not conducted during the year under review. This is contrary to Parameters 1.12(1)(a)(b) and (2) of the Mwongozo Code of Governance which stipulates that the Board should undertake an annual evaluation of its performance and resultant report should guide on re-appointment for a subsequent term for any Board member.

Although, Management concurred with the observation, they indicated that evaluation was planned to be conducted during 2024/2025.

In the circumstances, the effectiveness of governance measures put in place could not be confirmed.

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

Responsibilities of the Management and 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 for 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

23 May, 2025

Katine Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Performance For The Year Ended 30 June 2024

	Notes	Financial Yr ended	Financial Yr ended
		June 30 th 2024	June 30 th 2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
Grants from Development partners	7	-	-
Transfers from National Government Entities	8	-	25,104,433
Public Contributions and Donations	9	-	-
		-	25,104,433
Revenue from Exchange transactions			
Fees from students	10	101,308,439	60,072,801
Sale of goods	11	567,523	154,002
Rental revenue from facilities and equipment	12	626,300	135,350
Finance income	13	-	-
Miscellaneous income	14	83,422.48	121,810
Revenue from Exchange transactions		102,585,684	60,483,963
Total Revenue		102,585,684	85,588,396
Expenses			
Use of goods and services	15	58,050,763	41,799,837
Employee costs	16	9,154,534.90	8,463,791
Board Expenses	17	1,726,734	494,000
Depreciation and amortization expense	18	10,391,585	6,993,148
Repairs and maintenance	19	2,718,494	1,524,825
Contracted services	20	1,922,900	-
Grants and subsidies	21	-	-
Impairment loss			12,180,147
Finance costs	22	38,912.75	61,700
Operating cost			304,500
Total Expenses		84,003,924	71,821,948
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	(-)	(-)

Katine Technical Training Institute
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Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		18,581,760	13,766,448

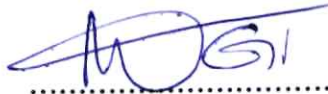
(The notes set out on pages 31 to 62 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:



.....
 Name; *Gabriel N. Kioko*
 Chairman of Board

Date *08/05/2025*



.....
 Name: *Moses Masyoka*
 Accountant
 ICPAK No *33465*

Date



.....
 Name; *Justine K. Muindu*
 Principal/BOG Secretary

Date

Katine Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position As At 30th June 2024

Description	Notes	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	8,486,567	4,879,661
Current portion of receivables from exchange transactions	27(a)	43,437,211	40,460,151
Receivables from non-exchange transactions	28	-	-
Inventories	29	-	-
Investments in financial assets	30	-	-
Total Current Assets		51,923,778	45,339,812
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	-	-
Investments	30	-	-
Property, plant, and equipment	31	180,072,494	185,676,804
Intangible assets	32	1,200,600	1,028,010
Investment property	33	-	-
Biological Assets	34	160,000	210,000
Total Non-Current Assets		181,433,093	186,914,814
Total Assets (A)		233,356,871	232,254,626
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	35	4,401,729	1,661,885
Refundable deposits from customers/Students	36	912,800	3,257,893
Current provisions	37	-	-
Finance lease obligation	38	-	-
Deferred income	39	-	-
Total Current Liabilities		5,314,529	4,919,778
Non-Current Liabilities			
Finance lease obligation	38	-	-

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Annual Report and Financial Statements for the year ended 30th June 2024

Description	Notes	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
		Kshs	Kshs
Deferred income	39	-	-
Non-Current Provisions	37	-	-
Service Concession Arrangements	40	-	-
Total non- current liabilities		5,314,529	4,919,778
Total Liabilities (B)		5,314,529	4,919,778
Net Assets (A-B)		228,042,342	227,334,848
Represented By:			
Revaluation Reserves		(18,228,014)	-
Accumulated Surplus		127,285,600	108,703,840
Capital Fund		118,984,756	118,631,008
Total Net Assets		228,042,342	227,334,848

The Financial Statements set out on pages 1 to 5 were signed by:



