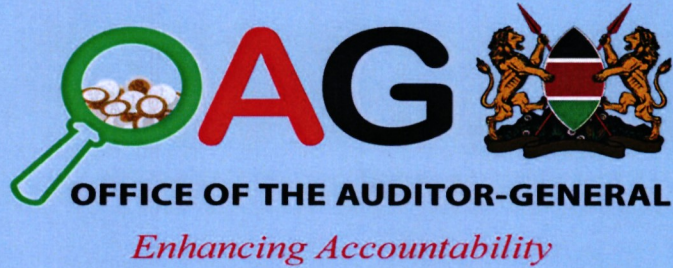
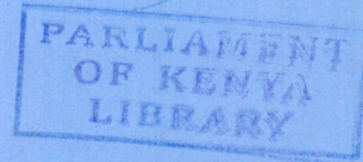



REPUBLIC OF KENYA



**REPORT**



**OF**

 THE NATIONAL ASSEMBLY P. 0	
DATE: 06 JUL 2023	
NGV Thursday	
TABLED BY:	Hon. Samuel Chepkonga, MP
CLERK AT THE TABLE:	Joyce Kempele

**THE AUDITOR-GENERAL**

**ON**

**KOSHIN TECHNICAL TRAINING  
INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



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**KOSHIN TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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## **I. Key Entity Information and Management**

### **(a) Background information**

Koshin Technical Training Institute was originally established as a Youth Polytechnic by Rafiki Ya Maisha, Kenya a community-based organization in collaboration with Rafiki Ya Maisha International in Paris, France. The Institute was registered by the Technical Vocational Education and Training Authority (TVETA) in April 2016 to operate as a Technical and Vocational College in accordance with the TVET ACT, No 29 of 2013.

The initial objective was to build a Youth Polytechnic (Vocational Training Centre) to benefit the youths within the community. However, in consultation with the surrounding community, a decision was reached in which the facility was handed over to the government. It was recommended that it becomes a Technical Training Institution resulting to the birth of Koshin Technical Training Institute.

### **(b) Principal Activities**

#### **Vision**

The Vision of Koshin Technical Training Institute is to be a Global centre of excellence in quality technical and entrepreneurship training, research and innovation

#### **Mission**

Our mission is to provide technical and entrepreneurship skills, research and innovation that meet the human resource needs for industrial and societal sustainable development.

#### **Mandate**

To offer technical training

To provide and promote lifelong learning.

#### **Core Values**

At Koshin Technical Training Institute, we are committed to the following core values:

- a) Customer Focus,
- b) Team work,
- c) Integrity,
- d) Competitiveness,
- e) Diversity.

#### **The following are the strategic objectives;**

1. To offer access to quality technical training in market driven courses;
2. To establish strategic partnerships, collaborations, linkages and networks with research institutions, industry and professional bodies to enhance human and physical capacity for research, training and innovation
3. To enhance integration of ICT in management, training and learning.
4. To promote capacity building for teaching and non-teaching staff for suitable effective service delivery.
5. To develop and encourage a culture of research, creativity and innovation among training staff.
6. To enhance institutional corporate governance image and management of institutional resources for operational efficiency and effectiveness

### **(c) Key Management**

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

- Board of Governors members

- Accounting officer/ Principal
- Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Zipporah Kutoh
2.	Deputy Principal	Sammy Chirchir
3.	Head of Finance	Abraham Kiptoo
4.	Head of Procurement	Hilda Sum
5.	Registrar	Benjamin Owiti
6.	Dean of students	Robert Kemboi

**(e) Fiduciary Oversight Arrangements**

**Audit committee activities**

Responsibilities of the audit committee typically include:

- Overseeing the financial reporting and disclosure process.
- Monitoring choice of accounting policies and principles.
- Overseeing hiring, performance and independence of the external auditors.
- Oversight of regulatory compliance, ethics, and whistle blower hotlines.
- Monitoring the internal control process.
- Overseeing the performance of the internal audit function.
- Discussing risk management policies and practices with management.

- Development partner oversight activities  
 For the current financial year we do not have any development partner engagement.

**(f) Entity Headquarters**

P.O. Box 4040 code 30100  
 Eldoret – Iten Road Off Marura- Koshin Road  
 Eldoret, Kenya

**(g) Entity Contacts**

Telephone: (254) 795811170  
 E-mail: [koshintti@gmail.com](mailto:koshintti@gmail.com)  
[www.koshintti.ac.ke](http://www.koshintti.ac.ke)

**(h) Entity Bankers**

Kenya Commercial Bank of Kenya Ltd  
 Eldoret Main Branch  
 P.O Box 560-30100  
 Eldoret Kenya.


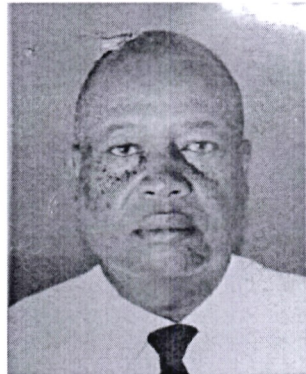

**(i) Independent Auditors**

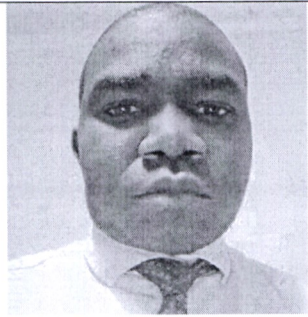
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(j) Principal Legal Adviser**

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

**II. The Board of Governors**

Director's passport-size photo and name, and key profession/academic qualifications	Description of each Director's date of birth, key qualifications and work experience
 <p>Mrs. Leah Kibii Bsc. Food Technology, MBA General.</p>	<p>Mrs. Leah Kibii was born on 10<sup>th</sup> Dec. 1962. She is a holder of Bsc. in Food Technology; She is currently a Director with the Eastern Produce (K) Ltd., with wide experience in Industrial Management and Leadership. She is the Board chairperson.</p>
 <p>Mr. James Chirchir CPA K- Accountant.</p>	<p>Mr. Chirchir was born in 1956. He is a CPA K holder with over 40 yrs experience in Accounting practises. He is the Chairperson of Finance and Infrastructure and Development Committee.</p>
 <p>Mr. Jeremiah Oruko Automotive Engineering.</p>	<p>Mr. Oruko was born on 20<sup>th</sup> Sept.1956; he holds a Bachelor of Education (Vocational) from university of New Brunswick-Canada. He is a retired civil servant who served with distinguished service in the ministry of Education for 33yrs dealing with technical Education. He is the Chairperson of Education and training Committee.</p>



Mr. Walter Mhando  
 Bsc. Electrical Engineering

Mr. Mhando was born in 1972. He has a wide experience in Electrical and Electronics Engineering and ICT-Networks and software development; he is currently a technical Director of Dace Solutions Ltd. He is a member of Education and training Committee.



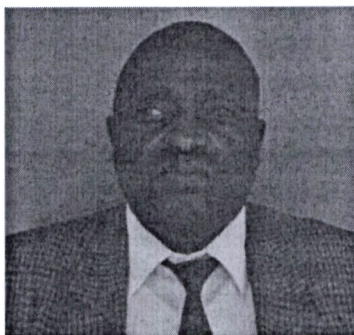
Mrs. Dorcas Arusei  
 Information Communication Technology

Mrs Dorcas Arusei was born on 10<sup>th</sup> Sept. 1988. She is a holder of Msc. Computer science with experience of 4 yrs in lecturing in the University of Eldoret and Moi university, she practises as an Entrepreneur in Hospitality. She is a member of Finance and Infrastructure and Development Committee.



