

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT

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Hon. DIDO RASO, MP

OF

ON BEHALF OF LOM

CLERK-AT
THE-TABLE:

J. LEMERELLO

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**SHANZU TEACHERS TRAINING
COLLEGE**

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

100





Revised 30th June 2025



SHANZU TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Shanzu Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

a) Background information

Shanzu Teachers Training College is a government institution that offers training for primary school teachers, early childhood development teachers, business studies, and other technical courses. Established in 1966, the college has consistently held graduations, producing some of the best students in academics and co-curricular activities. The college is situated along the Mombasa-Malindi highway, about 17 km from Mombasa town. The institution draws students from all over the country, preparing them to teach in early primary or primary institutions and work anywhere in the country.

Currently the college offers a three-year diploma course ; primary teacher education (DTE), as well as business-related courses.

b) Principal Activities

The Principal Activity /mission/mandate of college is as follows:

Activities

- **Teacher Training:** The college provides comprehensive training programs for aspiring primary school teachers , equipping them with the knowledge, skills, and methodologies necessary to excel in the classroom.
- **Technical and Business Studies:** The institution offers courses in business studies and various technical fields, preparing students for careers in administration, management, and technology
- **Curriculum Development:** The college actively participates in the development and enhancement of educational curricula to ensure that it meets the current demands of the education sector and aligns with national and international standards.
- **Professional Development:** The college provides continuous professional development opportunities for in-service teachers and education professionals, enabling them to upgrade their skills and stay updated with the latest educational trends.
- **Research and Innovation:** The institution engages in research activities to contribute to the body of knowledge in education, business, and technology. It also fosters innovation in teaching and learning practices.
- **Community Engagement:** Shanzu Teachers Training College is committed to engaging with the local community through outreach programs and initiatives aimed at promoting education and socio-economic development.

Key entity information and management(continued)

Mission

To provide high-quality education and training that produces professional and competent teachers, human resource personnel, business administrators, and technology experts who contribute to the socio-economic development of Kenya and beyond.

Mandate

The mandate of Shanzu Teachers Training College is to train teachers and produce quality human resource personnel, business administrators, and technology experts. The college is responsible for providing leadership in designing and implementing strategies that support sustainable socio-economic development.

Core value

Professionalism, Discipline, Integrity, Accountability, Commitment, Team work, Quality assurance and Courtesy.

Our Motto and Slogan

"Elimu Huangaza. It can be done; play your part."

Objectives

- To attain a 100% trainee completion rate.
- To support trainees by requesting CDF to provide bursaries and sponsorships.
- To improve and expand the college's infrastructure.
- To instill a high level of professionalism in all college operations.
- To implement security measures for safeguarding college assets.
- To enhance competitiveness by ensuring continuous improvement in all areas of the college's training and service delivery.
- To increase the application of ICT within the college.
- To develop and implement a human capital development program.
- To develop and institutionalize wellness programs within the college.
- To increase the college's level of corporate social responsibility.

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Key entity information and management(continued)

c) Key Management

The day-to-day management of the college is overseen by the following key personnel:

- Board of Management(B.O.M)
- Accounting Officer/Chief Principal/Secretary, B.O.M.
- Deputy Principal
- Registrar/Dean of Curriculum
- Dean of Students
- Finance Officer
- Procurement Officer

d) Fiduciary Management

The Key Management personnel who held office during the period ended 30th June,2025 and who had direct fiduciary responsibility were:

	Name	Designation
1.	Ms.Lilian M.Musembi	Ag. Principal/Secretary, B. O. M.
2.	Lilian M.Musembi	Deputy Principal
3.	Harun Njoroge	Dean of Curriculum
4.	Selina Abuko	Dean of Students
5.	Emma Cherotich	Head of Finance
6.	William Baraka	Procurement Officer

(e) Fiduciary Oversight Arrangements

The fiduciary oversight of Shanzu Teachers Training College is structured through a set of key committees and activities that ensure accountability, transparency, and effective management of resources. These arrangements include:

Audit and Risk Committee Activities:

- The Audit and Risk Committee is responsible for overseeing the financial reporting process, audit activities, and internal controls.
- The committee reviews financial statements, audits, and risk management policies to ensure compliance with relevant regulations and standards.
- It identifies and mitigates potential risks that could affect the college's operations and financial health.

Finance and Operations Committee Activities:

- This committee monitors and reviews the college's financial planning, budgeting, and operational performance.
- It ensures that financial resources are allocated effectively and that operations align with the college's strategic goals.
- The committee also oversees procurement processes, ensuring transparency and adherence to procurement regulations.]

• **Key entity information and management(continued)**

Academic Committee Activities:

- The Academic Committee is tasked with overseeing the quality and standards of education provided by the college.
- It reviews and approves curricula, academic policies, and programs to ensure they meet both national and international standards.
- The committee also monitors student performance, faculty qualifications, and the overall academic environment.

Development Partner Oversight Activities:

- The college collaborates with various development partners, and this committee oversees the proper use of funds and resources provided by these partners.
- The committee ensures that projects funded by development partners are implemented according to agreed-upon terms and that reporting and accountability standards are maintained.
- Regular audits and evaluations are conducted to assess the impact and effectiveness of development partner contributions.

Other Oversight Activities:

- Additional oversight activities include the establishment of internal audit functions, periodic external audits, and the implementation of an ethics and compliance program.
- The college also engages in regular reviews and assessments to ensure continuous improvement and adherence to best practices in governance and management.

(f) Entity Headquarters

P. o. Box 90533 80100
Shanzu Teachers Training College,
Along Mombasa Malindi Road.
MOMBASA.

(g) College Contacts

Telephone: (254 724 993 746)
Email: shanzuttc@yahoo.com
Website: info@shanzuttc.ac.ke

(h) College Bankers

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

Key entity information and management(continued)

Other Commercial Banks.

1. National Bank,
Nkrumah Road Branch,
P. O. Box 90363 80100,
MOMBASA.
Email: Nkrumah@nationalbank.co.ke

2. Equity Bank,
Digo Road Branch,
P. O. Box 90016 80100
MOMBASA.
Email: info@equitybank.co.ke

3. Kingdom Bank
Mtwapa Branch,
P. O. Box 22741 00400
NAIROBI.
Email: infor@kingdombankltd.co.ke
Website: www.kingdombankltd.co.ke

(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

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3.The Council/Board of Management

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	Rev.Dr.Alphonce Mwaro Baya	Chair Person
2.	Ms.Dorothy Auma	Vice Chairperson
3.	Rev.Patrick Kimuu	Member
4.	Dr.Winfred Kithinji	Member
5.	Fr.Simoki Dodoy	Member
6.	Mr.Abdulaziz Shekuwe Athman	Member
7.	Mr.Benjamin Mwawasi	Member
8.	Mr.Juma Muhamed Mshimu	Member
9.	Dr.Eric Katana Lewa	Member
10.	Mr.Athrash Muhamed Ali	Member
11.	Ms.Elizabeth Kabui	Member
12.	Ms.Saumu O.Mumbo	Member
13.	Ms.Everlyne Simiyu	Member
14.	Ms.Lilian musembi	Ag. Principal /Secretary B.O.M

Shanzu Teacher Training College

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The Board of Management(Continued)



Rev.Dr.Alphonse Baya

Rev. Dr. Alphonse Mwaro Baya was born in 1978. He holds a Doctor of Divinity degree from Nations Christians University International, Texas, USA, a Master of Arts in Mission from Kenya Methodist University (KEMU), and a Master of Philosophy in Theology from St. Alcuin House, USA. He has attended numerous courses in church ministry and leadership, both domestically and internationally. Currently, he serves as the Bishop of the Anglican Church of Kenya (ACK) in Mombasa and holds the position of Chairman of the Board of Management (B.O.M) at Shanzu Teachers Training College.