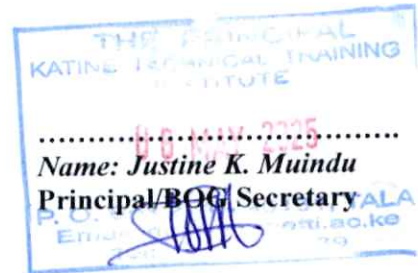
.....
 Name: *Gabriel N. Kioko*
 Chairman of Board

Date *08/05/2025*



.....
 Name: *Moses Musyoka*
 Accountant
 ICPAK No *33445*

Date



Date

Katine Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Changes in Net Assets For The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2022 (previous year)	-	94,817,392	117,078,706	211,896,098
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	13,866,448	1,552,302	32,690,718
Capital grants received during the year	-	-	-	-
At June 30, 2023	-	125,955,808	118,631,008	244,588,790
At July 1, 2023(current year)	-	125,955,808	118,631,008	244,586,816
Revaluation gain	(18,228,018)	-	-	(18,228,018)
Surplus/(deficit) for the year	18,581,760	-	118,631,008	137,212,768
Capital grants received during the year	-	-	-	-
At June 30, 2024	353,748	-	118,631,008	118,984,756

Note:

Katine Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows For The Year Ended 30 June 2024

Description		Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from County Government		-	-
Grants from donors and development partners		-	-
Transfers from National Government entities		50,252,480	25,104,433
Public contributions and donations		-	-
Fees from students		28,850,067	60,072,801
Sale of goods		567,523	154,002
Rental revenue from facilities and equipment		626,300	135,350
Finance income		-	-
Miscellaneous income		83,423	121,810
Total Receipts		80,379,793	85,588,396
Payments			
Use of goods and services		55,251,919	41,679,837
Employee costs		9,154,535	8,463,791
Board Expenses		1,726,734	494,000
Repairs and maintenance		2,718,494	1,524,825
Contracted services		1,922,900	-
Grants and subsidies		-	-
Bank charges		38913	61,700
Operating cost		-	304,500
Total Payments		70,813,495	52,528,653
Adjusting for operating activities		-	(30,887,439)
Net Cash Flows from operating activities	41	9,566,298	2,172,304
Cash flows from investing activities			
Purchase of property, plant, and equipment		(5,909,390)	(6,499,293)
Purchase of intangible assets			(342,671)
Proceeds from the sale of property, plant, and equipment/Biological asset		50,000	(210,000)
Net cash flows used in investing activities		(5,859,390)	(7,051,964)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment of Borrowings		(-)	(-)
Net cash flows used in financing activities		0	0
Net Increase/(Decrease) in Cash and Cash equivalents		3,606,907	(25,942,278)
Cash & Cash equivalents at the beginning (1 st July)	26	4,879,660	30,821,938

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Description		Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Note	Kshs	Kshs
Cash & Cash equivalents at the end. (30 th June)	26	8,486,567	4,879,660

(The Cash flow has been prepared under the basis of direct method under the IPSAS Accrual basis of accounting)

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18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 24

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from County Government	-	-	-	-	-	-
Grants from donors and development partners	-	(-)	-	-	(-)	-
Transfers from National Government entities	15,000,000	(-)	15,000,000	14,488,130	(511,870)	97%
Public contributions and donations	-	(-)	-	-	(-)	-
Fees from students	131,791,840	(32,888,593)	98,903,247	101,308,439	2,405,192	102%
Sale of goods	210,000	-	210,000	567,523	357,523	200%
Rental revenue from facilities and equipment	624,000	(-)	624,000	626,300	2,300	100.03%
Finance income	-	-	-	-	-	-
Miscellaneous Income	1,040,000	(620,000)	420,000	83,423	(336,578)	20%
Total Income	148,665,840	(33,508,593)	115,157,247	117,073,815	1,916,567	102%
Expenses						
Use of goods and services	97,579,192	(31,008,593)	66,570,599	58,050,763	(8,519,836)	87%
Employee costs	12,237,648	(-)	12,237,648	9,154,535	(3,083,113)	75%
Board Expenses	1,611,000	-	1,611,000	1,726,734	(115,734)	107%
Repairs and maintenance	7,238,000	(3,000,000)	4,238,000	2,718,494	(1,519,506)	64%
Contracted services	-	(-)	-	1,922,900	(1,922,900)	0%
Grants and subsidies	-	-	-	-	-	-%
Total Expenditure	118,665,840	(34,008,593)	84,657,247	73,573,426	(15,161,089)	87%
Surplus For the Period	30,000,000	500,000	30,500,000	43,500,389	17,077,656	187%