Ms. Sotimarie Biwott  
 Industrial Technology

Ms. Sotimarie Biwott was born on 31<sup>st</sup> Jan. 1988 She holds Msc. Oil and Gas Trade management from Regents University London –UK.B. Engineering chemical Engineering with environmental Engineering in McGill University Montreal Canada. She is experienced in design Engineering in Energy/Petroleum and mining system She is a member of Audit and Risk Management Committee.





Mr. Geoffrey Gichuru Mutulili



Mr.Gichuru Mutulili was born on 3<sup>rd</sup> Sept.1966; he is the current TVET County Director Uasin Gichu, Nandi and Elgeyo Marakwet counties. He is the Ministry's representative in the Board and provide advice and guidelines on Ministry's strategic goals, mandate and policy direction. HE holds Master's in Business Administration (Management Information Systems) and B.Ed. (Arts) Mathematics &Business Studies. Further ,has wealth of experience in public service particularly in Educational management particularly ISQ Training, Performance management, project management, financial management, procurement management and monitoring and evaluation

**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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<p>Master's in Business Administration (Management Information Systems) and B.Ed. (Arts)</p>	<p>of programmes and projects having served as a teacher ,education officer in various positions in Counties.</p>
 <p>Mrs. Claire Roth PhD. Psychology</p>	<p>Mrs. Claire Roth was born in 1962. She is a holder of PhD in Psychology in areas of Human Resource Management, Project management, Psychological counselling and leadership. She is a board member.</p>
 <p>Ms. Zipporah Kutoh HND Entrepreneurship, Bachelor of Education Arts, Economics and Business, Masters in Counselling Psychology- on-going.</p>	<p>Mrs Zipporah Kutoh was born on 14<sup>th</sup> April 1970. She is a holder of Higher National Diploma in entrepreneurship from Eldoret National polytechnic, degree in Education Arts, Economics and Business from Egerton University and an on-going Masters in Counselling Psychology from Moi university. She is the Chief Executive Officer of Koshin Technical Training Institute serving as the Principal and Secretary to the Board of Governors.</p>

**III. Management Team**

Name of the Staff	Responsibility
 <p>Mrs Zipporah Kutoh                      HND Entrepreneurship, Bachelor of Education Arts,                      Economics and Business, Masters in Counselling                      Psychology- on-going.</p>	<p>She is the Chief Executive Officer of Koshin                      Technical Training Institute serving as the Principal                      and Secretary to the Board of Governors.                      She is the Accounting Officer.</p>
 <p>Mr Sammy Chirchir Cheruiyot                      PhD(Cand), Med, MBA</p>	<p>He is the Deputy Principal.                      He is in charge of Administration and Academic                      affairs.</p>
 <p>Mr. Benjamin Owiti                      Bsc Electrical and Electronics Engineering</p>	<p>He is the Registrar in charge of Student Admissions                      and Marketing</p>

**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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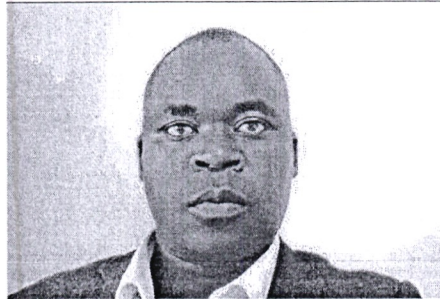
Mr. Robert Kemboi  
HND Electrical Engineering (Power Option)

He is the Dean of Students who is in charge of Student welfare.



Miss Hilda Sum  
BBM Purchasing and Supplies

She is the Procurement officer who is in charge of Advisory service in procurement matters.



Mr. Abraham Kiptoo  
BBM Finance and Banking, CPAK-Accountancy

He is the Accountant and the head of Finance he is in charge of; Financial management, budgeting and control and Financial Reporting

#### **IV. Chairperson's Statement**

The institutes' strategic plan 2017-2022 (Revised December 2018) highlights Key strategic issues namely:

- i. Curriculum implementation
- ii. Physical Infrastructure
- iii. Governance and leadership
- iv. Machines, Equipment and ICT infrastructure
- v. Financial capacity
- vi. Human resource
- vii. Collaboration, partnership and linkages.
- viii. Research and Innovation

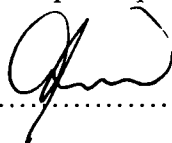
These issues were identified through a situation analysis involving internal and external environments that influence the operations of the institute.

The external environment was analysed through the analysis of Political, Economic, Social-cultural, Technological, Environmental and Legal factors.

The internal analysis was conducted through consideration of the strengths, weaknesses, opportunities and threats with a view to uphold or leverage the strengths and opportunities and eliminate or cope up with weaknesses and threats.

From the strategic issues identified, there was need to implement strategies and activities that went along away to provide solutions: for instance, provision of quality and relevant education and training under the Curriculum implementation pillar, construction of electrical workshop for physical infrastructure, employment of qualified and competent trainers and non-trainers, Capacity building, and participating in TVET fairs, research competition and robot.

Leah Kibii .....



Chairperson of the Board.

**V. Report of the Principal**

As highlighted by the chairperson of the Board of Governors, the main strategic issues considered at Koshin Technical Training Institute were curriculum implementation, Physical infrastructure, Governance and leadership, Machines, Equipment and ICT infrastructure, Financial Capacity, Human Resource, Collaboration, Partnership and Linkages, Research and Innovation.

During the year under consideration the following activities were undertaken:

1. Curriculum implementation:  
Marketing of the institute's courses for increased enrolment.
2. Physical Infrastructure  
Construction of the new Ablution blocks (Staff and Students) and Septic Tank.
3. Governance and leadership  
Training workshop for the Board of governors conducted to enhance the management skills of the members of the board.
4. Machines, Equipment and ICT infrastructure  
Existing machines and equipment well maintained
5. Financial capacity  
Mobilisation of resources and policy implementation.
6. Human resource  
Recruitment of qualified and competent trainers and non-trainers
7. Collaboration, partnership and linkages.  
Consideration of developing networks with industries which would translate to a memorandum.
8. Research and Innovation  
Encouraged the culture of creativity and innovation to both trainers and trainees.

**Principal/BOG Secretary**

**Date:** 03.04.2023



**VI. Statement of Performance against Predetermined Objectives**

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

Koshin Technical Training Institute has 8 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

- Pillar 1: Curriculum and student Enrolment
- Pillar 2: Physical Infrastructural Facilities
- Pillar 3: Governance and Leadership
- Pillar 4: Machine, Equipment and Information Communication technology Infrastructure
- Pillar 5: Financial Capacity
- Pillar 6: Human Resource (Teaching and Non-Teaching Staff)
- Pillar 7: Collaborations, Partnerships and Linkages
- Pillar 8: Research and Innovation

Koshin Technical Training Institute develops its annual work plans based on the above 8 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institution achieved its performance targets set for the FY 2021/2022 period for its 8 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar 1: a) Curriculum Implementation b) Student Enrolment	-To provide quality and relevant technical training to trainees -To raise and maintain academic standards in all Koshin TTI course Programmes	-Development and expansion of academic programs  -Increased student enrolment	-Introduction of more courses  -Enhance Marketing	-Increase of academic departments  -Increased enrolment of students.
Pillar 2: Physical Infrastructural Facilities	-To develop and enhance infrastructure for effective delivery of the institutions mandate	Construction of Student ablution block	-To construct Student ablution block	-It has been constructed up to 85% completion
Pillar 3: Governance and Leadership	- To develop a management structure that serves the Institution effectively - To establish culture of good governance in management and administration of the institution over	- Policies implemented - Programmes implemented and reforms implemented - A well working student Organization - Monitoring and	- Policies and regulations implemented - Programmes implemented and relevant service reforms implemented - Implementation of the institutional	-There were new courses introduced during the year and a well-structured student council.