Ms.Dorothy Auma

Ms.Dorothy Auma was born in 1978 and is a lawyer by profession, with extensive experience in the legal field. She holds a Bachelor of Laws degree (LLB) from the University of Nairobi and is currently pursuing a Master of Laws degree (LLM) in Corporate Law at the University of South Africa. Currently, she works at the County Assembly of Mombasa as the Director of Legislative, Procedural, and Committee Services. She is a B.O.M member of Shimo La Tewa High school. She also serves as the Vice Chairperson of the Board of Management, representing the local community



Rev.Patrick Kimuu

Rev.Patrick Kimuu was born in 1984 and holds a bachelor's degree in Theology from Kenya Methodist University, along with a postgraduate diploma in Leadership and Ministerial Formation. With extensive experience in church leadership and community services, he currently serves as a senior minister with the Methodist Church in Kenya. Additionally, he represents the sponsor in the board and a member of various committees of the Board.

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The Board of Management(Continued)



Dr. Winfred Kithinji

Dr. Winfred Kithinji is a trained teacher with over 20 years of experience in education, teacher training, leadership, and management. She has been extensively involved in education research and policy development. She holds a Ph.D. in Education with a focus on Curriculum Studies and Instruction from the Catholic University of East Africa, a master's degree in Distance Education from the University of Nairobi, and a bachelor's degree in Education from Kenyatta University. Additionally, she has various professional training and certifications in education. She has been a BOM member of various schools. Previously worked as a lecturer at Kenya Methodist University (KEMU) and rose to the position of Director. She currently works at Aga Khan University as a project Director. She represents the local community and the chair of Academic committee of the Board.



Fr. Simoki Dodoy

Fr. Simoki Dodoy is a Catholic priest. Currently in charge of our lady perpetual catholic church Makupa-Mombasa. He holds a B.A degree in philosophy from Catholic University, a B.A degree in Theology from Urbanian university-Rome. He is also the Director Jesemaria Escriva Academy-Makupa. He serves as a representative of sponsors in the board.



Mr. Abdulaziz S. Athman

Mr. Abdulaziz Shekuwe Athman is an ICT expert with various certifications and extensive experience in the sector. He is also a community worker and a Board of Management (BOM) member of Shimo La Tewa High School. Currently, he works with the County Assembly of Mombasa as a nominated member, representing persons with disabilities in the legislative office. He also represents persons with disabilities in the Board and a member of the Audit committee of the Board.

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The Board of Management(Continued)



Mr. Benjamin Mwawasi

Mr. Benjamin Mwawasi holds a masters degree in Education with a focus on Curriculum Studies, as well as a Bachelor's degree in Education from Kenyatta University. Presently, he serves as a lecturer and coordinator at the School of Education and Social Science, Mombasa branch, of Kenya Methodist University (KEMU). He serves as a BOM member of several schools. He represents the local community on the board.



Mr. Juma M. Mshimu

Mr. Juma Muhammed Mshimu was born in 1962. He holds bachelor's and master's degrees in Education from the University of Nairobi. He is an experienced educator who has served as the head of several schools, including Shimo La Tewa High School and Alidina Visram High School, until his retirement in 2022. Additionally, he has previously served as the chairman of the Kenya Secondary Schools Heads Association (KSSHA) in Mombasa County. He represents the local community in the board.



Dr. Eric Katana Lewa

Dr. Eric Katana Lewa was born in 1978. He holds a Ph.D. degree in Business Administration from J.K.U.A.T, With a wide range of experience in the corporate world. He has held various positions such as Chief Manager at K.R.A., Principal at Kenya Revenue Authority School, and recently appointed as CEO of Bandari College, Mombasa. Additionally, he represents the county education board in the board and is the chairman of the Finance, Procurement, and General-Purpose Committee.

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The Board of Management(Continued)



Mr. Athrash M. Ali

Mr. Athrash M. Ali is a career educationist who has served as a District Education Officer and Development Officer at Aga Khan foundation. He has a wide experience in project management in the Education sector and N.G.O.



Ms. Elizabeth Kabui

Ms. Elizabeth Kabui was born in 1960 .She holds a bachelor's degree in education and is a retired school principal. She chairs the committee of Audit in the board. She also represents special interest in the Board.



Ms. Saumu O. Mumbo

Ms. Saumu O. Mumbo was born in 1960. She holds a bachelor's degree in education .She is a career teacher who advanced through the ranks to the position of Curriculum Support Officer before retiring. Additionally, she serves as a Board of Management (BOM) member at Shimo La Tewa High School. She represents the community in the board.

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The Board of Management(Continued)



Ms. Everlyne Simiyu

Ms. Everlyne Simiyu was born in 1972. She holds a bachelor's degree in Education specializing in Arts and Crafts. Currently, she serves as the Practicum Director in the college. She represents the college tutors in the board.







Ms. Lilian Musembi

Ms. Lilian Musembi, Ag. Principal

Ms Lilian Musembi, born in 1974, holds a Master's degree in Education and Administration as well as a Bachelor of Education (Arts). With over 27 years of invaluable experience in Kenya's education sector, she has built a strong reputation in teaching, curriculum development, and academic leadership. She currently serves as the Acting Principal of Shanzu Teachers' Training College in Mombasa, overseeing the institution's administrative and educational functions.

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4. Key Management Team

<i>SN</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Ms.Lilian M.Musembi B.E.D(KU),M.E.D(KU).Diploma in Education management(KEMI)	Ag.Principal
2.	 Ms.Lilian M.Musembi B.E.D(KU),M.E.D(KU).Diploma in Education management(KEMI)	Deputy Principal
3.	 Mr. Njoroge Harun B.E.D(KU)	Dean of Curriculum/Registrar
4.	 Mrs.Selina Abuko B.E.D (KU) & M.E.D(Guidance & Counselling)	Dean of Students

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Key Management Team (Continued)

<i>SN.</i>	<i>Member</i>	<i>Details</i>
5.	 <p>Ms.Emma Cherotich Yegon Bachelor of Business Administration(Accounting option)- Maseno University. CPA finalist ICPAK Member 22842</p>	Finance Officer
6.	 <p>Mr.William Baraka Bcom(procurement option),Dip.in PMN</p>	Procurement officer

5. Chairman's Statement



I am pleased to present the Chairperson's report for the financial year 2024/2025, summarizing our key activities, achievements, challenges, and outlook for the future. Our college continues to make significant strides in providing quality education and training to our students, preparing them to excel in their respective fields and contribute positively to society.