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Capital Expenditure	15,000,000	500,000	15,500,000	3,760,859	11,739,140	24%
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(Budget notes)

- iv. *1. Explanation for the 10% over/under IPSAS 24.14 The institutes had* Inadequate funding by the Ministry of Education- following the government reduction on capitation/operation and development grant and also due to delayed funding which the Institute had a high anticipation.

19. Notes to the Financial Statements

1. General Information

Katine Technical Training Institute is established by and derives its authority and accountability from TVET Act, 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is Provision of training in Technical, Vocational, Entrepreneurial Management and Research

2. Statement of Compliance and Basis of Preparation

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

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

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

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2024.**
- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.**

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. The above standard may not have impact to KTTI financials as the institute has no leased assets
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>At the end of the financial year ended 30th June 2024 the institute had no discontinued asset held for disposal.</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>The above standard have no current impact to the financials and the institute has no future intentions to inherit assets/ppe.t</i>
IPSAS 46:	<i>Applicable 1st January 2025</i>

Standard	Effective date and impact:
Measurement	<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>The above standard is positively possible/applicable to be adopted by the institute. This is relevant to the institute.</i></p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</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>The above standard will impact the institute positively as this will ensure full adoption of accrual basis in relation to revenue recognition in the books</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</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>The institute management may not have retirement plan for employees under the public service as same should be arranged by government.</i></p>

iii. Early adoption of standards

(The entity) did not early-adopt any new or amended standards in year 2024/the entity adopted none of the above standards. There was no impact of these standards on entity's financial statements ended 30th June 2024.

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 has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

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. The Institute has not entered

into any operating lease agreement, though the institute cafeteria was being used by a contracted service provider for provision of catering services to the boarding NYS students. This was terminated and the catering services discontinued following NYS students demands for the Ewallet that was affected in May 2024.

b) Budget information

The original budget for FY 2023-2024 was approved by the Board on 29th June 2023. Adjustments were prepared and approved by the Board on 12th Feb, 2024.

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated.

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

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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, though the entity did not undertake impairment as it did revaluation of all its assets.

h) 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.

i) Financial instruments

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

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 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 xx*.

Financial liabilities

Classification

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

j) Inventories

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

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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*.

k) 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.

l) Social Benefits

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

m) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

n) 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.

o) Employee benefits

Retirement benefit plans

The *Entity* does not provide 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. (*the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies*)

p) Foreign currency transactions

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

q) 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. For the year ended June 2024 the entity had not recorded borrowing costs.

r) 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.

s) 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.

t) 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.

u) Comparative figures

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

v) 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, 2024.

4. Summary of Significant Accounting Policies

w) Revenue recognition

iii) 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 has been acquired using such funds.

iv) 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.

x) 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.

y) 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.

z) Financial instruments

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

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 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. The entity had not recorded impairment for the year.*

Financial liabilities

Classification

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

aa) 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*.

bb) 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.

cc) Social Benefits

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

dd) Nature and purpose of reserves

The *Entity* maintains internally generated reserves which depends on the entity operations. Any reserve at any particular year may be influenced either upward or downward by either surplus or deficit recorded in a particular

ee) 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.

ff) Foreign currency transactions

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

gg) 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.

hh) 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.

ii) Service concession arrangements

Katine TTI 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 institute 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.

jj) 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.

kk) Comparative figures

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

ll) 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, 2024.

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 Moowi Co.Group Ltd.*
- 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

Apart from Provisions for the depreciation on the institute assets applied on full year and none during the year of disposal.