**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

	the plan period	evaluation mechanism	policy framework	
Pillar 4: Machine, Equipment and Information Communication technology Infrastructure	<ul style="list-style-type: none"> <li>- To build ICT capacity in curriculum delivery, service delivery and institutional management.</li> <li>- To build ICT capacity in curriculum delivery.</li> </ul>	<ul style="list-style-type: none"> <li>- Use of ICTs in instruction</li> <li>- Inter-connectivity of departments through viable means of communication</li> </ul>	<ul style="list-style-type: none"> <li>- Develop an ICT framework</li> <li>- Interaction of ICT in teaching and learning</li> <li>- Develop and maintain fully functional networked and wireless internet facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Trainers are accessed to Projectors and computers to use in training students</li> <li>- Heads of Department are connected to internet for ease of communication</li> </ul>
Pillar 5: Financial Capacity	<ul style="list-style-type: none"> <li>- Improve financial sustainability through effective and efficient financial and procurement systems</li> </ul>	<ul style="list-style-type: none"> <li>- Implemented financial policies in daily operations</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce fees defaults</li> <li>- Cost reductions and savings</li> <li>- Develop funding to the GOK</li> <li>- Develop funding to donors and income generating activities</li> </ul>	<ul style="list-style-type: none"> <li>- All transactions of fees payment are verified through bank and Pay-bill statements before receipting is done.</li> <li>- Proposals to donors on funding was done</li> </ul>
Pillar 6: Human Resource (Teaching and Non-Teaching Staff)	<ul style="list-style-type: none"> <li>- To attract, upgrade and maintain qualified staff</li> <li>- To provide an enabling environment for teaching and non-teaching staff to develop themselves</li> </ul>	<ul style="list-style-type: none"> <li>- Creation of staff welfare</li> <li>- Good rapport and working relationship between the administration and the staff</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and implement policies</li> <li>- Create and support the welfare support program</li> </ul>	<ul style="list-style-type: none"> <li>- A good working relationship between the administration and staff has been created through welfare creation</li> </ul>
Pillar 7: Collaborations, Partnerships and Linkages	<ul style="list-style-type: none"> <li>- To establish collaborations and partnerships with industry, development</li> </ul>	<ul style="list-style-type: none"> <li>- Established exchange programmes</li> </ul>	<ul style="list-style-type: none"> <li>- Improve the Institute community collaboration</li> </ul>	<ul style="list-style-type: none"> <li>- There was increased partnership between the Institution and</li> </ul>

**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

	partners, institutions of higher learning government and professional bodies and community to ensure relevance of our graduates to the market		for effective contribution to socio-economic development through active participation in corporate social responsibility activities	private firms offering attachment opportunities to our students.
Pillar8: Research and Innovation	<ul style="list-style-type: none"> <li>- To enhance research and development in the institution.</li> <li>- To enhance research and innovations over the planned period</li> </ul>	<ul style="list-style-type: none"> <li>- Research and development infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>- Undertake value-added research and innovation for supporting agriculture, science and technology development</li> </ul>	<ul style="list-style-type: none"> <li>- There were programmes developed and agriculture courses undertaken to improve and support agriculture</li> </ul>

## **VII. Corporate Governance Statement**

Koshin Technical Training Institute is organised under the category of Technical and Vocational Colleges to offer programmes up to Diploma level, in accordance with the TVET Act No. 29 of 2013. The institute is governed by the Board of Governors. The membership of the BOG comprises the Chairperson, representative of the Principal Secretary, State Department of Vocational and Technical Training, Ministry of Education, representative of the Governor of Uasin Gishu within which the institute is located, Six other persons appointed on the basis of their knowledge and experience in leadership and management, financial management, technology, industry, engineering and Information Communication Technology. The Principal/Accounting Officer being the secretary to the Board.

In appointing and reappointing of board members, commencement dates of some members are staggered to maintain continuity in the affairs of the board.

The appointment of a member to the Board of Governors may be revoked if the member resigns, becomes insolvent, imprisoned for a term of six months or more, incapacitated by physical or mental illness, absent from three consecutive meetings of the board without leave, inability to discharge his/her function or appointment revoked by the appointing authority.

The BOG meets at least once every four months. Quorum for the conduct of business at a meeting of the BOG is two-thirds of the total number of members of the Board.

### **The functions of the Board Include:**

- Overseeing the conduct of Education and Training in the institute
- Promoting and maintaining quality standards and relevance in education and Training
- Administering and managing the institutes property
- Preparing annual estimates of revenue and expenditure as well as incurring expenditure
- Receiving fees, grants, subscriptions, donations and other monies and making disbursements
- Mobilising resources for the institute
- Developing and reviewing training programmes
- Regulating admissions subject to the Act
- Approving collaborations or associations with other institutions and industries
- Recruiting trainers from among qualified professionals
- Determining suitable terms and conditions of service for support staff and trainers and remunerating them in consultation with the Authority.
- Making regulations governing the institute, conduct and discipline of staff and students.
- Preparing annual reports in areas of their mandate
- Providing for the welfare of staff and students
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institute.

**VIII. Management Discussion and Analysis**

**a) Koshin Technical Training Institute operational and financial performance**

During the period the institute realized Appropriation in Aid revenue of Ksh. 14,568,000 and Government grants of Ksh. 8,145,000 and recurrent expenditure stood at Ksh.21,100,403.

**b) Koshin Technical Training Institute compliance with statutory requirements**

Koshin Technical Training Institute has complied with all statutory requirements which include prompt remittance of NSSF, NHIF, PAYE, HELB and Withholding Taxes.

**c) Key projects Koshin Technical Training Institute is implementing.**

The following are the ongoing projects at Koshin Technical Training Institute funded using grants from the State Department and Donor.

ON-GOING PROJECTS						CONTRACTORS PAID	Balance due
Project Title	Funding	Contract Sum	Status	Amount spent to date	% status	Tenderi Talent	
1. Ablution block	G.O.K Grants	2,940,835	On going	2,497,425.00	85%	2,497,425.00	443,410.00
2. Septic tank	G.O.K Grants	2,184,917	On going	1,640,190.95	75%	1,640,190.95	544,726.05
<b>TOTAL</b>		<b>5,125,742</b>		<b>4,137,615.95</b>		<b>4,137,615.95</b>	<b>988,136.05</b>

**d) Major risks facing Koshin Technical Training Institute**

Koshin Technical Training Institute desires to enhance its performance and competitiveness in the tertiary education sector in the face of competition of already established institutions and private colleges/institutions. However, to succeed in competitive environment the Institute requires a lot of support from the Government and other stakeholders in terms of funding and other development projects because there is lack of; hostels for students and staff, inadequate classroom infrastructure, inadequate land for expansion, insufficient funds, inadequate library space and books and means of transport-utility vehicles.

**e) Material arrears in statutory/financial obligations**

Koshin Technical Training Institute is law abiding Institution and is committed to its core mandate hence it has no Statutory or tax default to date.

**f) The entity's financial probity and serious governance issues**

The Institute has no governance issues among the Board of Governors members or the top management in so far as conflict of interest is concerned.

**IX.Environmental and Sustainability Reporting Statement**

Koshin Technical Training Institute exists to offer quality training services. Our purpose is to provide quality technical and entrepreneurship skills, research and innovation that meet the

human resource needs for industrial, societal and industrial development. It's what guides us to deliver our strategy, which is founded on 8 pillars:

1. Curriculum implementation
2. Physical Infrastructure
3. Governance and leadership
4. Machines, Equipment and ICT infrastructure
5. Financial capacity
6. Human resource
7. Collaboration, partnership and linkages.
8. Research and Innovation

Below is a brief highlight of our achievements in each pillar:

**Curriculum implementation**

In the implementation of the curriculum the management ensured that the training offered was of high quality. Instructional training, continuous assessment and evaluation conducted in line with the academic policy. External examinations were conducted.