Operational Highlights & Institutional Achievements

During this financial year, the college made considerable progress in strengthening infrastructure and enhancing operational efficiency. We acquired two new official vehicles: a double-cabin four-wheel-drive and a van to improve administrative mobility and responsiveness. Several college projects were completed, including improvements to college buildings and the kitchen, purchase of water tanks, and fabrication of new student chairs. We also installed a modern ERP system to streamline administrative workflows and improve data management across departments. Additionally, as part of our expansion plan, we budgeted for and commenced the construction of a 200-bed dormitory. Construction is well underway, and we expect to complete the dormitory by the end of August 2025, ready for the September intake.

Financial Support & Stakeholder Appreciation

We extend heartfelt gratitude to the Ministry of Education for their support throughout the year. Grants for the 1st, 2nd, and 3rd quarters were duly received before the end of the fiscal year, enabling the payment of employees' salary on time. Although the 4th quarter grant had not been submitted by year end, the assistance already provided significantly contributed to our progress. The Ministry's ongoing trust and collaboration remain invaluable to our institution.

Challenges, Succession & Resilience

Tragically, we lost our esteemed Chief Principal, Dr. Peter Ekabu, on 7 June 2025. His leadership and vision were instrumental in guiding the college's progress. In the wake of his passing, we faced a period of mourning and transition. With faith and unity, we accepted God's will and maintained institutional stability. I am thankful to the entire college community, under the capable leadership of Acting Principal Ms. Lilian Musembi, who ensured continued operations and upheld academic standards during this difficult period.

I also wish to express profound appreciation to Shanzu, who offered unwavering support during the funeral and burial arrangements, and to the entire Shanzu community for their solidarity and cooperation throughout the year.

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Way Forward and Future Outlook

Looking ahead to the coming academic year, we remain focused on sustainable growth, educational excellence, and infrastructure development. With the dormitory expected to be completed by August 2025, we will be better equipped to accommodate our expanding student population. We will continue to leverage the ERP system to improve administrative efficiency, ensure timely submission of grant requests, and actively pursue funding partnerships for ongoing and planned initiatives.

Closing and Acknowledgments

Despite the challenges encountered during the year, the college has demonstrated remarkable resilience, progress, and united purpose. I would like to extend my sincere gratitude to the entire Board of Management, our staff, students, and all our stakeholders for their unwavering support and dedication. Together, we will continue to build on our successes and overcome the challenges we face, ensuring a bright future for Shanzu Teachers Training College.



Rev. Dr. Alphonse M. Baya

Chairman, Board of Management
Shanzu Teachers Training College

Date: 25/11/2025

6. Report of the Principal (Acting Principal)



It is my privilege to present this detailed report for the financial year 2024/2025, outlining the college's achievements, operational challenges, academic progress, financial position, and future priorities, under my leadership as Acting Principal following the loss of our dear Chief Principal.

Institutional Performance & Development Highlights

The academic year commenced with the September 2024 intake for first-year students, during which a total of 562 new students were enrolled. By the end of the financial year, the complete student population stood at 1168, indicating strong demand for our programmes and increased institutional reach. This growth directly contributed to a slight improvement in college revenue compared to the previous year, enabling us to execute all major capital projects within the approved budget.

Our infrastructure and operational enhancements made substantial progress. The college managed to purchase two new official vehicles: a double-cabin four-wheel-drive and a van which have improved administrative mobility and service delivery. Similarly, college's facilities have been transformed through renovations of buildings and the kitchen, purchase of water tanks, fabrication of new student chairs, and the implementation of a modern ERP system, which has significantly streamlined administrative processes and improved data accuracy across departments. Of note, we also commenced the construction of a new 200-bed dormitory, with completion expected by the end of August 2025 in time for the September 2025 intake, providing much needed accommodation capacity for our expanding student body.

Academic Progress & Staff Collaboration

I wish to commend our dedicated team of teachers whose cooperation and professionalism throughout the year have been exemplary. With the support of the ERP system, teaching and administrative coordination have been smoother than ever. Academically, our students have performed well, achieving commendable results in internal assessments and external examinations. The synergy between faculty and administration has ensured that teaching quality remains high and student experiences continue to improve.

Financial Performance & Institutional Stability

The institution's financial position is sound, with revenue showing an upward trend compared to the previous year, largely driven by increased student enrollment. These resources have been crucial in fully funding the planned capital works and maintaining smooth operations without compromising academic delivery. The sound financial performance and responsible budgetary management reflect the college's continued commitment to financial prudence and sustainability.

Shanzu Teacher Training College

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Succession, Resilience & Community Support

The sudden passing of our esteemed Chief Principal, Dr. Peter Ekabu, on 7 June 2025, was a difficult loss for the college community. His vision and leadership had guided much of our progress. In the aftermath, we encountered both emotional and administrative challenges. However, the Ministry of Education appointed the acting principal and ensured the institutional operations remained uninterrupted, and academic standards were sustained. We leaned on our shared faith and unity to navigate this transition.

Our deepest gratitude goes to Shanzu, whose unwavering support during the funeral and burial of Dr. Ekabu was a source of comfort, and to the wider Shanzu community whose solidarity throughout the year reinforced our collective resolve.

Future Outlook & Strategic Focus

As we prepare for the 2025/2026 academic year, the college remains focused on strategic growth and academic excellence. The near completion of the 200-bed dormitory will significantly expand our capacity to host students. Continued use and optimization of the ERP system will support even greater efficiency in administrative operations. We will emphasize timely preparation and submission of grant requests to the Ministry of Education and actively explore additional funding partnerships to support future institutional needs and programmes.

Acknowledgments & Closing Reflection

Despite the challenges of the year including the loss of our leader and the pressures of expansion, the college has demonstrated remarkable resilience, cohesion, and progress. I extend my sincerest appreciation to the Ministry of Education for disbursing the 1st, 2nd, and 3rd quarter grants in time to support our work, even as the 4th quarter grant remained pending as at fiscal year-end. I also express heartfelt thanks to Shanzu for their solidarity, to all members of the management Board, as well as to every member of administration, faculty, staff, and the student body for their unwavering commitment and shared contribution to our success.



Lilian Musembi

Ag. Principal/Secretary BOM

Shanzu Teachers Training College

Date: 25/11/2025

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7. Statement of Performance against Predetermined Objectives

In compliance with Section 81, Subsection 2(f) of the Public Finance Management Act, 2012, this statement outlines the performance of Shanzu Teachers against predetermined objectives as articulated in the Strategic Plan for FY 2024-FY 2028. The institution's strategic pillars are crucial in shaping our objectives, driving activities, and measuring success.