There was no provisions for Bad debt, Absolute stocks or any other provisions provided for during the year.

The provision for depreciation adopted are as follows;

FreeholdLand	No depreciation
Building	2.5%
Motor Vehicles	25%
Computers and related Pheriperials	30%
Furnitures/Equipment	12.5%
Intangible Assets	10%

(The depreciation rate has been prorated from the date of revaluation and from the date of purchase for newly acquired assets)

6. Transfers from the County Government

Description	Financial Yr. Ended 30th June 2024	Financial Yr. Ended 30th June 2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	-	-
Operational Grant	-	-
Unconditional Development grants	-	-
Other Grants	-	-
Total unconditional Grants	-	-
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	-	-

(b) Transfers from County Government (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	Financial Yr. Ended 30th June 2023
	Kshs	Kshs	Kshs	Kshs	Kshs
County Department	-	-	-	-	-
-	-	-	-	-	-
Total	-	-	-	-	-

There were no transfers from the county government recorded during the year ended June 2024.

7. Grants from Development Partners

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
<i>In-Kind Donations</i>	-	-
<i>Donor 1-NYS</i>	-	14,998,433
<i>Donor 2</i>	-	-
<i>Other Donors (specify)</i>	-	-
Total Grants from Development Partners	-	14,998,433

(a) Reconciliations of grants from development partners

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met	-	-

(Provide brief explanation for this revenue)

8. Transfers from National Government entities

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Transfer from Ministry/State department -Capitation	14,488,130	25,104,433
HELB	15,034,430	-
NYS	18,824,000	
Matungulu NG-CDF	582,000	
KCB Tujiajiri program	1,323,920	
Total Transfers	50,252,480	25,104,433

Rendering of services includes transfers from the National Government and other Government Agencies which had been allocated to different vote heads.

9. Public Contributions and Donations

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs

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Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

(There was no revenue inform of donations received of any nature for the year ended 30th June 2024)

Katine Technical Training Institute**Annual Report and Financial Statements for the year ended 30th June 2024****10. Fees from students**

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Tuition Fees	46,306,604	14,251,897
Activity Fees	3,600,773	2,849,555
Industrial Attachment Fees	46,175	301,500
Examination Fees	8,379,240	7,265,442
Library Fees	-	-
Facilities And Materials	5,924,390	4,595,910
Boarding /Lunch fee	11,374,500	10,506,758
Registration Fees	787,200	437,800
Personal Emolument(PE)	9,142,361	6,790,720
Repair,Maintenance & Improvement(RMI)	2,798,793	2,099,179
Electricity,Water and Conservation(EWC)	2,829,939	2,078,570
Local Transport and Travel (LTT)	2,947,474	2,204,970
Students ID	192,370	152,250
Student Council	445,900	377,000
Insurance	539,000	411,750
Development	4,844,370	4,879,500
Medical fee	747,000	
Application fee	402,350	256,000
Total Fees from students	101,308,439	60,072,801

(Provide brief explanation for this revenue)

11. Sale of Goods

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	64,580	154,002
Cafeteria sales	377,943	-
Other sales (specify) – Other Trainings	125,000	-

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Total Revenue from Sale of Goods	567,523	154,002

(Provide brief explanation for this revenue)

12. Rental revenue from facilities and equipment

Description	Financial Yr. Ended 30th June 2024	Financial Yr. Ended 30th June 2023
	Kshs	Kshs
Hire of Facilities and Equipment-Bus hire	474,800	135,350
Contingent Rentals-Rent Income	150,000	-
Hire of field	1,500	-
Operating Lease Revenue	-	-
Total	626,300	135,350

*(Provide brief explanation for this revenue. *Contingent rentals include hire grounds, institutional facilities like halls, kitchen etc.)*

13. Finance Income

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

(Provide brief explanation for this revenue.)

14. Miscellaneous Income

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Miscellaneous income <i>(specify)</i> Water, Electricity, sale of Mask, lost Items	83,423	121,810
Total other income	83,423	121,810

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified.)