**Physical Infrastructure**

During the period the construction of additional workshop was under taken.

**Governance and leadership**

Reviewed an organogram exists for clear identification of reporting mechanisms among various positions.

**Machines, Equipment and ICT infrastructure**

Maintenance of the existing machines, equipment and renovations of structures was enhanced,

**Financial capacity**

Mobilisation of resources through cost cutting measures, policy implementation regarding daily operations

**Human resource**

Persons with the right qualifications and competence were hired following established process of advertising existing posts, receiving applications, shortlisting of qualified candidates and inviting for an interview conducted based on established criteria that include gender consideration, experiences and relevant qualifications.

**Collaboration, Partnership and Linkages.**

Partnered with the community in tree planting to increase the Kenya's forest cover.

**Research and Innovation**

During the year under review, Trainers and Trainees did not participate in TVET fairs for presentations in research writing competitions, robotics and innovations.

## **X. Report of the Board of Governors**

The Board members submit their reports together with the financial statements for the period ended 30<sup>th</sup> June, 2022 which shows the state of the entity's affairs.

Principal activities

The principal activities of the entity are;

- To offer technical training
- To provide and promote life-long learning

### **Board of Governors**

The members of the Board who served during the year are shown on page vi, vii and viii.

### **Auditors**

The Auditor General is responsible for the statutory audit of Koshin TTI for the year ended June 30, 2022 in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

Principal/BOG Secretary

Date: 03-04-2023



**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XI. Statement of Board of Governors/ Council's Responsibilities**

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

The Board members are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for the period, ended 30th June 2022.

This responsibility includes:

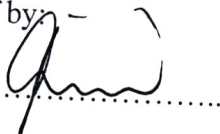
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) Designing, implementing 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 Institute;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Institute'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. The Board members are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the period ended 30th June 2022, and of the Institute's financial position as Institute at that date. The Board members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial s Institute statements

The Institute's financial statements were approved by the Board on 29/09/2022 and signed on its behalf by:



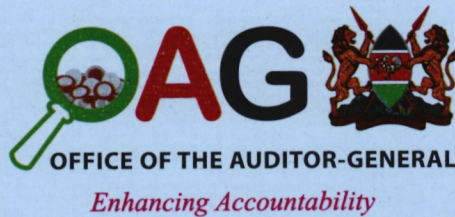
Leah Kibii

Chairperson of the Board

**PRINCIPAL**  
KOSHIN TECHNICAL TRAINING INSTITUTE  
03 APR 2023  
Zipporah Kutoh  
Box 4040 - 30100,  
ELDORET.

**Accounting officer/Principal**  
**PRINCIPAL**  
KOSHIN TECHNICAL TRAINING INSTITUTE  
03 APR 2023  
P. O. Box 4040 - 30100,  
ELDORET.

# REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON KOSHIN TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and overall 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 Koshin Technical Training Institute set out on pages 1 to 45, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes

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*Report of the Auditor-General on Koshin Technical Training Institute for the year ended 30 June, 2022*

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Koshin Technical Training Institute as at 30 June, 2022, and 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 Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

### **Basis for Qualified Opinion**

#### **Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment amounting to Kshs.12,328,082. However, the amount does not include the value of five (5) acres of land on which the administration block and classrooms, workshops, generator house, hall and pit latrine stand. Further, the title deed for the land was not provided for audit verification.

In addition, the amount excludes various assets donated by a Non-Governmental Organisation (NGO) which have not been valued.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment amounting to Kshs.12,328,082 could not be confirmed.

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

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

#### **Other Matter**

#### **Unresolved Prior Year Matters**

There were issues raised in the audit report for 2020/2021 financial year. However, no report or recommendations from the Management and oversight bodies were provided for review and the issues remain unresolved. This is contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require the Accounting Officers designated

for National Government entities to try to resolve any issues resulting from an audit that remain outstanding.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. Employee Costs

The statement of financial performance reflects employee costs amounting to Kshs.8,422,238. Review of records revealed that the Institute had nine (9) Board Members, out of whom four (4) or 44% were from the dominant community. Similarly, the Institute has forty (40) employees out of which thirty-seven (37) or 93% were from the same dominant community. This is contrary to Section 7 of the National Cohesion and Integration Act, 2008 which requires that all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of staff from the same ethnic community.

In the circumstance, the Management was in breach of the National Cohesion and Integration Act, 2008.

#### 2. Proposed Construction of Ablution Block and Septic Tank

The statement of financial position reflects property, plant and equipment amounting to Kshs.12,238,082. The amount includes capital work in progress of Kshs.4,137,614 as disclosed in Note 31 to the financial statements. The work in progress includes the proposed construction of staff and students' ablution block and 90,000 litres septic tank at a contract sum of Kshs.5,125,752. At the time of audit, the certified work in monetary terms was Kshs.4,137,614 which is 80% of the contract sum. The contractor requested for variation of contract by Kshs.2,446,257 which is above 25% allowable variation for works. However, the request was rejected and the contractor was not on site at the time of audit in March 2023.

In the circumstances, the completion of the project is in doubt and value for money has not been achieved.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

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

## **Responsibilities of Management and the Board of Governors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Institute or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Governors is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how the 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**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

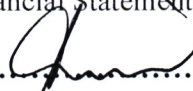
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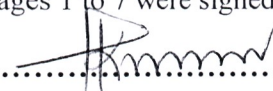
**Koshiin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**


**XIII. Statement of Financial Performance for the year ended 30 June 2022**

	Notes	2021-2022 Kshs	2020-2021 Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	8,145,000	9,560,000
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	0	0
Public contributions and donations	9	0	0
		<b>8,145,000</b>	<b>9,560,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	10	14,568,000	9,007,240
Sale of goods	11	0	-
Rental revenue from facilities and equipment	12	0	-
Finance income - external investments	13	0	-
Other income/Tender Registration	14	0	-
		<b>14,568,000</b>	<b>9,007,240</b>
<b>Total revenue</b>		<b>22,713,000</b>	<b>18,567,240</b>
<b>Expenses</b>			
Use of goods and services	15	10,121,145	4,912,557
Employee costs	16	8,422,238	6,178,178
Board Expenses	17	1,059,000	937,300
Depreciation and amortization expense	18	1,765,646	1,521,320
Repairs and maintenance	19	1,498,020	135,000
Contracted services	20	0	-
Grants and subsidies	21	0	-
Finance costs	22	0	-
		<b>22,866,049</b>	<b>13,684,355</b>
<b>Total expenses</b>		<b>22,866,049</b>	<b>13,684,355</b>
<b>Other gains/(losses)</b>			
Gain on sale of assets	23	0	0
Unrealized gain on fair value of investments	24	0	0
Impairment loss	25	0	0
Total other gains/(losses)		0	0
<b>Net Surplus for the year</b>		<b>(153,049)</b>	<b>4,882,885</b>

The Financial Statements set out on pages 1 to 7 were signed by:

  
 .....  
 Chairperson of the Board

  
 .....  
 Finance Officer

  
 .....  
 Principal

Date 3.4.2023

Date 03/04/2023

Date 03-04-2023



**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XIV. Statement of Financial Position as at 30th June 2022**

	Notes	2021-2022 Kshs	2020-2021 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	26	4,911,773	4,492,251
Current portion of receivables from exchange transactions	27 (a)	993,224	514,319
Receivables from non-exchange transactions	28	0	0
Inventories	29	95,305	183,997
Investments	30	0	0
		<b>6,000,302</b>	<b>5,190,567</b>
<b>Non-current assets</b>			
Property, plant and equipment	31	<b>12,238,082</b>	15,405,725
Intangible assets	32	0	0
Investment property	33	0	0
Long term receivables from exchange transactions	27 (b)	0	0
		<b>12,238,082</b>	<b>15,405,725</b>
<b>Total assets</b>		<b>18,238,384</b>	<b>20,596,292</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	34	867,069	288,746
Refundable deposits –caution money	35	169,500	19,870
Provisions	36	0	0
Finance lease obligation	37	0	0
Current portion of borrowings	41 (b)	0	0
Deferred income	38	0	0
Employee benefit obligation	39	0	0
		<b>1,036,569</b>	<b>308,616</b>
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	39	0	0
Non-current provisions	40	0	0
Borrowings	41	0	0
Service concession liability	42	0	0
		<b>0</b>	<b>0</b>
<b>Total liabilities</b>		<b>1,036,569</b>	<b>308,616</b>
<b>Net assets</b>		<b>17,201,815</b>	<b>20,287,676</b>
Reserves		(1,041,596)	2,199,832
Accumulated surplus		22,389,325	20,776,728
Capital Fund		(4,145,914)	(2,380,268)
<b>Total net assets and liabilities</b>		<b>17,201,815</b>	<b>20,596,292</b>

The Financial Statements set out on pages 1 to 7 were signed by:

.....  
 Chairperson of the Board

.....  
 Finance Officer

.....  
 Principal

ICPAK No. AC(OC)/3127

Date..... 3.4.2023

Date..... 28/04/2022

Date..... 03.04.2023



**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XV. Statement of Changes in Net Asset for the year ended 30 June 2022**

	Donated assets	Development fund	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2020</b>	-	-	<b>14,372,523</b>	<b>-858,948</b>	<b>13,513,575</b>
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	4,882,885	-	4,882,885
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	1,521,320	(1,521,320)	-
<b>At June 30, 2021</b>	-	-	<b>20,776,728</b>	<b>-2,380,268</b>	<b>18,396,460</b>
<b>At July 1, 2021</b>	-	-	<b>20,776,728</b>	<b>-2,380,268</b>	<b>18,396,460</b>
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	(153,049)	-	(153,049)
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	1,765,646	(1,765,646)	-
<b>At June 30, 2022</b>	-	-	<b>22,389,325</b>	<b>-4,145,914</b>	<b>18,243,411</b>

**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

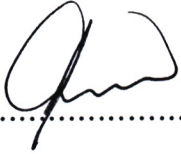
**XVI. Statement of Cash Flows for the year ended 30 June 2022**

		2021-2022	2020-2021
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6	8,145,000	9,560,000
Public contributions and donations	9	0	0
Rendering of services- Fees from students	10	14,568,000	9,007,240
Sale of goods	11	0	0
Rental revenue from facilities and equipment.	12	0	0
Finance income	13	0	0
Other income	14	0	0
<b>Total Receipts</b>		<b>22,713,000</b>	<b>18,567,240</b>
<b>Payments</b>			
Use of goods and services	15	10,121,145	4,372,657
Employee costs	16	8,422,238	6,201,578
Board Expenses	17	1,059,000	937,300
Repairs and maintenance	19	1,498,020	135,000
Contracted services	20	0	0
Grants and subsidies	21	0	0
Finance costs	22	0	0
<b>Total payments</b>		<b>21,100,403</b>	<b>11,646,535</b>
<b>Net cash flows from operating activities</b>		<b>1,612,597</b>	<b>8,107,635</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(1,679,417)	(3,134,582)
Proceeds from sale of property, plant and equipment		0	0
Decrease in non-current receivables		0	0
Increase in investments		0	0
<b>Net cash flows used in investing activities</b>			
Cash flows from financing activities		0	0
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Increase in deposits		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		1,619,759	(8,527,493)
<b>Cash and cash equivalents at 1 JULY 2021</b>	<b>21</b>	<b>4,492,251</b>	<b>6,273,348</b>
<b>Cash and cash equivalents at 30 JUNE 2022</b>	<b>21</b>	<b>4,911,773</b>	<b>4,492,251</b>

The Financial Statements set out on pages 1 to 7 were signed by:

**Koshin Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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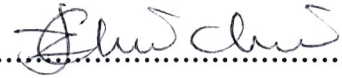
.....  
Chairperson of the Board

Date..... 3.4.2023 .....



.....  
Finance Officer  
ICPAK No Assoc/3127

Date .. 03/04/2023 .....



.....  
Principal

Date .. 03 - 04 - 2023 .....



Koshin Technical Training Institute  
Annual Report and Financial Statements for the year ended 30th June 2022

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
<b>Revenue</b>						%
Transfers from other Govt. entities Govt. grants	25,500,000	-	25,500,000	8,145,000	17,355,000	31.94
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Fees from students	22,457,000	-	22,457,000	14,568,000	7,889,000	65.37
Sale of goods	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Gains on disposal, rental income and agency fees	-	-	-	-	-	-
<b>Total income</b>	<b>47,957,000</b>	-	<b>47,957,000</b>	<b>22,713,000</b>	<b>25,244,000</b>	<b>47.36</b>
<b>Expenses</b>						-
Use of goods and services	30,828,480	-	30,828,480	10,121,145	20,707,335	34.20
Employee costs	13,600,000	-	13,600,000	8,422,238	5,177,762	61.93
Remuneration of Directors	1,913,520	-	1,913,520	1,059,000	854,520	55.34
Repairs and maintenance	1,615,000	-	1,615,000	1,498,020	116,980	92.76
<b>Total expenditure</b>	<b>47,957,000</b>	-	<b>47,957,000</b>	<b>21,100,403</b>	<b>26,856,597</b>	<b>44.88</b>
<b>Surplus for the period</b>	<b>0</b>	-	<b>0</b>	<b>1,612,597</b>	<b>-1,612,597</b>	<b>#DIV/0!</b>

Budget notes

- The high-performance differences resulted from low revenue collection due to unmet student enrolment target and undispursed Government capitation for the 4<sup>th</sup> Quarter.

**XVIII. Notes to the Financial Statements**

**1. General Information**

Koshin TTI is established by and derives its authority and accountability from the TVET Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Training.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Koshin TTI accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 31.

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

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. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful

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Standard	Effective date and impact:
	<p>information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting</li> </ul>

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Standard	Effective date and impact:
	<p>for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1<sup>st</sup> January 2023</i></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>
<p>IPSAS 43</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

**iii. Early adoption of standards**

Koshin Technical Training Institute did not early-adopt any new or amended standards in year 2022.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**Summary of Significant Accounting Policies (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**Rental income**

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

**b) Budget information**

The original budget for FY 2021/2022 was approved by the Board of Governors on 07 July 2021. No revisions nor additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

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

**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 over a period of 3 years.

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

Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the 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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the 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

**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.

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**i) Financial instruments**

*Financial assets*

*Initial recognition and measurement*

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

*Loans and receivables*

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

*Held-to-maturity*

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

*Impairment of financial assets*

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

#### **4 Summary of Significant Accounting Policies (Continued)**

##### **i) Financial instruments (Continued)**

###### *Financial assets (Continued)*

###### *Impairment of financial assets (Continued)*

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

###### *Financial liabilities*

###### *Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

###### *Loans and borrowing*

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

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

##### **j) Inventories**

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

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

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**Inventories (Continued)**

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**k) Provisions**

Provisions are recognized when the 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.

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**l) 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*).

**m) 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.

**n) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**o) Foreign currency transactions**

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

**p) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**q) Related parties**

The 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.