These strategic pillars are as follows:

1. **Academic Performance Standards**
2. **Inadequate Funds for Various College Activities and Programmes**
3. **Inadequate Physical Facilities and Maintenance**
4. **Enhancing Professionalism**
5. **Security of College Assets**
6. **Competition from Other Institutions**
7. **Management of Transport for Local Errands**
8. **Application of ICT in the College**
9. **Enhancement of Appropriate Human Capital Development**
10. **Prioritization of Cross-Cutting Issues**
11. **Enhancement of Social Corporate Responsibility**

The institution's annual work plans are developed around these strategic pillars, with quarterly assessments of the Board's performance against these plans. The performance targets set for FY 2023/2024 were achieved across all strategic pillars, underscoring the effectiveness of our strategic approach. Below is a detailed performance analysis based on the key strategic pillars.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1. Academic Performance Standards	To enhance academic performance through improved teaching standards and student support.	-Improvement in student pass rates -Number of professional development sessions for teachers	Implementation of teacher training programs Introduction of student mentorship initiatives	100%
Pillar 2. Inadequate Funds for Various College Activities and Programmes	To secure and optimize financial resources for college activities.	Percentage increase in funding Number of new funding sources identified	Engagement with potential donors and stakeholders Budget reallocation for priority activities	100%

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar3. Inadequate Physical Facilities and Maintenance	To improve and maintain college infrastructure.	-Number of facilities renovated or constructed - Maintenance completion rate	Renovation of classrooms Regular maintenance schedules implemented.	80% Ongoing
Pillar4. Enhancing Professionalism	To promote professionalism among staff and students.	Compliance with professional codes of conduct Number of professionalism training sessions	Professionalism workshops for staff and students Implementation of a professional code of conduct	100%
Pillar5. Security of College Assets	To ensure the safety and security of college assets.	Reduction in incidents of asset loss or damage Installation of security systems	Installation of CCTV cameras Regular security audits	On going On going
Pillar6 Competition from Other Institutions	To enhance the college's competitive edge.	Increase in student enrollment Expansion of course offerings	Marketing campaigns to attract new students Development of new academic programs	100% 100%
Pillar 7. Management of Transport for Local Errands	To streamline the management of transport resources.	Reduction in transport costs Efficiency in transport logistics	Optimization of transport schedules	
Pillar 8. Application of ICT in the College	To enhance ICT integration in teaching, learning, and administration.	Increase in digital literacy among staff and students Implementation of ICT systems	ICT training for staff and students Installation of new ICT infrastructure	On going 100%

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Annual Report and Financial Statements for the year ended 30th June 2025
Statement of Performance against Predetermined Objectives (continued)

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 9: Enhancement of Appropriate Human Capital Development	To develop and retain skilled personnel.	Staff retention rate Number of training and development programs	Professional development programs Performance appraisal systems	100% Ongoing
Pillar 10: Prioritization of Cross-Cutting Issues	To integrate cross-cutting issues into the college's strategic planning.	Number of initiatives addressing cross-cutting issues Integration of issues into curriculum and policies	Workshops on gender, environment, and inclusivity Policy revisions to include cross-cutting issues	100% 100%
Pillar 11: Enhancement of Social Corporate Responsibility	To strengthen the college's engagement with the community.	Number of community projects undertaken Level of community engagement and satisfaction	Community service programs Partnership with local organizations	Ongoing

Shanzu Teachers' performance during the FY 2024/2025 has demonstrated substantial progress across all strategic pillars, fulfilling our predetermined objectives and furthering our commitment to excellence in education and community engagement. The institution remains focused on sustaining and enhancing these achievements in the coming years.

8. Corporate Governance Statement

Appointment of Board Members, Process, Size, Diversity, Board Charter

No Board appointments were made during FY 2024/2025; the existing Board of Management (BOM) continued following its 23 November 2023 inauguration

The Board Charter remains in effect, guiding roles, responsibilities, decision-making authority, and oversight structures, reinforcing transparency and accountability. Best practices underscore its vital role in clarifying roles and preventing conflicts .

The Board continues to reflect a diverse and skilled composition, aligned with strategic goals. Diversity of expertise, backgrounds, and demographics supports effective governance.

Roles and Functions of the Board

The Board is responsible for providing strategic direction, oversight, and guidance to the organization. It plays a critical role in setting the overall strategy, approving major decisions, and monitoring the implementation of policies. The Board also ensures that the organization operates in compliance with legal and regulatory requirements, maintains financial integrity, and upholds ethical standards. Each Board member is expected to contribute their expertise and judgment to the decision-making process, ensuring that the organization's interests are always prioritized

Induction, Training, and Development

No new members joined, but the Board prioritized **continuous development** through refresher training sessions on governance trends, regulatory updates, and ethical standards ,consistent with Kenyan best practice.

Board and Members Performance

The performance of the Board and its individual members is evaluated regularly to ensure that they are fulfilling their responsibilities effectively. This evaluation process includes self-assessments, peer reviews, and feedback from key stakeholders. The results of these evaluations are used to identify areas for improvement and to enhance the overall effectiveness of the Board.

Number of Board Meetings and Attendance

During the financial year 2024/2025, the Board held several meetings for each of its key committees. These meetings were convened to review and approve strategic initiatives, monitor financial performance, and address challenges facing the organization. Attendance at these meetings was consistently high, reflecting the commitment of Board members to fulfilling their duties. All members were expected to attend unless extenuating circumstances prevented them from doing so.

Succession Plan

Our succession plan is designed to ensure continuity in leadership and the seamless transition of responsibilities within the Board. The plan identifies potential future leaders and provides opportunities for their development. This proactive approach ensures that the Board remains resilient and prepared to address the evolving needs of the organization.

Policy to Manage Conflict of Interest

The Board maintains a strict policy on conflict of interest, requiring all members to declare any potential or actual conflicts before deliberating on relevant matters. This policy ensures that decisions are made impartially and in the best interest of the organization. Any declared conflicts are recorded in the minutes of the meeting, and affected members are required to recuse themselves from the discussion and decision-making process.

Board Remuneration

Board members are compensated in accordance with the organization's remuneration policy, which is designed to attract and retain qualified individuals while ensuring that remuneration is fair and reflective of the time and effort contributed by each member. The policy is reviewed periodically to ensure alignment with industry standards and organizational performance.

Ethics and Conduct

Board members are compensated in accordance with the organization's remuneration policy, which is designed to attract and retain qualified individuals while ensuring that remuneration is fair and reflective of the time and effort contributed by each member. The policy is reviewed periodically to ensure alignment with industry standards and organizational performance.

Governance Audit

At the conclusion of FY 2023/2024, a governance audit identified strengths and improvement areas. During FY 2024/2025, the Board continued implementing these recommendations to bolster governance frameworks.

Communication Policy

The Board maintained a robust communication policy, ensuring timely, clear dissemination of governance practices and performance updates to stakeholders, enhancing transparency and trust

Terms of Reference of Committees

Each Committee operates under formal Terms of Reference, updated and reviewed regularly to ensure clarity and effective oversight.

Policy on Related Party Transactions

A clear Related Party Transactions policy exists to ensure all such dealings are disclosed and reviewed, mitigating potential conflicts and upholding governance integrity.

In conclusion, The Board Secretary, **Dr. Peter Ekabu**, passed away on **7 June 2025**. His passing was deeply felt, and the Board ensured thorough coverage of his responsibilities in the interim, while initiating plans for permanent succession in due course.