15. Use of Goods and Services

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Teaching and learning materials	6,282,803	6,691,398
Industrial attachment costs	360,897	625,670
Electricity	994,535	262,322
Water	221,060	95,590
Security	945,000	810,000
Professional and consultancy services	12,200	-
Subscriptions	131,380	346,000
Advertising	1,059,095	1,632,700
Examination fees	7,716,190	6,566,720
Audit fees	232,000	-
Catering, conferences, and delegations	-	-
Travelling and accommodation	5,714,818	3,471,945
Fuel and oil	1,088,393	154,900
Insurance	-	26,580
Legal expenses	-	-
Licenses and permits	-	-
Postage	15,475	-
Printing and stationery	1,118,495	1,441,490
Hire charges	-	-
Rent expenses	-	-
Skills development levies	-	-
Telephone expenses	603,500	-
Internet expenses	1,067,328	416,266
Training expenses	3,618,374	423,460
Other – students Meals & Accommodation	18,048,105	11,163,332
Motor running expenses	165,104	-
Activity Expense	3,696,947	1,675,011
Strategic Plan	149,423	-
Performance Contracting	480,900	619,210
Staff Welfare	377,949	-
Staff Training	1,320,918	-
Cleaning & Disposal	110,545	-
Annual Accounting Software Mtce	206,000	-
Social responsibility	163,033	-

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Staff Uniforms	103,700	-
Income Generating Activity Expenses	23,141	-
Staff Capacity Building	214,802	-
Website Design Expense	175,500	-
Administrative costs	1,573,153	4,548,653
Loss on Disposal of Biological asset(Cattle)	60,000	-
Total good and services	58,050,763	41,799,837

16. Employee Costs

Salaries and wages	9,012,535	8,463,791
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
Casual Wages	142,000	-
Employee Costs	9,154,535	8,463,791

17. Board Expenses

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	930,000	494,000
Other Board Expenses(Board Induction)	796,734	-
Total	1,726,734	494,000

18. Depreciation and Amortization expense

Description	Financial Yr. Ended 30th June 2024	Financial Yr. Ended 30th June 2023
	Kshs	Kshs
Property, plant and equipment	10,339,385	6,650,478
Intangible assets	52,200	342,670
Investment property carried at cost	-	-
Total depreciation & amortization Expense	10,391,585	6,993,148

19. Repairs and Maintenance

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Property	1,800,329	1,660,825
Investment property – earning rentals	-	-
Equipment and machinery	900,165	-
Vehicles	-	-
Furniture and fittings	18,000	-
Computers and accessories	-	-
Total Repairs and Maintenance	2,718,494	1,660,825

20. Contracted Services

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	1,905,900	-
Asset Labelling	17,000	-
Total contracted services	1,922,900	-

21. Grants and Subsidies

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

22. Finance Costs

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Bank charges	38,913	61,700
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	38,913	61,700

(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23. Gain On Sale of Assets

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Current Accounts	-	-
KCB –Operations Account	867,115.20	1,239,408
KCB – School fees Account	7,597,218	3,607,419
Co-operative Bank	22,233.81	26,674
Cash at hand	-	-
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	8,486,567	4,873,501

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial Institution	Account number	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
		Kshs	Kshs
a) Current Account			
KCB –Operations Account	114125385 2	867,115.20	1,239,408
KCB – School fees Account	123595087 5	7,597,218	3,607,419
Co-operative Bank	011293439 16700	22,233.81	26,674
Sub- Total		8,486,567	4,873,501
b) On - Call Deposits			
-		-	-

-		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
-		-	-
-		-	-
Sub- Total		-	-
d) Others (Specify)		-	-
Cash in Transit		-	-
Cash in Hand		25	-
Mobile Money account		-	-
Sub- Total		-	-
Grand Total		8,486,592	4,873,501

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Current Receivables		
Student Debtors	43,227,610	37,322,768
Rent Debtors	49,702	-
Advance payments	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	159,900	3,137,383
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	43,437,211	40,460,151

27 (b) Long- term Receivables from Exchange transactions

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-

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Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables	-	-