**r) 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.

**s) Cash and cash equivalents**

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

**t) Comparative figures**

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

**u) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

**Notes to the Financial Statements (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**Provisions**

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

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

**6. Transfers from other National Government entities**

Description	2021-2022	2020-2021
	KShs	KShs
Unconditional grants		
Operational grant	8,145,000	9,560,000
Other grants	0	0
Conditional grants		
Development grant	0	0

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Library grant	0	0
Hostels grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Learning facilities grant	0	0
Other organizational grants	0	0
<b>Total government grants and subsidies</b>	<b>8,145,000</b>	<b>9,560,000</b>

**(a) Transfers from other Government entities (Categorized)**

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the period	2021-2022
			KShs	KShs	KShs
State Department of Vocational & Technical Training	0	0	0	8,145,000	8,145,000
Ministry	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,145,000</b>	<b>8,145,000</b>

**7. Grants from Donors and Development Partners**

Description	2021-2022	2020-2021
	KShs	KShs
JICA- Research grant	0	0
World Bank grants	0	0
Other grants	0	0
<b>Total grants from development partners</b>	<b>0</b>	<b>0</b>

We did not receive any income from donors or development partner

**Reconciliations of grants from donors and development partners**

Description	2021-2022	2020-2021
	KShs	KShs
	0	0
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Conditions met - transferred to revenue	0	0
Conditions to be met - remain liabilities	0	0

**8. Transfers from Other Levels of Government**

Description	2021-2022	2020-2021
	KShs	KShs

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Transfer from County	0	0
Transfer from University	0	0
Transfer from institute	0	0
<b>Total Transfers</b>	<b>0</b>	<b>0</b>

**9. Public Contributions and Donations**

Description	2021-2022 Kshs	2020-2021 Kshs
Public Donations	0	0
Donations from Local Leadership	0	0
Donations from Religious Institutions	0	0
Donations from Alumni	0	0
Other Donations	0	0
<b>Total Donations and Contributions</b>	<b>0</b>	<b>0</b>

**10. Rendering of Services**

	2021-2022 KShs	2020-2021 KShs
Tuition fees	2,110,056	1,304,625
Activity fees	476,872	294,845
Examination fees	477,204	295,050
Library fees	633,005	391,380
Electricity water and conservancy	637,061	218,400
Registration fees	84,102	52,000
Personnel Emoluments	4,684,000	0
Administration fees	455,000	0
Local Transport and Travel	928,200	0
Repairs, Maintenance and Improvement	910,000	0
Caution fees	169,500	0
Medical Fees	227,500	0
Student Union	637,000	0
Ict fees	682,500	0
Attachment fees	682,500	0
Insurance fees	500,500	0
Student Id	273,000	0
Others	0	6,450,940
<b>Total revenue from the rendering of services</b>	<b>14,568,000</b>	<b>9,007,240</b>

The institution received income only from the collection of fees from students

**11. Sale of Goods**

Description	2021-2022 Kshs	2020-2021 Kshs
Sale of Books	0	0
Sale of Publications	0	0
Sale of Farm Produce	0	0

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Cafeteria sales	0	0
Other	0	0
<b>Total Revenue from Sale of Goods</b>	<b>0</b>	<b>0</b>

There were no goods sold since we did not have any production unit in place during the year 2021/2022

**12. Rental revenue from facilities and equipment**

Description	2021-2022	2020-2021
	Kshs	Kshs
Hire of Facilities and Equipment		
Contingent Rental	0	0
Operating Lease Revenue	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The institution does not have hostels hence it does not receive any income

**13. Finance Income**

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash investments and fixed deposits	0	0
Interest income from treasury bills	0	0
Interest income from treasury bonds	0	0
Interest from outstanding debtors	0	0
<b>Total finance income</b>	<b>0</b>	<b>0</b>

There were no funds invested or interest charged to debtors during the year hence no income received

**14. Other Income**

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance recoveries	0	0
Consultancy fees	0	0
Income from sale of tender	0	0
Services concession income	0	0
Reimbursements and refunds	0	0
Graduation fees	0	0
Miscellaneous	0	0
<b>Total other income</b>	<b>0</b>	<b>0</b>

We did not receive any other income apart from rendering of training service.

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**Notes To The Financial Statements (Continued)**

**15. Use Of Goods And Services**

Description	2021-2022	2020-2021
	KShs	KShs
Electricity, water and conservancy	845,463	291,650
Industrial attachment	246,501	-
Professional services	0	-
Subscriptions/KATTI	597,030	-
Library	298,219	-
Admin Costs	990,514	430,686
Audit fees	0	-
Conferences and delegations	0	-
Local Travel and Transport	2,294,580	-
Consumables	0	361,856
Fuel and oil	0	-
Insurance	56,017	-
Legal expenses	0	-
Activity fees	404,793	-
Student ID	23,915	-
Printing and stationery	0	255,650
Medical expenses	12,536	-
Student union	154,640	-
Registration costs	6,600	-
Sewage treatment costs	0	-
Skills development levies	0	-
Inventory scrapping	0	-
Telecommunication/ICT	233,993	-
Training expenses/Tuition	2,028,094	204,400
KNEC Exams	1,928,250	2,828,415
<b>Total good and services</b>	<b>10,121,145</b>	<b>4,372,657</b>

**16. Employee Costs**

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	8,422,238	6,201,578
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
<b>Employee Costs</b>	<b>8,422,238</b>	<b>6,201,578</b>

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**17. Board Expenses**

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	1,059,000	937,300
Directors Emoluments	-	-
Other Allowances	-	-
Other Board/Council Expenses	-	-
<b>Total</b>	<b>1,059,000</b>	<b>937,300</b>

**18. Depreciation and Amortization expense**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	<b>1,765,646</b>	1,521,320
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>1,765,646</b>	<b>1,521,320</b>

**19. Repairs and Maintenance**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	1,498,020	135,000
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
<b>Total Repairs and Maintenance</b>	<b>1,498,020</b>	<b>135,000</b>

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**20. Contracted Services**

Description	2021-2022	2020-2021
	Kshs	Kshs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
<b>Total contracted services</b>	<b>0</b>	<b>0</b>

**21. Grants and Subsidies**

Description	2021-2022	2020-2021
	Kshs	Kshs
Community Development	0	0
Education Initiatives and Programs	0	0
Social Development	0	0
Community Trust	0	0
Sporting Bodies	0	0
<b>Total Grants and Subsidies</b>	<b>0</b>	<b>0</b>

**22. Finance Costs**

Description	2021-2022	2020-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	0	0
Finance Leases (Amortized Cost)	0	0
Unwinding of Discount	0	0
Interest on Bank Overdrafts	0	0
Interest on Loans from Commercial Banks	0	0
<b>Total Finance Costs</b>	<b>0</b>	<b>0</b>

**23. Gain On Sale of Assets**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Other Assets not capitalised	0	0
<b>Total Gain On Sale of Assets</b>	<b>0</b>	<b>0</b>

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**24. Unrealized Gain on Fair Value Investments**

Description	2021-2022	2020-2021
	Kshs	Kshs
Investments at Fair Value	0	0
<b>Total Gain</b>	<b>0</b>	<b>0</b>

**25. Impairment Loss**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
<b>Total Impairment Loss</b>	<b>0</b>	<b>0</b>

**26. Cash and Cash Equivalent**

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	3,164,271	3,157,805
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Staff Car Loan/ Mortgage	0	0
Others (Specify)	1,747,502	1,241,642
<b>Total Cash and Cash Equivalent</b>	<b>4,911,773</b>	<b>4,492,251</b>

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**Notes To The Financial Statements (Continued)**