Shanzu Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2025

9. Management Discussion and Analysis

This Management Discussion and Analysis (MD&A) report provides an overview of the operational and financial performance of the organization during the financial year 2024/2025. It includes key projects and investment decisions, compliance with statutory requirements, major risks, material arrears, and other relevant information to aid users of the financial statements in understanding the organization's performance and outlook.

Operational Performance & Key Projects

Project / Investment	Project / Investment
Renovation of College Buildings	Continues from FY 2023/24, upgrading classrooms and dormitories to support growth.
Purchase of 2 Vehicles	Completed during FY 2024/25 for operational support and staff transport.
Construction of 200-Storey Dormitory	Work in progress

Student Enrollment Trends

Academic Year	Number of Student
2022/2023	501
2023/2024	803
2024/2025	1173

Financial Performance & Grant Funding

The organization received a grant from the Ministry of Education, which forms a crucial part of our funding. In the last financial year (2023/2024), we received a total grant of Kshs. 17,283,739. However, in the current financial year 2024/2025, the grant amount decreased slightly to Kshs.12,571,707 .The 4th quarter Grant was not submitted during the closure of the fiscal year.

Ministry Grant Comparison (2023/2024 vs. 2024/2025)

Financial year	Grant Amount(kshs.)
2023/2024	17,283,739
2024/2025	12,571,707

Shanzu Teacher Training College

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

Material Arrears ,Compliance,Statutory and Financial Obligations

There were no material arrears in statutory or other financial obligations during the financial year 2023/2024. The organization has maintained a strong financial position, ensuring that all financial commitments are met in a timely manner.

Major Risks

Incomplete Grant Data, the 4th Quarter grant was delayed, this jeopardized project funding and operations.

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

At Shanzu Teachers Training College, sustainability is not just a policy but a core principle guiding our operations. The top management, led by the accounting officer, is committed to embedding sustainable practices across all levels of the institution. We recognize that our activities must align with broader societal and environmental goals, and we strive to contribute positively to both the local and global community.

Environmental Performance

Shanzu Teachers Training College has a comprehensive environmental club aimed at minimizing our ecological footprint. It outlines our commitment to reducing energy consumption, managing waste responsibly, and promoting biodiversity within and around our college.

Our successes include the implementation of the college-wide recycling program and the installation of solar panels to reduce our reliance on non-renewable energy sources. We are planning to make strides in water conservation through the use of rainwater harvesting systems.

Employee Welfare

Our hiring policies are designed to be inclusive, ensuring a balanced gender ratio and reflecting the diversity of our community. Stakeholder engagement is a key component of our hiring process, with regular consultations held to review and improve our policies.

We are committed to the continuous professional development of our staff. Regular training sessions, workshops, and seminars are organized to enhance skills and career progression. Our appraisal and reward systems are merit-based, recognizing and rewarding excellence and commitment.

Shanzu Teachers Training College strictly adheres to the Occupational Safety and Health Act of 2007 (OSHA). We have comprehensive safety policies in place, including regular safety drills and training for all staff. We are proud to maintain a safe and healthy working environment for all employees.

Marketplace Practices

a) Responsible Competition Practice

Our institution is committed to fair and responsible competition. We adhere to anti-corruption laws, maintain transparency in our operations, and respect our competitors. We ensure that our involvement in political activities is responsible and aligned with our ethical standards.

b) Responsible Supply Chain and Supplier Relations

We uphold high standards in our supply chain management, ensuring that all suppliers are treated fairly. Contracts are honored, and payments are made promptly. We also engage with our suppliers regularly to ensure that they adhere to ethical and sustainable practices.

Environmental And Sustainability Reporting Statement (continued)

c) Responsible Marketing and Advertisement

Our marketing and advertisement efforts are conducted with integrity, ensuring that all information provided to prospective students and the public is accurate and ethical. We do not engage in misleading advertising and uphold the highest standards of honesty in all our communications.

d) Product Stewardship

Shanzu Teachers Training College is committed to safeguarding consumer rights and interests. We ensure that our educational services meet the highest standards of quality and that our students are treated with respect and fairness. Feedback mechanisms are in place to continuously improve our offerings and address any concerns.

We actively promote education, sports, and healthcare initiatives within our community. Our staff are encouraged to participate in continuous training and development programs. Additionally, we support local water and sanitation projects, contributing to the well-being of our community.

Corporate Social Responsibility / Community Engagements

Shanzu Teachers Training College is deeply committed to community engagement through a variety of Corporate Social Responsibility (CSR) activities. Over the past year, we have conducted several impactful initiatives.

These activities have not only benefited the communities we serve but have also strengthened the relationship between the college and the local population, contributing to our reputation as a socially responsible institution

This report reflects our ongoing commitment to sustainability and community engagement. We are proud of the progress made but recognize that there is always room for improvement. We remain dedicated to advancing our sustainability efforts, enhancing employee welfare, and maintaining responsible marketplace practices.

11. Report of the Board of Management

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

Principal activities

The principal activities of the college are stated on page v

Results

The results of the college for the year ended June 30 are set out on page 1-6

Board of Management

The members of the Board who served during the year are shown on page viii-xiii

Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the college for the year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Secretary of the Board
Nairobi
Date:25/11/2025

Shanzu Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2025

12. Statement of Board of Management/Responsibilities

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

The Board of Management members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, (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 College, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012. The Board of Management members are of the opinion that the College's financial statements give a true and fair view of the state of the College's transactions during the financial year ended June 30, 2025, and of the College's financial position as at that date. The Board of Management members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Financial Statements

The College's financial statements were approved by the Board on 23/09/2024 and signed on its behalf by:



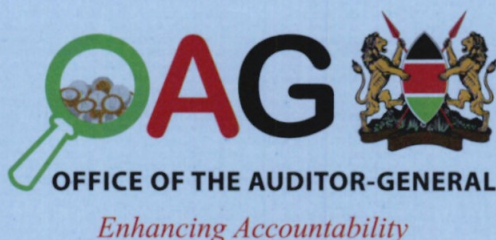
Name: Rev. Dr. Alphonse Baya
Chairperson of the Board of Management



Name: Lilian Musembi
Accounting Officer/Ag.Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON SHANZU TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on 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 intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Shanzu Teachers Training College set out on pages 1 to 42 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the 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 the Shanzu Teachers Training College as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccurate Statement of Cash Flows

The statement of cash flows and Note 20 to the financial statements reflects cash and cash equivalents balance of Kshs.20,459,650. Further, the statement reflects net increase in cash and cash equivalents of Kshs.3,597,750 which differs with the recalculated amount of Kshs.(12,774,088). The resulting variance of Kshs.16,371,838 which has not been explained.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.20,459,650 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparative basis of Kshs.149,319,899 and Kshs.134,603,066 respectively resulting to income shortfall of Kshs.14,716,833 or 10% of the budget.

The under realization affected implementation of planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Audit Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the College in 2024/2025 revealed that the following four (4) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccurate cash and cash equivalents
2	2023/2024	Inaccurate property, plant and equipment balance
3	2023/2024	Non-compliance with the law on ethnic composition
4	2023/2024	Irregular finance costs

Other Information

Conclusion

The Board of Management is responsible for the Other Information set out on page v to xxx which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, , Environmental and Sustainability Reporting, Report of the Board of Management, Statement of Board of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES.