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	Financial Yr. Ended 30 th June 2024		Financial Yr. Ended 30 th June 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	19,432,144	82%	14,998,433	37%
Between 1- 2 years	20,601,474	10%	11,704,423	29%
Over 2 years	3,195,092	8%	13,757,295	34%
Total (a+b)	43,227,610	100%	40,460,151	100%

27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Additions(sales)	-	-
Recovered during the year	(-)	-
Write offs during the year	-	-
At the end of the year	-	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

28. Receivables from Non-Exchange transactions

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	-

Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	-	-

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	Financial Yr. Ended 30 th June 2024		Insert Financial Yr. Ended 30 th June 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

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

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

29. Inventories

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Consumable stores	-	485,225
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	-	485,225

30. Investments in financial assets

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (<i>Specify</i>)		
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-
Analyzed as:		
Current portion of Investment	-	-
Non-Current portion of Investment	-	-

(The institute did not record any investment in financial assets for the yr)

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Financial Yr. Ended 30 th June 2023
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

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31. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023 (<i>beginning of FY</i>)	14,000,000	89,931,147	19,606,109	5,939,169	7,001,073	15,625,576	53,752,061	205,855,135
Additions	-	4,503,695	0	1,051,000	217,200	137,495		5,909,390
Disposals	(-)	-	-	-	(-)	-	0	0
Transfer/Adjustments/Revaluation	3,790,000	-16,803,842	-11,127,409	-1,203,469	5,595,227	1,521,479	-	-18,228,014
At 30th June 2024 (<i>close of current year</i>)	17,790,000	77,631,000	8,478,700	5,786,700	12,813,500	17,284,550	53,752,061	193,536,511
Depreciation And Impairment								
At 1 July 2023 (<i>beginning of year</i>)	-	93,884	64,692	283,737	1,949,777	732,542	(-)	3,124,632
Depreciation for the period	-	2,006,835	3,022,262	811,090	2,523,674	1,975,524	-	10,339,385
Disposals	-	-	-	-	-	-	-	-
Impairment for the period	-	-	-	-	(-)	-	-	(-)
At 30 June 2024 (<i>current year</i>)		2,006,835	3,022,262	811,090	2,523,674	1,975,524	0	10,339,385
At 30th Jun 2024 (<i>current year</i>)	-	2,100,719	3,085,206	1,094,827	4,473,451	2,708,066	0	13,464,017
Net Book Values								
At 30th Jun 2023 (<i>previous year</i>)	14,000,000	89,849,263	19,543,165	5,655,432	5,051,296	14,893,034	53,752,061	202,730,503
At 30th Jun 2024 (<i>current year</i>)	17,790,000	75,530,281	5,391,746	4,691,873	8,340,049	14,576,484	53,752,061	180,072,494

The included amount of work in progress of amount 53,752,061 was for the year 2021 and 2022 which was for the following assets and project

Asset /project	amount	status	Year of completion
Electrical and electronic workshop	1,614,368	completed	2021/2022

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Tuition and adm block	30,872,767	Work in progress	
Student center	21,264,925	completed	2021/2022
TOTAL	53,752,061		

NB-The PPE will be adjusted in the year 2024/2025.

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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 Moowi Co.Group professional valuers on 31st January 2024. These amounts were adopted in the financial statements during the same period.

summary of Valuation report.



ASSET REGISTER

CLASS	LAND	BUILDINGS AND PROPERTY	MOTOR VEHICLES	INTANGIBLE ASSETS	COMPUTERS	EQUIPMENT AND FURNITURE	FURNITURE AND FITTINGS	DEPRECIABLE ASSETS	TOTAL
CURRENCY	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
REVALUATION 31.01.2024	17,790,000	77,631,000	8,478,700	1,232,800	12,813,500	17,284,550	5,786,700	270,000	141,207,433
NET BOOK VALUE (NBV) 31.01.2024	17,790,000	77,631,000	8,478,700	1,232,800	12,813,500	17,284,550	5,786,700	270,000	141,207,433

Prepared by:

Moowi Company Group Limited
P.O. Box 11917 Nairobi
Nairobi
Nairobi Commercial Centre
21 January 2024

Signed by:



31 (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	17,790,000	-	17,790,000
Buildings	77,631,000	2,100,719	75,530,281
Plant And Equipment	17,284,550	2,708,066	14,576,484
Motor Vehicles including Motorcycles	8,478,700	3,086,954	5,391,746
Computers and Related Equipment	12,813,500	4,473,451	8,340,049
Furniture, And Fittings	5,786,700	1,094,827	4,691,873
Total	139,784,450	13,464,017	126,320,433

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32. Intangible Assets

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Cost		
At beginning of the year	1,028,010	2,394,350
Additions	-	-
At end of the year	1,028,010	2,394,350
Additions–internal development/Revaluation	224,790	-
At end of the year	1,252,800	2,394,350
Amortization and impairment	-	
At beginning of the year	-	1,023,670
Amortization	52,200	342,670
At end of the year	52,200	1,366,340
Impairment loss	-	1,028,010
At end of the year	52,200	1,028,010
NBV	1,200,600	1,028,010

Katine Technical Training Institute**Annual Report and Financial Statements for the year ended 30th June 2024****33. Investment Property**

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

The Institute did not undertake any investment in property through out the year.

34. Biological Assets

	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Cattle	270,000	270,000
Trees	-	-
Revaluation	60,000	
Others (Specify)	-	-
Disposal	110,000	
Total	160,000	270,000

35. Trade and Other Payables from Exchange Transactions

Description	Financial Yr. Ended 30 th June 2024		Financial Yr. Ended 30 th June 2023	
	Kshs	% of the Total	Kshs	% of the Total
Trade payables	3,345,545		1,661,885	
Salary deductions	150,798		-	
Third-Party Payments	-		-	
Other Payables	905,386		-	
Total Trade and Other Payables	4,401,730		1,661,885	
Ageing analysis:	Financial Yr. Ended 30th June 2024	% of the Total	Financial Yr. Ended 30th June 2023	% of the Total
Under one year	4,401,729	100%	1,661,885	100%

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1-2 years	-	%	-	-
2-3 years	-	%	-	-
Over 3 years	-	%	-	-
Total (to tie to totals above)	4,401,729	100%	1,661,885	100%

36. Refundable Deposits from Customers/Students

Description	Financial Yr. Ended 30 th June 2024		Financial Yr. Ended 30 th June 2023	
	Kshs		Kshs	
Fees prepayments	-		2,406,193	
Caution money	912,800		689,800	
Other refundable deposits	-		161,920	
Total Deposits	912,800		3,257,893	
Ageing analysis:	Financial Yr. Ended 30 th June 2024	% of the Total	Yr. Ended 30 th June 2023	% of the Total
Under one year	-	-%	-	-%
1-2 years	-	-%	851,700	26%
2-3 years	912,800	100%	2,406,193	74%
Over 3 years	-	-%	-	-%
Total (to tie to totals deposits above)	912,800	100%	3,257,893	100%

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37. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)
Total provisions at the end year	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

38. Finance Lease Obligation

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Maturity Analysis

Period	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: Unearned Interest	(-)
Total	-

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Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

39. Deferred Income

Description	Insert Current FY	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
County Government	-	-
National Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

Description	County government	National funding/ donors	Public contribution s and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	(-)	(-)	(-)	(-)
Transfers to income statement	(-)	(-)	(-)	(-)
Other transfers	(-)	(-)	(-)	(-)
Balance carried forward	-	-	-	-

Include columns as needed for the various sources of income deferred.