**26 (a). Detailed Analysis of Cash and Cash equivalents**

Financial institution	Account number	2021-2022 KShs	2020-2021 KShs
a) Current account			
Kenya Commercial bank	1203016522	3,164,271	3,157,805
b) Development account			
Kenya Commercial bank	1203016565	1,238,094	1,241,642
c) Deposit account			
Kenya Commercial bank	1284041654	413,635	0
d) Others (specify)			
Cash in transit		0	0
Cash in hand		95,773	92,804
M pesa		0	0
<b>Sub- total</b>		<b>95,773</b>	<b>92,804</b>
<b>Grand total</b>		<b>4,911,773</b>	<b>4,492,251</b>

**27. Receivables from Exchange transactions**

**27(a) Current Receivables from Exchange transactions**

Description	2021-2022 Kshs	2020-2021 Kshs
<b>Current Receivables</b>		
Student Debtors	993,224	514,319
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>993,224</b>	<b>514,319</b>

**27(b) Long- term Receivables from Exchange transactions**

Description	2021-2022 Kshs	2020-2021 Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-

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Less: Impairment Allowance	-	-
<b>Total</b>	-	-
Current Portion Transferred To Current Receivables	-	-
<b>Total Non-Current Receivables</b>	-	-
<b>Total Receivables</b>	993,224	514,319

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

**28. Receivables from Non-Exchange transactions**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	-	-

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

Description	2021-2022	2020-2021
	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	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	95,305	183,997
Maintenance stores	-	-

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Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>95,305</b>	<b>183,997</b>

**30. Investments**

Description	2021-2022 Kshs	2020-2021 Kshs
<b>a) Investment in Treasury Bills and Bonds</b>		
<b>Financial Institution</b>		
CBK	-	-
CBK	-	-
<b>Sub- Total</b>	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank	-	-
Bank	-	-
<b>Sub- Total</b>	-	-
<b>c) Equity Investments</b>		
Equity/ Shares	-	-
<b>Sub- Total</b>	-	-
<b>Grand Total</b>	-	-

**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			Nominal Value of Shares	Fair Value of Shares Current Year	Fair Value of Shares Prior Year
	Direct Shareholding	Indirect Shareholding	Effective Shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

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**31. Property, Plant and Equipment**

	Land and Buildings		Motor vehicles		Furniture and fittings		Computers		Other Assets (Specify)		Plant and Equipment		Capital Work in progress		Total	
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
<b>At 1 July 2021</b>	<b>5,137,040</b>	<b>0</b>	<b>2,880,879</b>	<b>1,972,550</b>	<b>1,277,642</b>	<b>0</b>	<b>4,137,614</b>	<b>15,405,725</b>								
Additions	0	0	396,100	381,920	901,397	0	0	1,679,417								
Disposals	0	0	0	0	0	0	0	0								
Transfers/adjustments	0	0	0	0	0	0	0	0								
<b>At 30<sup>th</sup> June 2022</b>	<b>5,137,040</b>	<b>0</b>	<b>3,276,979</b>	<b>2,354,470</b>	<b>2,179,039</b>	<b>0</b>	<b>4,137,614</b>	<b>17,085,142</b>								
Accumulated Depreciation and impairment as																
<b>At 30 June 2021</b>																
<b>Accumulated Depreciation</b>	<b>(513,704)</b>	<b>0</b>	<b>(783,023)</b>	<b>(1,183,530)</b>	<b>(328,483)</b>	<b>0</b>	<b>0</b>	<b>(2,808,740)</b>								
Impairment	0	0	0	0	0	0	0	0								
At 30 June 2022																
Depreciation	(513,704)	0	(327,697)	(706,341)	(217,904)	0	0	(1,765,646)								
Impairment	0	0	0	0	0	0	0	0								
<b>NBV At 30<sup>th</sup> June 2021</b>	<b>4,623,336</b>	<b>0</b>	<b>1,809,769</b>	<b>197,255</b>	<b>894,350</b>	<b>0</b>	<b>4,137,614</b>	<b>11,662,324</b>								
<b>NBV At 30<sup>th</sup> June 2022</b>	<b>4,109,632</b>	<b>0</b>	<b>2,166,257</b>	<b>281,927</b>	<b>1,632,652</b>	<b>0</b>	<b>4,137,614</b>	<b>12,328,082</b>								

1. WIP arises from the Septic Tank and Ablution Blocks.

2. The cost of Land has not been included in the statements

3. Depreciation rates for Buildings and Other assets 10%, Furniture and fittings 10% and computers 30%

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**Notes to the Financial Statements (Continued)**

**Valuation**

Valuation of the Institute Assets has not been done; the Board committed to value it before 30<sup>th</sup> June 2023.

**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	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	-	-	-

**32. Intangible Assets**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

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**Notes to the Financial Statements (Continued)**

**33. Investment Property**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
<b>At end of the year</b>	-	-

**34. Trade and Other Payables from Exchange transactions**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	487,340	253,150
Fees paid in advance	379,729	35,596
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables	-	-
<b>Total Trade and Other Payables</b>	<b>867,069</b>	<b>288,746</b>

**35. Refundable Deposits from Customers/Students**

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	0	0
Caution money	169,500	19,870
Other refundable deposits	0	0
<b>Total Deposits</b>	<b>169,500</b>	<b>19,870</b>

**36. Current Provisions**

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance at The Beginning Of The Year</b>	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision Utilised	-	-	-	-	-
Change Due To Discount And Time Value	-	-	-	-	-

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For Money					
Transfers From Non -Current Provisions	-	-	-	-	-
<b>Total Provisions</b>	-	-	-	-	-

**37. Finance Lease Obligation**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>At the start of the year</b>	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

**Maturity Analysis**

Period	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	-
Less: Unearned Interest	-
	-

**Analysed as:**

Description	Amount
	Kshs
Current	-
Non- Current	-
<b>Total</b>	-

**38. Deferred Income**

Description	2021-2022	2020-2021
	Kshs	Kshs
National Government	-	-

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International Funding Bodies	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions 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	-	-	-	-

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
<b>Total</b>	-

**Notes to the Financial Statements (Continued)**

**39. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	-	-	-	-	-

**Retirement benefit Asset/ Liability**

The entity operates a defined benefit scheme for all full-time employees from July 1, 2019. The scheme is based on salary of an employee multiplied by the number of years worked. During the year we did not engage any valuer for the scheme of service

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Description	2021-2022	2020-2021
	Kshs	Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

**Recognition of Retirement Benefit Asset/ Liability**

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

Description	2021-2022	2020-2021
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Re measurement of the net defined benefit liability (asset)</b>	-	-

- b) **Amounts recognised in the Statement of Financial Position**

Description	2021-2022	2020-2021
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time

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and is currently at Kshs. 720 per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by NSSF. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**40. Non-Current Provisions**

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	-	-	-	-	-
<b>Total deferred income</b>	-	-	-	-	-

**41. Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

**41 a) Analysis of External and Domestic Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>External borrowings</b>		
Dollar denominated loan	-	-
Sterling pound denominated loan	-	-
Euro denominated loan	-	-
<b>Domestic borrowings</b>		
Kenya shilling loan	-	-
<b>Total balance at end of the year</b>	-	-

**41 b) Breakdown of Long and Short-Term Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-

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Long Term Borrowings	-	-
<b>Total</b>	-	-

**42. Service Concession Arrangements**

Description	2021-2022	2020-2021
	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	-	-

**43. Cash generated from operations**

	2021-2022	2020-2021
	KShs	KShs
Surplus for the year before tax		
Adjusted for:		
Depreciation	1,765,646	1,521,320
Non-cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Gains and losses on disposal of assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance income	0	0
Finance cost	0	0
Working Capital adjustments	0	
Increase in inventory	(88,692)	18,130
Increase in receivables	478,905	4,172,874
Increase in deferred income	0	0
Increase in payables	(578,323)	138,738
Increase in payments received in advance	0	0
<b>Net cash flow from operating activities</b>	<b>1,577,536</b>	<b>8,107,635</b>