Conclusion

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

Basis for Conclusion

1. Non - Compliance with the Law on Staff Ethnic Composition

Review of personnel records revealed that the College had fifty-one (51) employees as at 30 June, 2025, out of which thirty-six (36) or approximately 71% were from the dominant ethnic community in the region. This is contrary to the provisions of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff.

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

2. Irregular Finance Costs

The statement of financial position and Note 28 to the financial statements reflects borrowings of Kshs.30,718,626. Further, the statement of financial performance reflects finance costs of Kshs.3,889,805 in respect of loan interest on borrowings during the year. The accrued interest and principal to date totals to Kshs.153,287,031 which is higher than the initial principal amount of Kshs.59,461,520 by Kshs.93,825,511 resulting to irregular extra payments of Kshs.34,363,911 above the allowable interest payable. The payments were contrary to Section 44A (2) (b) of the Banking Act, CAP 488 which provides that the maximum interest in accordance with the contract between the debtor and the institution, shall not exceed the principal owing when the loan becomes nonperforming.

In the circumstances, the regularity of the payment of interest of Kshs.3,889,805 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance.

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

In preparing the financial statements, Management is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2025

Shanzu Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	12,761,432	17,283,739
		12,761,432	17,283,739
Revenue from Exchange transactions			
Rendering of services- fees from students	7	98,710,298	56,977,591
Sale of goods	8	448,880	1,457,240
Rental revenue from facilities and equipment	9	6,527,911	13,296,378
Finance income	10	22,440	13,359
other income	11	25,284,438	29,837,331
Revenue from Exchange transactions		130,993,967	101,581,899
Total Revenue		143,755,399	118,865,638
Expenses			
Use of goods and services	12	57,338,923	39,699,815
Employee costs	13	20,026,029	18,447,841
Board Expenses	14	1,307,351	739,000
Depreciation and amortization expense	15	18,442,012	
Other expenses	16	26,895,709	26,169,301
Income Generating activities Expenses	16		11,617,716
Rent expenses	16		156,235
Repairs and maintenance	17	9,727,370	5,395,848
Finance costs	18	3,889,805	5,017,425
Total Expenses		137,627,199	107,243,181
Other Gains/(Losses)			
Gain on sale of assets	19	251,000	
Total Other Gains/(Losses)		251,000	
Net surplus/(deficit) for the year		6,379,200	11,622,457

The Financial Statements set out on pages 1 to 4 were signed by:



Chairman of Board

Date: 25/11/2025



Principal

Date: 25/11/2025



Finance Officer

ICPAK No. 22482

Date: 25/11/2025


Shanzu Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	20	20,459,650	16,861,900
Current receivables from exchange transactions	21	2,044,557	20,964,018
Inventories	22	544,620	862,314
Total Current Assets		23,048,827	38,688,232
Non-Current Assets			
Buildings			48,750,898
Property, plant, and equipment	24	51,900,709	49,747,000
Intangible assets	25	2,712,931	
Total Non-Current Assets		54,613,640	98,497,898
Total Assets (A)		77,662,467	137,186,130
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	26	9,510,152	5,344,791
Current provisions	27		60,261
Total Current Liabilities		9,510,152	5,405,052
Non-Current Liabilities			
Borrowings	28	30,718,626	35,014,740
Total non-current liabilities		30,718,626	35,014,740
Total Liabilities (B)		40,228,778	40,419,792
Net Assets(A-B)		37,433,689	96,766,338
Represented By:			
Revaluation Reserves		96,766,318	98,497,898
Capital Fund		(65,711,829)	-
Accumulated Surplus		6,379,200	(1,731,560)
Net Assets		37,433,689	96,766,338

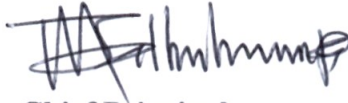
Shanzu Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2025

The Financial Statements set out on pages 1 to 6 were signed by:



Chairman of Council/Board

Date:25/11/2025



Chief Principal

Date:25/11/2025



Finance Officer

ICPAK No.22842

Date:25/11/2025

Shanzu Teacher Training College

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

16. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/ Fund	Total
At July 1, 2023	48,750,878	(13,353,997)		(62,104,875)
Revaluation gain	49,747,000	-	-	49,747,000
Surplus/(deficit) for the year	-	11,622,457	-	11,622,457
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to				
Retained earnings	-	-	-	-
At June 30, 2024	98,497,878	(1,731,560)	-	96,766,318
At July 1, 2024	-	-	-	
Revaluation loss		-		
Surplus/(deficit) for the year	-	6,379,200		6,379,200
Capital grants received during the year	-	-	-	
Transfer of depreciation/amortisation from capital fund to				
Retained earnings	(65,711,829)	-	-	(65,711,829)
At June 30, 2025	32,786,049	4,647,640	-	37,433,689

Shanzu Teacher Training College

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

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

Description		2024/2025	2023/2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities			17,283,739
Rendering of services- fees from students		98,710,298	54,790,563
Sale of goods		448,880	1,457,240
Rental revenue from facilities and equipment		6,527,911	12,867,898
Finance income		22,440	13,359
Miscellaneous income		25,284,438	27,936,922
Prepayments			2,328,152
Fees arrears paid		3,398,961	8,555,754
Total Receipts		134,392,928	125,233,627
Payments			
Use of goods and services		57,338,923	42,730,632
Employee costs		20,026,029	21,810,204
other expenses		26,895,709	11,617,716
Repairs and maintenance		9,727,370	5,395,848
Hire of Facilities			26,084,226
Board of Management		1,307,351	739,000
Rent expenses			156,235
Creditors paid			14,403,853
Finance cost		3,889,804	5,017,425
Total Payments		119,185,186	127,955,139
Net Cash Flows from operating activities	29	15,207,742	(2,721,512)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(21,466,911)	
Proceeds from sale of property, plant and equipment		1,671,000	
Net Cash flows from investing activities		(19,795,911)	-
Cash flows from financing activities			
Repayment Of Borrowings		(8,185,919)	(4,157,576)
Net cash flows used in financing activities		(8,185,919)	(4,157,576)
Net Increase/(Decrease) in Cash and Cash equivalents		3,597,750	(6,879,088)
Cash and Cash equivalents at 1 July	20	16,861,900	23,740,988
Cash and Cash equivalents at 30 June	20	20,459,650	16,861,900