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

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40. Service Concession Arrangements

Description	Insert Current FY	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

41. Cash generated from operations.

	Insert Current FY	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Surplus/(Deficit) for the year	18,581,760	13,886,448
Adjusted for:		
Depreciation	10,391,585	6,993,140
Non-Cash grants received	(-)	(-)
Contributed assets/Revaluation gain/loss	(18,605,265)	(-)
Impairment	-	-
Gains and Losses on Disposal of Assets	60,000	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	(-)	(-)
Finance Cost		61,700
Working Capital Adjustments		
Increase//Decrease in Inventory	-	(485,225)
Increase in Receivables	(2,977,060)	16,918,154
Increase in Deferred Income		-
Increase in Payables	2,739,844	1,037,241
Decrease in advanced payment		(19,642,474)
Net Cash Flow from Operating Activities	9,566,298	(353,860)

42. 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 2023 (previous year)				
Receivables from exchange transactions	40,460,151	40,460,151	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	4,879,661	4,879,661	-	-
Total	45,339,812	45,339,812	-	-
At 30 June 2024 (current year)				
Receivables from exchange transactions	43,427,211	43,427,211	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	8,486,567	8,486,567	-	-
Total	51,923,778	51,923,778	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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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 no significant concentration of credit risk on amounts due from customers

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 2023 (previous year)				
Trade Payables	1,661,885	-	-	1,661,885
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Total	1,661,885	-	-	1,661,885
At 30 June 2024 (current year)				
Trade Payables	3,345,545	-	-	3,345,545
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Total	3,345,545	-	-	3,345,545

(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.

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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) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected. Changes in interest rates affect a firm's profitability and also value of its assets and Liabilities. This majorly affects firms financed by borrowed funds/Loans as a result of changes in interest rate levels this affects also the company to cash flows. Katine TTI is majorly financed by its own generated revenues.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to finance its development project from other sources of funding especially development funds from the government, Donor funding or its own generated revenues.

v) Capital Risk Management

Refers to the possibility of a firm to lose money either by investing in Non-government securities and bonds or investing in projects that do not produce future returns to cover the initial capital

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	Insert Current FY	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Revaluation Reserve	(18,228,014)	-
Retained Earnings	127285600	125,955,808
Capital Reserve	118,984,756	118,631,008
Total Funds	228,042,342	244,586,815.60
Total Borrowings	4,401,729	-
Less: Cash and Bank Balances	8,486,567	(4,879,661.15)
Net Debt/(Excess Cash and Cash Equivalentents)	4,084,838	4,879,661,15
Gearing	1,93%	50%

43. 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.

Katine Technical Training Institute**Annual Report and Financial Statements for the year ended 30th June 2024****Government of Kenya**

The Government of Kenya is the principal shareholder of the entity. 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 County Government.
- ii) The Parent Department.
- iii) Board of Management;
- iv) Key management;
- v) Board of Directors

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

Description	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Hire of facility by govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from kplc	994,534.91	262,322
Purchase of water from govt service providers	221,060	580,500
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	842,822
b) Grants /Transfers from the Government		
Grants from National Govt	-	10,106,000
Grants from County Government-Capitation	14,488,130	-
Donations in Kind	-	-
Total	-	
Total	14,448,130	10,106,000
c) Key Management Compensation		
Board of Management emoluments	1,726,734	494,000
Compensation to Key Management	-	-
Total	1,726,734	494,000

44. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Insert Current FY	Financial Yr. Ended 30 th June 2023
	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	Financial Yr. Ended 30 th June 2023
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case 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)

45. Capital Commitments

Capital Commitments	Financial Yr. Ended 30 th June 2024	Financial Yr. Ended 30 th June 2023
	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)

46. Events After The Reporting Period

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

47. Currency

The financial statements are presented in Kenya Shillings (Kshs)

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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

.....

Name: Madam Justine Muindu
Principal/Manager

Date



Appendix II: Projects Implemented by (The Entity)

Projects

Projects implemented by Katine T.T.I Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	-	-	-	-	-	-
2	-	-	-	-	-	-

Status of Project Completion

There was no project funded by development partners during the year.

(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	Institute Gate	3,760,859.20	3,760,859.20	100	4,500,000	3,760,859.20	B.O.G

Project was fully completed as the closure of the year.

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity:.....N/A.....

Name of beneficiary entity:.....N/A.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2024 (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total	-	-	-	-	-

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 Sign Date.....

Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
-	--	-	-	-	-	-
-	-	-	-	-	-	-