**44. 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.

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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
<b>At 30 June 2021</b>				
Receivables from exchange transactions	514,319	514,319	514,319	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	4,492,251	4,492,251	0	0
<b>Total</b>	<b>5,006,570</b>	<b>5,006,570</b>	<b>514,319</b>	<b>0</b>
<b>At 30 June 2022</b>				
Receivables from exchange transactions	993,224	993,224	993,224	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	4,989,881	4,989,881	0	0
<b>Total</b>	<b>5,983,105</b>	<b>5,983,105</b>	<b>993,224</b>	<b>0</b>

**44. Financial Risk Management**

**(i) Credit risk (continued)**

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

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

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**(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
<b>At 30 June 2021</b>				
Trade Payables	0	0	308,616	308,616
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>308,616</b>	<b>308,616</b>
<b>At 30 June 2022</b>				
Trade Payables	0	0	831,630	831,630
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>831,630</b>	<b>831,630</b>

**44. Financial Risk Management (Continued)**

**(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 on going 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) Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2022</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**44. Financial Risk Management (Continued)**

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30<sup>th</sup> June 2022</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

**a) Foreign currency sensitivity analysis**

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2021</b>			
Euro	10%	-	-
Usd	10%	-	-
<b>2022</b>			
Euro	10%	-	-
Usd	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**44 Financial Risk Management (Continued)**

**(iii) Market risk (Continued)**

**b) Interest rate risk(continued)**

**Sensitivity analysis**

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

**iv)Capital Risk Management**

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	4,306,104	2,199,832
Retained Earnings	21,965,593	20,776,728
Capital Reserve	(4,145,914)	(2,380,268)

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<b>Total Funds</b>	<b>22,125,783</b>	20,596,292
Total Borrowings	0	0
Less: Cash and Bank Balances	(4,989,881)	(4,492,251)
Net Debt/(Excess Cash and Cash Equivalents)	17,135,902	16,104,041
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**45. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

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

	2021-2022	2020-2021
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods	0	0
Sales of services	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
b) Grants from the Government		
Grants from National Govt	8,145,000	9,560,000
Grants from County Government	0	0
Donations in kind	0	0
<b>Total</b>	<b>8,145,000</b>	<b>9,560,000</b>
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	697,020	656,502
Payments for goods and services	0	0
<b>Total</b>	<b>697,020</b>	<b>656,502</b>

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d) Key management compensation		
Directors' emoluments	1,059,000	937,300
Compensation to the CEO	0	0
Compensation to key management	0	0
<b>Total</b>	<b>1,059,000</b>	<b>937,300</b>

**46. Segment Information**

The entity does not have branches

**47. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Contingent Liabilities**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court case against the Institution		
- Stolen Institution property	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others- non	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**48. Capital Commitments**

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**49. Deferred Tax Liability**

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Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2021-2022	2020-2021
	Kshs	Kshs
Accelerated Capital Allowances	-	-
Unrealised Exchange Gains/(Losses)	-	-
Revaluation Surplus	-	-
Tax Losses carried forward	-	-
Provisions for Liabilities and Charges	-	-
<b>Net Deferred Tax Liability/(Asset)</b>	-	-
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

**50. Events After The Reporting Period**

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

**51. Ultimate And Holding Entity**

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

**52. Currency**

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

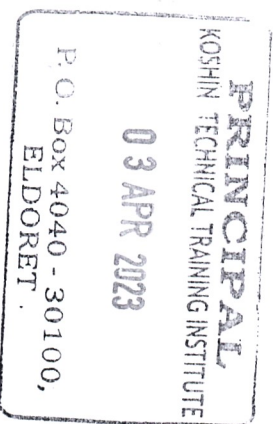
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XIX. Appendices  
Appendix 1: Implementation Status of Auditor-General Recommendations

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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2020-2021-1-01-1046-23-kossiti-02	- Presentation, accuracy and Disclosure of financial statements	Variations in the Financial statements has been amended	Abraham Kiptoo -Accountant	Resolved	Immediately
	-Receivable from exchange Transaction	The institution is in the process of developing and adopting a policy on debt collection	Zipporah Kutoh -Principal	Not Resolved	By 30 <sup>th</sup> June 2023
	-Revenue from exchange Transaction	Supporting schedules has been provided	Abraham Kiptoo -Accountant	Resolved	Immediately
	a) Ownership	The process of acquiring the title deed for Koshin TTI is in the pipeline	Zipporah Kutoh -Principal	Not Resolved	By 30 <sup>th</sup> June 2023
	b) Building valuation	The institution is planning to conduct valuation of its assets, land and buildings.	Zipporah Kutoh -Principal	Not Resolved	By 30 <sup>th</sup> June 2023
	-M-pesa paybill account balances	The statement availed for Audit.	Abraham Kiptoo -Accountant	Resolved	Immediately
	-Failure to Establish an Audit Committee	The institute has established an audit and Risk management committee in place	Zipporah Kutoh -Principal	Resolved	Immediately

Name Zipporah Kutoh Date 03-04-2023  
Accounting Officer



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**Appendix II: Projects Implemented by Koshin TTI**

**Projects**

**Projects implemented by Koshin TTI 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	Staff and student's ablution block	n/a	1 year	n/a	No	Yes
2	Septic tank	n/a	1 year	n/a	No	Yes

**Status of Projects completion**

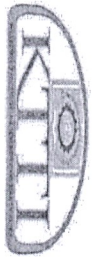
Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds	
1	Staff and student's ablution block	2,940,835	2,497,425.00	85%	2,940,835	2,940,835	GoK
2	Septic tank	2,184,917	1,640,190.95	75%	2,184,917	2,184,917	GoK

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Appendix III- Inter-Entity Confirmation Letter

# KOSHIN TECHNICAL TRAINING INSTITUTE

MARURA-SEKO ROAD,  
OFF ELDORET-ITEN ROAD  
P.O Box 4040-30100 Eldoret



TEL: +254 795 811170  
Email address: koshintti@gmail.com

Koshin TTI wishes to confirm the amounts disbursed to us as at 30<sup>th</sup> June 2022 as indicated in the table below.

**Confirmation of amounts received by Koshin Technical Training Institute as at 30<sup>th</sup> June 2022**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 <sup>th</sup> June 2021 (E)	Differences (KShs) (F)=(D-E)
Q1	19/11/2021	2,655,000	0	0	2,655,000	2,655,000	0
Q2	02/03/2022	2,655,000	0	0	2,655,000	2,655,000	0
Q3	03/06/2022	2,835,000	0	0	2,835,000	2,835,000	0
Total		8,145,000	0	0	8,145,000	8,145,000	0

Head of Accountants department of beneficiary Entity:

Name *A. Abokwa* ..... Sign *[Signature]* ..... Date *03/06/2022*

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**Appendix IV: Reporting of Climate Relevant Expenditures**

Name of the Organization      Koshin TTI  
 Telephone Number                **+254 795 811170**  
 Email Address                      4040-30100- Eldoret  
 Name of Principal                 Zipporah Kurtoh

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A									

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**Appendix V: Disaster Expenditure Reporting Template**

Date:							
Entity							
Period to which this report refers (FY)	Year	Quarter					
	2021/2022						
<b>Name of Reporting Officer</b>	Zipporah Kutoh						
<b>Contact details of the reporting officer:</b>	Email Koshintti@gmail.com			Telephone 0795811170			
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII	
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments	
n/a							
n/a							