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

Description	Original budget	Adjustments	Finalbudget	Actual on comparable basis	Performance difference	Utilizati on
						Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c *100
Budget carryovers from the previous year*						
P/Emoluments & M.O.E Grants	18,165,645	913,720	19,079,365	17,273,208	1,806,157	91%
Rendering of services	81,949,898	8,152,036	90,101,934	85,068,629	5,033,305	94%
Sale of goods	1,080,000	0	1,080,000	448,880	631,120	42%
Rental revenue from facilities	12,000,000	(4,000,000)	8,000,000	5,010,791	2,989,209	63%
OTHER Income	29,395,400	0	29,395,400	25,284,438	4,110,962	86%
Rental Income	1,663,200	0	1,663,200	1,517,120	146,080	91%
Total Income	144,254,143	5,065,756	149,319,899	134,603,066	14,716,833	90%
Expenses						
Use of goods and services	82,337,881	(1,459,457)	80,878,424	67,624,219	13,254,205	84%
Employee costs	21,288,585	(173,808)	21,114,777	20,026,029	1,088,748	95%
Hire of Facilities	4,350,000	1,000,000	4,324,000	5,120,157	229,843	96%
Sale of goods	895,000	250,000	895,000	1,096,680	48,320	96%
Rental Expenses	1,000,000	0	1,000,000	132,410	867,590	13%
Miscellaneous Expenses	27,438,054	0	27,438,054	24,436,267	3,001,787	89%
Total Expenditure	137,309,520	(1,659,265)	135,650,255	118,435,762	17,214,493	87%
Surplus For the Period	6,944,623	6,725,021	13,669,644	16,167,304	(2,497,660)	118%
Capital Expenditure				24,728,652		

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	16,167,304
1	Finance income	22,440
2	Prepayments	2,279,738
3	purchase of PPE	(24,728,652)
4	Proceeds from sales	1,671,000
5	Loan repayments	(8,185,919)
6	Cash and cash equivalents opening balance	16,861,900
	Closing Cash and Cash Equivalent as per the statement of Cash flows	20,459,649

19. Notes to the Financial Statements

1. General Information

Shanzu Teachers Training College is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is the training of teachers and providing educational services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities, and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed notes.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The values are rounded off to the nearest shilling.

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

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3. Adoption of New and Revised Standards

When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2024

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

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

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

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

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	<p>IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.0

iii. Early adoption of standards

The college did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on *17/07/2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2024/2025 budget following the Board's approval. The college's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per the First Schedule of the Income Tax Act (Cap. 470, Laws of Kenya).

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity

instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Shanzu T.T.College.

l) Provisions

Provisions are recognized when Shanzu T.T.College 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 Shanzu T.T.College 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

Shanzu T.T.College 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

Shanzu T.T.College 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 college in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

m) Social Benefits

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

n) Nature and purpose of reserves

Shanzu T.T.College creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

Shanzu T.T.College 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 college, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

t) Service concession arrangements

Shanzu T.T.College 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, Shanzu T.T.College 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 college also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Shanzu T.T.College 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 college. 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 college.
- 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 .

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.

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6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Operational Grant	12,761,432	17,283,739
Total Government Grants and Subsidies	12,761,432	17,283,739

7. Rendering of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Boarding, Equipment's and stores	29,363,904	20,989,688
Contingencies	4,468,100	2,095,438
Teaching, Equipment's and store	4,476,600	2,159,861
Local Transport and travelling	5,027,290	3,054,371
Activity	5,348,352	2,776,461
Electricity, Water and conservancy	4,974,122	3,396,951
Repair maintenance and improvement	3,236,522	2,377,643
Vehicle repair and maintenance	6,719,220	4,582,022
I.C.T	4,980,080	3,125,126
Medical fund	979,920	830,345
Students' governance	604,700	303,300
Personal Emolument subsidy	15,205,872	6,767,957
Clubs & environmental subsidy	635,780	317,000
KNEC Assessment fee	2,832,400	779,384
KNEC practicum	2,078,839	1,217,020
KUCCPS	664,900	2,205,384
Others-fees arrears	7,113,697	
Total Revenue from The Rendering of Services	98,710,298	56,977,591

This is revenue generated form income generating activities i.e,sale of milk,cows, and cafeteria sales.

8. Sale of goods

Description	2024/2025	2023/2024
	Kshs	Kshs
Sale of Farm Produce	448,880	1,345,240
Cafeteria sales		112,000
Total Revenue from Sale of Goods	448,880	1,457,240

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9. Rental revenue from facilities and equipment

Description	2024/2025	2023/2024
	Kshs	Kshs
Hire of Facilities / Equipment & Contingent rentals	5,010,791	11,414,848
Rental income	1,517,120	1,881,530
Total	6,527,911	13,296,378

This income is generated from hire of college facilities and equipment's like; grounds , halls, kitchen ,buses, projectors etc and rent from staff houses.

10. Finance Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest from fixed deposits	22,440	13,359
Total finance income	22,440	13,359

Interest from fixed deposit account.

11. Other Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Graduation fees	803,500	
Center fee	199,700	
Disposals	314,100	20,000
Shanzu Business school	23,967,138	29,727,781
Sale of Empty jericans		2,550
Tender		87,000
Total other income	25,284,438	29,837,331

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12. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Boarding, Equipment's and stores	28,521,371	18,193,447
Contingencies	4,548,503	1,845,452
Teaching, Equipment's and store	1,745,189	1,023,847
Local Transport and travelling	4,158,850	3,801,782
Electricity, Water and conservancy	3,602,759	2,892,211
Medical fund	409,871	227,422
Activity	6,864,241	4,415,504
KNEC Assessment fee	1,555,700	452,684
Students' governance	542,053	369,036
KNEC practicum	691,100	765,915
ICT	3,122,705	2,812,748
Clubs & environmental subsidy	27,625	301,200
Kuceps		727,500
Others-Contracted security service	1,548,956	1,871,067
Total good and services	57,338,923	39,699,815

13. Employee costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	17,522,937	17,561,810
Employee related costs - Gratuity	2,503,092	886,031
Employee Costs	20,026,029	18,447,841

14. Board Of Management Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
BOM Allowances	1,307,351	739,000
Total	1,307,351	739,000

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15. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	17,537,702	-
Intangible assets	904,310	-
Total depreciation and amortization	18,442,012	-

16. Other expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Business school	19,572,341	25,919,821
Tender	57,243	149,480
Hire of facilities	5,120,157	10,690,936
Canteen/Cafeteria		112,000
Dairy farm	1,096,680	814,780
Rent expenses	132,410	156,235
graduation expenses	916,878	
Development Account		100,000
Total	26,895,709	26,169,301

17. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Furniture and fittings	7,630,390	3,829,701
Vehicles	2,096,980	1,566,147
Total Repairs and Maintenance	9,727,370	5,395,848

18. Finance Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest on Loans from Kingdom Bank	3,889,805	5,017,425
Total Finance Costs	3,889,805	5,017,425

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19. Gain On Sale of Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment	251,000	
Intangible Assets		
Total Gain On Sale of Assets	251,000	

20. Cash and Cash Equivalent

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	13,860,660	10,333,175
On - Call Deposits	Transferred	2,018,763
Savings Account	3,378,455	2,943,208
Fixed Deposits Account	444,845	424,409
Others (Business school Accounts)	2,775,442	1,062,957
Mobile money payment	-	-
Cash In hand	246	79,388
Total Cash and Cash Equivalent	20,459,650	16,861,900

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20 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	Account	2024/2025	2023/2024
		name		Kshs
a) Current Account				
National Bank	01021007524800	Main A/C	9,891,732	7,138,940
National Bank	01021007598000	College fund a/c	3,715,679	2,936,065
National Bank	01022007965301	Development a/c	33,284	35,324
National Bank	01285072978600	Chapel a/c	219,965	222,846
Sub- Total			13,860,660	10,333,175
b) Savings account				
National Bank	01242007718000	Examination a/c	3,074,577	2,265,907
National Bank	01242007717900	Caution money	0	617,040
National Bank	01242007965400	Gratuity a/c	303,878	60,261
Sub- Total			3,378,455	2,943,208
c) On-Call Deposit				
Co-operative bank	01139838900000	Msambweni ttc	Transferred	2,018,763
Sub- Total				2,018,763
d) Fixed Deposit Account				
National Bank	01300007524801	Fixed Account	444,845	424,409
Sub- Total			444,845	424,409
e) Business School Accounts				
Equity Bank	0460292639081	Income Gen.A/C	2,710,647	653,916
Kingdom Bank	2101711931007	P1 module	54,500	128,830
Kingdom Bank	2101711931004	Examination a/c	10,295	280,211
Sub- Total			2,775,442	1,062,957
Cash in Hand			246	79,388
Mobile Money				
Sub- Total			246	79,388
Grand Total			20,459,650	16,861,900

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21. (a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	1,485,177	20,535,538
Rent Debtors	123,310	428,480
Salary advance	34,700	
Other debtors	401,370	
Total Current Receivables	2,044,557	20,964,018

21 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,044,557	100%	20,964,018	100%
Between 1- 2 years	0	0	0	0
Between 2-3 years	0	0	0	0
Over 3 years	0	0	0	0
Total (a+b)	2,044,557	100%	20,964,018	100%

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22. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Stationary stores	85,990	247,745
Health Unit stores		43,922
Catering stores		545,895
Boarding store	458,630	24,752
Total Inventories at lower of Cost and Net Realizable Value	544,620	862,314

The inventories decreased by Kshs. 317,694 compared to the prior year, due to higher consumption of goods and services.

23. Non-Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision Utilised	-	-	-	-	-
Total Provisions	-	-	-	-	-

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

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24. Property, Plant and Equipment

	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and	Capital	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		25%		30%			
At 1 July 2024	48,750,878	9,747,000		40,000,000			98,497,878
Additions	7,502,500	12,534,431		1,074,480			21,111,411
Disposals		(1,420,000)					(1,420,000)
Transfers/Adjustments	(48,750,878)						(48,750,878)
Revaluation							
At 30th June 2025	7,502,500	20,861,431		41,074,480			69,438,411
Depreciation And Impairment							
At 1 July 2024							
Transfer/Adjustment							
Annual Depreciation		(5,215,358)		(12,322,344)			(17,537,702)
At 30 June 2025	7,502,500	15,646,073		28,752,136			51,900,709

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Notes to the Financial Statements (Continued)

Valuation

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

24(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	7,502,500		7,502,500
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	20,861,431	5,215,358	15,646,073
Computers and Related Equipment	41,074,480	12,322,344	28,752,136
Office Equipment, Furniture, And Fittings	-	-	-
Total	69,438,411	17,537,702	51,900,709

25. Intangible Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	3,617,241	-
At end of the year	3,617,241	-
Additions—internal development	-	-
At end of the year	3,617,241	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	904,310	-
At end of the year	904,310	-
Impairment loss	0	-
At end of the year	904,310	-
NBV	2,712,931	-

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26. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	7,603,436		128,692	
Fees paid in advance			2328152	
Caution money account			617040	
Examination account	377,360		2,265,907	
Other Payables prepaid rent			5000	
Other Payable-Supplier Retention	747,250			
With-Holding Tax	124,731			
With-Holding Income	224,175			
Sponsorship	79000			
Payroll liabilities	354,200			
Total Trade and Other Payables	9,510,152		5,344,791	
Ageing analysis:	Current FY	% of the Total	% of the Total	% of the Total
Under one year	9,510,152	100%	100%	5,344,791
1-2 years	0	0	0	0
2-3 years	0	0	0	0
Over 3 years	0	0	0	0
Total (to tie to totals above)	9,510,152	100%	100%	5,344,791

27. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Recognition of Retirement Benefit Asset/ Liability

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

Description	2024/2025	2023/2024
	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 (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

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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 and is currently at Kshs. XXX per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

28. Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance at beginning of the year	35,014,740	39,172,316
Repayments of external borrowings during the year	(4,296,114)	(4,157,576)
Balance at end of the year	30,718,626	35,014,740

29. Cash generated from operations.

Surplus for the year before tax	2024/2025	2023/2024
	Kshs	Kshs
Adjusted for:-surplus	6,379,200	
Depreciation	18,442,012	xxx
Non-Cash grants received		(xxx)
Contributed assets	-	(xxx)
Impairment		xxx
Gains and Losses on Disposal of Assets	(251,000)	(xxx)
Contribution to provisions	(60,261)	xxx
Contribution to impairment allowance	-	xxx
Finance Income	(22,440)	(xxx)
Finance Cost	3,889,804	xxx
Working Capital Adjustments		
Decrease in Inventory	317,694	(xxx)
Increase in Receivables	(17,652,628)	(xxx)
Increase in Deferred Income		xxx
Increase in Payables	4,165,361	xxx
Increase in Payments received in advance	-	xxx
Net Cash Flow from Operating Activities	15,207,742	xxx

30. Financial Risk Management

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

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

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Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
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.

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Foreign currency sensitivity analysis

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

U	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	-	-
Usd	10%	-	-
20xx		-	-
Euro	10%	-	-
Usd	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

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iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

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31. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

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

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

32. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

33. Events After The Reporting Period

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

34. Ultimate And Holding Entity

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

35. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CR/AUD/14/1/2022/23(4) 1.	Casting errors in the Statement of Comparison of Budget and Actual Amounts	Errors rectified and financial report amended.	Resolved	
2.	Inaccuracies in cash and cash equivalents	Error rectified.	Resolved	
3.	Failure to prepare statement of changes in Net Assets	Statement of Changes in Net Assets was prepared and amended our financial report.	Resolved	
4.	Unsupported Current receivables from Exchange transactions.	The current receivables were supported with the required documents.	Resolved	
5.	Undisclosed Assets.	Assets were disclosed although evaluation not done .	Not resolved	Partly solved .
6.	Unsupported inventories	Inventories were supported with the required documents.	Resolved	
7.	Unsupported repairs and Maintenance Expenses	Expenses for the repairs and maintenance were supported with the required documnts.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
8.	Budgetary control and performance	Under expenditure was explained .	Resolved	
	Irregular Board Allowances	Irregularity noticed and rectified.	Resolved	
	Irregular Finance costs	Irregularity noticed and were still making follow-ups.	Resolved	
	Stalled Project	The project relates to the Construction of Msambweni TTC and its fully complete.	Resolved	



Name: Lilian Musembi
Ag. Accounting Officer
Shanzu Teachers Training College
Date :25/11/2025

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Appendix II: Projects Implemented by Shanzu T.T.College

Projects

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

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

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity

Name of beneficiary entity

Confirmation of amounts received by as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

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